

Ministry of Foreign Affairs of Denmark

DANIDA



SM 2:

Development Engagement Document

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

**Engagement B: Skills Development Fund
Phase II (SDF II)**

Ghana

26. February 2016

Danida Ref. no. 104.Ghana.809-200.ACC/F2: 2016-11226

TABLE OF CONTENTS

1 INTRODUCTION..... III

2 PARTIES..... 1

3 DOCUMENTATION 1

4 BACKGROUND 1

5 DEVELOPMENT ENGAGEMENT OBJECTIVE 3

6 THEORY OF CHANGE NARRATIVE 3

7 RESULTS FRAMEWORK..... 4

8 LESSONS LEARNED 6

9 STRATEGIC FOCUS OF ENGAGEMENT 7

10 SPECIAL CONSIDERATIONS 9

11 TRANSITIONAL ISSUES, EXIT STRATEGY AND SUSTAINABILITY 10

 11.1 Transitional issues 10

 11.2 Exit Strategy and Sustainability 10

12 RISK MANAGEMENT..... 13

13 INPUTS 16

14 MANAGEMENT ARRANGEMENTS 16

 14.1 The Role of COTVET 17

 14.2 The SDF II Secretariat and Steering Committee 18

15 FINANCIAL MANAGEMENT 19

16 MONITORING & EVALUATION 19

- Annex 1: Detailed engagement budget**
- Annex 2: Draft ToR for SDF II Steering Committee**
- Annex 3: Draft ToR for SDF II Fund Manager**
- Annex 4: Guide to Monitoring SDF II**

ABBREVIATIONS

BSPS	Business Sector Programme Support
BUSAC	Business Advocacy Challenge Fund
COTVET	Council for Technical and Vocational Education and Training
Danida	Danish International Development Agency
DKK	Danish Kroner
DP	Development Partners
ED	Executive Director, COTVET
EU	European Union
EUR	Euro
GDP	Gross Domestic Product
GET Fund	Ghana Education Trust Fund
GHS	Ghana Cedi
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoG	Government of Ghana
GSGDA	Ghana Shared Growth and Development Agenda
HRBA	Human Rights Based Approach
HRD	Human Resource Development
IDA	International Development Assistance
ILO	International Labour Organisation
IMF	International Monetary Fund
KfW	Kreditanstalt für Wiederaufbau
M&E	Monitoring & Evaluation
OHS	Occupational Health and Safety
PSU	Project Support Unit
RDF	Rural Development Fund
SCORE	ILO's Sustaining Competitive and Responsible Enterprises Programme
SDF	Skills Development Fund
SE4B	Sustainable Energy for Business
SECO	State Secretariat for Economic Affairs, Switzerland
SM	Supplementary Materials
SME	Small and Medium Enterprise
SPSD	Support to Private Sector Development programme
TBD	To Be Decided
ToR	Terms of Reference
ToT	Training of Trainers
TVET	Technical and Vocational Education and Training
UN	United Nations
USD	US Dollars
VfM	Value for Money

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 development cooperation concerning “the Skills Development Fund (SDF)” as agreed between the parties specified below. The engagement document is annexed to the support agreement between the parties and constitutes an integrated part hereof together with the documentation specified below. 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. The Danish International Development Agency (Danida) has supported the SDF as a sub-component of SPSD Phase II. The new Danida allocation for skills development under SPSD III is therefore in this document named SDF II (in order to distinguish it from allocation provided under SPSD II).

SDF II will be managed by an independent SDF II Fund Manager to be identified through an international tender conducted by Danida. The Council for Technical and Vocational Education and Training (COTVET)¹ will serve as a national host institution to the SDF II.

2 PARTIES

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

and

SDF II Fund Manager

3 DOCUMENTATION

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

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

COTVET Act of 2006 (separate cover)

SDF Manual of 2012 (separate cover - to be revised and will become the SDF II Operations Manual)

National Technical and Vocational Education and Training (TVET) Qualification Framework Policy (separate cover)

COTVET Corporate Gender Strategy

Terms of Reference (ToR) for SDF II Steering Committee (attached)

ToR for SDF II Fund Manager (attached).

4 BACKGROUND

Ghana has experienced steady economic growth in the 21st century 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

¹ Council for Technical and Vocational Education and Training (COTVET) is a national body set up by an Act of Parliament to co-ordinate and oversee all aspects of technical and vocational education and training in the country. Its major mandate is to formulate policies for skills development across the broad spectrum of pre-tertiary and tertiary education, formal, informal and non-formal sectors.

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 substantially strengthen the fiscal position by mobilizing additional revenues, and make space for priority spending. Additional adjustment measures are also being taken to help offset lower-than-budgeted oil revenue. A prudent borrowing policy will complement fiscal consolidation efforts to restore debt sustainability. Developing skills for sustained competitiveness, economic growth and poverty reduction is one of the priority areas of the GSGDA II. The right skills equip Ghanaians to find or create decent jobs matching their competences. Skills help formal and informal enterprises to become more productive and produce products of higher quality, which will support the creation of direct and indirect jobs, which ultimately will benefit the socio-economic development of the nation², including poverty alleviation.

In Ghana, barriers to increased labour productivity continue to constrain the performance of firms and enterprises across almost all economic sectors. Ghanaian firms generally do not rank high in global competitive indices because of this and other challenges. Ghana ranked 119 out of 140 in the 2015-2016 Global Competitiveness Index compiled by the World Economic Forum. Six of the twelve pillars used in compiling the ranking directly relate to firm and industry level labour productivity. These are higher education, training, labour market efficiency, technological readiness, business sophistication, and innovation. The contribution of labour productivity to improved competitiveness is critical. In addition, managerial capital (i.e. the education, experience and competitiveness of business owners, managing directors and medium level managers) is strongly linked to enterprise productivity and growth. Managerial capital is about taking decisions that define the path and performance of firms, and managers are generally very influential in terms of capital structure, investment strategy and overall business planning. The recognition of these bottlenecks, the importance of skills development and the formulation of appropriate policies, strategies, and programmes to address these elements therefore feature prominently in most development interventions in Ghana.

The Skills Development Fund started as a forerunner activity under Danida's Business Sector Programme Support (BSPS) in 2009. COTVET was selected as the official host and implementing agency of SDF with the overall management responsibility. SDF has been managed by a Project Support Unit (PSU) within COTVET with funding from the World Bank's International Development Agency (IDA) through the Ghana Skills and Technology Development Project (2011-2015) and Danida through the SPSD II. It has been judged by various reviews as one of the most successful sub-components under SPSD II³.

The fund represents a series of mechanisms to improve the efficiency and effectiveness of delivering a highly functional Technical and Vocational Education and Training (TVET) in Ghana. It is wholly consistent with the objective of Ghana's TVET policy objective of improving the productivity and competitiveness of the skilled workforce and raising the income earning capacity of people, especially women and low income groups, through the provision of quality oriented, industry focused and competency based training programmes and complementary services.

² Demand and Supply of Skills in Ghana - How Can Training Programs Improve Employment and Productivity? (Peter Darvas and Robert Palmer)

³ Review of Danida's Support to Private Sector Development Programme Phase II (SPSD II) in Ghana (2015)

5 DEVELOPMENT ENGAGEMENT OBJECTIVE

The objective of the SPSPD 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 SDF II Engagement will contribute to achievement of the programme objective through the following outcome: **“Increased labour productivity, turnover and product quality through a demand-driven skills development fund”**.

In order to achieve the outcome, a number of outputs will be delivered by the Skills Development Fund Secretariat (Fund Manager and Team).

6 THEORY OF CHANGE NARRATIVE

The basic theory of change underpinning this outcome is that:

if SDF II facilitates demand driven skills development to the workforce and management of formal and informal enterprises, facilitates access to new tools, and also contributes to the training of in-house trainers,

then (a) the productivity, turnover and sustainability of the enterprises concerned and the quality of their products will increase, (b) health and safety and environmental standards will be enhanced, and (c) stronger internal training capacities will develop that help sustain the availability of a qualified workforce

because the skills learnt will:

(a) Enable production to be more efficient and effective, thus reducing unit costs and increasing quality. Stronger management will also reduce business failures. Productivity per employee will increase due to the reduced labour input required per unit. Product quality will increase through the new skills learnt and the new technologies accessed. The combination of improved quality of existing products and possible introduction of new products will lead to increased demand and sales also contributing to increased turnover and profitability (greater value added relative to the factors of production – capital and labour). The increases in quality will also contribute to increases in export sales.

(b) The training provided and skills learnt will involve also strengthening enterprises’ Occupational Health and Safety (OHS) and environmental standards (leading to an increase in certification and supporting increase expert potential); and

(c) The training will include training of trainers (ToT) that will enable enterprises to develop their own training capacities and thus promote longer-term institutional sustainability.

