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EVALUATION OF OIC/GHANA PHASE III

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Accra, March 1984

TABLE OF CONTENTS

Preface	iii
Summary	v
Introduction	p. 1
A. Operational Activities	p. 4
1. Improvement in Administration and Financial Management Operation	p. 4
2. Provision of Commodity Support to establish Administrative and Training Capacity	p. 14
3. Budgetary Support for Administration and Training Program Operations	p. 19
4. Assistance in Developing New Sources of Revenue	p. 20
B. OICG's Compliance with Indicators of Objective Achievement	p. 24
1. OICG's National Board of Directors	p. 24
2. Operation and Management of the OICG Program by Competent, Trained Ghanaian Administrators and Technical Staff	p. 26
3. Awareness and Acceptance of OICG	p. 27
4. Financing of On-Going Costs of OICG's Program through Self-Help Activities	p. 29
C. Assessment of Direct Technical Assistance and Support Services by OICI	p. 34
1. In-Country Technical Assistance	p. 35
a. Program Management and Operations	p. 37
b. Training Methodology and Curriculum	p. 39
c. Evaluation	p. 41 (a)
2. Participant Training in the U.S.	p. 42
3. Reports (Non-Financial)	p. 46

(table of contents)
cont'd

D. Training Components of OICG Activities	p. 49
1. Staff recruitment	p. 50
2. Trainee Recruitment	p. 51
3. Curriculum Development	p. 53
4. OJT and Placements	p. 55
5. Follow-Up with Trainees, Recipients and Allied Groups	p. 57
6. Relevance and Integration of Training to Local Realities	p. 57
E. Discussion of Ways by which OICG Could Proceed with its Institutionalization and Graduation Activities Process	p. 60
1. Prospects: The GOG	p. 64
2. Bilateral Assistance from USAID/Ghana	p. 65
3. Assistance from OICI	p. 66
4. Other Donors	p. 67
5. Local-Fund-Raising and Economic Ventures	p. 69
Appendices	
I. Methodology	p. 78
Scope of Work	p. 79
II. Persons Interviewed by OICG Evaluators	p. 82

P R E F A C E

Between March 3, 1984 and March 26, 1984 five persons participated in a review of OICI's program in Ghana. This activity, partially funded through USAID, focussed on the third and final phase of USAID bilateral financing to OICI for institutionalization of an OIC launched in Ghana in 1971.

Between March 3 to March 10, 1984, the active members were Mr. James Washington, formerly the Phase III project officer in AID-Accra, and Dr. F.A. Leary-Lewis representing S&T/IT in AID/W. Mr. Washington, presently the EHRD Officer in REDSO/WCA, served as a resource person for Dr. Lewis, designated team leader, because of his previous oversight responsibilities for the project. During Week I, Mr. Washington and Dr. Lewis reviewed available documentation provided by AID-Accra, OICG and OICI. A refined scope of work and schedule of activities were designed and approved by AID-Accra. Logistical support arrangements were also worked out for the inclusion of a representative of the Government of Ghana (GOG) and for the arrival of the OICI delegation.

From March 10-March 26, 1984 the team consisted of the following:

- Dr. F.A. Leary-Lewis (AID/W S&T/IT)
- Mr. Quy Nguyen (OICI Evaluation Office)
- Mr. Stanley Barnett (Barnett & Engel)
- Mrs. Patience Kwami (GOG NVTI)

Mr. Nguyen and Mr. Barnett had participated in several earlier OICI missions to OICG and so were very familiar with the patterns of change,

the local personnel and the situation of OICG as with its relationship to OICI. Both were immensely resourceful and productive.

Mrs. Kwami was seconded to the team at OICG's request and played an invaluable role as a source of information to the evaluators and as a resource for the OICG staff. Her contributions to the team and to the future of OICG will be great.

S U M M A R Y

Issue: To review and evaluate OICI's implementation of AID Grant No. AFR-0108-G-SS-2076-00 for Phase III, and to determine OICG's institutionalization for graduation.

Background: OICI began operations in Ghana in 1971. Since the inception of OICG it has expanded to provide training and job opportunities at three centers (Accra, Kumasi, and Sekondi/Takoradi). A national headquarters in Accra has responsibility for coordinating activities at these three centers; policy supervision and guidance come through a National Board of Directors which includes representatives from the program committees of the three centers.

OICG has had three major funding sources during the three phases of its existence: the Government of Ghana (GOG), local contributions, and USAID via OICI. Phase I (1971-9/76) saw the creation of the program in Accra; Phase II (10-76/9-80) involved its extension to two additional training centers (Kumasi and Sekondi-Takoradi); Phase III (10-82/9-84) foresaw the institutionalization of OICG and the termination of USAID bilateral funding through OICI. Between Phase II and Phase III was an interim two-year period devoted mainly to redressing some of the problems in Phase II and to develop a proposal and negotiate funding for Phase III.

Discussion: Phase III of the AID grant began two years ago following a full-scale evaluation of the OIC/Ghana which recommended many programmatic as well as management improvements or modifications for both OICG and OICI. It was demonstrated then and this evaluation

reinforces the fact that OICG has done a commendable job of establishing a recognized organizational structure, of achieving broad official and community support, and of generating a number of trained, employable persons. Since the beginning of the program, OICG has trained over 2000 previously unemployed Ghanaians; during Phase III, under which training was projected for 569 persons, 563 have or are being trained and 130 are currently in feeder courses.

Factors external to the performance of OICI/OICG have greatly modified possibilities for achieving OICG's Phase III objectives: the present disastrous economic situation makes OICG's continued existence remarkable and the evaluators applaud the diligence, professionalism and commitment of the OICG "family" for persevering in their contributions to the economic recovery of the country. OICG has a long record of demonstrated financial support from the GOG and from Ghanaian corporate and private donors; OICG has operational and physical structures in place with a generally solid core staff of Ghanians; OICG has a track record of successful upgrading, vocational training and placement of unemployed school leavers and drop outs; OICG has made its mark in the wage economy. It has not, however, achieved full financial viability.

OICG has thus become only partially institutionalized while nevertheless becoming fully indigenized: the Board, management, committees and staff consist entirely of Ghanaians; instructional and other curricular materials have been adapted to local needs; counselling and placement are geared to local realities; local fund-raising activities, while not significant relative to needs, remain at an impressively high level given the Ghanaian economic situation.

Problems do, however, exist which must be divorced from the economic crisis and which must be faced as OICG makes the transition to graduate status. Administrative and financial management operations, while showing improvement since the 1980 evaluation, still have problems in some critical areas. In the area of programs, the evaluators are concerned about administration of Participant Training, about OICI technical assistance for in-country staff and pupil training, about staff development activities, and about materials. In the area of programs, the evaluators are concerned about the delayed provision of commodities, equipment and training materials scheduled for Phase III, about the limited staff development activities relative to needs, about the inadequacy of OICI's actual in-country technical assistance in contrast with plan. The evaluators' major worry remains the issue of financial viability and we provide a list of urgent steps which must be taken in OICG to effect the transition to full graduate status.

The economic crisis has clearly effected many aspects of program performance: it has decreased transportation for all levels - advisory, staff and trainees; it has impacted severely on retention of staff and trainees in the program; it has depleted the supplies of instructional materials; it has impeded placement and eroded job retention; it may also have discouraged initiative and has certainly lowered morale.

Concerned parties, present supporters and potential donors all agree on the key importance of vocational and skills training to the current needs and future development of Ghana. According to a recent

World Bank report,

"The future ability of investment to generate economic growth and internalize its benefits would be conditioned by the capacity to increase the supply of such factors as trained labor, administration and financial skills.

To restore its prime position in Africa as the reservoir of skilled manpower, Ghana will have to focus more attention on formulating cost-effective and replicable delivery systems, to improve the general level of education, skill development and health services."

Numerous vocational training institutions exist in Ghana through the auspices of the GOG, church groups, commercial enterprises and voluntary organizations. OICG brings a special approach to vocational training and OICI provides support and assistance for this affiliate. Within Ghana, the NVTI has the official mandate to coordinate, certify and oversee all vocational training activities. The evaluators feel that OICG might profit from its expertise and services in many areas.

In order to contribute most effectively to Ghana's vocational training needs, OICG might consider taking the following steps:

- o define clearly and immediately the responsibilities of the National Board for external donor financial support and implement an emergency plan of action to sustain the organization;
- o establish more frequent dialogue within and between offices of OICG and OICI;
- o at the National Office, place greater emphasis on staff development, provision of training materials, and the upgrading of curriculum and training methodology on an on-going basis;

The evaluators remain impressed by and convinced of the role played by OICG in Ghana's national recovery. We recommend that OICG be considered to have attained graduate status in all respects save one: financial viability. With the kind of personal and professional commitment, the history of achievements, the technical assistance from OICI, and the interest of potential donor groups, OICG will eventually achieve financial viability to match the credibility and visibility it has already earned. To help tide the program over its short-term financial problems, the evaluators recommend:

- o that OICG pursue an active role in the GOG's forthcoming program to retrain redundant civil servants and parastatal employees;
- o that USAID agree to a grant extension (without obligation of new funds) to carry over into FY 85 unspent Phase III funds, and - should the fourth quarter reprogramming process permit - obligate additional funds to the program;
- o that OICI continue technical assistance to the program through FY 86 and, on a priority basis, aggressively investigate the possibilities of transitional funding from AID/W;
- o that OICG approach other major external donor sources. The CIDA, EEC and IBRD have expressed interest in being contacted;
- o that OICG's Board coordinate and personally spearhead an emergency fund-raising drive among Ghana's multi-national divisional firms;

- o that OICG seek professional assistance from a small-enterprise development organization such as Technoserve/Ghana, and possibly other qualified entities, to increase efficiency and net revenues from its economic ventures.

I N T R O D U C T I O N

OIC/GHANA'S MISSION

Background Factors

Ghana's labor force, reflecting the nation's population growth, is rising rapidly. The labor force is expected to rise from approximately 4.8 million in 1980 to 5.6 million by 1985.

Quality of the labor force is very low. Labor is predominantly illiterate. The 1970 census of Ghana indicated that 72.2% of employed persons had never attended school. The low-level educational attainment of the labor force has resulted in shortages in essential skills in the economy, a situation aggravated by the exodus of skilled and semi-skilled persons from the country. At present, there are critical shortages of strategic skills at all levels. The supply of skilled labor is not adequate to meet current or future projected demands.* Moreover, there is a recognized inadequacy of training and a paucity of qualified instructors and physical facilities for practical training.**

Urban unemployment is estimated about 25% of the work force, most of whom have a middle school education or less...all these considerations underscore the importance of the OIC/Ghana training alternative. Seventy-six percent of all OIC trainees completing programs to date were unemployed prior to their OIC/Ghana training.*

OIC/Ghana: Mission and Capsule History

OIC/Ghana is the end result of a long process that began with the formation of a community-based "Interest Group" in Accra seeking to bring OIC's self-help philosophy of non-formal, competency-based,

* OIC/Ghana Program Proposal, Phase III, 6/30/81.

** Government of Ghana, Report of the Sector Committee on Manpower and Employment, February 1981.

open-entry/open-exit training methods to Ghana. Following OICI methodology, the Interest Group consisted of community representatives in industry, religion, education, government and human relations. Before the program was started, the Interest Group formed itself into a policy-making Board of Directors.

OIC/Ghana is the largest and best known of OICI's voc/tech training programs. Phase I of the project, begun in mid-1971, developed the OIC/Accra training center. The Phase II expansion was sparked by the then Head of State of Ghana, who suggested in 1975 that OICI open additional OICs to serve other parts of the nation. OIC/Kumasi, OIC/Sekondi-Takoradi and the Head Office (in Accra) were outputs of that phase. After a hiatus, during which USAID/Ghana funds were unavailable to the project, Phase III began in October 1982 as a final effort to institutionalize the program. Phase III is scheduled to end 30 September 1984.

OIC/Ghana attempts a most difficult task: the training of the less educated, most underprivileged element of the nation's youth -- generally those in their teens and 20s who, for the most part, have never held a job and who, at best, face a life of underemployment and casual labor.

