

Ministry of Foreign Affairs of Denmark

DANIDA



**SM1:
Development Engagement Document**

**Support to Private Sector Development Phase III
(SPSD III)
2016 - 2020**

**Engagement A: Business Advocacy Challenge Fund Phase
III
(BUSAC III)**

Ghana

26 February 2016

TABLE OF CONTENT

1 INTRODUCTION1

2 PARTIES.....1

3 DOCUMENTATION1

4 BACKGROUND1

5 DEVELOPMENT ENGAGEMENT OBJECTIVE 3

6 THEORY OF CHANGE NARRATIVE 3

7 RESULTS FRAMEWORK..... 5

8 LESSONS LEARNED FROM BUSAC I & II 7

9 STRATEGIC FOCUS OF ENGAGEMENT..... 8

10 SPECIAL CONSIDERATIONS 12

11 TRANSITIONAL ISSUES, EXIT STRATEGY AND SUSTAINABILITY 13

 11.1 Transitional Issues..... 13

 11.2 Exit Strategy and Sustainability 13

12 RISK MANAGEMENT 16

13 INPUTS 19

14 MANAGEMENT ARRANGEMENTS 19

15 FINANCIAL MANAGEMENT 21

16 MONITORING & EVALUATION 21

- Annex 1: Detailed engagement budget
- Annex 2: Design Principles for Testing Window 5
- Annex 3: Draft Terms of Reference for the BUSAC III Steering Committee
- Annex 4: Draft Terms of Reference for the BUSAC III Fund Manager
- Annex 5: Guide to monitoring BUSAC III

ABBREVIATIONS

AGI	Association of Ghana Industries
BATUMB	Business Associations, Trade Unions and Business Media
BDS	Business Development Services
BSPS	Business Sector Programme Support
BUSAC	Business Sector Advocacy Challenge Fund
CBO	Community-Based Organisation
CPIA	Country Policy and Institutional Assessment
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
Danida	Danish International Development Cooperation
DFID	Department for International Development
DKK	Danish Kroner
DP	Development Partner
EDF	European Development Fund
EU	European Union
EUR	Euro
FBO	Farmer -Based Organisations
GHS	Ghana Cedi
GIMPA	Ghana Institute Of Management And Public Administration
GoG	Government of Ghana
GSGDA II	Ghana Shared Growth and Development Agenda
HOLIFE	House of Liberation for Empowerment
HRBA	Human Rights Based Approach
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
M&E	Monitoring & Evaluation
P.A.	Per Annum
PANT	Participation, Accountability, Non-discrimination, and Transparency
PEF	Private Enterprise Federation
PPD	Public-Private Dialogue
PSDS	Private Sector Development Strategy
PSO	Private Sector Organisation
SC	Steering Committee
SPSD	Support to Private Sector Development (programme)
SWG	Sector Working Group
SWOPA	Sirigu Women's Organisation for Pottery and Art
TBD	To Be Decided
ToR	Terms of Reference
UN	United Nations
USD	US Dollar
USAID	United States Agency for International Development
WB	World Bank

Exchange rates, 15. January 2016:

1 USD = 6.842 DKK

1 DKK = 0.572 GHS

1 EUR = 7.462 DKK

1 INTRODUCTION

The present development engagement document details the objectives and management arrangements for the third phase of the development cooperation concerning “Business Advocacy Challenge Fund, phase III” (BUSAC III) as agreed between the parties specified below. The engagement document is annexed to the contract between the Danish International Development Cooperation (Danida) and the BUSAC III Fund Manager and constitutes an integrated part hereof together with the documentation specified below. BUSAC III builds on the lessons learned from its previous two phases. The Danish support is part of the support provided to the “Support to Private Sector Development, phase three (SPSD III)” as part of the Danish development cooperation with Ghana.

Through a delegated cooperation agreement with the Danish Embassy, the European Union (EU) intends to provide additional funding for BUSAC III at Euros (EUR) 7 million (corresponding to about Danish Kroner (DKK) 52.2 million). Furthermore, United States Agency for International Development (USAID) has indicated readiness to continue contributing to Business Advocacy with a total of USD 5 million (corresponding to about DKK 34.4 million) also through a delegated cooperation agreement with the Danish Embassy.

2 PARTIES

Embassy of Denmark, 67 Dr. Isert Road, North Ridge, Accra, Ghana

and

BUSAC III Fund Manager (including a local institution) to be identified through an international tender process.

3 DOCUMENTATION

“The Documentation” refers to documentation for the supported intervention, which is:

SPSD III Strategic Programme Document, December 2015 (separate cover)

Terms of Reference (ToR) for the BUSAC III Steering Committee (attached as annex 3)

ToR for the BUSAC III Fund Manager (attached as annex 4).

4 BACKGROUND

Governments form and influence the environment in which national and international businesses operate. The business environment depends on a large number of factors such as infrastructure, water, land, power, telecommunication, skilled labour, tax, employment law, environment law, trade, business registration, security, corruption etc. A conducive business environment –providing positive conditions for the performance and sustainability of formal and informal private sector companies - is widely considered to be a prerequisite for economic growth and poverty reduction¹.

¹ DCED (2008)

In Ghana, as elsewhere, private sector organisations² (PSOs) representing business interests have come to play an important role in facilitating the development and maintenance of the business environment within which their members can function. The interrelationship is optimised where the functional relationship between the state and the private sector is open, transparent, and rules based – conditions that are necessary to ensure the integrity of the overall business environment and serve as a check on corruption and other unacceptable business practices. The relationship builds partly upon evidence-based advocacy from private sector organisations. Broadly speaking, this advocacy concerns ‘the process of working with and or on behalf of clients to obtain services or to seek the attention of the Government, public, academia, etc. to issues affecting enterprise survival, growth, and or development.’ To work optimally, the benefits need to be mutual; the private sector needs to gain better conditions for productivity and profits, the government has an interest in economic growth, in securing its revenue base and thereby ensuring that resources are available for social development, including health and education.

Ghana has experienced steady economic growth over the past decade and has transitioned into a lower-middle income country with more and better performing private sector enterprises. However, in recent years, large fiscal and external imbalances have led to a slowdown in growth, putting Ghana’s medium-term prospects at risk. The country is currently implementing a three-year International Monetary Fund (IMF) supported Extended Credit Facility, anchored on Ghana’s second Ghana Shared Growth and Development Agenda (GSGDA II), aimed at achieving fiscal consolidation. The programme is expected to strengthen the fiscal position by mobilizing additional revenues, and make space for priority spending. Over the past three years growth has been low at around 3-4%. And the business environment is under pressure.

In the Global Competitiveness Index, Ghana dropped eight positions from 2012 to 2014, and especially scored low on infrastructure, macroeconomic environment, higher education and training, labour market efficiency and technological readiness. In the World Bank (WB) Doing Business Index, Ghana dropped 45 positions from 2013 (69) to 2016 (114), and scored very low on dealing with construction permits, getting electricity, paying taxes, trading across borders and resolving insolvency. And in the latest WB Country Policy and Institutional Assessment (CPIA), Ghana was ranked lowest among 38 countries in Africa. The Transparency International’s Afro Barometer survey on corruption in Africa paints a gloomy picture for Ghana; out of 36 sub-Saharan African countries surveyed, Ghana had the second worst corruption perception index reading. The Association of Ghana Industries (AGI) and its members have expressed concern over the inadequate power supply, cedi depreciation/exchange rate volatility, access to credit, cost of credit, cost of labour and influx of imported goods. Concurrently, the implementation of the national Private Sector Development Strategy (PSDS II) that was supported by Danida during SPSD II, has experienced serious delay.

Danida initiated its support to business advocacy in 2004 through the Business Advocacy Challenge Fund. Other development partners such as EU, Department for International Development (DFID), and USAID later joined to provide funding and other resource

² Private sector organisations include business groups and associations and farm-based organisations (FBOs).

support. Danida's support to business advocacy in Ghana made it one of the pioneer components of the Business Sector Programme Support (BSPS) initiative and later through the SPSP II. The overall aim of the Fund at its inception was to 'provide sustainable growth and better legal and regulatory conditions for businesses'. This was anticipated to be done through intense advocacy efforts of Private Sector Associations and the Trades Union Congress.

Recent reviews and evaluations have judged the programme successful in the sense that it has benefitted thousands of mostly small associations spread across the country. Capacity to conduct advocacy has increased for a large number of PSOs at especially the sub-national level, and grantees have reported positive effects in terms of the sector or industry specific issues that were addressed³. It has, however, been recommended that the programme should reduce its spread and focus by concentrating on fewer, larger associations that have nationwide membership. The impact, institutional and financial sustainability has also been subject to criticism. For example, the BUSAC II's evaluation (2014) estimated that as many as 95% of grantees would not be able to carry out high quality advocacy without further financial support. And it has therefore been recommended to strengthen both the technical, institutional and financial ability of the PSOs to be able to continue with structured and evidence-based business advocacy in the absence of support from BUSAC Fund in the future. Other recommendations have included that the management arrangement be revisited with a view arriving at more institutional and financial sustainable solutions.

5 DEVELOPMENT ENGAGEMENT OBJECTIVE

The objective of the SPSP III Thematic Programme is **“Promotion of inclusive and greener economic growth through private sector development leading to increased income and better welfare of Ghanaians”**.

The BUSAC III Engagement will contribute to achievement of the SPSP III objective through the following two outcomes:

- Policies, laws and regulations relating to the private sector have been enhanced and contribute to an improved enabling environment for business at national and local levels,
- Strengthened institutional, technical and financial capacity of PSOs to pursue business advocacy actions and to become more sustainable.

In order to achieve the outcomes, a number of outputs are defined and will be achieved through activities to be implemented by the BUSAC III Engagement.

6 THEORY OF CHANGE NARRATIVE

In line with the above outcomes, the basic theory of change is that:

if BUSAC III enhances and provides support to the capacity of private sector organisations to advocate business enabling reforms in laws, policies and regulations in Ghana and extends platforms for dialogue with relevant public sector stakeholders,

³ Evaluation of the Business Sector Advocacy Challenge Fund, Ghana (2014)

then the environment for doing business will be improved (leading ultimately to a more vibrant private sector, lower barriers to doing business (such as costs and bureaucracy), increased turnover, increased employment and income and ultimately reductions in poverty),

because private sector organisations will be better able to draw from and communicate evidence-based and targeted arguments, and convince public sector decision makers to contribute to enhancing a business-friendly regulatory framework. Consequently, benefits will accrue to the economy and society as a whole.