This logic is illustrated in the figure below:

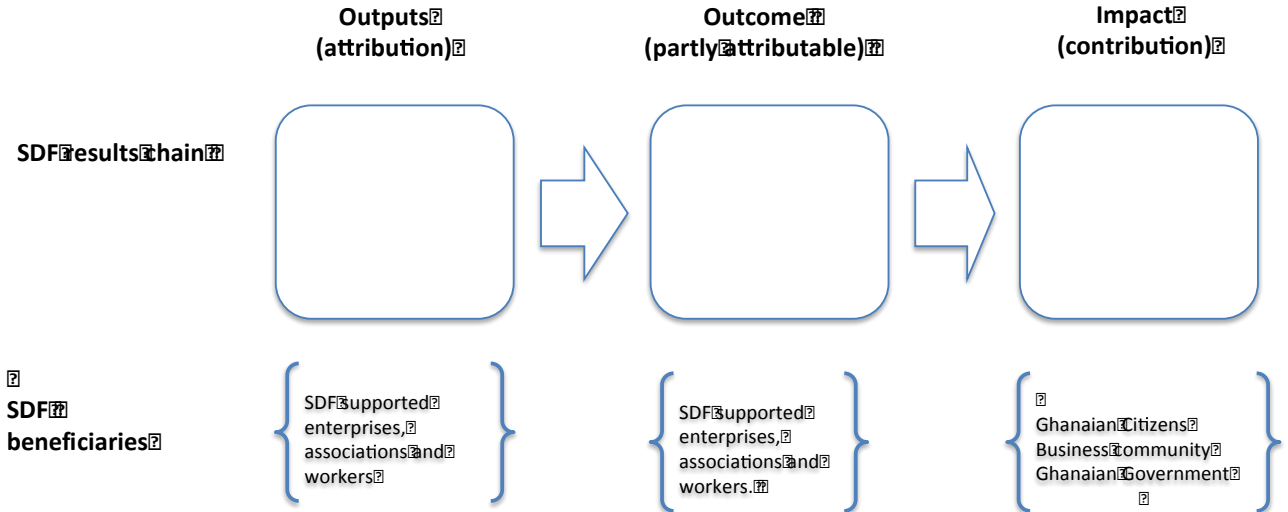


Figure 1: SDF II intervention logic

Underpinning this theory of change are a number of assumptions:

- That business management recognises the value of investing in a skilled workforce and is willing to contribute its share of the funding.
- That enterprises and associations are able to identify their development needs and translate these into productivity and training plans.
- That suitable labour is available for skills training and that part of this labour is also suitable for a training the trainers approach.
- That the trained workforce remains in place for a sufficient time for the effectiveness improvements to be felt.
- That the effectiveness benefits are matched by increases in demand (as a consequence of improvements in quality) ultimately creating an increased need for skilled labour as enterprises strive to meet the new demand.
- That stronger management and a more skilled workforce will reduce business failures.
- That standards are accessible, realistic and achievable.
- That training in new technologies actually leads to the expected improvements in productivity.
- That external factors (e.g. electricity shortages, infrastructure constraints, weaknesses in the business environment) do not undermine the effectiveness improvements foreseen.
- That equipment upon which production and disbursement to the market depends is maintained so that it remains productive.

7 RESULTS FRAMEWORK

The parties have agreed to measure progress of the outcome by five outcome indicators and progress of six outputs as follows:

Engagement Title 2		Skills Development Fund (SDF II)	
Outcome		Increased labour productivity, turnover and product quality through a demand-driven skills development fund.	
Outcome indicator 1		% Increase in turnover of firms supported through SDF II	
Baseline	Year	2016	0 (To be decided (TBD) when contracts are signed by qualified firms)

Target	Year	2020	15% increase compared to turnover before receiving support
Outcome indicator 2		% Increase in productivity by enterprises supported through SDF II	
Baseline	Year	2016	0
Target	Year	2020	20% increase compared to productivity before receiving support
Outcome indicator 3		% Increase in customer satisfaction level with quality of products and services offered by SDF II supported enterprises	
Baseline	Year	2016	0
Target	Year	2020	45%
Outcome indicator 4		# and % of SDF II supported enterprises with active environmental, health, safety and gender policies	
Baseline	Year	2016	0 and 0 **4
Target	Year	2020	50 and 50% **5
Outcome indicator 5		# and % of SDF II supported enterprises and associations with internal mechanisms for continuation of training without the support of SDF II	
Baseline	Year	2016	0 and 0 *
Target	Year	2020	25 and 25% **

Output 1		Skills level of supported enterprises enhanced through demand responsive quality training	
Output indicator 1		(a) # trained by gender and window; (b) employer satisfaction with quality of training; (c) % of trainings conducted covering environmental, health, safety and gender issues, including related quality standards and certifications	
Baseline	Year	2016	(a) 0, (b) 0, (c) 0
Target	Year	2020	(a) Total: 6580 (1680, Window 1), (3600, Window 2), (1300, Window 3) of which 30% are women; (b) 80% satisfaction; (c) 65 %
Output 2		New innovative skills training courses developed and delivered	
Output indicator 2		# of new training courses developed through SDF II support (including # ToT (b) # participants who have completed new innovative training courses (by gender); (c) participants satisfaction with training (%) by gender	
Baseline	Year	2016	(a) 0, (b) 0, (c) 0
Target	Year	2020	(a) 60 (b) 300 (40% women); (c) 80% for men and women
Output 3		Managers and supervisors trained and coached on staff development and production planning	
Output indicator 3		(a) # managers/supervisors trained and coached in preparing human resource development (HRD) plans and/or production efficiency plans (by gender); (b) % of trainings conducted covering environmental, health, safety and gender issues, including related quality standards and certifications	
Baseline	Year	2016	(a) 0, (b) 0
Target	Year	2020	(a) 65 (20% women); (b) 65%
Output 4		Capacity of COTVET staff provided to guide and interact with private enterprises	
Output indicator 4		(a) # COTVET staff trained to conduct capacity assessments of training institutions, plan and implement ToT programmes and assist planned training activities, (b) % increase in satisfaction level of institutions interacting with COTVET in relation to the guidance and support received	
Baseline	Year	2016	(a) 0, (b), 0

⁴ * Baseline data will be collected in the application stage.

⁵ **Target data will be collected 1-2 years after completion of SDF training through a follow-up survey. During the exit phase of programme, data will be sourced through the impact assessment.

Target	Year	2020	(a) 20, (b) 60%
Output 5	Internal training capacities improved by SDF II supported firms.		
Output indicator 5	(a) # of (ToT) per participating firm (by gender); (b) # of internal trainings conducted by SDF II supported firm		
Baseline	Year	2016	a) 0 b) 0
Target	Year	2020	(a) 70 of trainers (of which 40% are women), (b) 5 internal training sessions per firm
Output 6	SDF II experience and material made available to the public		
Output indicator 6	Databank for course material and environmental, and health & safety standards established;		
Baseline	Year	2016	(a) 0, (b) 0
Target	Year	2020	(a) 100% of course material available through data bank; (b) generic and specific documents on standards developed and uploaded (70 environmental, 70 OHS)

More elaboration on each indicator including collection of necessary data is provided in Annex 12 of the Strategic Programme Document, “Monitoring & Evaluation of SPSPD III”.

8 LESSONS LEARNED

The Skills Development Fund is today a well-known brand in Ghana and companies as well as associations are increasingly interested in leveraging their own budget to improve the skills and productivity of their staff. The Government of Ghana (GoG) and even the president of Ghana refer to the Skills Development Fund whenever skills development is discussed and the SDF I model has served as inspiration for other African countries such as Uganda.

A Results and Verification Study⁶ of the SDF I completed in 2015 presents key lessons which have informed the formulation of the SDF II. Amongst others, the study noted that:

1. New skills and technologies introduced and enabled the grantees to expand or penetrate markets and thus increase sales, profits and employments. Productivity gains were demonstrated by beneficiaries supported in the formal and informal sectors; however, it was difficult to estimate the productivity gains of grantees in relation to Innovative Training and Technological Innovation
2. Complementary training in management, marketing and book-keeping practices is important in realizing the potential gains from the skills training;
3. The significant results under SDF I have been attained at a rather great expense especially in the areas of marketing and promotion, project administration, monitoring and evaluation and operational costs.

The study further considered various options for institutional and technical arrangements for COTVET and SDF II during SPSPD III and recommended outsourcing the operations of SDF II to an independent organisation to allow for a lean and efficient organisational structure and a more flexible implementation approach. SDF II will as a consequence prioritise more funding to formal and informal windows where productivity gains are most significant. Furthermore, SDF II will offer more comprehensive packages that combine management and production planning guidance and staff upgrading for employees in management.

⁶ Verification of Results and Sustainability Study of the Skills Development Fund under COTVET (2015)

9 STRATEGIC FOCUS OF ENGAGEMENT

SDF II will remain a challenge fund during the second phase. Grants will be awarded on the basis of the merit of the project presented for funding. The evaluation criteria will, similarly to the first phase, focus on the effect of the training, on the competitiveness of the applying company (or the members of the association for the informal sector), the possible employment effect and, for the informal sector, the expected income effect on the beneficiaries. Furthermore, there must be a reasonable balance between the cost of the training and the expected results, and basic decent work principles by the International Labour Organisation (ILO) must be observed.

Seen through a human rights' lens SDF II will on the one hand give marginalised groups skills to improve their income and their general living conditions and enable them to claim specific rights. On the other hand, it will make duty bearers (enterprises which are grantees) aware of relevant rights and standards they have to comply with, advise them and capacitate them to fulfil rights and meet standards. The screening process of potential grantees must be seen in this light: only potential grantees who meet certain minimum requirements and who are willing to do an effort to comply with the relevant rights will be considered for support. This is described in more detail in section 10: Special Considerations. Refer also to Annex 13 of Strategic Programme Document, which presents the background and the rationale of the human rights-based approach.

SDF II will have four “windows”:

Window 1: Maximum grant element 60%, a window for support to short-term skills training for **workers in formal enterprises**. Applicants will be enterprises and the grant element cannot exceed 60%. The cost of training equipment such as text books and other learning materials can be funded with up to 10% of the total budget for the project. As an integrated part of the window, some of the internal trained workers will be trained further to train new staff, those who did not participate in the SDF II supported training, and to continue internal training in the future. If adequate, the SDF II Secretariat will advise the grantees on how to solicit funding for purchase of equipment, for instance through a bank loan guaranteed by the Danida established Rural Development Fund (RDF). Management training and coaching may be an integrated part of the requested support. Funding of this part will be sourced from Window 4 (see below). Under this window, SDF II may introduce invitational grants as a supplement to the open calls applied under SDF I. Invitational calls may among others be used to ensure that SDF II provides for a green growth profile.

