

Country Name	Project for Formulating a Strategic Model for Quality/Productivity Improvement through Strengthening BDS for MSEs		
Republic of Ghana			

I. Project Outline

Background	<p>In Ghana, the private sector was dominated by a very large number of micro, small and medium enterprises (MSMEs). Especially, MSMEs accounted for 98.5% of the manufacturing sector. However, MSMEs in general lacked working capital, capable human resources and managerial/technical knowledge/skills. This affected and lowered the quality of their products as well as their productivity. These were often considered as main reasons why the private sector in Ghana had remained uncompetitive both locally and internationally.</p> <p>The Government of Ghana intended to foster the competitiveness of private sector. Under this policy direction, JICA conducted the preparatory survey in 2010, and suggested the needs and effectiveness to develop capacities of Business Advisory Centres (BACs) of the National Board for Small Scale Industries (NBSSI) in order to provide and facilitate Business Development Service (BDS) for micro and small enterprises (MSEs), by introducing KAIZEN methods as one of the additional contents of their BDS.</p>												
Objectives of the Project	<p>Through (1) Designing workflow of NBSSI Ashanti Regional Office and making the necessary arrangements to implement the workflow, (2) Conducting workshops/seminars/training and On the Job Trainings (OJTs) on BDS including KAIZEN, and (3) preparing reference materials for, formulating a nation-wide expansion plan of the "Strategic Model" and conducting seminars on it, the project aimed that the "Strategic Model"* for sustainable capacity development of BACs' BDS provision/facilitation is established in the Ashanti Region, and the arrangements to replicate the model in the whole of Ghana are in place (project purpose level), and thereby the activities to replicate the "Strategic Model" in the whole of Ghana are initiated by Ministry of Trade and Industry (MOTI) and NBSSI, which contributes to enhancing the development of MSEs (overall goal level).</p> <p>*1 The Project Design Matrix (PDM) defines the "Strategic Model as follows. "Strategic Model" is composed of (1) the established process to strengthen BAC's capacity for BDS provision/facilitation backed by the actual examples of BACs with strengthened capacities (Output 2) and (2) the established framework and ability of NBSSI Regional Office to "continuously" implement the process mentioned in (1) and make use of the examples mentioned in (1) above (Output 1)</p> <ol style="list-style-type: none"> Overall Goal: The activities to replicate the "Strategic Model" in the whole of Ghana are initiated by Ministry of Trade and Industry (MOTI) and NBSSI, which contributes to enhancing the development of MSEs. Project Purpose: The "Strategic Model" for sustainable capacity development of BAC Business Development Service (BDS) (including KAIZEN related BDS) provision/facilitation is established in Ashanti Region, and the arrangements to replicate the model in the whole of Ghana are in place. 												
Activities of the project	<ol style="list-style-type: none"> Project site: Ashanti Region Main activities: (1) Provision of Business Development Services in the Ashanti Region, (2) Developing training curriculum and materials and conducting training Inputs (to carry out above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Ghanaian Side</td> </tr> <tr> <td>1) Experts: 8 persons</td> <td>1) Staff allocated: 25 persons</td> </tr> <tr> <td>2) Trainees received in Japan: 15 persons</td> <td>2) Land and facilities: office space</td> </tr> <tr> <td>3) Equipment: PCs, printers, photocopying machines, digital cameras and others</td> <td>3) Local cost: utilities and activity costs</td> </tr> <tr> <td></td> <td>4) Equipment: procured office equipment and vehicle</td> </tr> </table> 			Japanese Side	Ghanaian Side	1) Experts: 8 persons	1) Staff allocated: 25 persons	2) Trainees received in Japan: 15 persons	2) Land and facilities: office space	3) Equipment: PCs, printers, photocopying machines, digital cameras and others	3) Local cost: utilities and activity costs		4) Equipment: procured office equipment and vehicle
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Project Period	April 2012-April 2015	Project Cost	(ex-ante) 360 million yen, (actual) 339 million yen										
Implementing Agency	National Board for Small Scale Industries (NBSSI)												
Cooperation Agency in Japan	PADECO Co., Ltd, Global Development and Management Consultants												

Result of the Evaluation

< Special Perspectives Considered in the Ex-Post Evaluation >

- As the continuation status of the project purpose overlaps with the Overall Goal, the information was collected and verified under the Overall Goal.

1 Relevance

<Consistency with the Development Policy of Ghana at the Time of Ex-Ante Evaluation and Project Completion>

The Project was consistent with Ghana’s development policies. At the time of ex-ante evaluation, “Ghana Shared Growth and Development Agenda (GSGDA)”, which was formulated in 2010, prioritized strengthening the competence of the private sector. “Industrial Sector Support Programme (ISSP) (2011- 2015)”, which was an action plan for “Industrial Policy (IP)”, mentioned the importance of promoting MSMEs, and aimed at strengthening BDS and introducing techniques and mechanisms to improve productivity. At the time of project completion, the Ghana Industrial Policy was formulated in 2011 by MOTI and this together with the Trade Policy aimed at accelerating private sector and industrial development.

