



REPUBLIC OF GHANA

GOVERNMENT OF GHANA

**MINISTRY OF FINANCE & ECONOMIC
PLANNING**

**REPORT OF
TASK FORCE ON INCENTIVES FOR
“ON THE JOB TRAINING”**

MAY, 2006

1.0 BACKGROUND

Youth unemployment remains an important issue not only because of the need to empower the youth economically but also harnessing the human resource for national development. In recognition of the problem of youth unemployment, the Government of Ghana has introduced a number of measures to enhance employability of the youth. Some of the measures include the promotion of skills development programs, revision of the education sector strategy, the introduction of the Youth Venture Capital Fund (YVCF) and the enactment of a new labour law intended to ensure a more flexible labour market. The youth unemployment challenge however continues to be enormous because of the increasing gap between labour supply and the opportunities for wage employment at the firm level.

Currently, the JSS system turns-out approximately 250,000 graduates annually. About 60% of these large numbers of young people are expected to enter into Vocational Training Institutions and various forms of Apprenticeship. This will require attachment in industries for ‘on the Job Training’ (OJT). In addition, the Public Tertiary institutions require about 60,000 job attachments per annum. The total annual requirement of approximately 280,000 job attachment placement has proven to be too large for the formal industry.

According to the Minister of Finance and Economic Planning in the 2006 Budget statement, *“the key to sustainable progress in attacking poverty and improving living standards is by creating opportunities and incentives for firms to invest productively, create jobs and expand”*. The Budget Statement also said that the problem of gainful employment for the educated youth in Ghana has become more acute due to the requirement of most employers for relevant practical experience before engagement. This is the result of the mismatch between institutional training and the needs of industry. In order to remain relevant, training institutions must be fully informed by industry advice on current skill requirements.

The Government has found it necessary to motivate employers to take on students for on the job training (whilst in school and fresh from school). As a result, the Ministry of Finance and Economic Planning as part of the measures in implementing the 2006

Budget of “Investing in People, Investing in Jobs”, set up a Task Force on incentives for On-the-Job Training.

2.0 TERMS OF REFERENCE AND APPROACH

The terms of reference for the Task Force on Incentives for “On The Job Training” is provided below.

2.1 Composition

There shall be 10 representatives forming the Task force on Incentive for “On the Job Training comprising:

- The Revenue Agencies Governing Board (RAGB)
- Internal Revenue Service (IRS)
- Value Added Tax Service (VATS)
- National Vocation Training Institute (NVTI)
- Association of Ghana Industries (AGI)
- Ghana Employers’ Association (GEA)
- Ghana Statistical Service (GSS)
- Vice Chancellors Ghana (VCG)
- Conference of Polytechnics and Principals (CPP)
- Ministry of Manpower, Youth and Employment (MMYE)

2.2 Scope

- Review existing proposals from higher educational institutions, NVTI, GEA, professional bodies and any other proposals made in recent years.
- Develop a framework and guidelines, which will encourage employers to provide on-the-job training. Guidelines must indicate type of training, which should qualify for grants and the types that should qualify for tax incentives.
- Identify alternative incentive packages to provide greater on the job training for young people.
- Develop proposals and advice that will encourage institutions, companies, and employers within both the public & private sector to sign onto the scheme.
- Identify tangible & intangible benefits for the participants of the scheme.
- Develop a timetable for introducing scheme before May 2006.

- Any other areas as appropriate.

2.3 Approach

The approach used for the assignment involved a review of documents and focus group discussions. The base documents used were the ‘Business Response to Industrial Attachment Strategy’ (October 2004) and a ‘Survey of Competency Based Training’ (December 2004) prepared by Industry (AGI, GEA, etc). The focus group discussions also involved a review of the situational assessment of OJT in the educational institutions. Representatives of the Vice Chancellors Ghana, Council of Polytechnic Principals, and NVTI made presentations to the committee.

The summary of findings and recommendations from the discussions formed the basis for this document.

3.0 REVIEW OF THE CURRENT SITUATION OF OJT

3.1 Introduction

This section reviews proposals and submissions from Universities, Polytechnics, National Vocational Training Institute and Industries.

