

Programme for Sustainable Economic Development (PSED) in Ghana

Inclusive Financial Services, Marketable Skills, Employment Opportunities, Digitalisation

Introduction

A key element of the national development agenda of Ghana is to create new and better jobs for a growing young generation. The intervention areas of PSED : support to the reform of the Technical and Vocational Education and Training (TVET), Financial Systems Development (FSD), implementation of Migration and Employment Promotion (MEP) measures and support of digitalization (DIGIT) contribute to this endeavour, by improving the conditions for the creation of decent and productive employment. The unprecedented global COVID 19 pandemic that reached Ghana in March 2020 substantially affected the entire economy and the socio-economic situation of the Ghanaian population. Estimated economic growth in 2020 will be only about 1.5% compared to 6.5% last year. The mobility restrictions heavily impacted income and employment especially for the poorer segments of society. While it is too early to predict the longer-term effects of the pandemic on Ghana's economy it is likely that, in the shorter term the core problem which the project is intended to help solve - unfavourable conditions for the growth of decent and productive employment - has been further aggravated. In order to adapt to this new situation, it will be necessary for PSED to act flexible and innovative.

Technical and Vocational Education and Training (TVET)

In Ghana, traditional and non-formal training of apprentices in the informal sector plays an important role making up for 80 to 90% of the overall TVET training offers. However, due to insufficient training standards and lack of qualified master trainers, the traditional training usually does not prepare prospective job seekers adequately for gaining employment in the modern economy.

Since 2012, the Ghana Skills Development Initiative (GSDI) has been supporting the improvement of conditions for the acquisition of productive and decent work in Ghana through an inclusive, higher-quality TVET system. The project is co funded by the Swiss

State Secretariat for Economic Affairs (SECO) and the European Union (EU).

Current interventions include lending support to the ongoing TVET Reform process in Ghana as well as the development of three Competency Based Training programs at National Certificate Level 1 and 2 in cooperation with public and private TVET stakeholders. In addition to this is the operationalization of Two Sector Skills Bodies (SSBs) in the Agriculture and Construction Sectors and the training of 500 TVET teachers in Competency Based Training and other areas, based on qualification and needs assessment

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Lead executing agency	Ghana Ministry of Finance (MoF)
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Financial Systems Development (FSD)

Adequate access to financial services is a prerequisite for sustainable economic development and inclusive growth. In Ghana, however, large parts of the population including MSMEs remain excluded from financial services, such as savings, loans and insurance. This often results in MSMEs lack of necessary factors that ensures long-term operation. Additionally, non-compliance to regulatory requirements by financial institutions is a core problem that affects the stability of the sector.

FSD has been supporting the improvement of compliance with regulations in the microfinance and insurance sectors and access to innovative, demand-oriented financial services for micro, small and medium-sized enterprises (MSMEs). Current interventions, includes provision of advisory services and training to the Bank of



A Master Craftperson training his Apprentices



Community advocates participating in a financial literacy campaign



Investment Readiness Trainings for Female Tech Entrepreneurs



Entrepreneurship training for disadvantaged youth



Skills Training for Young TVET Students

Ghana (BoG) and the National Insurance Commission (NIC) on the development of regulatory and supervisory framework for financial services as well as enhancing the capacities of microfinance and insurance service providers to fully comply to these regulatory measures. Again, the program supports National Financial Inclusion and Development Strategy and supports Financial Service Providers (FSPs) on product development and capacity development of MSMEs to access financial services.

Migration and Employment Promotion (MEP)

Worldwide, more than 250 million people currently live outside their countries of origin ; with many being forced to leave their homes due to war or violence, while others move to new countries in search of jobs or training opportunities. In Ghana's case, the latter pertains. Growth in the informal micro, small and medium-size enterprises (MSME) sector lags behind. This development is particularly alarming because 80% of the economically active population work in the informal sector with lack of entrepreneurial and vocational skills and limited access to financial services. In the area of Migration and Employment Promotion (MEP), capacity building measures are offered to disadvantaged community members, including Ghanaians intending to migrate and Ghanaians returning from the diaspora, thus contributing to sustainable inclusive economic growth and providing an alternative to irregular migration.

Digitalisation (Digital)

The digital economy is one of the best performing sectors in the country's economy. However, most of the infrastructure is concentrated in urban areas while access in rural areas remains low, and internet cost remains high. Not all Ghanaians have the digital skills to take advantage of digital services and to participate in the digital economy. Less than 20% of women and girls have access to the internet in Ghana. Women face many barriers - including lack of skills, high costs of internet access, and a scarcity of relevant and empowering content. Interventions being executed in this area include supporting the digital innovation agenda of the Ghanaian government, taking into account the special needs of women, young people and people with disabilities.

Supporting capacity building on emerging technologies such as artificial intelligence, internet of things and blockchain by

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facilitating exchange between research institutions in Ghana and Germany.

What have we achieved so far?

So far, GIZ has supported COTVET and the Ministry of Education in developing policies and reform strategies towards a more demand-driven Ghanaian TVET system. In September 2019, 109 training providers supported by GSDI were registered with COTVET, out of which 55 were accredited to provide training. GIZ has also built the capacities of public and private training providers to deliver corresponding training courses through GSDI. Through eSkills4Girls, three competency-based training programmes in ICT have been developed which are currently implemented by six training providers in GSDI project regions for girls only.

In the microfinance and insurance sector there has been significant strides achieved in supervisory and regulatory functions. A draft insurance bill is currently in parliament awaiting ratification. That aside, capacities for insurance providers has been enhanced through various trainings to improve compliance requirements on Anti Money Laundering, Data Protection and Consumer protection. In the microfinance sector stress testing trainings has also been provided to 280 staff of Savings and Loans Companies and Rural and Community Banks as a tool to enable them test their ability to manage major crises.

In the area of Migration and Employment Promotion (MEP), as at September 2019, the project has trained over 9000 individuals (potential and returnee migrants) in Entrepreneurship and financial literacy in operational regions in the Ashanti, Bono, Ahafo, Bono East and the Greater Accra; with 398 entrepreneurs receiving incubation and acceleration services. (*Trainings were in partnership with British Council and NBSSI*). Over 200 returnee migrants have received start-up equipment support to expand or start businesses that provide economic relieve and improved livelihood.

The Digital Transformation Center in Ghana is currently in the process of setting up and will be closely working together with the Tech Entrepreneurship Initiative Make-IT, supporting Tech start-ups, with FAIR Forward on Artificial Intelligence and #eSkills4Girls on the digital inclusion of women and girls.

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