<Consistency with the Development Needs of Ghana at the Time of Ex-Ante Evaluation and Project Completion >

The Project was consistent with the development needs of Ghana for strengthening capacity of MSMEs. At the time of ex-ante evaluation, MSMEs in general, lacked working capital, capable human resources, managerial/technical knowledge/skills, which affected the quality/productivity of their products. At the time of project completion, the quality of products produced in Ghana was still low and needs to be improved.

<Consistency with Japan’s ODA Policy at the Time of Ex-Ante Evaluation>

The Project was consistent with Japan’s ODA Policy to Ghana. In “the Country Assistance Program for the Republic of Ghana” (revised in 2006), importance of assistance to small and medium enterprises are mentioned under the prioritized areas for industry development.

<Evaluation Result>

In light of the above, the relevance of the project is high.

2 Effectiveness/Impact

<Status of Achievement of the Project Purpose at the time of Project Completion>

The Project Purpose was achieved at the time of project completion as the indicators set to measure the effects of the Project, “NBSSI Headquarters recognizes the “Strategic Model” as a nationwide applicable practice, (Indicator 1)” and “NBSSI Officials of regions other than Ashanti show interest(s) to replicate the “Strategic Model” (Indicator 2)” were achieved.

<Status of Achievement for Overall Goal at the time of Ex-post Evaluation>

The effect of the Project has being sustained and the Overall Goal was achieved. Through implementation of the succeeding (Phase 2) Project, the Strategic Model has been implemented in the Northern, the Brong Ahafo and the Central Regions. Various workshops and OJTs for the workflow and KAIZEN introduced by the Project have been conducted, and the workflow was introduced there. Basic KAIZEN training was added to the menu of BDS provided by pilot BACs in the three regions. NBSSI issued annual work plans that commenced the use of the Strategic Model for BAC activities countrywide. Work plans are also incorporated into the annual plan of MOTI as part of the budgeting process.

Besides, MOTI and NBSSI have been actively engaged in policy making on SME development including MOTI’s 10-point pillar (2016) aimed at industrial transformation. One key policy decision made is to convert BACs to Business Resource Centers (BRCs) to manage additional BDS components at the district level.

<Other Impacts at the time of Ex-post Evaluation>

Some positive impacts were observed. Based on NBSSI policy on gender that 40% of beneficiaries of all projects should be women, the Project ensured that majority of women entrepreneurs benefitted from its interventions. Enterprises improved their production processes and increased productivity through the Strategic Model and KAIZEN activities. Some enterprises which applied KAIZEN testify about changes in workers’ attitude to time and work processes. They have become more conscious of achieving more within shorter time frame (reduced lead times) as well as finding ways to reduce waste in their production processes. Predominantly, 5S KAIZEN activities have been consistently practiced.

No land acquisition and resettlement occurred under this Project, and no negative impacts on the natural environment were observed.

<Evaluation Result>

Therefore, the effectiveness/impact of the Project is high.

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results
(Project Purpose) The "Strategic Model" for sustainable capacity development of BACs' Business Development Service (BDS) (including KAIZEN related BDS) provision/facilitation is established in Ashanti Region, and the arrangements to replicate the model in the whole of Ghana are in place.	Indicator 1: NBSSI Headquarters recognizes the “Strategic Model” as a nationwide applicable practice.	Status of the Achievement: Achieved (Continued) (Project Completion) The Strategic Model was formulated, and NBSSI HQ commenced preparatory works for national expansion of the Model. (Ex-post Evaluation) Verified as achievement of the Overall Goal.
	Indicator 2: NBSSI Officials of regions other than Ashanti show interest(s) in replicating the “Strategic Model”	Status of the Achievement: Achieved (Project Completion) During project implementation, the Regional Managers who are stationed outside Ashanti have been involved in some of the activities such as Study-Tour and workshop for the Regional Managers. According to the Executive Director of NBSSI HQ, the Regional Managers showed interest in acquiring more knowledge and skills with the KAIZEN methodology.

(Overall Goal) The activities to replicate the "Strategic Model" in the whole of	Indicator 1: Activities to replicate the "Strategic Model" in the regions outside Ashanti,	(Ex-post Evaluation) Achieved				
		1. Number of activities implemented for replication.				
		Activities	Number of regions/participants	2015	2016	2017
Ghana are initiated by Ministry of Trade and Industry (MOTI) and NBSSI, which contributes to enhancing the development of MSEs.	and content of BDS implemented by BACs in those Regions are improved	Workflow workshop	24 people from 3 regions	1	0	0
		Training related to Workflow implementation	24 people from 3 regions	0	2	2
		Basic KAIZEN Training (Lecture and OJT)	22 officers from 3 regions	0	1	1
		Advanced KAIZEN Training (Lecture and OJT)	21 BAC Heads	0	1	2
		2. Basic KAIZEN was added to BDS menu in the Northern, the Brong Ahafo and the Central Region, and advanced KAIZEN was added to BDS in the Ashanti Region. (i) Ashanti= 33 districts, (ii) Regions other than Ashanti: Northern= 32 districts, Brong Ahafo= 17 districts, Central=15 districts				
	Indicator 2: Statements of MOTI and/or NBSSI to replicate the "Strategic Model" in the whole Ghana are issued.	(Ex-post Evaluation) Achieved NBSSI issued annual work plans that commenced the use of the strategic model for BAC activities country wide. Work plans are also incorporated into the annual plan of MOTI for budget.				
Source : JICA internal document, questionnaires and interviews with NBSSI Headquarters, and NBSSI Ashanti						