It is also the understanding of the Task Force that the GEA is also facilitating a discussion on the informal sector apprenticeship between Council for Indigenous Business Association (CIBA) and the Ministry of Finance and Economic Planning as part of the on the job training for apprentices. This section also summarises the preliminary discussions on OJT between CIBA and the Ministry of Finance & Economic Planning. The final consolidated memorandum when completed will be incorporated into the overall OJT programme.

3.2 OVERVIEW OF OJT IN TRAINING INSTITUTIONS

3.2.1 Universities

The Universities require at least 3 years to complete their programmes. These had an OJT programme for all disciplines until the 1980's, but there was a sharp decline and only the technical and professional disciplines went through the OJT. As part of the curriculum Practicals, Attachment and Fieldwork are programmes the Universities undertake. It was mandatory for the second and third year professional students to have an Attachment at the end of the second semester break. Lecturers monitored students on Attachment and were paid allowance for their monitoring role whiles the students were given some stipends.

Currently the students are not paid any stipends and placements are not adequate. It is only the professional programmes, which go through OJT arranged by the Universities and the students.

3.2.1.1 Key Challenges

- Funding for the programme is no longer in place.
- Most of the SOEs that have been used for these programmes have been sold and the new owners are not interested in the programme.
- Some students on these programmes cause a lot of damage to some machines of firms leading to delays in production.

3.2.2 Polytechnics

The Polytechnics run 3-year HND Programmes in Applied Sciences/Arts, Business and Engineering Sciences etc; with two semesters in a year. Both theory and practical skills are taught in the Polytechnics. Industrial visits and attachments are compulsory for all students. The completion of the three - year course is followed with a one - year statutory national service of on-the-job in-service training. Liaison offices coordinate the industrial visits and attachment.

3.2.2.1 Industrial Visits

Industrial visits are organised for the various programmes during the semester, where students are taken to relevant industries for them to familiarise themselves with activities in industry. Some Polytechnics require written reports of such visits from the students. These are then assessed as class exercise.

3.2.2.2 Industrial Attachments

During the end of the second semesters of the first and second year (long vacation) the students go on attachment for 6 - 8 weeks each (a total of 12 – 16 weeks per programme). After each attachment the student is to be appraised by the companies. The student is required to write a report, which would be assessed, and marks scored as part of the semester assessment. The attachment attracts a total of four (4) credit hours per programme.

3.2.2.3 National Service

After successful completion of the three-year programme, the Polytechnic graduate is posted on National Service for a minimum of a year. It is then that a fresh Polytechnic graduate is qualified to apply for a permanent job or pursue further education.

3.2.2.4 Liaison officers

The Polytechnics have now intensified the activities of the industrial attachment coordination role by establishing Liaison offices. Some Polytechnics have strengthened them with departmental / school Liaison officers for proper coordination, though the needed logistics (secretariat, means of transport) are still not adequate. Some of the important roles of the Liaison officer is the placement of students on attachment,

monitoring of their activities, and preparation of the needed material for the attachment (Assessment forms, introductory letters).

3.2.2.5 Key Challenges

The key challenges facing the polytechnics in undertaking on-the-job training as part of the theoretical training are summarized below:

Industries

- Fewer recognized industries where OJT programme can be offered
- Reluctance of some industries to allow students to use their facilities or even accept them for attachment or project work.
- The need for students/institutions to take insurance cover.

Institutions

- Inadequate logistics to enable Liaison Offices perform effectively.
- Problem of providing stipend for students on attachment by most of the employers coupled with high transportation cost.
- Difficulty of placement for all students on attachment.

3.2.3 NVTI

The National Vocational Training Institute Act 1970 (Act 351) mandated it to co-ordinate at the National level all aspects of Vocational Training including Apprenticeship. Indeed the specific functions of the NVTI included the establishment of systems for the training of Apprentices, Training Officers and organizing In-plant training required for the Industry and its pilot programmes. The programmes of the NVTI focus on Apprenticeship.

The Institute's past experience has shown that the active involvement of Industry in the early years of NVTI helped in grooming the Apprentices properly for a take off on graduation. This involved appreciating quality works, excellent working ethics, the confidence required to face job challenges, interpersonal relations at the work place, customer service, to mention a few.