Window 2: Maximum grant element 80%, a window for upgrading of the skills of master craftsmen and **workers (apprentices) in the informal sector**. The applicant will be an association or a cooperative. The grant element cannot exceed 80%, but co-funding can partially be provided in kind. Equipment for demonstration purposes may constitute up to 20% of the total costs of the project. As an integrated part of the window, some of the trained members of the informal enterprises will be trained further to train those who did not participate in the SDF supported training (i.e. ToT). Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), with co-funding from the European Union (EU), is presently implementing an informal sector skills upgrading project. Furthermore, the Kreditanstalt für Wiederaufbau (KfW) is about to launch a voucher-based skills upgrading initiative for the informal sector. Support under Window 2 will be coordinated with these projects.

Window 3: Maximum grant element 70%, a window for support to development of **new, innovative training**. The innovative dimension may relate to the context, the target group, the funding modality or the mode of delivery. Priority will be given to development of training courses that include marginalised groups including women. This facility will be open to both public and private training institutions. The grant element cannot exceed 70%. Up to half of the project costs may relate to purchase of equipment and tools. The SDF II Secretariat may advise the grantee on how to obtain a bank loan guaranteed by the Rural Development Fund for acquisition of additional hardware.

Window 4: Maximum grant element 75%, a window for support to **training and coaching of management and supervisory staff** of companies and associations on how to practice HRD and improve production efficiency will be established. While priority will be given to mid-level management and supervisory staff of companies already supported by SDF (I and II), also staff of companies with no previous relationship with SDF and senior management staff will be eligible for support. The engagement will make a special effort to ensure that female managements and supervisory staffs are included. In order to qualify for support by the SDF II, the enterprise must have a minimum of 20 staff and a well-established management structure. The actual training/coaching will be provided by a specialist identified by the applicant. If relevant, the coach may be contracted from outside Ghana. Possibly, this service will be provided in collaboration with ILO's Sustaining Competitive and Responsible Enterprises Programme (SCORE)⁷. At present, only one organisation in Ghana is accredited to offer the SCORE programme. The SDF II will seek to increase the number of accredited SCORE service providers in order to stimulate competition. The SDF II will cover up to 75% of the cost of the management training/coaching. Also under this window, funds may be made available for a small number of Ghanaians to attend business studies offered through collaboration between Ghanaian and Danish universities.

In line with the overall orientation of SPSSD III, priority will be given to enterprises engaged in agribusiness/agro-processing and sustainable energy⁸. Agriculture remains a key priority for the GoG as well Danish development assistance. The agricultural sector in Ghana contributes about 21% of the gross domestic product (GDP), and employs about 40% of the labour force especially in the three Northern regions having the highest incidence of poverty. Thus, agriculture is an important sector for economic growth, value addition as well as poverty reduction in Ghana. In addition, Denmark and Ghana have identified access to sustainable energy⁹ as a necessary condition to achieve lasting sustainable development.

However, manufacturing enterprises including those related to agribusiness/agro-processing and sustainable energy are expected to constitute a significant part of enterprises supported by SDF II. In addition, grantees will be informed about and guided where relevant on how

⁷ With funding from the Swiss' State Secretariat for Economic Affairs, (SECO), the ILO is implementing its "Sustaining Competitive and Responsible Enterprises (SCORE)" programme in Ghana. SCORE is a practical training and in-factory counselling programme that improves productivity and working conditions in Small and Medium Enterprises (SMEs) According to the ILO, the "product demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains".

⁸ ILO is implementing a programme promoting skills training for green jobs in a number of African countries. SDF will consider the possibility of incorporating the lessons learned from this in its support to for instance enterprises in the construction and building industry.

⁹ Sustainable energy related sectors include renewable energy, energy efficiency, sustainable agriculture/forestry, clean transport, water supply management and waste and domestic waste management, and improved building design.

collaboration with Danish companies may be established to further improve their competitiveness and export potential.

In addition to the above, direct support will be provided in two fields:

- a) The capacity of COTVET will be strengthened with special attention to how to conduct capacity assessments of training institutions, plan and implement training-of-trainer programmes and assist grantee with implementation of the planned training activities. The COTVET capacity building support will take its point of departure in the recently conducted training needs assessment. No additional equipment for COTVET is envisaged.
- b) Learning material developed with the support of SDF I and SDF II will be stored in a data bank that will be made available to other public and private training providers. COTVET will be in charge of this. Furthermore, the lessons learned from the activities supported by the SDF II will be analysed and shared with relevant public and private stakeholders. This is the responsibility of the SDF II Secretariat.

The present engagement document is based on the assumption that Danida is the sole future source of development funding for SDF II. Should this change, for instance if the World Bank and/or Switzerland decide to co-fund SDF II, new activity areas may be added to the planned ones and the balance between windows adjusted. As the availability of funding for the continuation of the SDF II is uncertain, one of the key tasks of the SPSD III mid-term review will be to assess the commitment and possibilities for the continuation of funding by GoG, private sector and other development partners as well as banks. The SPSD III Mid-term review will be carried out by the end of 2017 and if no further funding is expected for SDF II then the Embassy of Denmark/Danida will consider discontinuing this engagement and to reallocate the remaining funding for other activities. In case no additional funding for SDF II is secured (and the engagement is discontinued), it is the responsibility of the SDF II Fund Manager to ensure that all Danish grants are properly closed before support is terminated or SPSD III comes to an end in December 2020, and that the lessons learned are well documented and available with COTVET.

10 SPECIAL CONSIDERATIONS

Special considerations will be addressed in connection with the elaboration of the eligibility criteria for support by SDF II. SDF II will adopt an inclusive approach by promoting human right standards in all operations including ensuring that all grantees comply with the United Nations (UN) Guiding Principles on Business and Human Rights, ILO Decent Work agenda and the UN Global Compact principles. As regards gender, the point of departure will be COTVET's gender strategy. Hence, all applications will be gender screened and the SDF II Secretariat will make a special effort to reach enterprises with a large share of female workers, and if deemed appropriate special invitational call(s) may be applied. It will furthermore be considered to give priority to applicants with a high share of female employees. Especially Window 2, addressing skills shortages in the informal sector, is expected to cater for a substantial number of women, as they make up the majority of those engaged in the informal economy. Under Window 3, priority will be given to development of training courses that are relevant for women and in relation to Window 4 a special effort will be made to include female management and supervisory staff.

It will be ensured that the grantees comply with national regulations and advance their capacity to adhere in improving national standards. When developing the SDF II Operations Manual emphasis will be given to develop a solid screening mechanism, which shall ensure that applicants with a green growth profile are given priority (i.e. sustainable energy related businesses). In addition, it is recommended that SDF II 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. Moreover, the screening mechanisms should ensure that applicants posing a potential risk to the environment undergo an Environmental Impact Assessment.

Special attention will be given to OHS issues. Awareness of the importance of a healthy working environment is in general low among Ghanaian enterprises. Many are violating basic OHS principles. Therefore, all applications for support will be OHS screened, and in instances where the working conditions do not meet basic standards, the grant may include assistance to improve the OHS conditions. Applicants that are violating fundamental OHS principles will not be eligible for support from SDF II.

Compared to SDF I, more emphasis will be given to the Human Rights Based Approach (HRBA). This implies that the following four principles shall be applied in all phases of the SDF II interventions: non-discrimination, participation and inclusion, transparency and accountability. This includes incorporating the four principles in the criteria for screening and selecting applications. SDF II 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, as mentioned above. In connection with the due diligence, all applicants will undergo an "ethical" and "corporate governance" check, based on the evidence available on their business practice. Guiding principles on how to apply the HRBA are provided in Annex 13 of the Strategic Programme Document.

11 TRANSITIONAL ISSUES, EXIT STRATEGY AND SUSTAINABILITY

11.1 Transitional issues

The present Danida co-funding of the COTVET PSU will come to an end by end of June 2016. It is expected that all Danida-funded fixed assets necessary for the operation of SDF II will be transferred to the SDF II Secretariat upon completion of SPSP II. Moreover, in order for the SDF II Secretariat to follow up on outstanding SDF I grants, it is assumed that all relevant hard and soft data will be available to the SDF II Secretariat. Finally, during the transition phase between SPSP II and SPSP III (April to June 2016), the current SDF II Fund Manager and senior staff will brief the incoming team on all relevant key administrative and operational issues. The Fund Manager for SDF II will ensure that grants given under SDF and not completed by June 2016 are properly finalised and completed.

11.2 Exit Strategy and Sustainability

Since this is 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 has guided the formulation and design of SDF II, and this will be further developed during the implementation phase.

The impact sustainability of SDF II refers to the supported enterprises and associations' ability to maintain internal training capacity. For Window 1 firms, this depends on having internal mechanisms to continue training workers, especially when labour turnover is high. For Window 2, this relies on the associations' capacity and priority of using some of the trained members to train those who did not participate in the SDF II supported training. For Window 3, sustainability depends on the extent to which the supported institutions continue to offer training incorporating the skills learned under SDF II. Results and studies from SDF I have already provided strong evidence and indications in terms of the firms and associations current ability and commitment to maintaining training mechanisms, and it will be increasingly important to prioritise the impact sustainability under SDF II.