Through innovative, hands-on educational concepts and techniques, including education of the "whole person" to a job-ready level, OIC/Ghana transforms this raw material (considered unpromising by many) into carpenters, masons, typists, plumbers, electricians, motor mechanics, artist-craftsmen and caterers whose skills are generally average and above-average among entry-level employees. "This is testimony both to

the quality and inherent ability of Ghana's youth and the ability of OICG's typical non-formal approach to transforming school-leavers and dropouts into productive, useful citizens. The program is fundamentally strong, viable and of great service to Ghana."*

"OIC/Ghana's first come-first serve, free-of-charge training for the undereducated is unique in Ghana. Ministry of Education technical training centers maintain contact with former trainees, but unlike its function at OIC/Ghana, the follow-up is solely for data-collection purposes. Counseling is performed at many Ministry institutions, but not nearly to the same degree. Ministry training is longer in duration and more theoretical than at OIC/Ghana's three centers. Specialized private institutions conduct training in certain of the skills areas covered by the OICs, but they charge high fees."**

From inception in 1971 through FY 1983, OIC/Ghana trained 2,090 voc/tech trainees plus 232 redundant civil service personnel. During the same period, it placed 1,901, or 91% of the voc-tech trainees. At the end of Phase II, 1,020 youths were on the enrollment waiting lists; the number is said to be at least the same, if not higher, at this time.

* 1980 End-of-Project Joint Evaluation of OIC/Ghana, Phase II

** Ibid.

A. OPERATIONAL ACTIVITIES

A-1. Improvement in Administration and Financial Management Operations

Several important improvements were noted with respect to the administration and financial management operations, in contrast with the conditions observed during the end-of-project/Phase II evaluation in 1980. This section will describe both the nature and extent of the improvements. It will also recommend specific measures to further strengthen OICG's administration and financial management operations.

Major improvements in contrast with the conditions observed in 1980

- 1) OICG's organizational structure and lines of communication have been streamlined. Currently there is only one (1) Board of Directors, which is the National Board. The three (3) former autonomous Boards in Accra, Kumasi and Sekondi-Takoradi have been reduced in their status to that of local program committees. Local OIC programs are to receive operational directives only from the National Office. These changes appeared to have reduced, if not eliminated the confusion in communication and preception of lines of authority.
- 2) A comprehensive internal Standard Operating Procedures (SOP) manual which was not available in 1980 has been developed. This manual provides specific and detailed guidelines and procedures governing the inter-relationship between OICG's

local programs, National Office and National Board of Directors. The current SOP manual replaced the old and inadequate SOP which were developed separately for each individual program of OICG. Furthermore, it incorporated a large number of separate directives issued by either the National Office or local program management with respect to operating procedures. The current SOP appeared to have ensured a greater effectiveness in program operations.

- 3) The documentation of program undertakings at all levels has been greatly improved in terms of both quantity and quality. The progress in this area seemed to have facilitated the efforts of OICG management in program monitoring and control.
- 4) Reports on program activities and results by way of the Management Information System (MIS) are presently much more thorough, consistent and accurate than in 1980. It is also much easier to identify and verify the programmatic MIS files now than during the previous end-of-project/Phase II evaluation. The improvement with respect to MIS records and files means a greater capability of OICG management to properly monitor and assess program performance.
- 5) The procedures for in-house program evaluation have been streamlined. OICG is presently capable of appraising its own program performance with less staff time. In addition, the evaluation findings have been more precise and the recommendations and lessons learned more specific than they were at the end of

Phase II. Follow-ups with respect to the implementation of the evaluation recommendations have also been more systematic and rigorous.

- 6) The system of program planning and control has been more clearly defined and uniformly implemented by the National Office and all three (3) local programs. The major elements of this system include an annual work plan which is based on the project proposal, a Project Performance Tracking (PPT) plan, quarterly PPT reports, and specific staff meeting schedules for coordination purposes. OICG's current emphasis on planned versus actual program achievements is a marked progress with respect to program monitoring and control in comparison with the practices in effect in 1980.
- 7) In general, OICG's present staff demonstrate a much clearer understanding of their roles and responsibilities, and especially the inter-relationships between their areas of duties, than was observed during the last end-of-project evaluation. The present senior management staff appeared to be more knowledgeable and in greater control of their work than their predecessors (note that most senior management positions were filled with new staff following the end of Phase II).
- 8) The organization and operations of the National Office have also been upgraded. Considering the constraints such as the cash flow crisis during FY 82, the delayed funding in FY 83, the lack of transportation facilities up to November 83 and the on-going

shortage of fuel, OICG's National Office seemed to have provided as much support as was possible in current conditions to the local programs in Accra, Kumasi and Sekondi-Takoradi. Due to its proximity to the National Office, OIC Accra received more support services from the National Office staff than did the other two (2) centers. Both the frequency and quality of support services for OIC Accra increased substantially in comparison with the Phase II period. According to its current plan, OICG's National Office will continue to improve its services to the local OIC programs, considering especially that the transportation problem has been much alleviated by the vehicles presently at the disposition of the National Office staff.

- 9) Most training syllabuses have been revised and upgraded. In a marked divergence from the curriculum development methods in effect during Phase II, OICG's National Office solicited the assistance and input of local training institutions in the revision of training syllabuses. These institutions included the NVTI, Accra Polytechnic, Accra Technical Training Center, Kumasi Technical Institute, and Kumasi Advanced Technical Teachers College. (Note that the Principal of Accra Polytechnic is the current Chairman of the Technical Advisory Committee of OIC Accra).
- 10) In contrast with its operations during the Phase II program, OICG's National Office presently emphasizes the maintaining of an on-going contact with the placed OIC graduates and their

employers and local training institutions. Although this contact has been stronger and more frequent in Accra than in Kumasi and Sekondi-Takoradi, OICG's National Office has certainly initiated the first step of a process which should be continued and expanded to fully benefit all local OIC programs. (In Accra, the Training/Curriculum Coordinator of the National Office joins the job developers and counselors of OIC Accra once every two months in interviewing OIC Accra's placed graduates and their employers. Once every quarter, the Training/Curriculum Coordinator accompanies OIC Accra's Training Supervisor in observing training related activities of the National Vocational Training Institute (NVTI) in Accra).

- 11) In contrast with the Phase II period, OICG has reorganized/reactivated the Technical Advisory Committees (TAC) of all three (3) local OIC programs. The TACs of OIC Accra have been the most active and involved in the review and upgrading of training syllabuses. (Note that each OIC Center may have more than one (1) TAC due to the variety of courses offered).
- 12) Although no new physical training facilities were built during the period under review, the training centers which were visited appeared to have been better organized, maintained and utilized than in 1980.
- 13) With respect to financial management, OICG appeared to be in better control of its cash flow than during Phase II. This seemed to have resulted from more detailed financial planning

and more regular assessment of revenues and expenditures. Stricter procedures have also been developed for inventory control (commodities and equipment) and the bookkeeping task with respect to fund raising.

Problem Areas and Concerns

- 1) The actual composition of OICG's National Board of Directors does not reflect a proper distribution of representation by the three (3) local OIC programs. Under-representation seemed to have been the case for the OICs in Kumasi and Sekondi-Takoradi, considering that a large number of OICG's National Board members also serve in the local program committee of OIC Accra. Instances of inadequate communication between the National Board and local program committees, and the exclusion of these committees or their representatives from some of the Board's decision-making exercises were noted during this evaluation.
- 2) While the SOP manual defined clearly the inter-relationships between the National Board, the National Office and the local OIC programs, it did not provide guidelines for the interactions between the National Board and local program committees, and for the constitution and operations of these committees.
- 3) The current commendable efforts to strengthen program documentation (which was a weak area during Phase II), if carried to the extreme, may result in some unnecessary paperwork and waste of staff time. It seems that management attention is

needed in this area to avert the potential problem just noted.

- 4) Although the National Office initiated linkages with several local training institutions during the period under review, OICG's relationship/interaction with the NVTI seemed to have been limited. This lack of continuing communication with NVTI, the major government institution which defines and regulates the standards of vocational technical training in the country, might have deprived OICG of some valuable support and assistance from NVTI.
- 5) In spite of the noted improvements in the organization of OICG's National Office and its linkages with local OIC programs, the local program staff still appeared to be less than satisfied with the support services of the National Office. This perception on the part of the local program staff might have resulted from:
 - (a) infrequent and irregular visits by National Office staff during FY 81 due to delayed funds obligation and transportation difficulties,
 - (b) inadequate explanation to local program management of the operational plan of the National Office,
 - (c) exclusion of local program management from the planning of support services by the National Office, and
 - (d) absence of joint assessment by National Office staff and local program management as regards the adequacy of National Office's support services to local programs.

- 6) In general, the improvements in financial management were less noticeable than those achieved in the areas of program administration and operations. Although OICG has been complying with the applicable compliance matters as contained in the agreement with USAID/OICI, and as outlined in the USAID Standard Provisions for U.S. Grantees and U.S. Subgrantees other than Educational Institutions, OICG's internal accounting control could still be strengthened and upgraded. This observation was provided by OICI's TDY staff in finance and administration.
- 7) In responding to the extensive demand of local OIC programs for its services, OICG's National Office has developed a variety of planning and monitoring tools to facilitate its operations. These tools, however, still need to be synthesized and upgraded in terms of precision of objectives and procedures to (a) avert possible confusion among staff when additional tools/procedures are added to the current ones, and (b) facilitate the monitoring and evaluation of the implementation of the National Office's work plan.

Recommendations to further improve program administration and financial management operations

To further the improvements achieved by OICG and as noted during this evaluation, we recommend that:

- 1) The composition of OICG's National Board of Directors be more clearly defined and properly implemented to ensure a) adequate representation of the local programs

on the National Board, b) improvement in communication between the National Board and local program committees, and c) involvement of local program committees in all major decision-makings of the National Board.

- 2) The SOP Manual be revised to define more clearly a) the relationship between the National Board and the local program committees, and b) the procedures needed to assure adequate interaction between these entities. In addition, such revision should also further clarify the responsibilities of and the guidelines to be followed by both National Board and local program committees with respect to fund raising.

Periodic meetings be held by

- a) the National Office and local program management to
 - a) review OICG's internal administrative procedures,
 - b) ascertain the adequacy and accuracy with respect to communication, c) prevent the 'mushrooming' of paperwork and bureaucratic process.
- J) Periodic meetings be held by the National Office and the management of local OICs to a) review OICG's internal administrative procedures, b) ascertain the adequacy and accuracy as regards internal communication, and c) prevent the adoption of any unnecessary paperwork and/or redundant bureaucratic procedure in OICG's operations.

- (4) An active and collaborative relationship be developed by OICG with the NVTI, considering that the latter institution is the government's entity responsible for coordinating all vocational technical training undertakings in Ghana, and examine NVTI's possible technical assistance to OICG.
- (5) Technical assistance be provided by OICI to OICG to strengthen and upgrade OICG's internal accounting control at the National Office as well as local programs level.
- (6) Consideration be given by the National Office to increase the frequency of technical assistance visits to local OIC programs and/or the number of staff development seminars, depending on OICG's resources and its ability to resolve external constraints such as the limited supply of petrol. In addition, opportunity should be given to the management of the local OICs to partake in both the development and amendment of the National Office technical assistance plan.
- 7) To the extent that it is possible, the various technical assistance and support programs of the National office should be synthesized in a comprehensive work plan and/or an integrated Program Performance Tracking (PPT) schedule. Furthermore, all technical assistance programs of the National office should be clearly defined with respect to their objectives, processes and indicators of achievement.