This logic is illustrated in the figure below:

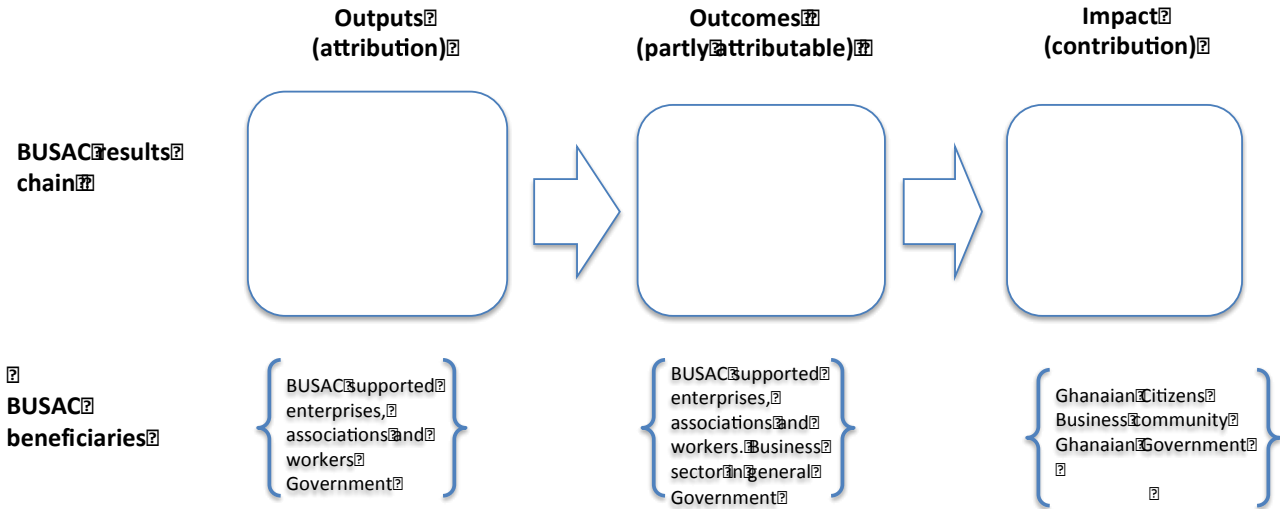


Figure 1: BUSAC intervention logic

Underpinning this theory of change are a number of assumptions (relating to BUSAC III, to PSOs and to the Government of Ghana (GoG):

- That BUSAC III PSOs have sufficient base-capacity to make use of BUSAC III capacity building and that a larger number can be capacitated to an extent that their advocacy capacity will be sustainable without further external financial assistance.
- This assumes also that staff being capacitated stay with the organisation and/or that mechanisms for transferring knowledge and capacity exist.
- That BUSAC III supported advocacy is not significantly at variance with advocacy emerging from other sources.
- That BUSAC III supported advocacy also targets improvements in health and safety and environmental standards and that advocacy capacity in these areas exists or can be developed.
- Evidence-based, market related research is available and can easily be accessed or sourced by PSOs.
- That BUSAC III PSOs are located in recognised key sectors of the Ghanaian economy

- That PSOs are able to organise Public-Private Dialogue (PPD) platforms with agenda that are strong/targeted/relevant enough to attract relevant public sector counterparts
- That PSOs are able to access, coordinate and articulate evidence-based arguments on priority issues relating to the business enabling environment at national and local levels
- That PSO advocacy is correctly targeted at elements of the business environment over which GoG/duty bearers have control/influence
- That the advocacy is suitably timed in relation to the national fiscal year and policy processes.
- That the GoG is willing and has an interest in interacting with PSOs and recognises the value added by this interaction
- The GoG officials are in post for a sufficient length of time – or that there is sufficient continuity between staff changes – to facilitate cohesive policy change and follow-up
- That GoG officials are willing to utilise PPD platforms as one of the vehicles for interacting with the private sector (alongside other channels)
- That GoG decision-makers recognise and are willing/able to respond to the arguments and evidence presented by the PSOs and take action to adjust policies, laws and regulations in line with the advocacy (i.e. that there is sufficient uptake).

7 RESULTS FRAMEWORK

The parties have agreed to measure progress related to the planned outcome and outputs as described below. Any adjustments in the budget will call for a revision of the indicators presented below

Engagement Title 1		Business Advocacy Challenge Fund (BUSAC III)	
Outcome 1		Policies, laws and regulations relating to the private sector have been enhanced and contribute to an improved enabling environment for business at national and local levels	
Outcome indicator 1.1		Number of existing and new policies, laws and regulations relating to the business enabling environment at national/local levels that are changed/issued following BUSAC III funded advocacy activity	
Baseline	Year	2016	0
Target	Year	2020	8 new laws and policies issued/revised, 12 national/local regulations issued or revised
Outcome indicator 1.2		# policies, laws and regulations relating to the business enabling environment at national/local levels that are implemented and enforced following BUSAC funded advocacy activity	
Baseline	Year	2016	0
Target	Year	2020	7 laws and policies implemented and enforced, 10 regulations at national/local level are implemented and enforced,
Outcome indicator 1.3		Correlation (%) between implemented and enforced policies, laws and regulations at national level following BUSAC III funded advocacy activity and critical issues highlighted and prioritised by businesses	
Baseline	Year	2016	0
Target	Year	2020	70% correlation
Outcome 2		Strengthened institutional, technical and financial capacity of PSOs to pursue business advocacy actions and to become more sustainable	
Outcome indicator 2.1		Increase in membership of BUSAC supported PSOs	

Baseline	Year	2016	0
Target	Year	2020	40 % cumulative
Outcome indicator 2.2		Increase in dues-paying members of BUSAC III supported PSOs	
Baseline	Year	2016	0
Target	Year	2020	25 % increase (cumulative)
Outcome indicator 2.3		PSOs pursuing advocacy actions outside the support of BUSAC III	
Baseline	Year	2016	0
Target	Year	2020	40 %

Output 1		Capacity of PSOs to address issues of district and community level importance to the business community through advocacy actions increased	
Output indicator 1.1		(a) # Advocacy campaigns addressing district and community level business constraints completed in line with campaign objectives; (b) # of rapid response advocacy actions; (c) % of women participants	
Baseline	Year	2016	(a) 0, (b) 0, (c) 0
Target	Year	2020	(a) At least 100 actions; (b) to be decided (TBD); (c) 25% of women participants in (a) and (b)
Output 2		Capacity of PSOs to address issues of national importance to the business community through advocacy actions increased	
Output indicator 2.1		(a) % Advocacy campaigns addressing national level business constraints assessed to have been completed in line with campaign objectives; (b) advocacy actions addressing green growth issues to have been completed in line with campaign objectives; (c) % of women participants; (d) number of enterprises affected by the result of the advocacy;	
Baseline	Year	2016	(a) 0, (b) 0, (c) 0, (d) 0
Target	Year	2020	(a) 50% of campaigns are successful; (b) 20 green growth related campaigns; (c) 25% of women participants; (d) 20,000 enterprises are affected;
Output 3		Public-private dialogue platforms facilitated by BUSAC III and operating	
Output indicator 3.1		(a) # dialogue platforms, (b) % PPD meeting two times or more per annum (p.a.); (c) % of women participants	
Baseline	2016	2016	(a) 0, (b) 0, (c) 0
Target	2020	2020	(a) 10 platforms created; (b) 40 %; (c) 25 % of women participants
Output 4		Post advocacy follow up takes place with public and private stakeholders aimed at improving implementation of policies, laws and regulations affecting the business environment	
Output indicator 4.1		# of post advocacy actions completed with support from BUSAC III	
Baseline	Year	2016	0
Target	Year	2020	At least 30 post advocacy actions p.a.
Output 5		PSO capacity to facilitate provision of business development services to members increased	
Output indicator 5.1		(a) # of business development services (BDS) providers trained; (b) # of PSOs facilitating BDS to their members	
Baseline	2016	2016	(a) 0, (b) 0
Target	2020	2020	(a) at least 150 BDS providers trained (40% women); (b) at least 35 PSOs with national or regional coverage
Output 6		Capacity of national collaboration partner/host to promote business advocacy by facilitating public-private dialogue, providing training on business advocacy and collecting an ensuring financial support for projects and future operations	
Output indicator 6.1		National partner/host institution identified and engaged in promoting business advocacy via BUSAC III	

Baseline	Year	2016	0
Target	Year	2017	Contracted and engaged
Output indicator 6.2		TBD	
Baseline	Year	2016	TBD
Target	Year	2020	TBD

More elaboration on each indicator including collection of necessary data is attached in Annex 5 of the Strategic Programme Document, “Monitoring & Evaluation of SPSPD III”. The concrete indicators and targets for output 6 will be defined after identifying and selecting the fund manager and national collaboration partner/host.

8 LESSONS LEARNED FROM BUSAC I & II

BUSAC I and II have made substantial contributions to the promotion of business in Ghana, which most likely will outlast the operations of BUSAC. With the advent of the BUSAC Fund initiative, the capacities of PSOs have been adequately built to effectively engage with policy makers and other influential individuals and organisations.

BUSAC’s operations have contributed to a positive impact on the business environment as revenue and profits of individual businesses of grantees have increased significantly while the cost of doing business has decreased. An impact assessment carried out covering BUSAC and II (till 2014) concluded that, average monthly revenue and monthly profit of individual businesses of grantees was more than 50% higher as compared to their non-grantee counterparts. Additionally, the study found that the individual businesses of grantees were able to create two more jobs on the average compared to individual businesses of non-grantees.

An evaluation of BUSAC I and II carried out in 2014 concluded:

- BUSAC has evolved and strengthened through “learning by doing”. This reflects both the need to respond to the challenges of a complex sector and set of objectives, but also the substantial learning that has developed in relation to both understanding how business advocacy can create improved business environments.
- BUSAC’s wide range of advocacy support is both a strength and weakness of BUSAC. Hundreds of farm-based organisations (FBOs) and small PSOs have been empowered to advocate and it has given a wealth of information on determining what works in advocacy that can be tapped for future analysis.
- High level impacts of BUSAC are hard to measure and attribute. An ex-ante construction of a programme theory of change may have given rise to a choice of outcome and impact indicators that were both measurable and attributable, as well as providing stronger evidence of contribution or attribution.
- Advocacy alone is insufficient for the development of most economic sectors and sub-sectors and implementation of negotiated advocated issues is difficult in Ghana due to a lack of resources available to duty bearers. There were several instances where stakeholders interviewed, including grantees, called for BUSAC to play a more proactive role in providing resources to help implement agreements.

- Focussing on strategically important matters in a challenge fund context requires significant up-front investment in research to attract the best concepts, and the invitational grant idea goes a long way to achieving that.

Finally, numerous success stories have been developed based on the more than 700 grants given during BUSAC I and II. Two cases in particular demonstrate the power of advocacy skills as follows:

Case 1: HOLIFE, Upper West

House of Liberation For Empowerment (HOLIFE), an association of 500 women in the Upper West Region of Ghana, have through advocacy secured land tenure arrangements for women in agriculture which hitherto was impossible due to traditional custom. They have also advocated for reduced interest rates for women in business and have secured reduced rates from two banks on group lending basis for their members leading to decent job creation and income generation.

Case 2: SWOPA, Upper East

Sirigu Women's Organisation for Pottery and Art (SWOPA) was supported to advocate for having electricity installed in their facilities. This enabled SWOPA to increase their business, now everybody that comes to buy things in SWOPA gets what they want, before it was too hot and dark. The electricity has enabled the women to be more independent of their husbands as they can now provide for their children too. Electricity has also provided relief to hundreds of homes in the local community.

9 STRATEGIC FOCUS OF ENGAGEMENT

BUSAC III builds upon the experiences gained from its predecessors. This include reducing the spread and concentrating on fewer, larger associations that have nationwide membership as well as building the long term sustainability of the PSOs to continue with structured and evidence-based business advocacy in the absence of support from BUSAC Fund. BUSAC III will continue to operate as a challenge fund providing support to PSOs, both at national, sectoral and local levels, in order to empower these to pursue issues affecting the performance of the members through advocacy actions. BUSAC III will furthermore assist PSOs to strengthen their long-term capacity to engage in evidence-based advocacy activities and to become better at supporting member's to take advantage of new opportunities deriving from improvement in the business environment. BUSAC III will also continue the newly established rapid response facility to cater for ad hoc advocacy issues calling for swift response by the private sector and affected duty bearers. BUSAC III will give special attention to legal and rights based challenges within the broader range of sustainable agriculture and energy as well as supporting national green growth advocacy issues to promote renewable energy and enabling sustainable environment with the active involvement of the private sector, to ensure an all-inclusive approach, a focused presence in the northern regions of Ghana will be included through an office in Tamale. Finally, BUSAC III will establish a facility for support to implementation of agreed regulatory reforms and practices (called post-advocacy actions).