3 Efficiency

Both the project cost and the project period were within the plan (the ratio against the plan: 94%, 100%). Therefore, the efficiency of the project is high.

4 Sustainability

<Policy Aspect>

There is policy support for promoting MSMEs. Rural Enterprise Programme (REP) fund (2012-2020) increased promotion of MSMEs in the rural areas, offering opportunities for BACs to provide more BDS. MSME development policy is one of the pillars of MOTI's 10-point pillar (2016 to date) for industrial transformation. This has allowed for formulation of an SME Policy draft currently being considered at cabinet (to be launched in 2018).

<Institutional Aspect>

The demarcation of roles and responsibilities among the related entities is clear. NBSSI Headquarters (HQ) is responsible for policy formulation and general oversight for the Board's activities nationwide. At the time of ex-post evaluation, there is an establishment of a "KAIZEN Unit" at NBSSI HQ with the central manpower to supervise replication of the Strategic Model nationwide. NBSSI Regional Offices supervise the implementation of the Strategic Model, and BACs deliver/facilitate BDS required in starting and improving businesses at the district level. In total, 54 BAC staff have been trained and still at post. Out of that, 46 BAC Heads have obtained skills to replicate the Strategic Model to other BACs. Although the number of staff members is sufficient so far, it is still limited to scale up the Strategic Model to all 530 BACs.

<Technical Aspect>

There are Officers whose capacity has been enhanced through the project by implementing specific roles under the Project and they have been available at all levels at the HQs, Regional and BAC levels. This situation has ensured the achievement of the targets set until now.

Forty-six (46) BAC staff have been sufficiently trained to replicate the strategic model to all 530 BAC staff using the peer training approach.

<Financial Aspect>

The current replication of the Strategic Model has been implemented under the JICA supported Phase 2 Project. Also, funds for self-implementation activities have been secured to a large extent from the International Fund for Agricultural Development (IFAD) under the REP. Since it is anticipated that once KAIZEN is publicized adequately, there will be increased demand for training which will be delivered at a fee. Funds would therefore be generated internally to fund the expansion. However, for the time-being, the funding source is limited to support replication of model nationwide with funding from development partners.

<Evaluation Result>

Therefore, the sustainability of the effects through the Project is fair, primarily to challenges in the technical and financial aspects.

5 Summary of the Evaluation

The Project achieved its Project Purpose at project completion, as the Strategic Model was recognized by NBSSI HQs and NBSSI Officials in regions other than Ashanti showed interest, as stipulated in the indicators. Overall Goal was achieved, as the Strategic Model has been replicated in four Regions. Positive impact such as improvement in the production processes in some enterprises was observed. As for the sustainability, some problems were observed in the technical and financial aspects, though there are no problems in the policy and institutional aspect. Considering all of the above points, this Project is evaluated to be highly satisfactory.

II. Recommendations & Lessons Learned

Recommendations for Implementing Agency:

NBSSI is recommended to sustain the institutionalization of the “Strategic Model” highly for it to be a recognized model of BDS for enterprise productivity and growth. Replication of the Model must also be conducted in the remaining 6 Regions (out of 10 Regions nationwide) of the country (including the Greater Accra where some selected companies have been added to OJT). Create more publicity and PR on the benefits of Strategic Model and KAIZEN related BDS nationwide to attract more interest from MSE clients. There will be Internally Generated Funds (IGF) to promote training nationwide and patronage as well.

Lessons Learned for JICA:

During the project implementation, the budget allocated for the actual capacity enhancing activities did not allow for much more tangible demonstration of what improvement activities the project can do to affect positively the operations of the enterprise. It seems most of the recommended improvement activities are left for the enterprise owners to implement which may never be realized. In a KAIZEN related project, it is necessary to ensure resources are devoted to the actual delivery of activities to the beneficiary enterprises that received OJT from BACs so they have evidence of tangible results which could be a leverage to attract more enterprises to subscribe to KAIZEN activities.



BAC head of Ejisu, Ashanti Region conducting follow up for owner of enterprise



BAC head of Asokore –Mampong, Ashanti Region sharing his feedback on the impact of the training in strategic model. Two National Service Persons’ (interns: University students are required to take part in internship for one year right after graduating from universities) capacity have been enhanced to support BAC activities in the District.