A-2. Provision of commodity support to establish administrative and training capacity over the next five (5) years (beginning with FY 1983)

A total budget of \$673,077 was provided for the acquisition of commodities and equipment during Phase III. \$403,355 was allotted for FY 83 and \$269,722 for FY 84. The following important budgetary details should be noted:

<u>Budget Items</u>	<u>FY 83</u>	<u>FY 84</u>	<u>Total</u>
Office & Training Equipment	\$ 169,825	\$ 157,247	\$ 327,072
Vehicles	83,002	-0-	83,002
Equipment Maintenance	12,133	12,504	24,637
Furniture	15,144	25,002	40,146
Materials & Supplies	<u>123,251</u>	<u>74,769</u>	<u>198,220</u>
Total	<u>\$ 403,355</u>	<u>\$269,722</u>	<u>\$673,077</u>

Some of the needed commodities and equipment were to be procured locally while the rest, which probably account for a large percentage of the total, was expected to be purchased in the U.S.

As of March 15, 1984, the cumulative total worth of commodity and equipment procured for OIC Ghana by OIC International since the beginning of Phase III amounts to \$221,147 i.e. 33% of the budget. This figure represents amount which has already been paid for and shipped by OIC. It does not include the total value of commodity and equipment requisitions which are still in process.

According to OIC's records, the following information was obtained with respect to the status of commodity and equipment (C & E) requisitions:

As of March 15, 1984

- Approximate value of C & E already <u>received</u> as part of the Phase III procurement	\$ 87,000*
- Approximate value of C & E currently in <u>transit</u>	15,000
- Approximate value of C & E requisitioned by OICG but <u>status of procurement is unknown</u>	41,000
- Approximate value of <u>IMPORTANT C & E</u> <u>requisitioned but not yet in Ghana</u>	<u>86,000</u>
	<u>\$ 229,000</u> *****

* Much of this amount represents the costs of OICG's newly purchased vehicles (9)

A review of OICG's records of commodity and equipment requisition indicated that:

- a) Most of the requisitions were finalized in the U.S. in August 1983, after OICG's Executive Director reviewed the initial requisitions with the Procurement Office of OICI in Philadelphia in June 1983. (The Executive Director of OICG attended OICI's Participant Training Program in the U.S. in June 1983).
- b) OICG requisitioned from the U.S. not only major commodity and equipment but also a large amount of basic supplies from paper to pencils, pins and thumbtacks. These supplies are reportedly unavailable in Ghana in the quantity needed by OICG. In addition, whatever is available can be obtained only at very high prices.
- c) Of the roughly \$229,000 worth of commodity and equipment requisitioned (regardless whether they were received or not), training resource materials accounted for only \$2,000. This amount of \$2,000 is the cost of about 580 books and pamphlets.
- d) The commodity and equipment which have been requisitioned represented only 34% of the budget available for capital cost.

The following conclusions can be made:

- (a) That the large bulk of commodity and equipment requisitioned during Phase III will arrive in

Ghana only by the end of FY 84, i.e. at the time when the Grant period is about to expire.

- (b) That a substantial amount of funds which were allotted for capital cost had apparently not been spent (or scheduled to be spent).
- (c) That the amount of resource materials requisitioned seemed to be too limited, considering the evaluation team's general observation that instructional and training materials in terms of vocational technical books for both instructors and trainees of OICG appeared to be inadequate.

Recommendations

- 1) OICI should accelerate the procurement of commodity and equipment requisitioned by OICG but which have not been ordered and/or shipped to Ghana. Concurrently, OICI should immediately inform the management of OICG on the status of all commodity and equipment which had been ordered but not yet received by OICG.
- 2) Effective immediately, OICI should inform OICG on the status of commodity and equipment procurement on a monthly basis until all the requisitioned items are received by OICG.
- 3) OICI and OICG should critically review the overall situation of OICG's training equipment and commodity (including audio-visual and reproduction equipment) in order to

- (a) identify the equipment and commodity which are to be additionally procured;
- (b) prioritize the requisitions; and
- (c) properly schedule the expected expenditures.

A review of the budget as regards capital cost should also be initiated.

- 4) Consideration should be made by OICI and OICG to requisition additional resource materials for OICG's instructors and trainees. It is important that OICI's vocational training specialist and curriculum development consultant be involved in all phases of the implementation of recommendations #3 and #4.

A-3. Budgetary Support for Administration and Training Program Operations

Budgetary support was provided to OICG during the period under review for administration and training program operations. The level and procedures of financial support were within the terms of Grant No. AID/AFR-01-8-G-SS-2076-00 which was awarded effective September 20, 1982, with a completion date of support to September 29, 1984.

During FY 83 or the first year of Phase III, budgetary support was provided to absorb the following expenses of OICG: (figures below are in Cedis)

	<u>Local Fund</u>	<u>USAID</u>	<u>Govt of Ghana</u>	<u>Total</u>
Local personnel	15,323	-	1,740,665	1,755,988
Travel and Transport	36,791	158,843	106,906	302,540
Other direct costs	56,252	249,611	200,497	506,360
Commodity and equipment	104,642	5,735,864	12,295	5,852,801
Other expenses	<u>73,381</u>	<u>-</u>	<u>19,238</u>	<u>92,619</u>
Total expenses	¢ <u>286,389</u>	<u>6,144,318</u>	<u>2,079,601</u>	<u>8,510,308</u>
Est. in US\$*	US\$11,288	\$242,188	\$81,971	\$335,448

The above figures were taken from the audited Statement of Revenues, Expenses and Fund Balances, OICG, September 30, 1983. For additional details, see "Report on Examination of Financial Statements and Program Results Review of September 30, 1983, And For The Year Then Ended", by Lucas, Tucker & Co., Certified Public Accountants.

* Weighted average exchange rate in FY 83: 1 US\$ = 25.37 Cedis

A-4. Assistance in Developing New Sources of Revenue

1. Grant requirements with respect to assistance in developing new sources of revenue

- a) General: Section A (Purpose) of Attachment 1 (Schedule) of AID Grant No. AFR-0108-G-SS-2076-00 stated that the purpose of AID funding support for the OICG Phase III program was to "complete the process of institutionalization." Towards this end, OICI was to deliver four (4) types of services one of which was the "assistance to OICG in developing new sources of revenue which will make it financially viable in subsequent years."
- b) Specific: Section A-2 (Technical Assistance) and Section A-3 (participant Training) of Attachment 2 (Program Description) of the aforementioned grant specified the following three (3) obligations of OICI in relation to OICI's assistance to OICG in the development of new sources of revenue:
- o Task #6 of OICI's financial specialists in their TDY (short-term) visit to OICG, which was to assist OICG in developing financial procedures for the OICG Board of Directors' fund-raising programs."
 - o Task #2 of OICI's management specialists in their TDY visit to OICG, which was to assist OICG to "identify potential sources of revenue and develop proposals for donor consideration."

- o Task #2 of OICI in its Participant Training Program in the U.S., which was to assist OICG participants to "obtain information and experiences on the techniques and systems used by OICI and other U.S. PVOs in fund raising operations."

2. Actual assistance provided by OICI in the development of new sources of revenue

- (a) The assistance to develop financial procedures for the OICG Board of Director's fund-raising programs was minimal. Although TDY visits were conducted by OICI's financial specialists (see details in Section 1.a. of Part C of this report), these visits were concentrated primarily in in-house/internal audit and assistance in bookkeeping.
- (b) The final report of a survey and study of funding sources which was conducted for OICI by a Washington D.C.-based consulting firm (Developing Countries Information Research Services) was shared with the Board of Directors and management staff of OICG in early 1983. The identification of potential sources of revenue was completed before and not during the TDY visits of OICI's management specialists.

From the beginning of Phase III to the time of this evaluation, there has been no in-country technical assistance for the development of funding proposals. However, according to OICI, efforts in this direction will

be initiated in April 1984, by way of a visit to Ghana by consultants from the firm Developing Countries Information Research Services (DCIRS) and OICI's Director of Resource Mobilization. The primary objective of this visit will be to assist OICG in developing specific program proposals for funding by selected donor agencies. The basic groundwork which included preliminary research on and contacts with potential alternative funding sources had been started in the U.S. since January 1984.

- c) One (1) Board member and two (2) management staff representatives of OICG attended the annual Participant Training Program (PTP) conducted by OICI in the U.S. in June 1983. In addition to other activities, the PTP included:
- o Workshops on the writing and development of proposals for funding request.
 - o Workshops to discuss the survey and study of funding sources which was completed by DCIRS.
 - o Workshops on strategies for institutionalization including the achievement of financial self-sufficiency.
 - o Visit to the Providence OIC, Rhode Island, which represented a success story of self-sufficiency and OIC-operated business ventures.

Section E of this report will discuss in detail the joint responsibilities, achievements and difficulties of OICI and OICG with respect to the efforts to bring about OICG's financial self-sufficiency/viability. Most importantly, section E will present specific recommendations on the ways by which OICG could proceed with its institutionalization and "graduation" activities process.

B. O I C / G H A N A ' S C O M P L I A N C E W I T H
I N D I C A T O R S O F O B J E C T I V E
A C H I E V E M E N T

B-1. OIC/GHANA'S NATIONAL BOARD OF DIRECTORS

The Phase III project design reviews the Board's role in three areas: policy direction, financial support and working relationships with others in the program.

Policy Direction

Input 5a of the Phase III Logframe stipulates that OICG's National Board of Directors will provide policy guidance to the program.

The policy-guidance responsibility issue that plagued the National Board/Local Board operations during Phase II has evaporated. OICG's organizational structure has been streamlined. OICG functions with a single policy-making National Board of Directors. The former autonomous Boards of Directors in Accra, Kumasi and Sekondi-Takoradi have been reduced in status to local program committees which receive policy and operational directives from the National Board and Head Office.

These changes appear to have reduced, if not eliminated confusion and clarified lines of authority.

Financial Support

Input 5b of the Logframe assigns to the National Board the responsibility for local fund raising support, stating that, "OICG will provide through community fund raising efforts a total of

\$34,857 throughout the Phase III period."

We note elsewhere in this evaluation report that OICG raised 2515,000 in FY 1983 through traditional fund raising and economic ventures; and that it stands a good chance of achieving its FY 1984 goal of 2340,000 through those means. We thus assume a two-year local fund-raising total of some 2855,000.

At the exchange rate of \$1/2.75 cedis that prevailed when Phase III began, the \$34,857 goal noted above equalled 295,857. At the current exchange rate of \$1/30 cedis, the dollar goal translates into 21,045,710. The 2855,000 total expected to be achieved during Phase III is more than eight times the former goal and over 80% of the latter goal.

The Phase III project design fails to assign specific responsibility for the raising of large-scale support from other donors to replace bilateral USAID assistance by the completion of that two-year extension, although it points out that the alternative support is expected to be obtained.* We note later in the report that this failure has caused a certain amount of difference of opinion between the National Board and OICI.

Working Relationships with Other Facets of the Program

Output Assumption 1 of the Logframe specifies that "mutually harmonious and efficient working relationships between the OICG National Board of Directors, the OICG Office and local committees (and) program managers..." will prevail.

* Purpose End-of-Project Status Condition 6 of the Logframe states: "By 1984, financial support from various donor agencies will be committed to the OICG operations at a level which represents 25% of all program costs."

Although OICG's organisational structure has been streamlined (see above), and confusions over responsibility for policy direction have largely been eliminated, 2 of the 3 training programs appear to be under-represented on the National Board, for many on the National Board also serve on the OIC/Accra local Program Committee.

Communication between the National Board and the local program committees can and should be improved. This appears to result, in part, from the failure of the S.O.P. manual to provide sufficient guidelines regarding interaction between the National Board and local program committees, and regarding the membership and operations of the committees.

The questions concerning representation of the local programs on the National Board and the interaction between the two elements need to be clarified.

B-1. Operation and Management of the OICG Program by Competent, Trained Ghanaian Administrators and Technical Staff

The Phase III Grant Agreement specifies that "all phases of OICG's operations will be effectively managed and operated by trained, competent Ghanaian administrators and technical staff.

This objective has been reached. In spite of minor caveats, the evaluators are fully satisfied that Phase III assistance has helped produce the fully indigenized, satisfactorily operated and managed voc/tech non-formal training program that has made OICG so

effective a trainer of school-leavers and dropouts. OICI expatriate personnel have not been on the staff of OICG during the phase.