The enterprises and the organisations, which BUSAC III deals with, are rights holders as well as duty bearers. On the one hand BUSAC III will assist them in rights-based advocacy in relation to government and traditional authorities. On the other hand BUSAC III will also

make them aware of the relevant rights and standards they have to comply with (United Nations (UN) Global Compact principles, Ghanaian standards as well as other relevant international standards adopted within the framework of the UN) advise them and capacitate them to fulfil and meet these rights and standards (Refer also to Annex 13 of the Strategic Programme Document).

BUSAC III's activities will be structured around five "windows":

Window 1 (maximum 90% grant/ USD 15,000) caters for district, community and rapid response business advocacy actions.

As regards the district and community level issues, the grantees will be district-based PSOs or Community-Based Organisation (CBOs) catering for specific groups of business operators such as traders, farmers or miners. Examples of issues to be supported include land rights, especially for women, and workers' right, discriminatory treatment of weak groups, non-delivery of public services and goods etc.

This will have the form of a combination of open calls and invitational grants, and include a Rapid Response Facility. Examples of issues calling for immediate action could be an urgent need to organise a consultative process to improve the quality of a bill being reviewed at parliamentary select committee for a given sector. **The maximum grant size under Window 1 is USD 15,000.** For grant sizes up to USD 7,500, the BUSAC III Fund Manager will be authorised to approve applications if endorsed by the chair of the BUSAC III Steering Committee. Such grants will be presented to the Steering Committee subsequently. The grant element can be up to 90% of the costs of the advocacy action, for PSOs and civil society organisations (CSOs) that are applying for the first time. For PSOs and CSOs that have benefitted earlier the maximum grant element will be 80%.

Window 2 (maximum 80% grant/ USD 75,000) addresses advocacy issues of national and/or sectoral significance, including green growth issues.

This will have the form of a combination of open calls and invitational grants. The grantees are expected to be medium to larger PSOs/business associations. In order to enhance the sustainability prospects, the supported advocacy actions must have a clear effect on the economic robustness of the PSO and its members. In addition to addressing specific legal or regulatory constraints, the support will focus on strengthening the capacity of the supported PSOs to undertake evidence-based advocacy beyond the support by BUSAC III. The strategic partnerships between BUSAC III and a PSO, which may have several years' duration, will be based on a strategy plan, spelling out the details of how to strengthen the capacity of the PSO. The plan will focus on how to sustainably build up the advocacy capacity, including how to collect the evidence needed to substantiate the organisation's arguments. Special attention will be given to the possibility of facilitating partnership arrangement between Ghanaian PSOs and regional/international PSOs through twinning arrangements. And moreover this window will contribute to the green growth agenda by supporting initiatives relating to the institutional and regulatory frameworks for renewable energy and energy efficiency. Projects under this window will be subject to the standard BUSAC III approval process. **The maximum grant size under Window 2 is USD 75,000.** The grant element cannot exceed 80% of the total costs of the project. PSOs that have benefitted substantially under the previous BUSAC support will receive a lower grant element

than the 80%. This graduation of grant support will be described in details in the operations manual for BUSAC III.

Window 3 (maximum to be established) is a facility for creation of platforms for private-public dialogue (PPD).

Although BUSAC has become increasingly a household name in Ghana, links to the national authorities can be improved. BUSAC III will therefore widen and intensify the efforts to create a business-enabling environment and speed up the business reform process through facilitation of the private sector's collaboration with relevant ministries, departments and agencies. Creation of relevant PPD fora to gather broader support for needed reforms and regulatory development is seen as an important instrument to achieve this. The PPD platform may take the form of more permanent structures and become an integrative part of the Private Sector Working Groups (SWGs) which, in addition to government and development partner representatives from 2014 includes representatives from PSOs. The PPDs may also be of an ad hoc nature centred on specific topical issues. Examples of private sectors issues that may warrant creation of PPD platforms include the business taxation regime, export promotion initiatives and improvement of the supply of energy. On certain topics, it may be relevant to involve representatives for organised labour in the dialogue process. Participation in PPD fora will be coordinated closely with the Danish Embassy. Denmark has a prolonged tradition for PPD, which may be drawn on if found relevant.

Creation of PPD platforms will be facilitated by BUSAC III, but in close dialogue with leading PSOs and key ministries such as Ministry of Trade & Industry, Ministry of Food & Agriculture and Ministry of Finance. An important role of BUSAC III will be to facilitate the collaboration between the PSOs, which at times have difficulties agreeing on a common approach to essential legislative and regulatory issues. With funding from Switzerland, the International Finance Corporation (IFC) has successfully piloted a PPD concept in the health sector. The experience from this will serve as a source of inspiration for this initiative. A potential linkage also exists with the newly approved Danida Tax and Development programme, which among other things deals with the taxation of private businesses and customs regulations. **The Steering Committee will decide the ceiling for initiatives under this window**, based on the recommendation of the BUSAC III Fund Manager. BUSAC III can fund consultancy services required to establish and operate the PPD platforms, the cost of meetings and workshops, relevant studies etc. BUSAC III cannot pay for the members' participation in PPD events.

Window 4 (maximum 80% grant/ USD 75,000) is a post-advocacy facility.

The evaluation of BUSAC (2014) concluded that although many advocacy actions were very successful in the sense that an agreement was reached among key stakeholders on the activities required in order to address the issues which sparked the advocacy action, actual implementation has been weak and in many instances non-existent. This window primarily caters for activities intended to ensure that once the regulatory framework is in place, government institutions will enforce the compliance of a given law and regulation. The activities will aim at providing support and assistance to PSOs to monitor and engage with government bodies on the enforcement of agreed policies, laws and reforms are eligible for support. Applications to the window can be from PSOs and will be considered according to merit, based on criteria to be approved by the BUSAC III Steering Committee. The specific post-advocacy action must be a follow-up initiative related to successful advocacy actions

funded by BUSAC I-III. The **maximum grant size under Window 2 is USD 75,000** with a maximum grant element of 80%.

Window 5 (maximum 80% grant/ USD 50,000) will support PSOs to provide BDS for their members. Experience shows that many enterprises, especially smaller ones, do not have the capacity to take advantage of emerging business opportunities; often they are not even aware of changes to the legal and regulatory environment. This window will apply a two-phased approach. First, interested PSOs will be supported to develop their capacity to identify the needs of their members for the assistance of BDS providers. Second, the PSOs will, with the assistance of certified service providers, prepare training and coaching programmes for their members. It is expected that by offering this type of services, the PSOs will increase their credibility and attracting more dues-paying members. Examples of membership services to be provided through the PSOs include assistance to develop bankable business plans, financial management training, guidance on market access (domestic and export) and general management principles, training and advice on Corporate Social Responsibility (CSR)-principles, coaching on production and productivity and quality standards and assurance. Furthermore, Window 5 will co-finance initiatives by PSOs to inform their members about changes to specific policies, regulations and standards, and how to apply. This may consist of a combination of information campaigns and training events. The applicants under Window 5 will be PSOs. The application must indicate the BDS provider(s) who will be providing the services. The **maximum grant size under Window 5 is USD 50,000**. The grant element cannot exceed 80% of the total costs of the BDS project. The PSO shall bear the cost of the PSOs' co-financing, and the PSO is expected to request participating member companies to contribute financially. The Window 5 scope presents itself to close collaboration and coordination with a similar capacity development under the Skills Development Fund, which will be factored into the two engagements from the outset of further planning i.e. the development of Operations Manuals.

The actual support to the members must be provided by an accredited BDS provider to be trained and accredited by BUSAC III. BUSAC III will update the designed modularised training programme for interested BDS providers in order to secure that enough competent BDS specialists are available to ensure successful implementation of Window 5. On the basis of a needs assessment, the details of the BDS provider training programme, including duration and eligibility criteria, will be decided by the BUSAC III Steering Committee in consultation with key stakeholders. The training will be completed by a test. Delivery of the BDS provider training will be outsourced to an existing training/research institution such as Ghana Institute of Management and Public Administration (GIMPA) or similar. Interested BDS providers will have to respond to a call by BUSAC III. BUSAC III will cover up to 75% of the cost of the training.

Since window 5 is a new facility introducing new services at PSO level, it will be tested initially on a limited trial basis e.g. through a thematic call for proposals. Lessons learned will be documented by BUSAC III management and presented to the BUSAC III Steering Committee. The design principles to be used for testing the new facility is described in annex 2.

The institutional sustainability will be addressed through the engagement of a Ghanaian institution, which will host/partner BUSAC III and seek to continue BUSAC III operations

beyond the termination of the programme. Outside the five core windows, a special budget line has been earmarked for strengthening the capacity of the host institution. The Ghanaian partner institution will be identified based on a competitive bidding exercise. An institutional assessment will be carried out by the Danish Embassy during 2016, among others to advise the number of qualified Ghanaian partner institutions. The BUSAC III Fund Manager will, based on the institutional assessment, carry out the selection of the partner institution with the BUSAC III Steering Committee acting as the selection committee. The funding development partners will have to endorse the partner institution before final selection and contracting.

The mandate of BUSAC III is comprehensive and it will be one of key issues to assess by the Mid-term review at the end of 2017 if indeed this broader mandate is compliant with the wish to be handing over responsibility to the partner institution for continuing business advocacy beyond BUSAC III.

The BUSAC III Secretariat (Fund Manager and Team) will be kept lean, but must have in-house expertise in all the above-mentioned fields. As is the case for BUSAC II, external service providers will be contracted to undertake specialised coaching, supervisory and monitoring functions.

10 SPECIAL CONSIDERATIONS

BUSAC has described itself as supporting, among other things, “right-based advocacy” and it is aligned to the underlying principles of Danida’s Human Rights Based Approach (HRBA): Participation, Accountability, Non-discrimination, and Transparency (PANT). In BUSAC III, this entails 1) non-discrimination by focussing on empowering focusing on poverty-stricken rural women and handicapped through Window 1; 2) participation and inclusion by e.g. providing support to organisations of disadvantaged entrepreneurs, who claim their rights to improve their opportunities; 3) transparency by creating awareness of rights and obligations and being open about its own procedures; and 4) accountability by supporting small businesses in holding government at various levels accountable. This will be ensured by guiding BUSAC III procedures and operations by the PANT principles, which also will be applied by the BUSAC III Steering Committee when deciding on the funding criteria.

BUSAC III will moreover adopt an inclusive approach by promoting human right standards such as UN Guiding Principles on Business and Human Rights, the International Labour Organisation’s (ILO) Convention on Decent Work and the UN Global Compact. This includes supporting good governance in all supported PSOs, BDS providers and enterprise grantees and increase their awareness and understanding of the underlying principles including labour rights and occupational health and safety, payment of taxes and contribution to government revenue, gender equality, good corporate governance and business ethics, and improving environmental performance that addresses environmental challenges. Hence, BUSAC III will not only address issues focusing on duty bearers’ responsibility and capacity to enforce the rights of rights-holders, it will also deal with issues of corporate governance, decent work and ethical business culture. These principles will be incorporated in the criteria for screening applications. Moreover, this will be included in future BUSAC training packages and PSOs will be encouraged to launch membership information campaigns on these issues. A guidance note on HRBA and Gender is provided in Annex 13 of the SPSP III Strategic Programme Document.