Through Window 1 and 2, training of internal trainers will be provided as an integral part of the skills development training, which will seek to ensure that the supported enterprises continue training current and new staff after exit. Moreover, the training and coaching of management and supervisory staff in more established companies in Window 4 should also build up sustainable enterprise knowledge in terms of continuing to develop human resources after support of SDF II. The impact sustainability has been incorporated into the results framework and will be monitored.

Institutional sustainability of SDF II refers to capacity of COTVET and the SDF II Secretariat to ensure that capacity to support technical and vocational education and training and related productivity challenges beyond SDF II remains available. As part of SDF II, the capacity of COTVET will be strengthened with special attention to how to conduct capacity assessments of training institutions, plan and implement ToT programmes and assist grantees with implementation of the planned training activities. The supported capacity building will take its point of departure in the recently conducted training needs assessment.

Moreover, learning material developed and lessons learned from the activities supported by the SDF I and II will be stored in a data bank that will be made available to other public and private training providers. COTVET will be in charge of this. These aspects are reflected in the SDF II results framework and will be monitored. Moreover, it will be the responsibility of the SDF II Fund Manager to consider how COTVET staff can participate in the planned SDF II activities for the year. The SPSP III Mid-term review will assess the collaboration between the SDF II Fund Manager and COTVET and provide guidance towards the completion of SDF II.

Financial sustainability is subject to the future funding of SDF II. So far SDF has been funded entirely by the World Bank and Danida. It is not yet known whether the World Bank will continue co-financing of the SDF II beyond June 2016. Similarly, it is possible that other development partners will contribute to the financing of the Fund in the future. The Embassy has consulted with the Minister of Finance, who confirmed that SDF indeed has a high priority by Government of Ghana and that limited counterpart funding, USD million 1, will be made available in 2017-18. Sustaining SDF clearly requires a much larger commitment by Government and possibly supplemented with funds from other sources including Development Partners. Other sources include ring-fencing funds in the Ghana Education Trust Fund (GET Fund), a levy or payroll tax, income from providing skills development services and tax-deduction for investment in skills development at enterprise level.

In order to move forward on the financial sustainability options available the following actions will be taken:

- The SDF II Fund Manager will build in exit scenarios from the beginning of the programme for approval at the Steering Committee. The exit scenario will include two phases, i) Discontinuation and exit shortly after the Mid-term review end of 2017 and ii) Exit by Danida by 2020 including the continuation of SDF II beyond 2020 with possible Government, Private Sector and additional Development Partner funding;
- The Danish Embassy is in a continuous dialogue with the GoG in terms of ensuring the further funding to the Skills Development Fund beyond 2016;
- The Danish Embassy will also continue to consult with other key stakeholders such as Development Partners and private sector actors;
- The SDF II Steering Committee will also play an important role in identifying potential additional funding for SDF II, as it will include key private sector and government representatives;
- The SPSD III Mid-term review will be carried out by the end of 2017. If substantial additional funding for SDF is not available by 2018 by the GoG and other sources, Danida will terminate support to SDF and reallocate unspent funds for other engagements within SPSD III.

12 RISK MANAGEMENT

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

Risks Factors	Likelihood	Background to assessment of likelihood	Impact	Background to assessment to potential impact	Risk Response	Residual Risk
Programmatic risks						
Danida will be the sole donor of SDF II (and GoG will not provide counterpart funding)	Likely	Government of Ghana has confirmed a limited counterpart funding of USD million 1, to be made available in 2017-18. Additional funding is not yet confirmed for SDF II.	Major	The GoG counterpart funding is expected to initially be around USD million 1, and is essential for the national ownership and financial sustainability of SDF II.	The Danish Embassy will continue to consult with the GoG. And there will be built in exit scenarios from the beginning of the programme.	Major
Temporary loss of momentum due to delays in engaging a competent fund management organisation	Likely	There are many activities and dependencies related to the engagement of a new SDF II Fund Manager as well as the transitional and start-up phase, which therefore can include some delays.	Minor	SDF is already a strong brand in Ghana, and a loss in momentum will have limited influence on the further implementation.	The tender process will be initiated early and it will be communicated widely. Preparation of a solid plan for transitional phase between SDF I and II will be made.	Minor
Implementation delays due to organisation's lack of familiarity with	Likely	A new SDF II Secretariat will need extra time to familiarize themselves with new	Minor	Implementation delay will have limited influence on the further implementation.	All documents and data related to SDF I are available for the SDF II. The current Fund	Minor

the processes		processes.			Manager for SDF I will brief the incoming team.	
COTVET not interested in collaboration with SDF II Fund Manager	Unlikely	COTVET will still play an important role as the national host. And a budget line has been earmarked for their capacity strengthening.	Minor	It will influence the working relationship and sustainability perspectives.	Reassessment and revision of the governance structure and the support to COTVET	Minor
Insufficient number of quality applications to the SDF II as grant elements are reduced	Unlikely	Experience from SDF I demonstrate an increasing and continuous demand for the support.	Major	The number of quality applications will influence the amount of approved grants and upgrading of skills and enterprise productivity.	Intensified promotion of SDF II. Reassessment of grant element.	Insignificant
Grantees not interested in taking advantage of the training provided	Unlikely	Experience from SDF I demonstrate strong interest in taking advantage of the training and improving processes, services and products.	Major	Limited interest in taking advantage of skills will influence the impact on enterprise growth as well as the wider socio-economic development.	Increased assistance to grantee for implementation, adjust assessment criteria for allocating grant or increase own contribution from companies	Insignificant
A skills development fund will not be sustained after SDF II	Likely	The sustainability of a skills development fund is challenged due to uncertain contributions from GoG, Private Sector and other Development Partners (DPs) after exit by	Minor	Less support to TVET and skills development training in Ghana, which will influence enterprise growth and wider socio-economic development.	Internal training mechanisms have been integrated into SDF II, which should allow for the supported firms to continue training.	Minor

		Danida.				
Institutional risks						
SDF II Fund Manager misappropriates funds (reputational risk for Denmark)	Unlikely	The SDF II 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 monitoring of SDF II Fund Manager, including independent audits. If misuse occurs, contract to be terminated immediately.	Insignificant
Poor value for money i.e. weak results (reputational risk for Denmark)	Unlikely	Monitoring and Evaluation (M&E) data and studies of SDF I have demonstrated significant results.	Major	Poor value for money would include limited impact on the productivity and growth of enterprises and the wider socio-economic development	Management, reviews, risk reviews, audits and monitoring will regularly assess the value for money.	Minor

The SDF II Steering Committee is responsible for mitigating the programmatic and institutional risks.

13 INPUTS

The following SPSP III resource envelope will be allocated to the SDF II engagement:

#	Output	Budget DKK million
1	SDF II providing quality training in response to documented demanded	53.6
2	New innovative training skills training courses developed	13.2
3	Managers/supervisors coached on staff development and production planning	3.7
4	Increased capacity of COTVET staff to provide guidance to and interact with private companies	2.2
5	SDF II experience and material made available to the public	2.2
	Outreach, IT, external monitoring assistance etc.	3.1
	Management contract, operational costs	17.0
TOTAL SKILLS DEVELOPMENT ENGAGEMENT		95.0

Note: The Government of Ghana will contribute counterpart funding to SDF II engagement of initially USD 1 million during 2017-18. Counterpart funds will be provided to cover among others things the payments of the additional and extra-curricular work of the SDF II Steering Committee members employed by Ministries, Departments and Agencies of the GoG.

A detailed engagement budget is provided in Annex 1.

Reallocation between budget lines concerning the outputs can be made within a frame of 10% if agreed by the SDF II Steering Committee; however, the Danish Embassy maintains the right to sanction such decision. Reallocations between budget lines of more than 10% shall be agreed between the SDF II Steering Committee and the Danish Embassy, and in general adhere to the principles for Danida programme implementation.

14 MANAGEMENT ARRANGEMENTS

The management arrangements for SDF II have been considered carefully in light of experience and lessons learned from SDF I and in close dialogue with key stakeholders including the management of COTVET, the SDF II Fund Manager, the SDF II Steering Committee and the involved development partners.

SDF I was implemented by a PSU within COTVET, which was established to coordinate and implement all support to TVET in Ghana including World Bank and GIZ funded projects. Despite significant results achieved under SDF I, they have been attained at rather high expense especially in the areas of marketing and promotion, project administration, monitoring and evaluation, and operational costs. Moreover, while it was anticipated by development and implementing partners, that the SDF I would prepare for a possible transfer of the implementation responsibility for the SDF to the COTVET Secretariat, the knowledge transfer and capacity building of core staff of COTVET has not taken place during SDF I as desired. The core role and mandate of COTVET does not include fund management and as such staff of COTVET including the last recruited staff in 2014-15 does not have fund management experience, neither do they have a background that would render it likely for them to be trained as fund managers.

Based on the above considerations and other lessons learned, SDF II will be managed by an independent SDF II Fund Manager to be identified through an international tender conducted by Danida. This will allow for a lean and efficient organisational structure, a more flexible implementation approach and hopefully attract other DPs and private sector actors to ensure the financial sustainability of the Fund. The SDF II will remain as a facility co-funding non-state labour market relevant skills training for the formal and informal sectors as well as development of new innovative training programmes. The SDF II Fund Manager may either be a single company or a consortium of companies. The contract with the SDF II Fund Manager will initially be for two years with a possibility for an extension of another three years until the end of SPSP III.