6-1. Awareness and Acceptance of OIC

Because of the nature of its training program, the quality of its trainees and its widespread fund-raising/public relations programs, there is broad awareness and acceptance of OIC among diverse segments of the communities in which it operates training centers.

Indices of community awareness/acceptance include:

- o Among Ghanaian industry and commerce (the end-users)
 - Ghanaian businessmen are eager to employ the completors of the OIC/Ghana voc-tech training courses. Large construction firms like REDCO (which has employed about 100 trainees), multi-divisional firms such as Mankoadze and United Africa Company, and hundreds of other businesses in and around Accra, Kumasi and Sekongi/Takoradi have applied for and employed OIC trainee-completors. Analysis has revealed that firms are satisfied with OIC's trainees; they return to the training centers seeking additional employees.
 - The executive director of the Ghana Employers Association -- an umbrella group that encompasses the employer spectrum from private commerce and industry to government enterprises and boards -- reports

widespread acceptance and awareness of OIC/Ghana and its trainees among his membership.

-- Numbers of Ghanaian firms have, over the years, contributed cash, equipment and training supplies to the program. Recent business contributions include Valco's donation of ₵260,000 to provide OIC/Kumasi with a new training center and training supplies and equipment; donations of ₵20,000 each by Mobil Oil and Pioneer Tobacco Company; and a gift by Busi and Stephenson of ₵25,000 worth of training tools and equipment.

- o The communities in which the OIC training centers operate have long traditions of sponsoring fund-raising events, e.g., church collections, raffles, sporting and social events, and so forth.
- o Each training center has long waiting lists of would-be enrollees, generally two years long and more. OIC alumni and their families -- many of meager means make donations.
- o Ghanaian Officialdom
 - The Government of Ghana has provided annual subventions to OIC/Ghana since the mid-1970's, in spite of changes of regime and head of state. To date, the funding has increased at a fairly steady rate.

-- The National Vocational Training Institute accepts OIC syllabi and has long maintained membership on the OIC/Ghana Board of Directors.

B-4. Financing of On-Going Costs of OIC Program Through Self-Help Activities

According to the Phase III project design, by the end of FY 1984 some 25% of OIC/Ghana's ongoing costs (quantified in the logframe at C500,000) would be raised through self-help activities:

- o Ghana Self-Reliance Investment Limited (GSIL) would provide 16% (C320,000) of ongoing costs through economic ventures it administered (Purpose EOPS No.7);
- o After FY 1984, local fund-raising would equal 5% (C100,000) of local program costs (Purpose EOPS No.4);
- o Four percent (C80,000) would be raised through other devices, including alumni, trainee tuition, etc. (Proposal narrative).

OIC/Ghana's FY 1983 Annual Report (which covers the first half of Phase III) indicates that the year's C500,000 goal was achieved -- primarily because of a large donation from Valco. OIC/Ghana's FY 1984 target is a more modest C340,000 which may be attainable.

We discuss each year's performance below.

Activities During FY 1983

During the first year of Phase III, the Head Office and the three OIC training centers raised C515,000 through self-help

activities. Of the total, ₵260,000 represented the grant from Valeo for the purchase of the Kumasi center and training tools. The remaining ₵255,000 was raised through OIC economic ventures and traditional methods, including direct mail appeals, church services, film shows, music competitions, Certification Day donations, raffles and appeals to business organizations.

OIC/Ghana's self-help activities goal had been set (optimistically) at ₵1,200,000. The great disappointment was the performance of GSIL (Ghana Self-Reliance Investment Limited), which had been counted upon for a significant part of the total. GSIL, activated in January 1982, to overcome statutory constraints in the OIC/Ghana charter against engaging in profit-making ventures, was ended by the Board in July 1983 after 18 months of existence. The entity operated the Texaco Service Station and Motor Mechanics Unit from February 1982 through January 1983 (four months into Phase III. During that 13-month period, GSIL lost ₵116,180 on sales of ₵2,035,041 (predominantly low-margin petrol).

FY 1984 Plans and Activities

We noted above that OIC/Ghana's overall FY 1984 revenue goal from self-help activities is ₵340,000. Analysis of projections at the Head Office and OIC/Accra reveal the following breakdown:

OIC/Accra - ₵170,000: Approximately 85% of the total is to be raised through "economic ventures" and "small scale business ventures"*, and the remainder through community appeals and other traditional fund-raising techniques.

OIC/Accra's economic ventures are divided into seven categories:

- o Building & Construction - 41% of FY 1984 self-help activities revenue goal;
- o Petrol station - 14% of goal (a figure revised by the evaluation team after analysis of year-to-date revenues from that source);
- o Motor mechanic station - 11%;
- o Ceramics - 7%;
- o Textiles - 4%;
- o Graphic arts - 3%;
- o Kitchen services (catering, not the Accra canteen) - 5%.

OIC/Kumasi - ₵100,000: 98% of the total is to be raised through direct appeals; the remaining ₵2,000 is to be raised through construction activities.

OIC/Sekondi-Takoradi - ₵70,000: ₵50,720 of the total is to be raised by direct appeals and PTA contributions and ₵19,280 is to be raised through economic ventures.

* According to OIC/Ghana definition, "economic ventures" involve graduating trainees and OICG staff in providing, for a small fee (donation), repair and construction services such as home remodeling/renovation and institutional construction. "Small scale business ventures" are operated by the training centers, using Head Office-provided seed money as capital; the ventures include the petrol station, Accra canteen, designing/marketing of ceramics, textiles and so forth. The terms appear to overlap. Henceforth in the evaluation report, we refer to both categories under the term "economic ventures."

The overall training center goals (i.e., ₵170,000, ₵100,000 and ₵70,000) are set by the Head Office. Detailed breakdowns of the overall training center goals are made by the centers themselves -- hence the wide disparity among them over means by which to achieve revenue goals. The disparities (e.g., 85% of OIC/Accra's revenue is to be raised through economic ventures, while only 2% of OIC/Kumasi's revenue is to be acquired through the same means) also appear to reflect (a) OIC/Accra's longer experience in economic venture operation and (b) the strengths and weaknesses of the local program committees.

We calculate that some 87% (₵144,500 out of a total ₵165,800) of revenues to be raised in FY 1984 through economic ventures are planned to result from OIC/Accra's activities. That center has developed an elaborate plan that sets monthly goals for each economic venture, including gross revenues, expenses and net revenues -- key data required for management control of business enterprises, provided the planned data are compared to actual data at periodic intervals, and speedy action is taken to compensate for troubling differences. Unfortunately, neither OIC/Accra, the Head Office, the local program committee nor the OIC/Ghana Board have performed such analysis, even though the FY is into its sixth month.

(The evaluation team developed a management control form that should provide an initial analytical tool to the Head Office, the Board and the local programs; it is, however, only the first of a series

of similar management tools needed to increase the productivity of economic ventures. We discuss this subject in greater detail in Section E-5 of this report).

Fortunately, OIC/Accra's economic ventures appear to operating profitably as a whole, Year-to-Date. First quarter figures indicate that the center had net revenues of ¢39,685 from economic ventures and traditional fund-raising activities -- 92.5% of the goal of ¢42,900 for the period. Further analysis also indicates that:

- o The 12 months from February 1983 through January 1984 (the first year after cessation of GSIL activities) show signs of improvement. Net revenues were:

- The Service Station	¢ 19,120
- Motor Mechanic Unit	6,415
- Other (building construction, coffins, fish ponds, cera- mics and corn mills)	32,853
	<hr/>
Total	¢ 58,388 =====

- o During the first five months of FY 1984 (October '83-February '84), OIC/Accra net revenues from self-help activities were about ¢73,000, of which some 93%-94% came from economic ventures.*

* The five-month total is just ¢3,300 below goal. OIC/Accra's FY 1984 goal of ¢170,000 may be beaten, at this rate. The center raised ¢139,426 in FY 1983, practically without the use of vehicles.

- o Net revenues from the Service Station have been improving. From a net loss during GSIL administration of ¢44,629 (1/1/82-2/1/83), that unit showed a net profit of ¢19,120 the following year (2/83-1/84) and has a net profit FY 1984-through-February (five months) of ¢14,019.

With better management and control, OIC/Ghana and its local programs can improve the performance of their economic ventures, in spite of the deteriorating Ghanaian economy.

Section E of this report presents recommendations regarding improved management of OIC/Ghana's economic ventures. It also discusses a different type of self-help activity that lies partially within the PVO's control -- solicitation of other (than AID) bi-national and multinational donors.

C. A S S E S S M E N T O F D I R E C T T E C H N I C A L
A S S I S T A N C E A N D S U P P O R T S E R V I C E S
B Y O I C I

According to the Grant Agreement, OICI was to provide direct technical assistance and support services on a short-term basis (i.e., during the two years of Phase III) in:

1. Finance
2. Program Management and Operations
3. Training Methodology and Curriculum
4. Evaluation

5. Commodity Procurement

6. Resource Mobilization (fund-raising)

Participant training in the U.S., including observational tours, was also part of the services OICI was to provide. Finally, OICI was to provide USAID/Ghana with periodic reports and TDY visit reports.

The following subsections discuss the extent to which OICI has complied with the above requirements. However, omitted from the discussion are (a) commodity procurement and (b) resource mobilization/fund-raising, both of which have been covered in earlier Sections A-2 and A-4, respectively.

C-1. In-Country Technical Assistance

1. Finance

a) FY 1983: Required: 38 person-days of technical assistance.

Actual: 16 person days (58% below requirement)

The single field visit was performed in December 1982 by OICI's Administrative Officer who has financial management, accounting and audit background and worked in OICI/Central's Department of Finance and Administration. Although the 38-day target was not achieved, it should be noted that:

- o Immediately prior to FY 83 (i.e., from August thru September 6, 1982), a finance specialist of OICI in Togo was assigned to OICG to assist during the independent program and financial audit of the program by Touche Ross & Co. The OICI finance specialist spent seven days in Ghana at that time.

o In response to OICI's request for OICG's input with respect to the in-country technical assistance schedule for FY 83, OICG recommended a finance TDY visit in June 1983. Due to limited personnel and the Participant Training Program held in June 1983, OICI postponed the visit until October 1983, in the new fiscal year.

b) FY 1984: Required: 38 person-days of technical assistance
Actual, as of 12 March 1984: 54 person-days (42% above requirement)

The field visits were conducted in October 1983 by OICI's Administrative Officer (mentioned in (a) above) for 40 days, and by OICI's Finance Specialist from Togo for 14 days. Their visits also facilitated completion of the independent program and financial audit of OICG by Lucas, Tucker & Co.

OICI plans to provide an additional 15 person-days of finance TDY services to OICG prior to the end of FY 84. It is therefore expected that the total of finance person-days provided during Phase III will exceed the required level by 12% (85 actual vs 76 planned).

c) Comments and Recommendations

Overall, OICI's finance TDY visits have been oriented, for the most part, to the preparation of OICG for independent CPA audits and/or to facilitate the work of the independent auditors. Although a portion of the finance TDY visits dealt

with commodity equipment problems, insufficient time may have been spent in assisting OICG to upgrade its internal accounting control system; its practice regarding the inventorying of fixed and capital assets; and cost analysis and financial procedures for OICG's Board of Directors' fund-raising programs.

2. Program Management and Operations

- a) FY 1983: 19 person-days of technical assistance
14 person-days (3 in October 1982 and 11 in
September 1982) -- 26% below requirement.

OICI's Executive Director visited OICG October 25-28, 1982 to review program operations and discuss major programs with OICG's Board of Directors. During this visit, he emphasized and proposed general avenues to guide OICG in its efforts to achieve self-sufficiency. From September 12-23, 1983, OICI's Program Advisor (a management and organizational development training specialist) visited the program to (a) conduct a variety of workshops for OICG management staff and Board members, (b) monitor and facilitate the development of selected critical program documents, (c) assess future staff development/training needs, and (d) introduce affiliate agreement standards to the Board and local OIC programs. Due to transportation difficulties, the visits to Kumasi and Sekondi-Takoradi which had been initially planned for this TDY were cancelled. Hence, the TDY duration was a few days under plan, and TDY services in program management and operations were 26% below plan.