Another important role of BUSAC III will be to promote green growth in relation to encouraging public policy interventions wherever needed and encourage private sector investments in this area. More specifically, this will include legislative framework in areas of energy efficiency improvements, renewable energy and sustainable natural resources management. Also, it is recommended that BUSAC III engage with key stakeholders in the sectors related to green growth including Energy Commission, Energy Foundation and New Energy to inform them about the possibilities of applying for grants.

11 TRANSITIONAL ISSUES, EXIT STRATEGY AND SUSTAINABILITY

11.1 Transitional Issues

The present funding of BUSAC II will come to an end by end of June 2016. It is important for the smooth transition of the activities of BUSAC II to BUSAC III that all documents and data related to BUSAC II are available for the BUSAC III Fund Manager. It is the responsibility of the Danish Embassy to ensure this. Furthermore, it is assumed that the BUSAC III Fund Manager will take over all existing assets. Moreover, during the transition phase between SPSSD II and SPSSD III (April to June 2016), the current BUSAC II Management and senior staff will brief the incoming team on all relevant key administrative and operational issues. The BUSAC III Fund Manager will have the responsibility to continue and complete bridging grants and any grants not completed by June 2016.

11.2 Exit Strategy and Sustainability

Since this is expected to be the last phase of Danida's support to private sector development in Ghana, an effective exit strategy including strong considerations and principles of impact, institutional and financial sustainability have guided the formulation and design of BUSAC III.

The impact sustainability of BUSAC III refers to the institutional, technical and financial ability of the PSOs to continue with structured and evidence-based business advocacy in the absence of support from the BUSAC III Fund in the future. Various studies, reviews and evaluations during BUSAC I and II have considered sustainability of high quality advocacy as a major issue for many of BUSAC's grantees and the BUSAC evaluation (2014) estimated that as many as 95% of grantees will not be able carry out high quality advocacy without further financial support. This was however at odds to a BUSAC management survey where 38% of the interviewed grantees considered that they have the capacity to conduct focused advocacy action without external support. To ensure the sustainability of the PSOs, this will therefore be further addressed through the various windows in BUSAC III, where capacity development of the PSOs should empower the organisations to continue pursuing business advocacy actions and to become more sustainable. This has been incorporated into the results framework, where "*Strengthened institutional, technical and financial capacity of PSOs to pursue business advocacy actions and to become more sustainable*" has been integrated as one of two high-level outcome objectives.

The institutional and technical sustainability of the PSOs refers to the organisations' capacity to develop the required skills internally to prioritise advocacy as a central element in its development efforts and pursue advocacy actions outside the support of BUSAC III, and ideally to go through the full cycle of advocacy. In addition to addressing regulatory

constraints, BUSAC III will focus on strengthening the capacity of the supported PSOs to undertake evidence-based advocacy beyond the support by BUSAC III. And it is required that the supported advocacy actions must have a clear effect on the economic robustness and sustainability of the PSO and its members. The institutional and technical sustainability of the PSOs are reflected in the results framework and will be monitored.

The financial capacity of the PSOs refers to the organisations' ability to generate funds internally and externally to pursue evidence-based business advocacy. The 2014 evaluation estimated that only 7.2% of the 690 BUSAC II applicants showed financial results that indicated that they could afford to advocate successfully. The majority of these are national based institutions. At the same time, there has been a 63% increase in dues paying membership of PSOs during BUSAC II, and it is the experience and position by the BUSAC Fund that by developing the advocacy capacity of the PSOs, they will attract more dues paying members and thereby strengthen their financial sustainability. Moreover, it is expected that by offering BDS services through Window 5, the PSOs will increase their credibility and strengthen their dues-paying membership base. The financial sustainability of the PSOs will be monitored and evaluated through the results framework.

The institutional sustainability of the BUSAC III Fund will be addressed through the engagement of a Ghanaian host/partner institution that will conduct research, take part in strengthening the capacity of national PSOs and ensure that capacity to support future business advocacy challenges beyond BUSAC III remains available. It is furthermore expected that the national partner will have developed sufficient capacity to take part in a possible continuation of the Fund's' activities including ensuring its financial sustainability. An advocacy fund like BUSAC III is dependent on external financing for its existence. By its very nature, an advocacy fund is not meant to receive any financial contribution from the government coffers. Hence, the existence of BUSAC III beyond 2020 will depend on the preparedness of other Development Partners' or private contributors to continue the funding. It is anticipated that the national collaboration partner will take on revenue collection and fundraising activities to ensure further financial sustainability of the BUSAC III Fund. There are already strong examples today, where Ghanaian non-profit think tanks and private sector organisations such as IMANI Centre for Policy and Education and Private Enterprise Federation (PEF)) successfully raise funds and collect revenue through membership dues and contributions from development partners and private sector actors.

The institutional assessment of the potential partner institutions to be carried out by the Danish Embassy in 2016 will also define the role and mandate of the host institution, the options available for revenue generation and fundraising in a medium to long-term perspective to continue supporting advocacy work beyond BUSAC III and ensuring the institutional and financial sustainability of the BUSAC III Fund. Moreover, this will be further strategized, developed and integrated into the results framework by the BUSAC III Fund Managers, when the fund manager and national collaboration partner have been identified.

The mid-term review will assess the prospects for further funding and financial sustainability, as well as assessing the capacity of the local host institution to take over more responsibility for the remaining period of implementation of BUSAC III. The BUSAC III Fund Manager will have to build exit scenarios from the beginning of the programme for approval at the

steering committee. If no funding from other development partners or private sector actors has been secured in terms of supporting BUSAC III after exit of Danida, the BUSAC III Fund Manager should ensure that all grants are properly closed before SPSPD III comes to an end and that the lessons learned are well documented and available with the local institution and shared with relevant stakeholders. As regards the winding up of the activities of BUSAC III, it is expected that the last 6 months of the implementation will be an exit phase. During this phase, all grants will be closed and pending implementation issues settled.

12 RISK MANAGEMENT

While annex 4 (Risk Management Framework) of the Strategic Programme Document comprises of the programme level risks, the below risk matrix demonstrates the risks related to the BUSAC III engagement area.

Risk Factor	Likelihood	Background to assessment of likelihood	Impact	Background to assessment to potential impact	Risk response	Residual Risk
Programmatic risks						
GoG organisations become less interested in collaborating with BUSAC III	Unlikely	GoG organisations already collaborate with BUSAC III	Major	Collaboration with GoG organisations is essential, if the business advocacy is to translate into new/changed policies, laws or regulations and an improved business environment.	Maintain relevance of advocacy. And management of BUSAC III to be reconstituted if interest in BUSAC III falters	Minor
Insufficient number of quality applications to the BUSAC III	Unlikely	Experience from BUSAC I & II demonstrate an increasing and continuous demand for the support	Minor	The quantity and quality of applications will influence business advocacy actions and thereby also improvements to the business environment.	Intensified promotion of BUSAC III and reassessment of co-funding requirements	Insignificant
Issues addressed by invitational grants not reflecting key business constraints	Unlikely	The advocacy issues for invitational grants are to be determined	Minor	Issues not reflecting key business constraints will have limited impact on the	Intensified dialogue with PSOs to ensure that invitational grants are in line with perceived constraints	Insignificant

		through research and consultations with the private sector including national PSOs		business environment and enterprise growth prospects	and/or reduce number of invitational calls	
PSO capacity does not develop as anticipated	Likely	Effective advocacy skills are absent in a lot of Ghanaian PSOs	Minor	Policies, laws or regulations related to the business environment will not be issued or changed following evidence-based business advocacy	The ability to build such capacity during BUSAC III will remain a risk.	Minor
Members of PSOs not interested in taking advantage of the services of the trained BDS providers considering that an own contribution of 20% is required	Likely	Provision of BDS is already widespread and acknowledged in Ghana. However, small and medium enterprises (SME's) are not yet very familiar with own contributions of significant value.	Minor	As window 5 is a new facility, it will initially be tested on a limited trial basis, before it is approved by the Steering Committee and fully launched.	Reassessment of the output, intensified outreach and possible revision of the grant element and budget	Minor
GoG representatives not interested in participating in the PPD	Unlikely	GoG representatives already participate in various PPDs.	Minor	Participation of GoG representatives is essential, if the PPDs are to translate into new/ changed	PPD concept to be reconsidered and possibly abandoned	Insignificant

				policies, laws or regulations.		
Institutional risks						
BUSAC III Fund Manager misappropriates funds (reputational risk for Denmark)	Unlikely	The future BUSAC III Fund Manager will be selected on a competitive international tender, and will demonstrate their governance arrangements.	Major	As the contract will be terminated immediately, it will have immense influence on the further implementation.	Regular financial checks and audit. Availability of suitable staff. If misuse occurs, the contract is to be terminated immediately	Insignificant
Poor value for money i.e. weak results (reputational risk for Denmark)	Likely	Evaluations and impact assessments of BUSAC I and II demonstrate mixed results in terms of impact.	Major	Poor value for money would include limited impact on the business environment and conditions for enterprise growth.	Management, reviews, risk reviews, audits and monitoring will regularly assess the value for money.	Minor

The BUSAC III Steering Committee is responsible for mitigating the programmatic and institutional risks.

13 INPUTS

The following SPSP III resource envelope will be allocated to the Business Advocacy engagement:

#	Output	Million DKK
		<i>Total</i>
1	District and community level advocacy actions	12.0
2	Capacity of PSOs to undertake advocacy activities	31.0
3	Public-Private Dialogue Platforms created	12.2
4	Post advocacy undertakings	16.3
5	PSO membership services	20.4
6	Capacity of institutional host and partnership organization to provide evidence on private sector issues	4.0
	Outreach, grantee monitoring assistance, training	3.5
	Management contract, operational costs	22.0
TOTAL BUSINESS ADVOCACY ENGAGEMENT		121.4

A detailed budget is provided in Annex 1.

Danida will provide DKK 35 million for financing of the BUSAC III Engagement and the EU DKK 52.2 million (EUR 7 million). Furthermore, USAID has indicated readiness to continue contributing to Business Advocacy with a total of USD 5 million (corresponding to about DKK 34.2 million). However, in case that USAID funding does not materialise, the gap may be covered by other development partners or the budget will be revised. In case of a permanent funding gap for BUSAC III possible scenarios will be developed for the Mid-term review, late 2017, to consider and advise upon. A total budget of DKK 121.4 million is planned for the BUSAC III.

Reallocation between budget lines concerning the above six outputs can be made within a frame of 10% if agreed by the BUSAC III Steering Committee, however Danida maintains the right to sanction such decision. Reallocations between budget lines of more than 10% shall be agreed between the BUSAC III Steering Committee and the Danish Embassy. In case of the need for reallocations Danida will seek consent with the other funding partners prior to such decisions.

14 MANAGEMENT ARRANGEMENTS

The following management arrangement will apply to the BUSAC III Engagement:

It is expected that in addition to Danida, the EU and USAID, will co-finance BUSAC III through a delegated partnership arrangement. The Delegated Cooperation agreements with EU and USAID are planned to be developed and agreed to in April-May 2016. The Agreements will also designate the Danish Embassy as the Lead Development Partner (DP), who will be responsible for contracting issues.

Similar to the present phase a BUSAC III Steering Committee (SC) will be established. The BUSAC III SC will have three members from the private sector, three GoG representatives, (one from Ministry of Trade and Industry, one from Ministry of Local Government and one from Ministry of Finance), and one representative from the DPs. The Steering Committee may invite co-funding DPs to attend its meetings as observers. The Embassy will in

consultations with other funding partners appoint the members representing the private sector. The BUSAC III Steering Committee will be responsible for the overall transparent, accountable and strategic oversight and management of BUSAC III. It will provide advice on the direction of BUSAC III, review and comment on progress reports, audit reports, evaluation reports, plans and budgets, and review and make decisions on grant applications.