14.1 The Role of COTVET

COTVET will serve as a national host institution to the SDF II. Rather than managing or operating the challenge fund, COTVET will focus on utilising its core mandate and competences in terms of:

- i. Ensuring that the design and implementation of SDF II is strategically aligned with national TVET policies and priorities, and utilising the lessons learned through SDF II for further TVET development in Ghana;
- ii. Creating a conducive environment for TVET development in Ghana including the implementation of SDF II;
- iii. Ensuring that capacity to support technical and vocational education and training and related productivity challenges beyond SDF II remains available;
- iv. As a full member of the SDF II Steering Committee the COTVET Executive Director (ED) will share his/her experience and insight from a COTVET point of view. Furthermore, the ED will use the significant insight that arises from appraising the significant number of SDF II grant applications to inform future strategy and policy decisions within TVET;
- v. Sourcing funding from government, development partners and private sector actors to support the continuation of a Skills Development Fund beyond SDF II.

COTVET will oversee and guide the strategic implementation of SDF II through various means. The COTVET ED will remain as an ex officio member of the Steering Committee, which will be established as a semi-autonomous committee of the COTVET Board. The SDF II Secretariat will prepare and submit half yearly progress reports and budgets to COTVET. And the SDF II Steering Committee will conduct an annual joint meeting with the COTVET Board to discuss strategic issues of common interest pertaining to TVET development in Ghana. The meeting will be chaired by the Chairman of COTVET.

COTVET's long term relationship with SDF will be determined during the coming programme period and will be an issue for consideration by the mid-term review late 2017. As the national apex body set up to co-ordinate and oversee all aspects of technical and vocational education and training in Ghana, COTVET will continue to play an important role in creating a conducive environment for TVET development in Ghana, and this will also influence the success of SDF II. This includes formulating policies for skills development education and training, conducting capacity assessments and certification of training institutions and training providers, and planning and implementing ToT programmes. To strengthen the capacity of COTVET in terms of the above responsibilities, a part of the

budget has been earmarked for supporting capacity building of COTVET staff. This will be managed by the COTVET ED along-side the SDF II Secretariat.

To ensure that capacity to support technical and vocational education and training and related productivity challenges beyond SDF II remains available, learning material developed with the support of SDF I and SDF II will be stored in a data bank managed by COTVET. Moreover, to foster greater collaboration and synergies between SDF II and COTVET, the SDF II Secretariat will be situated at the same location as COTVET or an office location in Accra near to COTVET.

14.2 The SDF II Secretariat and Steering Committee

The SDF II Fund Manager will be the day-to-day head of the SDF II Secretariat. The SDF II Fund Manager has the overall responsibility for the operations of the SDF II and thus accomplishment of the planned outputs. The SDF II Fund Manager together with the Secretariat is responsible for all administration, supervision and logistic matters required to operate SDF II and secure the implementation in line with the main principles laid down in Strategic Programme Document and in this Engagement Document including the results framework indicating the planned outcome and outputs. The present SDF Procedures Manual, providing all operational details of the SDF, will be updated by the SDF II Secretariat and be approved by the SDF II Steering Committee. The SDF II Fund Manager and Secretariat will provide all documentation required for coordination of this engagement with the other engagements of the SPSD III. The SDF II Secretariat will prepare half yearly progress reports and budgets to be approved by the SDF II Steering Committee. The representative of COTVET management and the representative of the Danish Embassy will have no objection vote on all decisions. The reports and budgets will subsequently be submitted to Danida (the Danish Embassy) and to COTVET.

The SDF II Fund Manager will be a member of the SPSD III Coordination Committee. Before the SDF II Fund Manager finalise half yearly plans and budgets consultations will take place within the Coordination Committee to identify and plan for synergy among SPSD III interventions. See further details in the Strategic Programme Document.

The SDF II Secretariat will have the following professional staff: a Fund Manager, one grant specialist, two grant officers, a financial controller (accountant), and an M&E specialist. For other purposes such as communication and IT, the Secretariat will rely on external short-term expertise.

The SDF II Steering Committee is the oversight body of the SDF II and thus the grant awarding authority of the Skills Fund (see Annex 2 for the ToR of the SDF II Steering Committee). In this capacity it approves all grants and the SDF II Operational Manual among others. The SDF II Steering Committee is appointed by the Deputy Minister for Higher Education in close consultations with the Danish Ambassador. The SDF II Secretariat via the SDF II Fund Manager is the secretary to the Steering Committee.

The SDF II Steering Committee has nine members of which at least three must be engaged in private sector activities. One member will represent the development partners (in this case Danida).

The SDF II Fund Manager will liaise with the SDF II Steering Committee on all matters related to the grant element of the SDF II. All matters related to the contract between Danida and the SDF II Fund Manager will be dealt directly between the two parties. The Fund Manager is accountable to the SDF II Steering Committee. The draft ToR for the SDF II Fund Manager can be found in Annex 3.

15 FINANCIAL MANAGEMENT

Danida will transfer funds directly to a dedicated account opened by the SDF II Fund Manager with a reputable bank with interbank net facility. When a grant application is approved, the SDF II Fund Manager will disburse funds to the grantee's bank account on evidence the grantee has deposited the agreed amount on SDF II's account. The SDF II Fund Manager will manage this account.

The SDF II Fund Manager has prudential responsibility of funds and shall ensure that funds are used in accordance with the approved budgets and operational guidelines. The SDF II Secretariat will be required to develop procurement plans for approval by the SDF II Steering Committee. Financial reporting shall comply with the conditions set out by Danida for decentralised financial management. The SDF II Fund Manager will ensure that a financial audit is undertaken each year and those financial statements are prepared according to internationally accepted accounting standards and handed over to the auditor. The SDF II 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 SDF II Fund Manager and Danida will be handled directly according to the contract between the two parties.

As for SDF II, a part of the budget has been earmarked for supporting capacity building of COTVET. The budget will be managed by the COTVET ED alongside the SDF II Fund Manager, and the funds will be disbursed to an account of COTVET, when the budget has been approved by the SDF II Steering Committee.

The GoG is expected to contribute with counterpart funding, which will be transferred to the dedicated account opened by the SDF II Fund Manager. It is moreover envisaged that the support from other DPs may be managed as delegated support through the Danish Embassy. A Delegated Agreement between the Danish Embassy and other DPs will form the basis for this.

16 MONITORING & EVALUATION

Monitoring and evaluation will be conducted at two levels. The SDF II Secretariat will be responsible for monitoring SDF II interventions according to the Results Framework for SDF II, while an SPSD III M&E Consultant will be contracted to conduct results (outcome) monitoring at the programme level. The purpose of the results monitoring at the engagement level is to provide the management with a tool that allows it to assess not only whether the activities are implemented as planned, but also to make necessary adjustments if the intended results are not likely to be achieved as envisaged. The SDF II Secretariat will employ a full-time M&E specialist to oversee this. At the SPSD III programme level, an M&E Consultant with expertise in complex outcome-related monitoring will be in charge of M&E, including

establishment of a baseline for assessment of progress vis-à-vis outcome and objective-level indicators. The SDF II Secretariat may assist the SPSPD III M&E Consultant with collection of agreed data. For further details on monitoring, please refer to Annex 4.

Audits and Evaluations: The relevant financial statements shall be audited annually by an audit firm or audit institution in accordance with International Standard for Audits (ISA) or International Audit Standard System (INTOSAI). Danida shall approve the auditor. The audits must be completed within six months after the close of each financial year. Danida may commission special audits like procurement audits, value for money (VfM) audits, reviews and evaluations at any time during implementation.

Corruption and irregularities: Danida administers a zero-tolerance for corruption across all programmes. In case of irregularities or suspected case of mismanagement on the part of the implementing partners, the Embassy will report this to headquarters in Copenhagen and furthermore such reports will be made publicly available.

SIGNATURES

Date:

SDF II Fund Manager

Embassy of Denmark, Ghana

ANNEX 1: SDF II Engagement budget in DKK million

#	Output	2016-20	2016	2017	2018	2019	2020
1	SDF II providing quality training in response to documented demand	53.6	4.1	14.3	15.5	15.5	4.2
2	New innovative training skills training courses developed	13.2	1.7	2.8	3.8	3.8	1.0
3	Managers/supervisors coached on staff development and production planning	3.7	0.5	0.8	1.1	1.1	0.3
4	Increased capacity of COTVET staff to provide guidance to and interact with private companies	2.2	0.3	0.5	0.6	0.6	0.2
5	SDF II experience and material made available to the public	2.2	0.3	0.5	0.6	0.6	0.2
	Outreach, IT, external monitoring assistance etc.	3.1	0.3	0.8	0.9	0.9	0.2
	Management contract, operational costs	17.0	5.1	3.1	3.1	4.3	1.4
TOTAL SDF II ENGAGEMENT		95.0	12.3	22.8	25.6	26.8	7.5

ANNEX 2: Draft Terms of Reference for the SDF II Steering Committee

1. Background

In 2006, by Act 718, the Government of Ghana (GoG) established the Council for Technical and Vocational Education and Training (COTVET). The objectives of the Council are to coordinate and oversee all aspects of technical and vocational education and training (TVET) in Ghana. Among its functions, the Council is enacted to ‘source funding to support technical and vocational and training activities’ and ‘facilitate collaboration between training providers and industry to promote demand driven curriculum development and placement, and national internship programmes’.

The establishment of the Skills Development Fund (SDF) is seen as one of a series of mechanisms to improve efficiency and effectiveness of the TVET system and reduce skills gaps. In order to achieve this objective the SDF II is designed to include responsive policy, governance structures, institutional arrangements, institutional capacities, systems and procedures. Currently SDF is funded by development partners (DPs). As the disbursements from DPs constitute loans and grants to the GoG, the Fund must operate within the confines of the law with clear procedures and guidelines for the use of funds. The SDF provides equal access for companies, associations of enterprises and training providers to skills development and advice on a competitive basis.