- b) FY 1984: Required: 24 person-days of technical assistance.
Actual, as of 12 March 1984: 6 person-days
(75% below plan).

OICI's Director of Operations and its Program Advisor each spent three days with the OICG Board and staff from January 23-26, 1984, to (a) assist OICG to review its FY 84 operational work plan and, in general, to assess its current operations, (b) finalize OICI's FY 84 Technical Assistance Program to OICG on the basis of input from OICG's Board and staff, and (c) discuss the OICI Affiliate Agreement with the newly revised OICI/Central management requirements.

Project management and operations are to be an important part of OICI's upcoming Participant Training Program in the U.S. in May 1984; hence, there is no indicator that additional TDY visits will be conducted this fiscal year in the area of project management and operations.

c) Comments and Recommendations

Although OICI's major program planning and operations tools have been transferred to and adopted by OICG, technical assistance from OICI might still be needed to (a) upgrade the structure and performance of the OICG Board of Directors, (b) increase the effectiveness of the local program committees and Technical Advisory Councils, (c) develop greater capability of

strategic and long-range planning, and (d) properly identify the needs with respect to staff development and formulate appropriate solutions.

Recommendation: Depending on the availability of funds, OICI should consider:

- o An additional TDY visit intended to address the needs identified above; and/or
- o Ensuring that the same needs are properly addressed during the FY 84 Participant Training Program in the U.S. for OICG participants.

3. Training Methodology and Curriculum

a) FY 1983: Required: 30 person-days of technical assistance.

Actual: Nil (variance: 100% absence of planned services).

b) FY 1984: Required: 30 person-days of technical assistance.

Actual, as of 12 March 1984: Nil (variance: 100% absence of planned services).

According to OICI, its vocational training specialist will spend a minimum of five work days in Ghana in July 1984 to (a) assist OICG in an overall review of OICG's vocational-technical training activities, and (b) develop an appropriate plan for the continuation of OICI's technical assistance to OICG in the vocational training area beyond the September 30 termination of FY 84. OICI additionally will provide a minimum of 30 days of in-country service

of a consultant in curriculum and methodology to help meet some of OICG's immediate needs in those areas, including staff development. This assistance also has been scheduled for July 1984.

Should the above plan be implemented, OICI's actual TDY services in FY 84 with respect to training methodology and curriculum will exceed the required level by at least 17%. However, in terms of the entire Phase III period, OICI still will be short of the requirements by about 40% -- even if its TDY plan for the remainder of FY 84 is achieved.

c) Comments and Recommendations

OICI's inadequate provision of technical assistance in training methodology and curriculum was a critical shortcoming in the implementation of the Phase III program.

Underlying the failure of OICI to deliver the required TDY services was OICI's severe reduction in personnel throughout FY 82 and FY 83, as a result of budgetary constraints. During this entire period, OICI was forced to concentrate its field support efforts in the area of overall program management and operations.

Last but not least, due apparently to a misunderstanding by USAID/Ghana, it failed to give concurrence for October 1983 travel to Ghana by OICI's Director of Evaluation and a training consultant. They had been

scheduled to provide 18 person-days of in-house program review and technical assistance in training and evaluation to OICG. Some of the deficiencies noted during the current joint evaluation might have been remedied in October 1983, had the necessary travel concurrence been granted. Furthermore, the under-achievement with respect to TDY services in training methodology and curriculum also could have been reduced.

Recommendations

- o To compensate in part for the reduced TDY services in training methodology and curriculum, OICI should seriously consider and implement Recommendation 4 of Section A-2 of this report. That recommendation called for an immediate increase in the amount of resource materials for OICG's instructors and trainees.
- o OICI should implement without delay its July 1984 TDY plan, which is to include field visits to OICG by OICI's vocational training specialist and a consultant in curriculum and training methodology. Consideration should also be given to extending the planned visit of OICG's training specialist beyond a now-scheduled five days. Chapter D of this evaluation report, dealing with the training aspect of OICG's operations, will be useful to the preparation for the aforementioned TDY visits.

4. Evaluation

Required: None in FY 83.

28 person-days in FY 84.

Actual: 34 days in FY 84 (21% above requirement).

OICI's Director of Evaluation and a consultant specializing in institutional capability spent 34 work-days in the joint USAID/OICI/GOG evaluation (March 10-26, 1984) and in conducting additional evaluation activity for OICI and providing limited technical assistance to OICG (March 27-31, 1984). Their available time is, however, too limited to fully meet requirements 3 and 4 of Section 2-d, Attachment 2 of the Grant document, namely:

#3: Provide OICG staff with training in evaluation methodology.

#4: Provide OICG staff with guidance in the preparation of periodic and annual reports.

Initially, OICI had intended to fulfil the above requirements through the TDY visit of OICI's Director of Evaluation to Ghana in October 1983. But, as noted earlier, concurrence for that travel was denied by USAID.

Comments and Recommendations

Although substantial progress has been achieved by OICG since the Phase II end-of-project evaluation in 1980, OICG's evaluation capability can and should be further strengthened with respect to both evaluation of vocational training and overall program evaluation. This improvement appears most needed by National Office

staff, whose capability of evaluating the local OICs and of providing appropriate staff development services in evaluation require further development.

Specific recommendations:

- o That OICI consider organizing evaluation workshops for OICG staff both in Ghana and during the forthcoming Participant Training Program in the U.S. in May-June, 1984.
- o That resource materials on evaluation be provided regularly by OICI to OICG.
- o Assuming the availability of funds, that OICG senior management staff be permitted to attend the relevant regional workshops in program evaluation, when these are organized by OICI or others dealing with non-formal vocational skills training programs and transfer of technology.

C-2. Participant Training in the U.S.

a) FY 1983: Required: 45 person-days attending Participant Training.

Actual: 60 person-days (15% above requirement).

A Board member, the Executive Director of OICG and the Program Manager of OIC/Kumasi spent a total of 60 person-days in the U.S. in June 1983, attending OICI's Participant Training Program (PTP).

The 1983 PTP emphasized the Affiliate Agreement and "Post-Institutionalization" relationships with OICI and fund-raising strategies. Workshops in these and other areas were organized for the delegates of OICG and other OIC programs in Africa. One workshop was held specifically to discuss fund-raising strategies for OICI's projects overseas. Another workshop dealt with the list of potential donors developed for OICI and its country projects by Developing Countries Information Research Services. As noted earlier in this report, the list of potential donors was mailed to OICG Board and management staff early in 1983 for their review and use.

The 1983 PTP provided the participants from OICG an opportunity to exchange program experience with participants from other OIC programs in Africa. The participants also were exposed to the OIC/America family and its close relations with government, business, industry and the community at large -- through attendance at the June 1983 Annual OIC Convocation. Visits also were made by the participants to successful OIC/America programs.

Overall, OICI's 1983 PTP objectives have been well achieved. Among the "lessons learned" by OICG participants were the following (quoted from a report by two of them to the OICG Board):

"An OIC programme star is a better chance of success if industry/business is adequately represented on the Board or Programme Committee..."

"There is need for all Board/Committee members to take active interest in the activities of the local programme. This calls for the direct involvement of Board/Committee members, especially in the fund-raising activities...

"It may be suggested, after the fashion of Rhode Island OIC, that all our local OICG programs should be encouraged to acquire or develop one economic venture -- not only as a reliable source of income, but also as a challenge to the dynamism and competence of its Committee/staff members."

The quote suggests that OICG participants reaped at least some of the most immediate benefits intended for them by OICI.

b) FY 1984: Required: 45 person-days of PTP attendance.

Revised Plan: about 140 person days, to be implemented per revised plan from May 18-June 7, 1984.

In February 1984, OICI's management raised the number of planned OICG participants for the upcoming PTP in the U.S. from three to seven. The increase was made in response to OICG and to strengthen its institutionalization efforts as the Phase III program phases out.

c) Comments and Recommendations

The Board and staff members who attended the OICI PTP in the U.S. in 1983, and in earlier years, concur that the experience is enriching and worthwhile. They have returned to Ghana with better understandings of the OIC philosophy

and methodology. They appear to believe more in the concept of self-help and have acquired new ideas for use in their services to OICG. Most have stated that the PTP is too short and that they had hoped for more time to visit operating OICs in the U.S.

While the impact of PTP on the Board and staff appeared verifiable regarding OIC philosophy, it appeared to the evaluators that more limited results have been achieved with respect to the participants' appreciation of the need to concentrate efforts on financial self-sufficiency. Additionally, it appears that selection of participants to attend 1983 PTP was made primarily by the National Board, in Accra, with limited participation of local program committees in the decision-making process. Participants may not have shared the lessons learned from their experiences within the OICG family to a sufficient degree.

Recommendations:

- o In addition to the strengthening of participants' understanding of the OIC philosophy and methodology, OICI should consider focusing FY 84 PTP efforts solely on the issue of financial viability (self-sufficiency) and a strategy to help attain it.
- o OICI should carefully review PTP techniques in the area of resource mobilization (fund-raising) to ensure adoption of the most practical, realistic approaches and involvement of the most capable resource persons. Concentration on assuring

- the impact of PTP resource mobilization efforts will benefit participants from all the OICI country projects.
- o The OICG Board of Directors and National Office management should review the process of selecting PTP participants, being sure to afford all centers input. There appears some feeling on the part of the outside-Accra programs that selection is over-concentrated.
 - o Because of limited resources and the importance of providing PTP experience to as many as possible, OIC/G management should refrain from sending the same person to the U.S. twice within a 2-3 year period.
 - o OICG and OICI should develop a strategy by which PTP participants can more effectively share their experiences with others of the OICG family ... in Kumasi as well as in Sekondi-Takoradi.
 - o A detailed strategy to implement the lessons learned in the PTP experience should also be developed and presented to OICG Board by all participants -- preferably as a group, although provisions for meetings at the individual training centers, with attention paid to local needs and concerns, also should be scheduled.

C-3. Reports (Non-Financial)

The Grant Agreement calls for four major types of non-financial program reports:

- a) TDY visit reports;
- b) Annual reports;
- c) Progress reports starting from the end of FY 83
and at six-month intervals thereafter.
- d) Special reports requested by USAID/Ghana.

TDY Visit Reports

Reports on the TDY visits of OICI's Administrative Officer (December 1982) and of OICI's Program Advisor (September 1983) have been submitted to USAID. Reports on the TDY visits of OICI's Administrative Officer and its Financial Specialist from Togo (October 1983) have been completed, but not yet forwarded to USAID. Reports on the TDY visits of OICI's Director of Operations and Program Advisor (January 1984) will be mailed to USAID/Ghana shortly. The sole TDY visit not to be summarized and assessed in written form to USAID was that of the Executive Director's visit in October 1982.

Annual Reports

The FY 1983 Annual Report has been submitted to USAID/Ghana.

Progress Reports

The Progress Report due by the end of FY 83 has not been received by USAID. An additional progress report, covering October 1983-March 1984, will be due soon.

Special Reports

No special reports have been requested by USAID. However, a report by two consulting firms on the institutional capability of OICI published in September 1982 has been shared with USAID; the report contained a substantial portion reflecting pertinent aspects of OICG.

Comments and Recommendations

Most, if not all, of the reports noted above were submitted late to USAID/Ghana, i.e., after the 30-day period noted in the Grant Agreement. However, compliance with the requirement has been rendered difficult because -- for cost considerations -- OICI's TDY staff usually travel to two or more countries for additional TDY assignments on the same trip. Another cause of delay has been OICI's inability to meet reporting requirements, generally, in a timely manner, because of the critical shortage of OICI personnel based at the Central Office.

On the other hand, the Lucas, Tucker & Co. independent financial/program audit of OICG was submitted to USAID, even though such audit and report was not required by the Grant Agreement.

Recommendation

- o Due to the comprehensive nature of the evaluation report and the already submitted 1983 Annual Report of OICG, it is suggested that USAID consider exempting OICI from having to submit (a) the progress reports covering FY 1983 and the semi-annual report covering the period October 1983-March 1984 because of their redundancy. The exemption will permit OICI to devote further amounts of time to assisting OICG in the "graduation" process.