Day-to-day management will be undertaken by a BUSAC III Secretariat operated by a BUSAC III Fund Manager which will be tendered internationally. The consultancy contract will initially have the duration of 2½ years with the possibility of an extension for another two years. An international consultancy will serve as the fund manager. A Ghanaian non-profit organisation such as a research institution or think-tank will serve as the national collaboration partner (local host) and support the core functions of the BUSAC III Fund also beyond the current phase of Danish support. A main role of the national partner is to conduct research and collect factual information on selected private sector topics, to take part in strengthening the capacity of national PSOs, to take part in post-advocacy follow-up activities and to provide feedback on the effect of the supported advocacy activities. Moreover, the national partner will ensure that capacity to support the future advocacy challenges beyond BUSAC III remains available.

The international consultancy and the national collaboration partner will be identified and selected through separate tender processes, initially with the tender for the BUSAC III Fund Manager planned for February-May 2016. The specific roles and responsibilities of the international consultant and the national partner including associated costs shall be specified in a separate tendering process. The scheduled mid-term review by the end of 2017 will advise on a possible continuation of the BUSAC III Fund Manager contract beyond mid-2018.

The BUSAC III Secretariat will be responsible for screening applications and only the applications that successfully pass the screening will be presented to the BUSAC III Steering Committee for approval/rejection. The Secretariat will prepare a “package” containing all documentation of importance for the Committee to take an informed decision on the proposed activities. The BUSAC III Secretariat will report to the BUSAC III Steering Committee on all matters related to implementation of the project. All contractual matters between the BUSAC III Fund Manager and Danida will be handled directly between the two parties. The BUSAC III Secretariat will prepare work plans, budgets and procurement plans for the Steering Committee’s approval. The BUSAC III Secretariat will be responsible for carrying out activities assigned in the approved work plans and budgets.

The BUSAC III Secretariat will be headed by the BUSAC III Fund Manager. The BUSAC III Secretariat, which will have its head office in Accra, will be kept lean and only maintain key staff in-house. The BUSAC III Secretariat may be located at the national collaboration partner’s premises. It is expected that the BUSAC III Secretariat as a minimum will have the following professional staff: a Fund Manager, two grant officers, a BDS/organisation development specialist, a financial controller, a monitoring and evaluation (M&E) specialist and a part-time IT-specialist. In addition, BUSAC III will rely on a pool of external trainers, data collectors and grantee monitors. The BUSAC III Fund Manager is the secretary to the BUSAC III Steering Committee.

The BUSAC III Fund Manager will be a member of the SPSPD III Coordination Committee (see description of the coordination and management mechanisms at SPSPD III level in the Strategic Programme Document).

15 FINANCIAL MANAGEMENT

Danida will transfer funds directly to a dedicated account opened by the BUSAC III Fund Manager with a reputable bank with interbank net facility. When a grant application is approved, the BUSAC III Fund Manager will disburse funds to the grantee's bank account on evidence the grantee has deposited the agreed amount on BUSAC III's account. The BUSAC III Fund Manager and a representative from the BUSAC III Steering Committee will sign all payments.

The BUSAC III Fund Manager has prudential responsibility of funds and shall ensure that funds are used in accordance with the approved budgets and operational guidelines.

The BUSAC III Secretariat will be required to develop procurement plans for approval by the BUSAC III Steering Committee. Financial reporting shall comply with the conditions set out by Danida for decentralised financial management. The BUSAC III Fund Manager will ensure that a financial audit is undertaken each year and that financial statements are prepared according to internationally accepted accounting standards and handed over to the auditor. The BUSAC III Fund Manager is also responsible for contracting annual audits of the financial statements and implementing any audit recommendations.

All contractual matters including payment of operational costs and salaries etc. between the BUSAC III Fund Manager and Danida will be handled directly according to the contract between the two parties.

As for BUSAC III, it is envisaged that the support from EU and USAID will be managed as delegated support through the Danish Embassy. A Delegated Agreement between the Danish Embassy and EU and USAID will form the basis for this.

16 MONITORING & EVALUATION

Monitoring and evaluation will be conducted at two levels. The BUSAC III Secretariat will be responsible for monitoring related to the results framework mentioned above, while a SPSP III M&E Consultant will be contracted to conduct programme level monitoring. The SPSP III M&E Consultant will have expertise in complex outcome-related monitoring. A close collaboration between the BUSAC III Secretariat and the SPSP III M&E Consultant is envisaged, especially in relation to monitoring of the outcomes. The purpose of the monitoring is to ensure that the planned activities are implemented as planned and should thus be seen as an engagement level management tool. The BUSAC III Fund Manager is supposed to employ a full-time M&E Consultant to oversee this.

Danida reserves the rights to initiate reviews or evaluations of the BUSAC III engagement at any time as deemed necessary.

SIGNATURES

This Engagement Document will be part of the contract between the BUSAC III Fund Manager and Danida.

Date:

BUSAC III Fund Manager

Embassy of Denmark, Ghana

ANNEX 1: BUSAC III Engagement budget in million DKK

#	Output	2016-20	2016	2017	2018	2019	2020
1	District and community level advocacy	12.0	1.6	2.6	3.5	3.5	0.8
2	Capacity of PSOs to undertake advocacy activities	31.0	3.7	6.1	8.3	8.3	4.6
3	Public-Private Dialogue Platforms created	12.2	1.6	2.6	3.5	3.5	1.0
4	Post advocacy undertakings	16.3	2.1	3.5	4.7	4.7	1..3
5	BDS to PSO members	20.4	2.6	4.4	5.9	5.9	1.6
6	Capacity of institutional host and partnership organization to provide evidence on private sector issues	4.1	0.5	0.9	1.2	1.2	0.2
	Outreach, monitoring assistance, training	3.5	0.4	0.7	1.0	1.0	0.4
	Management contract, operational costs	22.0	2.8	4.8	6.5	6.5	1.4
TOTAL BUSINESS ADVOCACY ENGAGEMENT		121.4	15.3	25.6	34.6	34.6	11.3

Danida will be providing DKK 35 million for financing of the budget, while the EU will be contributing EUR 7 million, corresponding to DKK 52.2 USAID has indicated readiness to continue contributing to Business Advocacy with a total of USD 5 million (corresponding to about DKK 34.2 million).

ANNEX 2: Design Principles for Testing Window 5

Window 5 is a facility for strengthening the capacity of PSOs to facilitate provision of business development services (BDS) to their members in response to improvements in the business environment following successful advocacy campaigns.

Since this is a new facility introducing new services at PSO level, it will be tested initially on a limited trial basis e.g. through a thematic call for proposals. And lessons learned will be documented by BUSAC III management and presented to the BUSAC III Steering Committee.

The following design principles are to be used for testing the new facility:

- The initial call for proposals will be limited to a specific thematic subject based upon successful advocacy work undertaken in partnership between BUSAC III, the PSOs and their membership. The thematic subject will be identified by PSOs in consultations with BUSAC III and their members. BUSAC III may support PSOs in developing sufficient capacity to identify and articulate members' needs.
- The business development services to be provided under the thematic call should enable the membership of PSOs to take advantage of and exploit new business opportunities as a result of changes in the business environment.
- BUSAC III will document the business model for the specific thematic call for proposals under this facility including scope, implementation modalities, selection criteria, and M&E system. The business model should be presented to the BUSAC III Steering Committee for approval before it is officially launched.
- PSOs will submit applications to BUSAC III, which will screen and select on a competitive basis against well-defined criteria shared with the PSOs.
- Selected PSOs will provide co-funding in accordance with established BUSAC III criteria e.g. 10% upfront before funds are released.
- PSOs will receive funds from BUSAC III and will be responsible for fund management including recruitment of BDS providers on a competitive basis and, preferably, based upon the BUSAC III roster of approved/accredited BDS providers. These responsibilities of the PSOs will be quality assured by BUSAC III. BUSAC III may provide training to PSOs in financial management, procurement and contract management as part of the support in order to secure they have sufficient management knowledge and capacity.
- In case BDS providers cannot be found among approved/accredited providers, BUSAC III will guide and support PSOs in identifying alternative relevant providers. BUSAC III may also provide technical training to a cluster of BDS providers – train the trainers - in cases where the knowledge and expertise is not locally available e.g. complying with specific international quality standards.

- The training programme will be open to all members of the PSO and they will be invited to apply for participation. Subject to the size of the membership of the respective PSOs, it may be necessary to undertake a competitive selection of participants based upon well-defined and published criteria using the PANT principles. The PSOs will, as appropriate, be encouraged to promote cost sharing among participants in order to enhance the sustainability of such membership services.
- Training will be delivered to a cluster of enterprises. The results of the training will be monitored by the PSOs and through the BUSAC III M&E system.
- Representatives from the PSOs will participate in the training as observers in order to monitor the training and to get a better understanding of the subject matter. After the training the PSO should have a general knowledge in order to advise members on where to get further technical advice and support.
- The facility should actively promote linkages to the SDF for complimentary services in terms of upgrading and improvements of skills, work practices and productivity of participating enterprises.
- The facility cannot be used for financing equipment or other assets. However, the facility should actively promote linkages to the RDF for access to finance for productivity and technology improvements including energy efficiency and renewable energy.

ANNEX 3: Draft Terms of Reference for BUSAC III Steering Committee

Terms of Reference BUSAC III Steering Committee

1. Introduction/Background

The Business Sector Advocacy Challenge (BUSAC) Fund was established in 2004 to provide grants, training, and technical support to Business Associations, Trade Unions and Business Media (BATUMBs). It was established with the aim of facilitating the development and growth of a competitive and vibrant private sector by improving the environment in which businesses operate. The first phase of the BUSAC Fund ended in February 2010. The second phase of the Fund became operational in March 2010 and will end in June 2016. BUSAC II was designed to consolidate the gains made in the first phase and to expand business advocacy activities in all the ten regions and all the sectors of the economy.

2. BUSAC III

BUSAC III is aimed at further improving the business environment in Ghana to facilitate private sector growth. BUSAC III will continue to operate as a challenge fund providing support to PSOs, both at national and local level, in order to empower these to pursue issues affecting the performance of the members through advocacy action. BUSAC III will furthermore assist PSOs to strengthening their capacity to engage in evidence-based advocacy activities and to become better at interacting with and servicing their members. As a new facility, BUSAC III will establish a rapid response facility to cater for the rights-based advocacy needs of smaller associations. BUSAC III will give special attention to legal and rights based challenges within the broader range of sustainable agriculture and energy. Finally, BUSAC III will establish a facility for support to implementation of agreed regulatory reforms and practices (called post-advocacy actions).

The expected outcome of BUSAC III is: 'Improved business environment through enhanced advocacy capacity of private sector organisations and creation of platforms for private public dialogue'.