2. The Skills Development Fund

The SDF II is a challenge fund. The SDF II mechanism is expected to assure some key Governmental priorities in skills development:

- **Demand driven skills development:** It will assure that support to skills development is demand driven as it will require setting up partnerships between firms or associations of enterprises and training providers.
- **Focus on enterprise development, stimulating demand and cost-sharing:** It will assure that the key outcomes are focused on the economic agenda and demand for skills and technology increases. This in turn also leads to more relevant supply of skills and technology services as well as cost-sharing between employers and training providers.
- **Policy and incentive based financing:** Government financing focuses on desired policy outcomes, rather than on inputs. Consequently, the Government can focus on coordination and quality assurance instead of being a provider itself. Financing is also more transparent and is competitive and helps set up a framework for harmonized donor support.

The SDF II supports proposals in selected sectors aiming to improve productivity, revenues or earnings through improved skills or improved technologies. Within the selected sectors, the selection of proposals will be competitive; it will be based on the relevance, realism and sustainability of the planned outcomes and partnerships. The SDF II will finance projects under a number of funding windows.

Danish funds allocated for the SDF II can only be used for purposes described in the SDF II Engagement Document signed by COTVET and the Danish Embassy.

3. Composition of the SDF II Committee

The statutory objects of COTVET provide a framework through which SDF II-allocated funds from the grants and loans from development partners and GoG are expected to constitute the bulk of funding for the Fund. In order to ensure that the funds are applied for the specific purposes for which the funding is intended, it is necessary to ensure that a competent body is set up within COTVET legislation and international best practice for the successful implementation of the scheme.

The SDF II is organised as follows:

- Under section 7 of Act 718 of the COTVET legislation, the Board is given the power to “establish committees consisting of members of the Board or non-members or both to perform its functions, except that a committee composed entirely of non-members may only advise the Board”. Under the provision for the establishment of designated standing committees, an SDF II Steering Committee has been established as a semi-autonomous standing committee under the Board of COTVET.
- The SDF II Fund constitutes a project unit under COTVET. The SDF II Fund is headed by the Fund Manager, who reports to the SDF II Steering Committee. The SDF II Fund Secretariat will be kept lean, and external specialists contracted to undertake specialized assignments such as sensitisation/outreach and other functions.

The SDF II Steering Committee consists of representatives from relevant public and private stakeholders as well as one person representing the contributing development partners. One of the members of the SDF II Steering Committee has to be a member of the COTVET Board. The COTVET ED is ex-officio member of the SDF II Steering Committee. The Deputy Minister for Higher Education in close consultation with the Danish Ambassador appoints the chairperson of the SDF II Steering Committee and approves the members in consultation with the funding agencies. The Board aims at a fair gender balance of committee members.

The COTVET Board has approved the composition of the SDF II Steering Committee as follows:

- The chairperson, an industry practitioner with considerable knowledge of TVET issues confronting the private sector
- One member of the COTVET Board
- One person nominated by the Ministry of Finance and Economic Planning
- One person nominated by the Ministry of Education
- Three experts in skills and/or private sector development
- The COTVET ED (in a non-voting capacity)
- One person designated by, and representing, the contributing DPs, initially the Danish Embassy will appoint the representative.

The SDF II Steering Committee is entitled to appoint sub-committees according to identified needs.

All SDF II Steering Committee members will be paid an honorarium for participation in evaluation of applications to the SDF II, according to the actual time spent on this. For SDF II Steering Committee members who are civil servants, funds will be sourced from the Government of Ghana counterpart funds to the SDF II. The COTVET Chairman and the

Danish Embassy will determine the size of the honorarium. Once the Development Partners have agreed on new guidelines for remuneration of participation in activities of this nature, the payment of the SDF II Steering Committee members will be reassessed.

4. Responsibilities of the SDF II Steering Committee

The overall function of the SDF II Steering Committee is to ensure that the SDF II becomes an efficient and acknowledged instrument for strengthening the skills and competence base of the Ghanaian labour force, hereby making the Ghana private sector more competitive and improving access to gainful employment. The specific functions of the SDF II Steering Committee are to:

- Establish a detailed policy and plan for the dissemination of information regarding the procedures and operation of the SDF II, ensuring that all potential target audiences have access to the required information;
- Establish an action plan on how to address skills shortages of trainees within the structured apprenticeship system and the formal and informal sectors, including upgrading of informal apprenticeship training;
- Establish detailed procedures for the screening and approval of applications to the SDF II;
- Establish basic quality assurance procedures for skills development initiatives supported by the SDF II;
- Monitor and regularly evaluate the relevance and quality of the skills training supported by the SDF II;
- Investigate and act on complaints received from learners, parents/guardians, employers and other stakeholders about the quality of training, assessment, and award of qualifications of training initiatives supported by the SDF II.

5. Qualifications

Persons nominated to serve on the SDF II Steering Committee must have proven commitment, knowledge and experience relevant to skills and technology development.

ANNEX 3: Draft Terms of Reference for the SDF II Fund Manager

The Skills Development Fund, phase II (SDF II) of the Danish Support to Private Sector Development, Phase III 2016 – 2020 (SPSD III) Ghana

1. Introduction

A new Denmark – Ghana Partnership Policy 2014 – 2018 has been agreed between the two governments. 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 the shared objectives of, strengthened political cooperation, promotion of inclusive and green growth, economic diplomacy and increased commercial cooperation, and consolidation of results in development programmes. The SPSD III, will prioritise sustainable energy and agribusiness in a broader context of supporting Ghana's private sector development in general.

SPSD III comprises two main development engagements that will be funded from the budget committed for SPSD 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 both in the BPS and the SPSD II programmes and the SDF was also supported under SPSD II. The two carry over engagements are the Rural Development Fund (RDF) which pools all existing access to finance instruments under the Business Sector Programme Support (BPS) and SPSD II under one fund manager and the Ghana Climate Innovation Centre (GCIC) whose implementation will be from 2016 to 2020.

It is expected that special effort will be made to develop the synergy potential between these development engagements.

SDF II is a challenge fund under the auspices of the Council for Technical and Vocational Education and Training (COTVET). COTVET will be the Engagement Partner of the SDF Engagement. COTVET is an apex body, with the mandate to co-ordinate and oversee technical and vocational education and training and to provide for related matters. Part of the COTVET mandate is to develop policies for skills development across the broad spectrum of pre-tertiary, tertiary, formal and non-formal TVET sectors.

The budget for SPSD III is DKK million 140 for the five-year period 2016-2020, of which DKK million 95 is earmarked for the SDF Engagement.

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. SDF Focus areas

The SDF Engagement is supposed to lead to the following outcome: "Increased labour productivity, turnover and product quality through demand-driven skills development initiatives and capacity for own training".

Seven outputs are stipulated for the Engagement:

- (i) Skills level of supported enterprises enhanced through demand responsive quality training
- (ii) New innovative training skills training courses developed and delivered

- (iii) Managers/supervisors trained and coached on staff development and production planning
- (iv) Capacity of COTVET staff provided to guide and interact with private enterprises
- (v) SDF supported firms develop internal training capacity
- (vi) SDF experience and material made available to the public.

Grants will be awarded on the basis of the merit of projects presented to the SDF for funding. The evaluation criteria will, similar to the first phase, focus on the effect of the training on the competitiveness of the applying company (or the members of the association for the informal sector), the possible employment effect and, for the informal sector, the expected income effect on the beneficiaries. Furthermore, there must be a reasonable balance between the cost of the training and the expected impact (the value for money dimension) and basic decent work principles must be observed.

SDF II will have four 'windows':

1. A window for support to short-term skills training for workers in formal enterprises. The applicant will be enterprises and the grant element cannot exceed 60%. The cost of tools and equipment can be funded with up to 10% of the total budget for the project. If adequate, the SDF will advise the grantee on how to solicit funding for purchase of equipment, for instance through a bank loan guaranteed by the Danida established Rural Development Fund. Under this window, SDF II may introduce invitational grants as a supplement to the open calls applied under SDF I. Invitational calls may among others be used to ensure that SDF II will provide for a green growth profile.
2. A window for upgrading of the skills of master craftsmen and workers (apprentices) in the informal sector. The applicants will be an association or a cooperative. The grant element cannot exceed 80%, but co-funding can partially be provided in kind. Equipment for demonstration purposes may constitute up to 15% of the total costs of the project. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) with co-funding from the European Union (EU) is presently implementing an informal sector skills upgrading project. Also, the Kreditanstalt für Wiederaufbau (KfW) is about to launch a voucher-based skills upgrading initiative for the informal sector. Support under Window 2 will be coordinated with these projects.
3. A window to support the development of new, innovative training. The innovative dimension may relate to the context, the target group, the funding modality or the mode of delivery. This facility will be open to both public and private training institutions. The grant element cannot exceed 70%. Up to half of the project costs may relate to purchase of equipment and tools. The SDF may advise the grantee on how to obtain a bank loan guaranteed by the RDF for acquisition of additional hardware.
4. A window for support to training and coaching of management and supervisory staff of companies and associations on how to practice human resource development (HRD) and improve production efficiency will be established. While priority will be given to management and supervisory staff of companies already supported by SDF (I and II), also staff of companies with no previous relationship with SDF will be eligible for support. In order to qualify for support by the SDF, the enterprise must have a minimum of 20 staff and a well-established management structure. The actual training/coaching will be provided by a specialist identified by the applicant. If relevant, the coach may be contracted from outside Ghana. Possibly, this service will

be provided in collaboration with the International Labour Organisation (ILO) programme SCORE¹⁰. At present, only one organisation in Ghana is accredited to offer the SCORE programme. The SDF will seek to increase the number of accredited SCORE service providers in order to stimulate competition. The SDF II will bear up to 75% of the cost of the management training/coaching. Also under this window, funds may be made available for a small number of Ghanaians to attend business studies offered through collaboration between Ghanaian and Danish universities.