D. TRAINING COMPONENTS OF OICG
ACTIVITIES

The mission of OICG is to train and place school dropouts and leavers and unemployed youth in trades, viz., carpentry, masonry, auto mechanics, catering, electronics, and office skills. To accomplish this OICG has established three vocational training centers:

- o Accra has a staff of 44 with 4 feeder courses capable of handling a maximum of 100 trainees, and 10 vocational offerings to train a maximum of 295 persons;
- o Kumasi has a staff of 21 for feeder and vocational training in 4 vocational fields. It currently services 78 trainees. Feeder courses can handle a maximum of 30 and vocational 105.
- o Sekondi-Takoradi has a staff of 21 for feeder and vocational training in 4 fields. Feeder can take 30 and vocational 105.

Training, and retraining, are vital to the Economic Recovery Plan. According to the GOG,

"the major constraints common to all levels of education in the country are:

- inadequate and poor physical facilities especially class rooms, workshops and laboratories;
- inadequate textbooks, stationery and other educational materials due to the foreign exchange constraint;

- lack of equipment, furniture and other supplies for technical and science education;
- shortage of professional and trained teachers ...**

The OICG training scheme is modelled on the non-formal educational concept which, to some extent, is alien to Ghanaian formal training concepts and the systematic training system set up by the NVTI. The period of training (12-15 months) is, by project design not aimed at a high level of skills attainment, i.e., OICG completers can only take the NVTI Grade II trade test which is the lowest grade in vocational training certification.

OICG has evolved a mid-level training curriculum with adequately qualified staff in the following fields:

- o feeder courses (computational skills, language skills, consumer education, personal development)
- o vocational courses

<u>Accra</u>	<u>Kumasi</u>	<u>Sekondi-Takoradi</u>
carpentry	masonry	auto body repairs
masonry	office skills	carpentry
plumbing	carpentry	office skills
electricity	plumbing	masonry
catering		
office skills		
motor mechanics		
graphic arts		
ceramics		
textile design		

1. Staff Recruitment

Most hiring for the training centers is done through advertisements in newspapers, pre-screening of applications and qualifications, interviews and final selection. The average level of persons interviewed

* Republic of Ghana; Economic Recovery Program, 1984-86, Vol. II
Prepared for the meeting of the Consultative Group for Ghana,
Paris, November 1983 p.60.

is high: eighteen of the training personnel are university graduates from either Ghanaian or British universities; the rest are professionally qualified people with Full Technological Certificate and similar backgrounds.

There is supposed to be a one-week orientation for new staff to familiarize them with the OICI history, philosophy and methodology. Much of the staff is now relatively newly associated with OICG and few people below the senior management levels seem to have had a formal orientation. Most of the staff would benefit from additional in-service training, form peer group workshops, and from greater involvement in the overall program. Functional assignments are too discrete and no lateral exchange is provided for within the center structures or between them.

2. Trainee Recruitment

No advertising is undertaken but potential trainees hear about the program through word of mouth. Admission is on a first-come/first-served basis and there are waiting lists of about 1500. Trainees undertaking OICG courses are mainly middle school leavers, especially without certificates and dropouts who usually fall outside the main stream of traditional formal educational institutions and become thus unemployed.

The minimum educational background requirement of trainees in most of the institutions that undertake formal vocational training is

the middle school leaving certificate. With the exception of special NVTI rural training programs which cover dropouts, the rehabilitation programs of the Department of Social Welfare for women and vocational training programs of some private vocational training institutions which do not, in any case, cover all the relevant skill areas or show any appreciable achievement, there is really little opportunity for dropouts to improve themselves. Thus a program like that of the OICG which aims at filling some of the vacuum created represents a net contribution to the country's educational system.

OICG centers use the Management Information System to predict vacancies and notify applicants who have filled out application forms. Every effort is made to fill available spaces. Potential trainees and their parents undergo a week of orientation to OICG, usually organized by the counsellor and with full staff participation. During this week the trainee and parents sign the conditions of training agreement which is, of course, non-binding and non-enforceable. Parents are also enrolled in the PTA.

Trainees must presently sit a quite sophisticated set of diagnostic tests in maths and English. The National Office has begun to review these materials and hopes to produce skills assessment indicators more appropriate to the trainees' qualifications and more useful to the OICG instructors/evaluators. There is also discussion

at all centers about raising the level required for entry to the program.

Specific skills such as office skills probably require a higher level of educational background than anticipated since industry is particular about the standard of personnel it recruits. It is therefore recommended that with regard to enrollment for office skills training the educational requirement should either be the "O" level certificate with credit in English or the middle school leaving certificate with an "O" level in English. Trainees who have already completed training in this field and are finding it difficult to locate employment can be encouraged, if possible, to undertake an "O" level test in English language.

OICG counselling is both individualized and collectivized. The team did not attend any counselling sessions but the examples cited by counsellors again point to the current economic profile of the country: there are instances of trainees who simply do not have enough to eat or means to travel; others must work in their off hours to support their families. A somewhat high drop-out rate was noted and may be attributed to these factors. Economic ventures and projects such as cooperative canteens within the centers may assist in addressing some of these problems.

1. Curriculum Development

Curriculum development and preparation of training syllabi are handled by the Training and Curriculum Coordinator who liaises with

training supervisors and job developers to get feedback from both classrooms and industry on job trends. He also consults other training organizations to gather information to prepare syllabi, integrating ideas to meet nationally acceptable standards. Contact with the NVTI in this area, however, was made only this year and only once. The final preparation of the syllabi have neither been seen nor approved by the Commissioner for Trade Testing who is also responsible for this area of planning.

It is recommended that in the future more frequent contacts should be made with the Standards, Trade Testing and Certification Department of the NVTI for discussion and advice in the development of curriculum and the design of special syllabi to meet the special demands of OICG training schemes. The final drafts of the syllabi should be discussed and approved by the Commissioner for Trade Testing to meet both training and administrative requirements of government.

Also, since government's aim is to standardize the Certification systems of all vocational training activities in the country, OICG should take more advantage of the trade testing facilities offered by the NVTI. In this regard, OICG could continue with its own examinations to serve only as its internal yardstick but since OICG certificates cannot be equated to the NVTI certificates, OICG should ensure that NVTI trade tests are conducted for all final year

trainees who would be placed in employment. OICG has already started this in some trades and it should be expanded to cover all trades as the NVTI certificate is a necessary criteria for employment.

The minimum skill qualification at the national level is the NVTI trade test Grade II certificate for those who take the written test in addition to the practical and oral tests conducted and the proficiency Grade II certificate for those who do not take the written test. Every encouragement should be given to trainees to undertake these tests. Those who are capable of improving upon their skills should be encouraged to do so. NVTI makes facilities available for updating and upgrading. Advantage should be taken of these, whether trainees are already in employment or not. The other levels of certification are the proficiency Grade I, the trade test Grade I and the National Craftsman's Certificate (NCC)

4. On-the-Job Training and Placements

An appreciable number (80-90%) of trainees are found job openings after training. The skills in demands are an indication of skilled manpower requirements in the present economic circumstances. Perhaps OICG may consider following this trend and concentrate training in areas with the job openings.

Job developers should be the most mobile members of the staff in order to seek opportunities, visit graduates placed and provide feedback to the centers. Here again, however, the economy has hindered their work; where transport now perhaps exists, petrol remains elusive;

telephones either do not work or are not extant; employers are not hiring at previous levels. OJT is frequently being creatively used now as part of economic ventures of OICG apprenticeships.

Job developers have worked out zones of responsibility within their areas and have prepared lists of interested firms. All officers repeat the same kinds of frustrations in placement, one of which is the absence of the NVTI certification now required by some employers (see above).

A pragmatic approach has necessarily evolved rather than a planned matching of trainees and their progress to work placement. Some encouragement is given to trainees to become self-employed but equipment to set up a business remains scarce. More attention might be paid to the location of the work place vis-a-vis the trainee's home, to the salary level, to promotion possibilities, and to working conditions and benefits.

Follow up currently is at best a pro forma check on whether the trainee is still at his initial placement. This is unfortunate because counsellors, curriculum developers and instructors need feedback from trainees and supervisors to update their activities. We recommend more frequent and systematic follow-up to assist with overall program management and planning.

One job developer has begun a survey of community business/ industrial needs. It is to be hoped that this information will be shared with the other centers and will be incorporated into the

vocational training offerings and programs. He has identified strong interest in employing trainees with skills in driving, accounting, industrial cleaning, catering, etc. Again centers might wish to review their vocational offerings in light of present and projected needs in Ghana.

5. Follow-up with Trainees, Recipients and Allied Groups

The official schedule of OICG requires follow up visits at periodic intervals: 3 months after placement; 6 months after placement; and one year after placement. Two factors have militated against honoring this schedule: absence of transport and post-placement migrations. Several major employers maintain regular contact with OICG and seek new trainees; trainees themselves form part of an alumni association which serves as a small source of revenue to OICG.

6. Relevance and Integration of Training to Local Realities

The types of fields which the OICGs have selected for trainees remain basically apt and most courses could have larger intakes, if space, materials and staff were available. The OICGs have worked hard to integrate their present programs into the needs of the country and the realities of the economy. However, to further strengthen the quality of training and maintain the relevance of OICG to the needs of both the labor market and trainees, the Board of Directors and the National Office should regularly review the contents and performance of all OICG's training components.

Declining levels of education in the country, again due to the economic situation and the flight of cadres, means that feeder courses should probably be reviewed for appropriateness. Some adjustments in the recruitment-training-job placement cycle, therefore, appear to be necessary to prevent the lengthening of feeder training and enable the timely phase in of trainees to vocational courses. In addition, both feeder and vocational courses need improved materials, and all staff would benefit from additional in-service training, workshops and seminars.

At present, workshops are organized by OICG Head Office for all categories of staff. Each type of workshop, however, is conducted only once a year due to financial constraints. To enable staff to get the full benefit of inservice training schemes, it would be advisable if the planners of this program would explore other fields. Government local organisations which conduct such training schemes could be invited to organize short programs designed to fit OIC peculiar training programs on the premises of the particular centers in need of these services. Such organizations include:

1. The National Vocational Training Institute
 - for Training Methodology, Instructional Techniques, Training Aids (with local materials).
Updating in vocational subjects and Office Skills.
Guidance and Counselling.

2. The Department of Labor - Guidance and Counselling, Advice on Placements (the Labor Department is responsible for collecting data on vacancies existing in all establishments in the country, both government and private, especially for the middle level grades).
3. The Ghana Education Service - Guidance and Conselling, Updating in technical subjects.

* Both the Department of Labor and the Ghana Education Service are represented on the National Vocational Planning and Research Committee set up by the NVTI and which is also responsible for Guidance and Counselling in the country. This Committee can be approached, too.

4. Management Development and Productivity Institute - Management courses (for the Director and other management personnel, including members of the local committees who are interested).

In this way, training to meet national requirements would be well catered for.

E. WAYS BY WHICH OIC COULD PROCEED WITH ITS INSTITUTIONALIZATION AND GRADUATION ACTIVITIES PROCESS

Achievement of Project Purpose

The purpose of the Phase III effort is "to institutionalize a viable cost-effective community-based, non-formal employment training program for school-leavers and dropouts... in Ghana." "Institutionalize" in this sense means being able to carry on in the absence of bilateral funding from USAID/Ghana.

Institutionalization, or readiness to "graduate," requires that OIC/Ghana will have achieved the various aspects of viability included in that term:

- o Institutionalization in the sense of an indigenous staff and Board carrying on a satisfactorily managed, competently operated group of training centers;
- o Institutionalization in the sense of producing satisfactory numbers of trainees who are equipped qualitatively to function as average and above-average entry-level workers with needed job skills; and
- o Institutionalization in the sense of financial viability.

The evaluators agree that OIC/Ghana is equipped to "graduate" in the first two aspects of institutionalization listed above. We are

equally in accord that the program has not achieved financial viability and is unlikely to do so without a difficult short-term struggle in an unfavorable economic climate.