BUSAC III is expected to achieve seven main outputs:

- (i) District and community level business constraints addressed through advocacy action
- (ii) Capacity of PSOs to undertake advocacy activities significantly increased
- (iii) Public-Private Dialogue Platforms created
- (iv) Increased attention to post-advocacy undertakings
- (v) Increased capacity of PSOs to identify BDS needs of members and facilitate ways to address these
- (vi) Capacity of research institutions and think-tanks to provide evidence on private sector advocacy issue increased

The BUSAC III Fund Manager is responsible for achieving the programme outputs and outcomes according to the Results Framework for BUSAC III, with report to the BUSAC III Steering Committee. The responsibilities include:

- Operate a demand-driven challenge fund
- Implement effective systems and processes to manage the programme, including effective control systems for grantees

- Be proactive and open a window for supply-driven initiatives e.g. for vulnerable groups who otherwise cannot effectively compete for funding or for initiatives deemed of national importance
- Undertake sensitization and capacity building for effective advocacy
- Ensure the visibility, effectiveness and efficiency of the Fund
- Promote networking and collaboration among the key business associations and the new target groups identified
- Ensure that the new initiatives under BUSAC III are carefully planned and implemented in accordance with the BUSAC III Engagement Document and the Strategic Programme Document
- Conduct monitoring and collect data necessary for programme level M&E in close collaboration with the SPSP III M&E Consultant
- Submit timely reports to the BUSAC III Steering Committee on all activities of the Fund
- Prepare reports as required by the DPs, including evaluation reports, and
- Coordinate closely with other SPSP III interventions and participate in the SPSP III Coordination Committee.

3. Organisation and Management of the BUSAC III

The BUSAC III Fund Manager will operate through a BUSAC III Secretariat, which is charged with the responsibility of successfully managing the programme over the programme duration and ensuring that it provides value for money. The BUSAC III Fund Manager is responsible for the day-to-day administration of the BUSAC III Fund under report to the BUSAC III Steering Committee. The BUSAC III Fund Manager will appoint a BUSAC III Fund Manager, who is in charge of the BUSAC III Secretariat.

4. Role of the BUSAC III Steering Committee

The third phase of the BUSAC III Fund will see the BUSAC III Steering Committee playing an active role in the activities of the BUSAC III Secretariat. The composition of the BUSAC III Steering Committee is as follows:

- Three representatives from the private sector
- Three representatives from Government – one from Ministry of Trade & Industry, one from Ministry of Local Government & Local Development and one from Ministry of Finance
- One from the Development Partners.

The Steering Committee may invite co-financing DPs to attend its meetings as observers.

The private sector representatives will be appointed by the Embassy of Denmark. The chairmanship of the BUSAC III Steering Committee will be reserved for one of the private sector representatives.

The BUSAC III Secretariat will be responsible for screening applications, evaluating them and proposing the successful ones to the BUSAC III Steering Committee for approval. The BUSAC III Secretariat will provide sufficient documentation to the BUSAC III Steering Committee for approval/rejection of recommended applications, including all important

documentation relevant for each case. The Fund Manager appointed by the BUSAC III Fund Manager will serve as the secretary for the Steering Committee.

The BUSAC III Steering Committee will be expected to:

- Be responsible for the overall policy direction and management of the Fund
- Provide transparent and accountable oversight activities and initiatives
- Provide advice on the strategic direction of BUSAC III
- Review and comment on the inception report, periodic progress reports, annual audit reports, external evaluation reports, work-plans and annual budgets
- Review and make decisions on approval of all grant applications
- Set general requirements for financial reporting by the Secretariat
- Supervise the finalisation of the log-frame and insure that indicator data are punctually collected and accurately reported
- Receive and approve quality assurance plans from the Secretariat on a regular basis
- Determine what supplemental studies could be funded that would guide the selection of supply driven invitational grants
- Approve via a 'a no objection' methodology the hiring of long term and short term technical assistance in support of the BUSAC III Secretariat, and
- Meet at a minimum quarterly each year and schedule additional meetings as needed.

It is expected that the BUSAC III Steering Committee will provide the needed support to the Fund Manager and his/her team to achieve the goals and objectives for which the BUSAC III Fund was established and has attracted support from various Development Partners. It is recommended that BUSAC III procedures and operations will be guided by the PANT principles and these principles will be applied by the BUSAC III Steering Committee when deciding on the funding criteria, including the counterpart funding, and in the grant approval process.

Danida will pay all private sector representatives on the BUSAC III Steering Committee an honorarium for participation in evaluation of applications to the BUSAC III, according to the actual time spent on this. The Danish Embassy will determine the size of the honorarium. It is expected that the concerned ministry will compensate for actual time spent of the government representatives on the Steering Committee.

ANNEX 4: Draft Terms of Reference for BUSAC III Fund Manager

Terms of reference - the Business Advocacy Challenge Fund III (BUSAC III) of the Danish Support to Private Sector Development, Phase III (SPSD III) Ghana 2016 – 2020

1. Introduction

A new Denmark – Ghana Partnership Policy 2014 – 2018 has been agreed between the two countries. The longstanding cooperation between Ghana and Denmark is a unique platform for leveraging the new strategic partnership. The main thrust of the partnership policy is to strengthen cooperation based on shared the objectives of strengthened political cooperation, promotion of inclusive and green growth, economic diplomacy and increased commercial cooperation, and consolidation of results in development programmes.

SPSD III comprises two main development engagements that will be funded from the budget committed for SPSP III and two side engagements that are a carryover from existing activities. The two main development engagements are the Business Advocacy Challenge Fund (BUSAC III) and the Skills Development Fund (SDF II). BUSAC has been supported by Danida for more than ten years under the Business Sector Programme Support (BSPS) and the SPSP II programmes.. Additionally two other engagements will continue during SPSP III, including i) the Rural Development Fund which pools all existing access to finance instruments under BSPS and SPSP II under one fund manager and ii) the Ghana Climate Innovation Centre (GCIC), both being implemented from 2016 to 2020. It is expected that special effort will be made to develop the synergy potential between the four development engagements.

BUSAC is a challenge fund providing support to advocacy initiatives aimed at improving the business climate in Ghana or targeting specific constraints faced by groups of business operators and associations. Following a successful implementation of BUSAC I and a steady progress of BUSAC. II, there are still some important areas that will require additional advocacy support. One of the main challenges with BUSAC I-II was to link the successful grants with the change in the national regulatory framework in a more general way. Although BUSAC has become increasingly a household name in Ghana the link to the national authorities is still being developed. BUSAC III will therefore also be tasked to directly support the business enabling environment and the business reform processes by creating amongst others very active Private Public Dialogue Platforms.

Strengthening the capacity of major business associations to advocate and build internal capacity to conduct issue-focussed research is still needed. Emphasis will be given to ensuring the institutional anchoring and partnership arrangement with Ghanaian private sector organisations (PSOs) and regional/international PSOs potentially in twinning arrangements. Invitations to apply for a challenge grant will be developed with a view to support medium to larger PSO/business associations amongst others within the broader range of sustainable agriculture and energy to address business constraints including legal and rights based challenges.

USAID and EU co-financed BUSAC II. While the EU has committed funding for BUSAC III under the 11th European Development Fund (EDF), USAID has indicated interest to

continue to co-fund BUSAC III. Delegated cooperation agreements are planned to be developed and signed with both EU and USAID during April-June 2016.

BUSAC has supported more than 500 business associations of which several have successfully addressed land rights in general and for women in particular. BUSAC has over the years developed to become the strongest collective voice of the private sector. Since its inception, it has aided PSOs to pass 40 legislations that impact on the business environment with 124 other legislations in the process of being enacted. This development engagement will be continued with increasing focus on its institutionalisation and sustainability.

The budget for BUSAC III for the five-year period 2016-20 is DKK million 120, DKK million 35 is being contributed by Danida and the EU provides a financial envelop for BUSAC III of EUR million 7, or DKK million 52.2. USAID is planned to commit USD million 5 for BUSAC III enabling the total funding to reach approximately DKK million 120

The ceiling for the BUSAC management contract is DKK million 22.

The programme objective of SPSD III is 'Promotion of inclusive and greener economic growth through private sector development leading to increased income and better welfare of Ghanaians'.

2. BUSAC Focus areas

The BUSAC Engagement is supposed to lead to the following outcome: 'Improved business environment through enhanced advocacy capacity of private sector organisations and creation of platforms for private public dialogue'.

Six outputs are stipulated for the Engagement:

- (i) District and community level business constraints addressed through advocacy action
- (ii) Capacity of PSOs to undertake advocacy activities significantly increased
- (iii) Public-Private Dialogue Platforms created and in operation
- (iv) Increased attention to post-advocacy undertakings
- (v) Increased capacity of PSOs to identify BDS needs of members and facilitate ways to address these
- (vi) Capacity of research institutions, think-tanks, and host institution to provide evidence on private sector advocacy issue increased

BUSAC III will continue to operate as a challenge fund providing support to PSOs, both at national and local level, in order to empower these to pursue issues affecting the performance of the members through advocacy action. BUSAC III will furthermore assist PSOs to strengthen their capacity to engage in evidence-based advocacy activities and to become better at interacting with and servicing their members. BUSAC III will establish a rapid response facility to address advocacy issues calling for urgent action. Special attention will be given to legal and rights based challenges within the broader range of sustainable agriculture and energy. Finally, BUSAC III will establish a facility for support to implementation of agreed regulatory reforms and practices (called post-advocacy actions).

BUSAC III will have five 'windows':

Window 1 caters for two categories of advocacy actions: a) advocacy actions addressing issues at district and community level, and b) advocacy issues calling for immediate action. The maximum grant element under this window is 90% of the total cost of the advocacy action and the total cost of the advocacy action should not exceed USD15,000 . Examples could be urgent need to organise a consultative process to improve the quality of a bill being reviewed by a parliamentary select committee for a given sector. As regards the district and community level issues, the grantees will be district-based PSOs or CBOs catering for specific groups of business operators such as traders, farmers or miners. Examples of issues to be supported include land rights, workers' rights, discriminatory treatment of weak groups, non-delivery of public goods and services etc. For the Rapid Response Facility, the applicants will be national level PSOs.

Window 2 will address advocacy issues of national and/or sectoral significance. This will have the form of a combination of open calls and invitational grants. The grantees are expected to be medium to large PSO/business associations. The maximum grant element under this window is 80% of the total cost of the advocacy and the advocacy action should not exceed USD75,000 In order to enhance the sustainability prospects, the supported advocacy actions must have a clear effect on the economic robustness of the PSO and its members. In addition to addressing specific legal or regulatory constraints, the support will focus on strengthening of the capacity of the supported PSOs to undertake evidence-based advocacy. The strategic partnerships between BUSAC III and a PSO, which may have several years' duration, will be based on an organisation development plan, spelling out the details of the capacity building activities.

Window 3 is a facility for creation of platforms for private-public dialogue (PPD). Although BUSAC has become increasingly a household name in Ghana links to the national authorities remain weaker than anticipated. BUSAC III will therefore widen the efforts to create a business enabling environment and speed up the business reform process through facilitation of the private sector's collaboration with relevant ministries, departments and agencies. Creation of relevant PPD fora to gather broader support for needed reforms and regulatory development is seen as an important instrument to achieve this. The PPD platform may take the form of more permanent structures such as Sector Working Groups (SWGs), which in addition to government and private sector representatives include development partner representatives, or they may be of an ad hoc nature centred on specific topical issues. SWGs already exist within certain sectors such as agriculture and health, and may be introduced with the domain of the private sector as well. It may be relevant to involve representatives for organised labour in the dialogue process. Participation in PPD fora will be coordinated closely with the Danish Embassy and other funding development partners.

Window 4 is a post-advocacy facility. The evaluation of BUSAC (2014) concluded that although many advocacy actions were very successful in the sense that an agreement was reached among key stakeholders on the activities required in order to address the issues which sparked the advocacy action, actual follow-up has been weak and in many instances non-existent. The typical reason is lack of capacity and resources on the side of the concerned government body. This window primarily supports activities intended to strengthen the capacity of government institutions to enforce the compliance with a given law or regulation and, in special cases, the equipment and tools required for this. But also PSOs that would like to get assistance to monitor and engage with government bodies on the enforcement of agreed policies, laws and reforms are eligible for support. The maximum

grant element under this window is 80% of the total cost of the advocacy action and the total cost of the advocacy action should not exceed USD75,000. Application will be considered according to their merit, based on criteria to be approved by the Steering Committee. The specific post-advocacy action must be a follow-up initiative related to an advocacy action funded by BUSAC II or BUSAC III.