In line with the overall orientation of SPSD III, priority will be given to enterprises engaged in agribusiness/agro-processing and sustainable energy as well as other projects with a green profile¹¹. However, manufacturing enterprises are expected to constitute a significant part of enterprises supported by SDF II.

In addition to the above, direct support will be provided in two fields:

- a) Based on a training needs assessment, selected COTVET staff will be coached on how to conduct capacity assessments of training institutions, plan and implement training-of-trainer programmes and assist grantee with implementation of the planned training activities. No additional equipment for COTVET is envisaged.
- b) Learning material developed with the support of SDF I and SDF II will be stored in a data bank that will be made available to other public and private training providers. COTVET will be in charge of this. Furthermore, the lessons learned from the activities supported by the SDF will be analysed and shared with relevant public and private stakeholders. This is the responsibility of the SDF Consultant managing SDF.

3. Management of the SDF

The SDF Consultant will establish an SDF Secretariat to be located at an office preferably within the COTVET head office to foster and continue the working relationship with COTVET. The SDF Consultant will appoint an SDF Fund Manager who will be the day-to-day head of the SDF Secretariat. The contract will have an initial duration of two years with the possibility of an extension for another two and half year if the mid-term review makes a recommendation to the Embassy on this.

The SDF Secretariat under the management of the SDF Fund Manager is responsible for all administration, supervision and logistic required for the operation of SDF II and for ensuring that the implementation is in line with the main principles laid down in the SDF Engagement Document including the results framework for outcome and outputs. The present SDF Operational Manual will be updated by the SDF Secretariat and approved by the SDF Steering Committee. The SDF Secretariat will provide all documentation required for coordination of this Engagement of the SPSD III. The SDF Secretariat will submit half-

¹⁰ With funding from SECO, the ILO is implementing its “*Sustaining Competitive and Responsible Enterprises (SCORE)*” programme in Ghana. SCORE is a practical training and in-factory counselling programme that improves productivity and working conditions in SMEs According to the ILO, the “product demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains”.

¹¹ ILO is implementing a programme promoting skills training for green jobs in a number of African countries. SDF will consider the possibility of incorporating the lessons learned from this in its support to for instance enterprises in the construction and building industry.

yearly progress reports and budgets to, the SDF Steering Committee (which includes the Embassy of Denmark) for approval according to the procedures specified in the SDF Operational Manual.

The SDF Fund Manager will be a member of the SPSPD III Coordination Committee. The SDF Steering Committee is the oversight body of the SDF and the grant awarding authority of the SDF. In this capacity it approves all grants and defines the operational principles of the SDF. The members are appointed by the Minister of Education and the Danish Ambassador. The SDF fund manager is the secretary to the Steering Committee.

The SDF Fund Manager will also have the responsibility of continuing and completing any yet to be completed grants under the first phase of the SDF.

Monitoring and evaluation will be conducted at two levels. The SDF Secretariat will be responsible for monitoring SDF interventions according to the Results Framework for SDF II, while an SPSPD III M&E Consultant will be contracted by the Embassy to conduct results (outcome) monitoring at the programme level. The purpose of the results monitoring at the engagement level is to provide the management with a tool that allows it to assess not only whether the activities are implemented as planned, but also to make necessary adjustments if the intended results are not likely to be achieved as envisaged.

Transfer of funds for the SDF engagement will follow three routes:

(i) Funds for all grants to be awarded by SDF II as well as other costs agreed by the SDF Steering Committee will be transferred from the Danish Embassy to a dedicated account to be established by the SDF Consultant in consultation with the Embassy of Denmark. The bank account will be managed by the SDF Manager

(ii) Funds related to all operational costs of the SDF Secretariat, including salaries, will be transferred directly from Danida Copenhagen to the SDF Consultant. Financial report for these funds will take place according to Danida's rules and procedures specified in the contract between the two parties. All contractual matters between the SDF Consultant and Danida will be handled directly between the two parties as per payment conditions stated in 3.2 - Terms of Remuneration contained in the tender document.

(iii) Funds related to all activities aimed at supporting COTVET for capacity building, joint collaborations, joint monitoring and trainings will be transferred from the Embassy of Denmark into a dedicated account to be opened by the fund manager in consultation with COTVET. This bank account would be managed jointly by the Fund Manager and the COTVET Executive Director.

4. Activities of the SDF Consultant

In consultation with the SDF Steering Committee the SDF Consultant is responsible for achieving the outputs mentioned above. The SDF Consultant will provide all technical, managerial and administrative expertise required in order to achieve this. Furthermore, the SDF Consultant will take care of all logistics related to the operation of the SDF Secretariat and the activities to be undertaken by this.

The SDF Consultant's head office shall provide all backstopping required, ensuring successful implementation of the assignment, as indicated by achievement of the planned results. This entails quality assurance visits, minimum one per year and provision of short-term technical assistance as needed.

The SDF Consultant is responsible for all reporting regarding the activities of the Skills Development Fund. This includes progress reports, financial statements and M&E data collected in accordance with the SPSPD III M&E Guidelines. The SDF Consultant will submit bi-annual reports in line with the principles stated in the SPSPD III Programme Document.

5. Inputs by the SDF Consultant

The SDF Secretariat will have the following full-time professional staff:

- one Fund Manager,
- one Grant Specialist,
- two Grant Officers,
- one Financial Controller (accountant),
- one Monitoring and Evaluation (M&E) specialist.

For other purposes such as communication and IT, the Secretariat will rely on external short-term expertise. Furthermore, the Consultant shall provide ad hoc international technical expertise as required. Profiles of the key specialists are given below.

5.1 Fund Manager

General Qualifications

- A Fund manager with at least 5 years of leadership experience in relation to the management of a challenge fund.
- Have a post graduate degree in Economics, Finance or a related discipline;

Adequacy for the assignment

- At least 4 years of skills development fund management experience within Ghana
- Must demonstrate proven competency with tools of fund managements and grants administration within a skills development fund context;
- 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 board of directors or steering committees as a fund manager within a private sector development context;
- Proven experience from working with multiple development partners in a private sector development context;

Experience in the region and language

- Very good institutional experience from working in Ghana
- Fluency in English and at least one local Ghanaian language.

5.2 Grant Specialist

General Qualifications

- Must have a minimum of 5 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

- Must have hands on experience with grant administration
- Must demonstrate competency with project implementation, supervision and appropriate documentation in relation to contractual obligations under grant agreements;
- Experience from managing and monitoring grantees of a challenge fund.
- 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 at least one local Ghanaian language.

5.3 and 5.4 Grant Officer (2 persons)

General Qualifications

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

Adequacy for the assignment

- Must have hands on experience with grant administration and management of PSOs, and Business Associations in a skills development context within Ghana;
- 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 at least one local Ghanaian language.

5.5. Financial Controller

General Qualifications

- Must have a minimum of 5 years of financial management experience at senior level on a donor funded project.
- Must have a minimum of a post graduate degree in finance and or accounting

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 of a fund management unit 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 development partners in a private sector development context

Experience in the region and language

- Experience from working in Ghana
- Fluency in English and at least one Ghanaian language

5.6 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;
- 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 in developing maps for publishing such as using Google Fusion Tables, uploading data into an SQL-based Monitoring Information System and querying the database on request plus the ability to analyse and interpret data collected at various levels of the project cycle and to conduct quality assurance on such;

Experience in the region and language

- Experience from working in Ghana
- Fluency in English and at least one Ghanaian language.

International short-term specialists

In addition to the permanent staff of the SDF Secretariat, the SDF Consultant is supposed to provide ad hoc short-term international technical assistance. This may include a fund management or TVET specialist for the first 6 months of the contract. In total, the SDF Consultant's technical proposal should include 18 months of international technical assistance (TA).

Support staff

The SDF Consultant will provide all 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 regular (e.g. semi-annual) management visits to the the SDF office in Accra and to liaise with COTVET and other relevant stakeholders including the Embassy of Denmark.
- 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.
- 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 ¹²	2016 ¹³	2017	2018	Phase 1	2018	2019	2020	Phase 2 ¹⁴	Total
Fund manager	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 1	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
Grant officer 2	6.1	10.5	5.0	21.6	5.5	10.5	10.5	26.5	48.1
Financial Controller	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
Short term consultant	2	8	2	12	1	2	1	4	16
Total	38.6	71.0	32	142	34	65.0	64.0	193.0	304.6

¹² "Key Personnel" refers to professional Staff as defined in Particular Conditions Part B Clause 1.1.18.

¹³ as defined in the 3.2 - Terms of Remuneration point 2 Frees

¹⁴ 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 and recommendations of the steering committee 6 months before ending of the first phase.

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 year. The mid-term review will make a recommendation to the Embassy on the extension.

The cost for a one week visit per year for both the assignment manager and the QA person should be included in the offer.