The intractability of the financial viability problem is exemplified by the erroneous nature of the exogenous (outside the control of the program) assumptions upon which Phase III's project designers predicted institutionalization.

The designers predicted that project End-of-Project Status (i.e., institutionalization) could be achieved on the assumption that:

- "1. The Ghanaian economy will gradually improve during Phase III;
and
2. There will be no severe dislocation in the local labor market."

Dimensions of the Economic Problem

"The Ghanaian economy has been steadily deteriorating through the past decade, but the situation has recently become critical. Past years have been characterized, in varying intensity, by persistent high inflation, declining production and exports, flourishing illegal activities and political instability. A gradual decline in per-capita income has increased the incidence of absolute poverty and has been accompanied by a worsening of income distribution, growing unemployment and the emigration of skilled... Discouraged by the deterioration of the economy, political instability and poor policy performance, aid donors gradually reduced their support... As real wages declined,

talented and skilled workers at all levels began to leave the country to take up employment opportunities elsewhere, further reducing the government's ability to administer the country.**

"Industry is operating at approximately 8% to 15% of capacity, with little prospect for improvement at the present time given the lack of spare parts, raw materials and electricity."**

The result of (these) adverse internal and external factors has been a tragic deterioration in the economy. In brief:

Ghana's average annual rate of growth, 1960-1979	-0.8%
Inflation, 1970-1979	+32.2%
Growth, GDP, during Decade 1970-1979	-0.1%
Growth, Agriculture, Decade 1970-1979	-0.2%
Growth, Industry, Decade 1970-1979	-1.5%
Growth, Gross Domestic Investment: 1960-1970	-3.2%
1970-1979	-7.9%***

Since 1970"

Per capita income has fallen by 30%;
Import volume has fallen to one-third of its previous level;
Real export earnings have declined 52% and exports have
fallen from 21% to 4% of GDP;
The domestic savings rate has fallen from 14% to 2% of GDP;
and real wages have declined 80%."*

The downward trend in economic indices has accelerated during the last three to four years, creating conditions that have made it progressively more difficult to operate the OIC/Ghana training programs.

* Ghana: Policies and Program for Adjustment, Vol. I, The Main Report, Oct 3, 1983, The World Bank.

** "CDSS, Revision of Economic Background and CDSS Goals, Draft 2", USAID/Ghana, for FY 1985.

*** World Development Report 1981, The World Bank, August 1981.

It is testimony to the resilience of the OIC/Ghana program and the OICI philosophy that the training centers -- in spite of the aforementioned economic difficulties, and with certain managerial and operational weaknesses -- nevertheless have continued to transform potential national liabilities into skilled, entry-level workers who are sought after by Ghanaian businesses.

Prospects for the Financial Viability of OIC/Ghana
as it Approaches the Conclusion of Phase III

This subsection reviews post-FY 1984 sources of funding and revenue, and potential sources of funding and revenue that are possible or probable, as OIC/Ghana enters a period without scheduled new bilateral assistance from USAID/Ghana. It also includes recommendations and suggestions that may promote revenue enhancement. As we note earlier in this section, the program has not reached financial viability and faces difficult days ahead -- certainly during the short term and possibly during the longer term.

The subsection discusses OIC/Ghana's prospects regarding five sources/potential sources of technical assistance, funding and/or revenue as they appear at the time of this writing:

1. The Government of Ghana;
2. Bilateral assistance from USAID/Ghana;
3. Assistance from OICI;
4. Other donors; and
5. Local fund-raising and economic ventures.

1. Prospects: The Government of Ghana

During calendar 1983, GOG subventions to the program were at the rate of ¢186,000 per month (¢2,232,000 per annum). During FY 1983, OIC/Ghana actually received ¢1,932,000 from the GOG; it had requested ¢3,200,000.

Beginning January 1984, the program began receiving monthly subventions tentatively set at ¢200,000 (rate of ¢2,400,000 per annum). It had requested ¢4,487,000 for the calendar year.

An August 1983 IMF/Ghana accord, plus decisions made at the IBRD and Ghana International Consultative Group meeting in November 1983 have made sizeable overseas resources available in support of the drastic economic reform measures taken by the GOG. Part of the agreement is the obligation on the part of the GOG to reduce its large deficit through a program to redeploy redundant civil servants and workers in parastatal boards and enterprises.

We noted earlier in the report that OIC/Ghana played a significant role in the GOG's 1980-1981 Crash Training Program for Redundant Civil Servants, when its three training centers provided 232 government workers with voc/tech skills. OIC/Ghana can play an equally important role in the newly announced retraining program. The Director of Mobilization for the program has seen OIC/Ghana's Board Chairman and stated that OIC will have a key role in the exercise. OIC/Ghana participation can become an important factor in easing the

program's transition period -- provided OICG is fully reimbursed for the extra costs such assistance will entail.

On the other hand, the GOG's effort to reduce its large budget deficit conceivably may adversely impact on the level of calendar 1984 and later-year subventions to OIC/Ghana.

2. Bilateral Assistance from USAID/Ghana

During FY 1982 and FY 1983, an internal review of all active projects undertaken by USAID staff resulted in the determination to terminate some project activities, to let others terminate upon reaching their previously scheduled completion dates, and to substantially modify and retrench other projects scheduled for post-FY 1983 completion -- so that remaining resources would be targetted on those few elements with a reasonable chance to achieve project objectives within the remaining time and funding available.

In FY 1982, the Mission portfolio included 23 active projects. By the start of FY 1983, they had been reduced to 11. Further eliminations and terminations have reduced the portfolio to four active Mission-funded projects at the beginning of FY 1984 -- including OIC/Ghana, scheduled to terminate at the end of the FY. USAID reports that additional funding for OIC/Ghana is not available for FY 1985 and quite improbable -- given the current situation -- for FY 1986. Apparently the USAID contraceptive supplies project will terminate in FY 1985, leaving only the Ghana Seed Company project, which may

receive follow-up funding (at this writing, it is scheduled to end in FY 1984), plus the PL 480 Title II and transportation sector assistance programs .

Recommendation: Given OIC/Ghana's current unfavorable financial viability situation, the evaluators strongly urge that (1) USAID agree to a grant extension (without obligation of new funds) to carry over into FY 1985 unspent Phase III funds estimated at \$170,000; and (2) should the fourth-quarter reprogramming process make funds available -- that the Mission obligate an additional \$200,000 to ease OIC/Ghana's transition to graduation, over the short term.

3. Assistance from OICI

Under terms of its FY 1984-FY 1986 Cooperative Agreement with AID/W, OICI will be able to continue to provide technical assistance in the form of short-term TDY consultants in finance, management and operations, training and evaluation through September 1986. OICI reports that the terms of the Agreement do not permit it to provide other forms of needed assistance, i.e., dollar funds for training equipment, materials and supplies, office and classroom furniture, vehicles, and so forth.

OICI is providing OIC/Ghana with the services of a fund-raising consulting firm which is to undertake a campaign to obtain other-sponsor funding for the program. We discuss this subject in greater detail under Item 4, immediately following.

Recommendation: On a priority basis, OICI should aggressively investigate the possibilities of obtaining funding from AID/W, to help ease the short-term financial problems that will be faced by OIC/Ghana during the period before the longer-range "other sponsor" fund-raising campaign can bear fruit.

5. Other Donors

To date -- in spite of the looming cessation of bilateral funding assistance from USAID/Ghana -- OIC/Ghana has taken only a few, desultory steps to try to replace that vital source of hard-currency inputs with other donors. Lists of potential foreign bilateral and multilateral donors; of multinational and foreign agencies located in Ghana; and of multinational firms have been developed by OIC/Ghana, but the program has taken few active steps to approach potential donors and has not developed a plan for such a campaign.

Letters have been sent to the Korean Embassy, Oxfam and the Italo-African Chamber of Commerce in Milan; and a proposal was sent on 9 March 1984 to the Japanese Embassy in Accra -- but all proposals prepared by OIC/Ghana to date have been modest and geared only to satisfy critical immediate needs for training supplies and equipment. There is some question whether OIC/Ghana's management has the experience or background to mount a comprehensive, successful drive for large-scale funding from other donors.

OIC/Ghana managed to survive without AID/OICI assistance during a large part of 1982. Mere survival, however, can be deceptive.

Through innovation, hard work and belt-tightening, the program took that limited period of financial starvation in stride. But the funding hiatus inhibited OIC/Ghana and OICI's longer range planning required to ensure viability of the project -- as efforts concentrated on finding jerry-built solutions to the immediate crisis and staff eliminations and funding unavailabilities forced service cutbacks with resultant long-term adverse impacts.

A Lesson To Be Learned: The 1982 "scare" should have focused OIC/G's and OICI's attention on the financial viability dangers implicit with Phase III "graduation," if substitute funding for the USAID/OICI contribution were not obtained by the end of the two-year "final" project extension.

OICI, during the past six months, became progressively more concerned by the lack of focus by the OIC/Ghana Board on actively, methodically and aggressively mounting a sustained and effective campaign to find alternate/replacement donors. The concern was communicated by OICI's Board of Directors to its OIC/Ghana counterpart in November 1983, to little apparent effect. As noted earlier, it may have overestimated the experience in major fund-raising efforts of the Ghana Board and economic realities in the country.

OICI, through its new Director of Resource Mobilization, is sponsoring the arrival in Ghana of a consulting team from Developing Countries Information Research Services (DCIRS), an American firm specializing in international fund-raising. The team will work with OIC/Ghana preparatory to developing and carrying out a detailed plan for

alternative funding solicitation. OICI anticipates that DCIRS will locate sources that can replace the USAID/Ghana contribution in part or in whole. However, it may be problematical whether -- given the real-world obligation process of such entities -- such funds will become available during OIC/Ghana's difficult short-term transition period.

Both OIC/Ghana and OICI tend to blame each other for the lack of an in-place "other-Donor" fund-raising program that can start generating needed funding by the time Phase III ends in September 1984. Financial problems of both entities are partly responsible for the current situation, but there is blame enough to go around to all parties concerned. At this late stage in the "graduation" process, however, such criticism is beside the point. The start to be initiated by DCIRS is late, but "better late than never" is a phrase, that although trite, seems to apply.

There is an important lesson to be learned by OICI, indeed it appears already to have learned it: preparation for financial institutionalization must start in earnest the day the last phase of an OICI country program begins.

4. Local Fund-Raising and Economic Ventures

Traditional fund-raising and the operation of economic ventures by the OIC/Ghana training centers are the sources of revenue most directly under the control of the local program. In Section B-4 of the evaluation report, we note OIC/Ghana's Phase III goals, its FY 1983

activities and its FY 1984 plans and activities in relation to each. Here, we look to the prospects for local fund-raising and economic ventures during the short-term transition period and beyond.

Traditional Fund Raising

It will be recalled that, in FY 1983, the Head Office and the three training centers raised ₵515,000 of revenue through traditional fund-raising and economic ventures. We have been unable to determine the proportion accounted for by each of the two activities, but certainly the major part came from traditional fund-raising, for ₵280,000 of the total resulted from donations by Valco (₵260,000) and Pioneer Tobacco Company (₵20,000); and we know that GSIL, which operated the Accra Service Station and Motor Mechanics Unit during part of that period, lost money. Traditional fund-raising activities include direct appeals for donations from business houses and the community at large, including specific functions organized with the aim of raising money, plus cultural activities including dances, music competitions and film shows, and Certification Day and PTA contributions.

Section B-4 also notes that traditional fund-raising is expected to account for about half (₵173,220) of OIC/Ghana's combined target for both self-help activities in FY 1984, and that traditional fund-raising goals vary markedly by training center, from a high of ₵98,000 for OIC/Kumasi, to ₵50,720 for OIC/Sekondi-Takoradi, to a low of about ₵25,500 for OIC/Accra.