Window 5 is a facility for strengthening the capacity of PSOs to facilitate provision of business development services (BDS) to their members in response to improvements in the business environment following successful advocacy campaigns. Experience shows that many enterprises, especially smaller ones, do not have the capacity to take advantage of emerging business opportunities; often they are not even aware of changes to the legal and regulatory environment within which they operate. This window will apply a two-phased approach. First interested PSOs will be supported to develop their capacity to identify the needs of their members for the assistance of BDS providers. Second, the PSOs will, with the assistance of certified service providers, prepare training and coaching programmes for their members. The actual training is supposed to be delivered by BDS providers trained and accredited by BUSAC. It is expected that by offering this type of services to their members, the PSOs will increase their credibility and thereby attract more dues-paying members. Examples of membership services to be provided through the PSOs include assistance to develop bankable business plans, financial management training, guidance on market access (domestic and export) and general management principles, training and advice on CSR-principles, coaching on production and productivity and quality standards and assurance. Furthermore, Window 5 will co-finance initiatives by PSOs to inform their members about changes to specific policies, regulations and standards, and how to adhere to these. This may consist of a combination of information campaigns and training events. As the main purpose of Window 5 is to increase the capacity of members of PSOs to develop their businesses and take advantage of market opportunities, the request for support from BUSAC III must be based on thorough assessment of the members' needs for BDS. The actual support to the members must be provided by an accredited BDS provider to be trained by BUSAC III (see below).

Outside of the above windows, BUSAC III will provide assistance in two areas:

(i) There is a general shortage of experience, competent BDS specialists in the field of PSO development and PSO membership services. Therefore, BUSAC will design a modularised training programme for interested BDS providers. The details of the programme, including the duration and eligibility criteria, will be decided by the BUSAC Secretariat in consultation with the BUSAC Steering Committee. The training will be completed by a test. Delivery of the BDS provider training may be outsourced to an existing training/research institution. Interested BDS providers will have to respond to a call by BUSAC III. BUSAC III will cover up to 75% of the cost of the training. (ii) A special budget line has been earmarked for strengthening the capacity of research institutions and think-tanks to provide evidence on private sector issues. Research to be funded may relate to issues addressed by Windows 1, 2 and 3 or other topical issues calling for further insight and documentation. This will operate on a case-by-case basis and have simple and swift appraisal procedures to be approved by the BUSAC Steering Committee.

3. Management of BUSAC

The BUSAC Consultant will establish a BUSAC Secretariat to be located at an office location in Accra. The BUSAC Consultant will appoint a BUSAC Fund Manager who will be the day-to-day head of the Secretariat. The BUSAC Secretariat will be kept lean, but must have in-

house expertise in all the below-mentioned fields. As is the case for BUSAC II, external service providers will be contracted to undertake specialised coaching, supervisory and monitoring functions. The contract will have an initial duration of two years with the possibility of an extension for another two and a half year. The fund manager's performance will be assessed by the BUSAC Steering Committee (SC) and the SC will provide its recommendations for a possible extension to the Mid-term review planned for late 2017. The Mid-term review will review performance of the fund manager, consider the funding situation and consider if the selected host institution may be able to take on more responsibilities and tasks before recommending a possible extension to the Embassy of Denmark.

When the BUSAC, Consultant is in place, the BUSAC Consultant will together with the Embassy of Denmark, identify a potential host institution(s) such as a research institutions or think-tank that can serve as the national collaboration partner. A main role of the national partner is to conduct research and collect factual information on selected private sector topics, to take part in strengthening the capacity of national PSOs, to take part in post-advocacy follow-up activities and to provide feedback on the effect of the supported advocacy activities.

The BUSAC Secretariat is responsible for the administration, supervision and logistics required to operate BUSAC III and ensure the implementation in line with the rules and procedures approved by the BUSAC Steering Committee. The BUSAC Secretariat will provide the documentation required for coordination of this Engagement of the SPSP III. The BUSAC Fund Manager will submit annual work plan and budget, quarterly progress reports and an annual report to Danida (Embassy of Denmark) and the BUSAC Steering Committee and other reports according to the procedures specified in the BUSAC Operational Manual. The Fund Manager will liaise with Danida on contractual issues. The Fund Manager is accountable to the BUSAC Steering Committee.

The BUSAC Fund Manager will be a member of the SPSP III Coordination Committee. The Coordination Committee will have the responsibility of harmonizing and tapping synergies from the respective engagements under SPSP III. The aim is to ensure that the engagements and other Danida interventions (as well as other relevant partner programmes) are mutually reinforcing and contributing to the programme objective in a coherent manner.

The BUSAC Fund Manager will also have the responsibility of continuing and completing the bridging grants and any yet to be completed grants under BUSAC II.

The BUSAC Steering Committee is the oversight body of BUSAC and thus the grant awarding authority of the Advocacy Fund. In this capacity it approves all grants and defines the operational guidelines of BUSAC III. The BUSAC Fund Manager is the secretary to the BUSAC Steering Committee.

Monitoring and evaluation will be conducted at two levels. The BUSAC Secretariat will be responsible for monitoring the BUSAC III interventions according to the Result Framework prepared for this Engagement. An SPSP III M&E Consultant will be appointed to conduct monitoring at SPSP III level. It is expected that close collaboration will take place between the BUSAC Secretariat and the SPSP III M&E consultant

Transfer of funds for the BUSAC Engagement will follow two routes:

- (i) Funds for all grants to be awarded by BUSAC III as well as other costs agreed by the BUSAC Steering Committee will be transferred from the Embassy of Denmark to a dedicated account to be established by the BUSAC Secretariat. The bank account will be managed jointly by the BUSAC Fund Manager and a member of the BUSAC Steering Committee appointed by the members of the steering committee so to act;
- (ii) Funds related to all operational costs of the BUSAC Secretariat, including salaries, will be transferred directly from Danida Copenhagen to the BUSAC Consultant according to the conditions of the contract between the two parties.

4. Activities of the BUSAC Consultant

In consultation with the BUSAC Steering Committee the BUSAC Consultant is responsible for the achievement of the outputs mentioned above and measured through the Results Framework provided in the Engagement Document. The BUSAC Consultant will provide technical, managerial and administrative expertise required in order to achieve these results. Furthermore, the BUSAC Consultant is responsible for logistics related to the operation of the BUSAC Secretariat and the activities to be undertaken by this. For details please refer to the Draft Development Engagement Document for BUSAC III.

The BUSAC Consultant's head office shall provide all the backstopping required to ensure successful implementation of the assignment, as indicated by achievement of the planned results. This entails frequent quality assurance visits and provision of short-term technical assistance as needed.

The BUSAC Consultant is responsible for all reporting regarding the activities of the BUSAC Fund. This includes progress reports, financial statements and M&E data collected in accordance with the SPSP III M&E Guidelines. The BUSAC Consultant will submit in line with the operational manual of BUSAC III and the provisions stated in the SPSP III Programme Document.

5. Inputs by the BUSAC Consultant

The BUSAC Secretariat will as a minimum have the following full-time professional staff:

- one fund manager,
- one financial controller (accountant),
- two grant officers,
- one BDS specialist,
- one M&E specialist and
- one IT and communications specialist

For other purposes such as office administration, field monitoring and training, the BUSAC Secretariat will rely on external short-term expertise or other arrangements as appropriate. Furthermore, the BUSAC Consultant shall provide for ad hoc technical expertise as required. The qualifications, adequacy and experiences of the key personnel are as follows;

5.1 Fund Manager

General Qualifications

- A Fund manager with at least 5 years of leadership experience in relation to the management of business advocacy challenge funds and private sector development issues;
- The fund manager should have a minimum of a post graduate degree in Economics, Finance or a related discipline;

Adequacy for the assignment

- Experience from fund managements and grants administration preferably within a business advocacy context targeted at PSOs, Business Associations and related broader business environment stakeholders.
- Experience in providing leadership and guidance to the team; manage, mentor, and periodically evaluate the performance of the staff in accordance with laid down policies and procedures and international best practices;
- Proven experience with interacting with Boards of Directors or steering committees as a fund manager preferably within a private sector development context;
- Proven experience from working with multiple donors/development partners and/or development banks;
- Experience working as a facilitator/convener of dialogue between the Public and the Private Sector and the establishment of PPD Platforms are highly desirable.

Experience in the region and language

- International experience preferably with experience from working in Ghana with the private sector.
- Fluency in English.

5.2 Financial Controller

General Qualifications

- Must have a minimum of 5 years of financial management experience at senior level on a donor funded project.
- Must be a chartered accountant with a minimum of a post graduate degree in a related field,

Adequacy for the assignment

- Hands on experience in providing oversight for bank reconciliations, accounts, ledgers, and reporting systems plus ensuring compliance with appropriate Generally Accepted Accounting Principles, regulatory requirements, budget and audit requirements;
- Experience from managing the financial obligation process on a daily basis, which includes creating, modifying and obligating fund accounts and managing cross-activity transfers where appropriate;
- Must be practically familiar with concepts of liquidity management, asset-liability management and treasury management,
- Working knowledge in data report extraction, preparing quarterly reports, and any other financial information and resolve any discrepancies as required;

- Proven experience from working with multiple donors/development partners and/or development banks in the context of a delegated cooperation agreement is important;

Experience in the region and language

- Experience from working in Ghana
- Fluency in English.

5.3 Grant Officers**General Qualifications**

- Must have a minimum of 3 years of grant management experience at senior level on a donor funded project.
- Must have a minimum of a post graduate degree in finance, economics or a related discipline

Adequacy for the assignment

- Hands on experience with grant administration and management to PSOs, FBOs, Business Associations and Media organisations for Business Advocacy;
- Must demonstrate competency with project implementation, supervision and appropriate documentation in relation to contractual obligations under grant agreements;
- Experience from managing grantees and monitors, fostering relationships between grantees and monitors, receiving and screening reports from grantees and monitors, including field visits to ensure attainment of advocacy goals.
- Experience in ensuring appropriate systems are in place for filing and input to computerised databases are accurate plus experience in preparing grant disbursement schedules and managing errors and delays

Experience in the region and language

- Experience from working in Ghana
- Fluency in English and one local language

5.4 BDS/Organisations Development Specialist**General Qualifications**

- Must have a minimum experience of 5 years of BDS provision and or management of BDS providers to SMEs, PSOs and Business Associations at a senior level on a donor funded project;
- Must have a minimum of a post graduate degree in business management, economics or a related discipline;

Adequacy for the assignment

- Experience in identifying gaps in BDS provision and facilitating the development of a responsive and sustainable BDS delivery system
- Must demonstrate competency in overseeing activities that improve availability and accessibility of effective and efficient business development services.

- Hands on experience with coordinating training for local organizations in feasibility studies, business planning, financial management, etc.
- Experience from working with business associations to develop and streamline business development functions and processes.

Experience in the region and language

- Experience from working in Ghana within a Fund Management setup providing BDS services/grants to Ghanaian Business Associations is essential.
- Fluency in English.