This tender has a maximum budget of **DKK million 17** 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:

1. Development Engagement Document B: Engagement B: Skills Development Fund **Phase II (SDF II)**
2. Strategic Programme Document Support to Private Sector Development Phase III, (SPSD III) 2016-2020

ANNEX 4: Guide to Monitoring SDF II

SDF II	
Indicator	Specifications and means of verification
<p><u>Outcome indicator 1:</u></p> <p>% Increase in turnover of firms supported through SDF II</p>	<p>This indicator illustrates the supported enterprises ability to raise turnover as a result of the SDF II training. The change in turnover of enterprises supported by SDF II will be measured immediately before receiving support and then again roughly six months after having received support. This is based on a survey administered by the M&E section of SDF II. Results will be provided for sectors (formal and informal) as well as total.</p>
<p><u>Outcome indicator 2:</u></p> <p>% Increase in productivity by enterprises supported through SDF II</p>	<p>This indicator illustrates the supported enterprises ability to increase productivity as a result of the SDF II training. Productivity seeks to address the efficiency of staff within a production period, hence the time it takes for labour to produce a unit of output. This will be measured immediately before receiving support and then again roughly six months after having received support. This is based on a survey administered by the M&E section of SDF II. Results will be provided for sectors (formal and informal) as well as total.</p>
<p><u>Outcome indicator 3:</u></p> <p>% Increase in customer satisfaction level with quality of products and services offered by SDF II supported enterprises</p>	<p>This indicator illustrates the supported enterprises ability to increase the quality of their products and/or services. The change in customer satisfaction with quality of products received from enterprises supported by SDF II will be measured immediately before receiving support and then again roughly six months after having received support. This is based on a survey administered by the M&E section of SDF II. Results will be provided for sectors (formal and informal) as well as total.</p>
<p><u>Outcome indicator 4:</u></p> <p># and % of SDF II supported enterprises with active environmental, health and safety, and gender policies</p>	<p>This indicator relates to the supported enterprises ability and commitment to promote sound environmental, health, safety and gender policies. This will be measured on the basis of the grant application appraisal reports and files presented to the SDF II Steering Committee. The SDF II M&E specialist will report on this. Data will be collected immediately before receiving support and then again roughly six months after having received support. This is based on a survey administered by the M&E section of SDF II. Results will be provided for sectors (formal and informal) as well as total.</p>
<p><u>Outcome indicator 5:</u></p> <p># and % of SDF II supported enterprises with internal mechanisms for continuation of training without support of SDF II</p>	<p>This indicator illustrates the contribution to the medium to long-term impact sustainability of SDF II i.e. through the enterprises internal training capacity and ability to maintain it following closure of SDF II. Data will be collected immediately before receiving support and then again roughly six months after having received support. This is based on a survey administered by the M&E section of SDF II. Results</p>

	will be provided for sectors (formal and informal) as well as total.
Output indicator 1	Skills level of supported enterprises enhanced through demand responsive quality training
(a) # trained by gender and window; (b) employer satisfaction with quality of training; (c) % of trainings conducted covering environmental, health, safety and gender issues, including related quality standards and certifications	<p>These indicators refer to the training outputs generated by SDF II especially in reference to Window 1, 2 and 3.</p> <p>(a) No. of persons who successfully complete a course of instruction under SDF II and are awarded a Certificate of Completion. The indicator will be presented as a total and will be gender specified as well. Determination of target: Window 1: 56 x 30 = 1680 Window 2: 36 x 100 = 3600 Window 3: 26 x 50 = 1300 Total = 6580</p> <p>(b) Percentage of employer expressing satisfaction with the quality of training their employees have received under SDF II. A weighted average will be calculated. The weighting factor is the number of employees trained of each employer. The quality of training is assessed through four main competency areas – practical, behavioural, technical and communicative. This indicator refers to the overall assessment.</p> <p>(c) This refers to the degree to which the SDF II supported training covers topics related to environmental, health, safety and gender issues, including related quality standards and certifications.</p> <p>Data will be sourced through the following for the respective grantees.</p> <ol style="list-style-type: none"> A head count of Staff/Association members/Students who participate in the training through SDF II support will be done as and when training is being conducted, preferably on monthly bases. Double counting of participants will be noted so actual numbers can be realised. Data source will be from monthly M&E field monitoring reports, attendance sheet from training and other reports submitted to SDF II. Data on employer satisfaction will be obtained from supervisors/CEO/Directors of SDF II participating firms (Only Window 1 grantees). Questionnaire/instrument designed will be administered to employers on sampled employees

	<p>who undergo training to assess the improvement in their task before SDF II support and after six months upon receiving support.</p> <p>c. Data will be collected upon approval of SDF II application (approval of activities). SDF II committee minutes on approvals of grant proposals, M&E monthly field monitoring reports and other ad-hoc reports submitted to SDF II secretariat will be source of data to assess this indicator.</p>
Output indicator 2	New innovative skills training courses developed and delivered
<p>(a) # of new training courses developed through SDF II support (including # training of trainers); (b) # participants who have completed new innovative training courses (by gender); (c) participants satisfaction with training (%) by gender</p>	<p>These indicators relate to Window 3 and SDF II's role in supporting public and private TVET institutions in developing and delivering new innovative skills training courses with focus on productivity and competitiveness.</p> <p>(a) No of courses successfully developed and operational through SDF II support in public and private training institutions. These courses should target industry needs and improve the skills of staff/students. This indicator will be presented in total and sector specific (Agriculture, Services, ICT, Building and Construction, etc.)</p> <p>(b) No. of persons who successfully complete a new innovative training course of instruction under SDF II and are awarded a Certificate of Completion. The indicator will be presented as a total and will be gender specified as well.</p> <p>(c) The percentage of participants (disaggregated by gender) expressing satisfaction with the quality of the new innovative course training they received under SDF II will be measured in the same way as output indicator 1.b.</p> <p>Data will be sourced through administration of questionnaires designed for institutions benefiting from window 3.</p> <p>a. Data will be also be sources from SDF II committee minutes on approvals of grant proposals, M&E monthly field monitoring reports and other ad-hoc reports submitted to SDF II before and after six months upon receiving SDF II support. The M&E specialist at the SDF II secretariat will complete this task.</p> <p>b. Data for this indicator will be collected upon completion of the development of the courses. This will be collected every six months until the</p>

	<p>completion of SDF II Phase II M&E monthly field monitoring reports and other ad-hoc reports submitted to SDF II</p> <p>c. Data on employee satisfaction with training will be collected by administering an employee satisfaction with training instrument on 10 participants who will be randomly selected before the training and after six months upon receiving SDF II support. This will include a self-assessment on employee competency conducted before the inception of the training and after six months upon receiving training.</p>
Output indicator 3	Managers and supervisors trained and coached on staff development and production planning
(a) # managers/supervisors trained and coached in preparing HRD plans and/or production efficiency plans (by gender); (b) % of trainings conducted covering environmental, health, safety and gender issues, including related quality standards and certifications	<p>This indicator relates to managers' ability to develop the productivity of their staff following SDF II inputs.</p> <p>(a) This indicator involves capture of data relating the number of managers/supervisors who are coached or assisted in preparing HRD plans and/or production efficiency plans.</p> <p>(b) This refers to the degree to which the SDF II supported training covers topics related to environmental, health, safety and gender issues, including related quality standards and certifications.</p> <p>Data will be sourced through SDF II committee minutes on approvals of grant proposals, M&E monthly field monitoring reports and other ad-hoc reports submitted to SDF II Field monitoring reports and other ad hoc reports submitted to the unit will triangulate this data.</p>
Output indicator 4	Capacity of COTVET staff provided to guide and interact with private enterprises
(a) # COTVET staff trained to conduct capacity assessments of training institutions, plan and implement training-of-trainer programmes and assist planned training activities, (b) % increase in satisfaction level of institutions interacting with COTVET in relation to the guidance and support received	<p>This indicator illustrates the contribution to the medium to long-term sustainability (i.e. through provision of training related services by COTVET following closure of SDF II).</p> <p>(a) No. of COTVET staff (disaggregated by gender) who successfully complete a programme(s) aimed at improving their capacity to perform effectively and efficiently</p> <p>(b) Institutions interacting with COTVET will be randomly sampled and a survey will be conducted to assess this indicator. An instrument will be designed for this purpose.</p> <p>Data will be sourced through reports and surveys being conducted by the M&E specialist of COTVET.</p>

Output indicator 5	Internal training capacities improved by SDF II supported firms
(a) # of trainers trained (ToT) per participating firm (by gender); (b) # of internal trainings conducted by SDF II supported firm	<p>These indicators illustrate the contribution to the medium to long-term impact sustainability of SDF II i.e. through the enterprises internal training capacity and ability to maintain it following closure of SDF II.</p> <p>(a) No. of trainers trained within participating firms who successfully complete ToT training through SDF II support and have gained the competences in training other staff.</p> <p>(b) This indicator seeks to address the number of trainings being conducted from SDF II supported firms own resources/funds. All training supported with SDF II resources will not be included as a count for this indicator.</p> <p>Data will be sourced through M&E field reports and other ad-hoc reports submitted to the SDF II secretariats. Attendance sheet of internal training will also be required to crosscheck the number of participants who have been trained.</p>
Output indicator 6	SDF II experience and material made available to the public
(a) Databank for course material and environmental, and health and safety standards	<p>This indicator illustrates the contribution to the medium to long-term institutional sustainability of SDF II (i.e. through easy access to relevant knowledge products following closure of SDF II).</p> <p>(a) Source for calculating this percentage is a list of all course material developed with SDF II Funding, which is compared to what is available through an online data bank.</p> <p>(b) Based on the above list of all course material, the number of generic and specific documents on environmental and occupational safety and health standards will be measured.</p> <p>Data will be collected and measured by the SDF II Secretariats M&E Specialist.</p>