As economic conditions have continued to deteriorate in Ghana, raising funds via the program's long-standing traditional methods has become progressively more difficult. As industrial production and trade decrease, so does the ability of business firms to continue periodic support for OIC/Ghana. And as unemployment and inflation grow and real wages decrease, so does the ability of local people in the Accra, Kumasi and Sekondi-Takoradi areas to contribute to the program become progressively more feeble.

However, the financial viability of OIC/Ghana during the short-term transition period represents a crisis to which Ghanaian business must be induced to respond to speedily and substantially. A fund-raising drive aimed at the local communities holds much less promise for sizeable increases.

Recommendations:

1. That OIC/Ghana's Board of Directors coordinate and spearhead an emergency, short-term fund-raising drive among the larger multinational and multi-divisional firms in the country. The drive would be developed by the Board to involve the local program committees in a substantial way, but, because of the stature and contacts of the OIC/Ghana Board, its members would have to be relied on to make many, perhaps most, of the key contacts with potential donors.

OIC/Ghana would round out its list of multinational and large private firms with the names of selected government enterprises and boards. The enlarged list of firm names, persons to contact at the organizations, addresses and telephone numbers of the entities, plus their past history of contributions to OIC/Ghana and its training centers would be noted. The executive director of the Ghana Employers' Association has offered his good offices in the task.

2. That a letter citing OIC/Ghana's major contributions to the nation in transforming potential liabilities into assets that have proven helpful to industry and trade be drafted for the signatures of individual members of the Board of Directors and the local program committees who would be most effective and persuasive contacts with the targeted executives. The letter also would explain that the signer will be contacting the addressee personally, in the short-term future, to explain the reason for the "crisis" appeal and discuss the firm's contribution. We realize that some of OIC/Ghana's policy makers may be reluctant to engage in such person-to-person selling tactics, but, as all realize, the situation calls for extreme one-time measures.

OIC/Ghana's Economic Ventures

Section B-4 notes that ₵144,500, or some 87% of a total of ₵165,800 of revenues to be raised through OIC economic ventures during FY 1984 will be generated by those managed by OIC/Accra, with a relatively minor amount, ₵19,280, deriving from OIC/Sekondi-Takoradi and only ₵2,000 from OIC/Takoradi. We also pointed out that OIC/Ghana can improve the performance of its economic ventures through better direction and control, in spite of the deteriorating Ghanaian economy. In this subsection, we explain our optimism and present recommendations to achieve more profitable performance. Because the role of OIC/Accra is paramount in the case of economic ventures, and because we lacked the time to review counterpart programs in the other two training centers, our comments apply primarily to the former (although they are undoubtedly applicable to the latter as well).

Recent experience provides a valid background for our following discussion of problems and opportunities. It will be recalled that:

- o Under management of Ghana Self-Reliance Investment Limited (GSIL), a separately constituted board (with the same membership as that of the Executive Committee of OIC/Ghana's Board of Directors) and a manager operated the Service Station and Motor Mechanics Unit from February 1982 through January 1983; and that, for a variety of reasons, the Service Station has continued to improve its profit performance -- going from a new loss of ₵44,629 under GSIL administration, to a net profit of

¢19,120 from February 1983 through January 1984, and a net profit of ¢14,019 during the five months from October 1983 through February 1984.

- o Overall, the performance of OIC/Accra's economic ventures also has improved during the recent past: they reported net revenues of ¢58,388 from February 1983 through January 1984 (from operation of the Service Station, Motor Mechanic Unit, building construction, coffins, fish ponds, ceramics and corn mills); and the ventures reported net revenues of some ¢68,200 during the first five months of FY 1984.
- o Finally, it will be recalled from Section B-4 that the gradual improvements have taken place in the absence of the GSIL and in the almost complete absence of accepted management controls -- even monthly analyses of goals versus actuals.

With closer, business-oriented analysis, direction, management and control, there is far greater potential for profits to be rolled back into financial support for OIC/Ghana than is now possible.

Recommendations

Small enterprise development is hazardous even in the U.S., where 82% of new firms fail during their first two years. In view of GSIL's recent lack of success, a new approach to centralized direction of OIC business ventures and small-scale business ventures is required. Properly approached and professionally developed, there is little question but that financial returns to OIC/Ghana can be significantly

increased over the levels obtainable through the centers' earnest but unprofessional current control over their economic enterprises. The new vehicle also requires close, continuing -- not occasional -- direction by a separate board that is intimately involved. The nucleus of the operating entity might be staffed by a permanent group of OIC graduates, in addition to trainees still participating in voc-tech courses. It may be that -- to ensure concentration of effort on profit-making (but ploughed back into OIC/Ghana, to produce program revenues) activity -- the operation should be divorced from the jurisdiction of the training component.

We realize that we, as short-term evaluators, are only dimly aware of some of the legal business issues that an effective, new, centrally controlled replacement for GSIL will have to face and overcome. For example, our suspicion that reliance solely upon trainee labor is excessively inefficient may be erroneous. But, given OIC/Ghana's strengths and the standing it possesses in the communities where its training centers are located and throughout the nation -- the PVO starts with an immense reservoir of respect and awareness of the caliber of its trainees. With that reservoir and a well managed and operated organization for conducting economic ventures, it is our opinion that fund-raising possibilities in that area of OIC activity can be enhanced significantly during the short-term financial crisis immediately ahead.

Outside assistance is going to be needed to make a professional,

impartial, business-realistic assessment of the possibilities and pitfalls. For that reason we recommend that technical assistance be sought from an outside source. We suggest three possibilities, in order of priority:

First to be approached might be Technoserve/Ghana, an indigenous Ghanaian PVO, staffed entirely by Ghanaians, which, over the past dozen years, has fostered small-enterprise development at the community level. Technoserve assists Ghanaian small businessmen and production cooperatives; it specializes in developing profitable ventures in the face of the difficult business conditions prevailing today in Ghana. It is respected for the practical nature of its assistance.

Under a special program called BASIC (Business Advisory Services in Ghana), Technoserve assists indigenous PVOs through various technical and managerial counselling and advisory services, including: management and organizational planning; diagnostic appraisals of small enterprise development possibilities; in-depth, pre-investment feasibility studies; project proposal writing; provision of short-term technical expertise and donor search assistance.

Preliminary discussions held between Mr. John Doku, Executive Director of Technoserve/Ghana (P.O. Box 135, Accra; telephone: 75949) and a representative of the evaluation team indicate that Technoserve, under its BASIC program, would be able to provide several days of diagnostic appraisal assistance free-of-charge to OIC/Ghana -- reviewing the past and current histories of GSIL and the center-managed economic

ventures, and developing recommendations for improvement of the operations and increased net revenues. The organization charges a fee for the more intensive forms of technical assistance it provides.

We suggest that OIC/Ghana's Executive Committee and Executive director meets with Mr. Doku to explore the provision of Technoserve/Ghana's services in the immediate future. As we all realize, there is no time to waste.

We understand that supplementary consulting services and training assistance in small-enterprise development may also be available to OIC/Ghana through the Ministry of Labor's Management Development and Productivity Institute (MDPI). That potential source of help also might be explored at this time.

Finally, although it is theoretically possible that, through its three-year Cooperative Agreement with AID/Washington, OICI/Philadelphia might be able to provide to OIC/Ghana the short-term consulting services of a small business enterprise development specialist. We consider this avenue of assistance less desirable than the two mentioned above, because of the learning period that would be required before an expatriate consultant understood the Ghana context of small enterprise and how OIC's economic ventures could be better adapted to succeeding in that environment.

Because of the imminence of OIC/Ghana's short-term financial crisis, and because reorganization of its economic ventures cannot be accomplished overnight, we reiterate the urgency of immediate action to that end.

APPENDIX I

METHODOLOGY

- I. Document Review: Throughout the two weeks of its full team mission in Ghana, the team reviewed all relevant AID files, OICI materials available, the newly-signed cooperative agreement between AID and OICI, previous evaluations and assessments, OICG reports, and numerous OICG files.
- II. Interviews: A list of persons interviewed is appended.
- III. Site Visits: The entire evaluation team visited both the National Office and the Accra Training Center, collectively and individually. During the first day of work the team concluded that the issue of financial viability was crucial to the task of the evaluators. The team thus agreed to continue with the scheduled visit to Kumasi, but to postpone a full team visit to Takoradi as too many working days would have to be spent outside of Accra. The OICI representative and its consultant will visit that Center after the team has completed its scope of work

Work was based primarily on the attached Scope of Work.

S C O P E O F W O R K

+OIC/G EVALUATION TEAM

I. OBJECTIVES

- A. To determine the nature and extent of Phase III implementation;
- B. To determine the progress of OIC/G's institutionalization and its readiness to "graduate";
- C. To determine ways by which OIC/G could proceed with its institutionalization and graduating activities process.

II. OPERATIONAL ACTIVITIES

- A. Review original grant and related materials to assess degree of achievement in initial accord, viz.:
 - 1. improving administration and financial management operations;
 - 2. providing commodity support to establish administrative and training capacity over the next five years;
 - 3. budgetary support for administration and training program operations;
 - 4. assisting OIC/G in developing new source of revenue.
- B. Assess compliance with indicators of objective achievement:
 - 1. OICG's National Board of Directors and local program committees will be organized, trained and actively engaged in providing for the financial support and policy guidance of the program.
 - 2. All phases of OICG's operations will be effectively managed and operated by trained, competent Ghanaian administrators and technical staff.

3. There will be a broad awareness and acceptance of OICG by diverse segments of the community.
4. Demonstrated self-help activities will be carried out to obtain local community participation in the financing of the on-going costs of OICG's activities.

C. Review reports and activities required:

1. Technical assistance

- a. finance specialist visit and responsibilities;
- b. management specialist assistance and recommendations;
- c. training consultants for curriculum and methodology;
- d. evaluation audit and training.

2. Participant Training and observational tours

3. Commodity procurement, inventory and storage facilities.
4. Reports, including roster of alternative funding sources.

D. Examine training components of grant:

1. recruitment and counselling - trainees and staff;
2. curriculum development, dissemination and improvement;
3. OJT - placements, rationale and selection;
4. placements - methodology, impact survey and integration/follow-up;
5. follow-up with trainees, recipients and allied groups;
6. relevance and integration of training to local realities

E. Assess OICG's institutional capability, including:

1. its mission (philosophy, values stressed, linkages, target groups);

2. structure, staffing, management, administration, operation and financial condition of OICG's National Office and its Training Centers;
3. National Office backstopping, management and monitoring and backstopping of the Training Centers;
4. Training programs of the OIC centers, including staff training, training curricula and instruction of the trainees;
5. Areas of technical assistance in which OICI would be of most help to OICG.

APPENDIX II

PERSONS INTERVIEWED BY OICG EVALUATORS

US Embassy: Ambassador Robert Fritts
Mr. William Mithoefer
Mr. Leroy Wagner
Mr. Thomas Luche
Mr. John Thomas

PRIVATE SECTOR:

Mr. Bannerman-Menson, Ghana Manufacturers' Association
Mr. Bro Russell, APPLE
Mr. John Doku, Technoserve/Ghana and GAPVOD

GOG: Mr. Teyman, Ministry of Finance

Possible Donors:

Dr. Vernon Scheltzik, World Bank
Mr. Marcel Van Opstal, EEC
Mr. Archiv Book, CIDA

OICG

National Board: Mr. J.E.K. Moses, Chairman
Mr. G. Adali-Mortty, Vice Chairman
Mr. I. Eshun, Secretary
Mr. G.Y. Odoi, Treasurer

OICG National Office:

Mr. K. Keelson, Exec. Secretary
Mr. K.A. Dankwa
Mr. G.A. Okrah

OIC-Kumasi Program Committee

Dr. E. Osei-Kofi
Mr. Prince Awhiagbor
Mr. E.A. Ntim
Dr. (Mrs.) Doris Hayfrom-Benjamin
Mr. Victor Baboo
Mr. Edward Afriyie Adu-Bobi
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Mr. Gyimah Akwafo
Mr. George Okraku
Mr. J.H. Myres
Mr. C.T. Lamptey
Mr. A.K. Ansare
Mr. Agyekum
Mr. E.D. Ampabeng