5.5 M&E Specialist

General Qualifications

- Must have a minimum of 5 years' experience doing M&E at a senior level on a donor funded project related to Private Sector Development;
- Must have a minimum of a post graduate degree in project management, economics or a related discipline;

Adequacy for the assignment

- Experience from tracking the project's log frame indicators as well as flexibility in dealing with multi donor requirements;
- Excellent track record in supervising and coordinating the work of a team of consultants in gathering data, conducting due diligence, and monitoring and evaluating projects according to the M&E plan;
Demonstrable capacity and experience in using project information to develop Monitoring Information Systems

Experience in the region and language

- Experience from working in Ghana with development programmes providing M&E services is essential. Experience from working with the private sector will be an advantage.
- Fluency in English.

5.6 IT and Communications Specialist

General Qualifications

- Must have a minimum of 5 years' experience in Communications and IT related issues at a senior level on a donor funded project related to Business Advocacy
- Must have a minimum of a post graduate degree in project management, IT, communications or a related discipline;

Adequacy for the assignment

- Must be practically familiar with the production and issuance of communications, to multi stakeholders plus logistics planning for promotional events, exhibitions, workshops and conferences;
- Experience in monitoring local and foreign media and the creation of a media library that tracks BEE and PSD issues to aid Business advocacy in a local context

- Must demonstrate competency in website management in collaboration with webmaster, developing and publishing of audio-visual and written materials plus;
- Experience from providing IT related support (software and hardware) to a team of consultants within a Fund Management setup;

Experience in the region and language

- Experience from working in Ghana within a Fund Management setup as an IT and Communications Specialist is essential.
- Fluency in English

5. 7 Specialist Technical Assistance

In addition to the permanent staff of the BUSAC Secretariat, the BUSAC Consultant is supposed to provide ad hoc short-term technical assistance according to identified needs. In total, the BUSAC Consultant's technical proposal should include 12 months of short-term technical assistance. (4 months optional).

Support staff

The BUSAC Consultant will provide all necessary support staff required for the implementation.

6. Requirements to the Consultant's Home office management technical back-up, quality assurance and business integrity management

The Consultant's home office shall provide the following, to be covered by the Consultant's overhead:

- General home office administration and professional back-up;
- The Consultant shall nominate an 'Assignment Manager' with overall responsibility for the Consultant's assignment, normally stationed at the Consultant's home office, but making at least one annual management visits to the BUSAC office in Accra and to liaise with relevant stakeholders including the Danish Embassy, the EU and the USAID.
- Quality assurance (QA) of the consultancy services in accordance with the Consultant's quality management and quality assurance system, as described in the application for qualification and specified in the technical tender. The Consultant shall nominate a Quality Auditor and develop a Quality Assurance Plan for this assignment to be included in the Operational Manual. The CV of the person responsible shall be included in the technical tender. All QA activities shall be properly coordinated and documented. One annual visit is expected by the Quality Auditor.
- Compliance with Danida's anti-corruption code of conduct and the principles of the UN Global Compact during implementation. The Consultant shall furthermore develop a Plan for this assignment to be included in the Manual.

7. Financial proposal

Key personnel in person months

Key Personnel ⁴	2016 ⁵	2017	2018	Phase 1	2018	2019	2020	Phase 2 ⁶	Total
Fund manager	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
Financial controller (accountant),	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
Grant specialist,	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
Grant officer	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
BDS specialist	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
M&E specialist	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
IT, communication specialist	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
Short term consultant	2	8	2	12	1	2	1	4	16
Total	44.7	81.5	37.0	163.2	39.5	75.5	74.5	189.5	352.7

The consultant's financial proposal shall include all costs for fee and staff related expenses as well as short-term consultancies, local travel, equipment, local support staff and office running costs, office rent, QA visit and assignment manager visit.

The contract will have an initial duration of two years with the possibility of an extension for another two and half years

The cost for two visits per year of approximately one week for the assignment manager and the QA person should be included in the offer.

This tender has a maximum budget of DKK million 22 for the five years period, please refer to the Letter of Invitation and schedule no. 8.5 in the instruction to tender.

8. List of Background Documents.

The documents listed below are provided for further background information:

TBD

1. Development Engagement Document: Engagement A: Business Advocacy Challenge Fund, **Phase III (BUSAC III)**
2. Strategic Programme Document Support to Private Sector Development Phase III, (SPSD III) 2016-2020

⁴ "Key Personnel" refers to professional Staff as defined in Particular Conditions Part B Clause 1.1.18.

⁵ as defined in the 3.2 - Terms of Remuneration point 2 Fees

⁶ The optional extension is subject to the decisions made between the programme partners regarding a second programme phase, in which case the exact period and input needs will be defined based among others on the availability of funding, capacity of the local host institution and recommendations of the steering committee 6 months before ending of the first phase (end of 2017)

ANNEX 5: Guide to Monitoring BUSAC III

BUSAC III	
Indicator	Specifications and means of verification
<p><u>Outcome indicator 1.1:</u></p> <p>Number of existing and new policies, laws and regulations relating to the business enabling environment at national/local levels that are changed/issued following BUSAC funded advocacy activity</p>	<p>This indicator refers to the focus of BUSAC supported advocacy relating to policies, laws and regulations (i.e. in arguing for specific changes through Public-Private dialogue platforms, the presentation of evidence based research/arguments etc.).</p> <p>Data will be collected from the PSOs, where the results of the advocacy cases will be categorised on an ordinal scale: a) fully obtained (e.g. when a MoU is signed or a law is passed); b) partially obtained (e.g. when some aspects of the advocacy action are agreed upon) and c) not obtained (when no tangible results have been achieved).</p> <p>In monitoring reports the numbers will be supplemented by very short descriptions of the results of typical advocacy cases (5 lines for each case). This will make it possible for persons who are not directly involved in BUSAC Fund's work to get a meaningful understanding of what the numbers refer to.</p> <p>When calculating the number the advocacy campaigns where the issue has been 'fully addressed' is given the value = 1; 'partially addressed' is given the value = 0.5; and 'agreement that the issue should be addressed' is given the value = 0. The sum of the values is calculated for each of the three (geographical) categories: 1) national; 2) regional; and 3) district.</p> <p>This indicator is cumulative over the programme period.</p>
<p><u>Outcome indicator 1.2:</u></p> <p># of policies, laws and regulations relating to the business enabling environment at national/local levels that are implemented and enforced following BUSAC funded advocacy activity</p>	<p>This indicator reflects the importance of also monitoring the results of BUSAC supported advocacy regarding the actual implementation of changes agreed. There is thus a need to monitor changes to the business environment that are a plausible consequence of BUSAC contributions. This requires a tracking system to follow advocacy in specific sectors/on specific issues through to subsequent implementation.</p> <p>Data will be collected and measured essentially in the same ways as outcome indicator 1. A policy/law/regulation will be considered either fully or partially implemented according to the level to which it has been rolled out and the necessary capacity to enforce it exists.</p>
<p><u>Outcome indicator 1.3:</u></p> <p>Correlation (%) between implemented and enforced</p>	<p>This indicator seeks to identify the degree to which BUSAC supported advocacy actually reflects the priorities identified by the Ghanaian business sector (for example, as identified by</p>

policies, laws and regulations at national level following BUSAC III funded advocacy activity and critical issues highlighted and prioritised by businesses	the Association of Ghanaian Industry - AGI). Data will be collected from PSOs and sources of information that prioritize business concerns in Ghana.
<u>Outcome indicator 2.1:</u> Increase in membership of BUSAC supported PSOs	This indicator helps illustrate the overall sustainability of PSOs based on the logic that increasing membership rates will reflect members' perceptions of the overall utility of their membership. Data will be collected from the PSOs that have completed advocacy campaigns with BUSAC support. The number of members before the advocacy campaign was undertaken will be recorded (from the application of the PSO). This is the baseline. By the end of each calendar year BUSAC undertakes a questionnaire survey to get the number of members from each of the PSOs that have completed advocacy campaigns under SPSP III to calculate the change.
Output indicator 1	Capacity of PSOs to address issues of district and community level importance to the business community through advocacy actions increased
(a) # Advocacy campaigns addressing district and community level business constraints completed in line with campaign (b) # of rapid response advocacy actions (c) % of women participants	These indicators provide evidence of PSOs ability to undertake advocacy at local level, including those that require urgent attention. (a) BUSAC will collect data through the reports from the grantees to assess how far the objectives of advocacy campaigns of the grantees have reached their objectives. The categories for this assessment are: Fully achieved; partially achieved; and not achieved. When calculating the percentage fully achieved is given the value = 1; partially achieved is given the value = 0.5; and not achieved is given the value = 0. The sum of the values is divided by the number of observations/cases. Example: 2 fully achieved = 2 1 partially achieved = 0.5 1 not achieved = 0 Total of 4 cases = 2.5 Average rate = 2.5 / 4 = 63% (b) Data will be gender disaggregated.
Output indicator 2	Capacity of PSOs to address issues of national importance to the business community through

	advocacy actions increased
<p>(a) % Advocacy campaigns addressing national level business constraints assessed to have been completed in line with campaign objectives;</p> <p>(b) advocacy actions addressing green growth issues to have been completed in line with campaign objectives;</p> <p>(c) % of women participants</p> <p>(d) number of enterprises directly affected by the result of the advocacy</p>	<p>These indicators provide evidence of PSOs ability to undertake and complete advocacy at national level, including green growth advocacy issues.</p> <p>(a) BUSAC will collect (reports from grantees) and measure data through the same method as output indicator 1.a.</p> <p>(b) Data will be measured through same means as 2.a., however merely with a focus on green growth.</p> <p>(c) For the PSOs that have completed advocacy campaigns with support from BUSAC where the objective is regarded as fully or partially achieved the number of members of PSOs (enterprises) is recorded. Cumulative over the programme period.</p>
Output indicator 3	Public-private dialogue platforms facilitated by BUSAC III and operating
<p>(a) # dialogue platforms facilitated by the BUSAC Fund;</p> <p>(b) % PPDP meeting two times or more p.a.;</p> <p>(c) % of women participants</p>	<p>This indicator provides evidence of the success of BUSAC partners in developing and facilitating public-private dialogue platforms with state actors.</p> <p>(a) Data will be collected and calculated on the basis of administrative records of BUSAC. To be regarded as functional at a given point in time the public-private dialogue platform structure must have been the basis for at least one event during the past 12 months. Dialogue structures will be broadly defined, but ad hoc meetings/workshops will not be considered 'structures'.</p> <p>(b) Based on the number of meetings, this indicator will be measured.</p> <p>(c) The above data will be gender disaggregated.</p>
Output indicator 4	Post advocacy follow up takes place with public and private stakeholders aimed at improving implementation of policies, laws and regulations affecting the business environment
<p>(a) # of post advocacy actions completed with support from BUSAC III</p>	<p>This indicator reflects the ability of BUSAC supported PSOs to successfully follow up on advocacy actions.</p> <p>Data will be collected by BUSAC through the reports provided by the PSOs combined with site visits.</p>
Output indicator 5	PSO capacity to facilitate provision of business development services to members increased
<p>(a) # of BDS providers</p>	<p>These indicators illustrate the capacity of PSOs to facilitate</p>

<p>trained;</p> <p>(b) # of PSOs facilitating BDS to their members</p>	<p>business development services to their members.</p> <p>(a) Data will be based on database of BUSAC.</p> <p>(b) This will identify the number of PSO that have facilitated business development services to their members through BUSAC support. The source of information for this indicator is the reports from PSOs to the BUSAC Fund.</p>
<p>Output indicator 6</p>	<p>Capacity of national collaboration partner/host to promote business advocacy by facilitating public-private dialogue, providing training on business advocacy and collecting and ensuring financial support for projects and future operations</p>
<p>National partner/host institution identified and engaged in promoting business advocacy via BUSAC III</p>	<p>Indicators, targets and means of verification to be defined after identifying and selecting the national collaboration partner/host.</p>