3.2.3.1 The NVTI OJT Programme

The On-the-Job Training (OJT) programme is an integral part of the formal pre-tertiary skill delivery programmes provided by the VTIs. The VTIs undertake the hands-on activities in the available Industries in the country. With a total of nine terms in the entire three years of school-based apprenticeship, 44% of the duration making approximately 4 terms is spent on ‘on-the-job training’ (OJT).

In carrying through the OJT programme to complement the centre training, the VTIs have been depending on the State Owned Enterprises (SOEs), Micro Small and Medium Enterprises (MSMEs), Municipals, Metropolitans, Departments and Agencies (MMDAs), Ghana Education Service (GES), Electricity Company of Ghana (ECG), Ghana Water Company Ltd, Mechanical Lloyds etc. These placement avenues are no longer able to support fully the OJT programmes due to increasing student numbers and logistical requirements.

3.2.3.2 Key Challenges

The On-The-Job training aspects of the apprenticeship programme for both formal and traditional apprenticeship systems are in crises due to the very limited placement and support to carry through this aspect of the training. Notable among them include:

- Limited placement opportunities for trainees that cannot take the increasing demand of the VTIs.
- Limited placement avenue by industries to support the OJT programme
- Inadequate stipend to sustain the trainees whilst on the job.
- Inadequate trained workshop Instructors to support the trainees on the OJT with sound pedagogical skills to build on what has been learnt at the centres.
- Master Craftsmen are not actively involved in the OJT programme.

3.2.4 The CIBA Apprenticeship Programme

Council for Indigenous Business Association (CIBA) comprises about 22 member associations with over 2 million member enterprises / entrepreneurs at the national, regional, district and zonal levels spread throughout the country.

The members of CIBA currently undertake traditional apprenticeship in the informal sector on personal basis with no formal systems and agreements to guide the apprenticeship programme. Most of the member associations run apprenticeship programme for a period of about 4 years. Prior to Graduation, the apprentices undertake either the associations own certified examination or proficiency and Master Craftsmen examination from NVTI. Some of the CIBA members also provide one-year On-The-Job Training to students from NVTI and other Vocational and technical institutes.

3.2.4.1 Key Challenges

The key challenges facing CIBA with respect to the traditional apprenticeship systems includes:

- Lack of adequate facilities and training support tools and logistics.
- Lack of regular refresher courses for Master Craftsmen.
- Most of the Master Craftsmen lack appropriate management and human resource skills.

3.2.5 Survey of Employers Participating in the OJT Programme

As a component of business response for the OJT Project, there was a survey to register companies and enterprises, which will make their companies available for the OJT. Since the survey was to be used for a pilot phase, the focus was mainly on companies and enterprises that would offer attachment for Electrical/Electronics, Mechanical Engineering students.

3.2.5.1 Key Challenges

The key challenges identified for the successful implementation of the project include the following:

- Large number of students needing OJT in industries
- The rising cost in industry for providing attachment
- Weak linkages between enterprises and educational institutions for Industrial attachment.
- Inadequate technically competent and practically oriented lecturers / teachers.
- Lack of adequate capacity to deliver OJT.

4.0 PROPOSED OJT STRATEGY

The analysis of the current OJT environment from the documents reviewed and focus group discussions identified five key issues that are crucial for implementing the OJT programme. These are the need to:

- Design a structured, comprehensive and effective OJT programme that is well managed, monitored and supported.
- Strengthen industry and institutional partnership for the development of appropriate OJT schemes and curriculum that is relevant to industry needs.
- Integrate both the formal and informal/ MSME sectors into the apprenticeship system.
- Provide appropriate and adequate motivation, incentives and grants for the industries including the informal and MSME sector to participate in the programme.
- Provide stipend to students and trainees as well as funding for monitoring and supervision.

5.0 IMPLEMENTATION OF STRATEGY

5.1 Activities

- Identify and Train Master Craftsmen.
- Use of Master Craftsmen as partners for OJT.
- Formalise Private Sector as partners.
- Identify and Engage Master Craftsman in a formal arrangement.
- Establish a linkage between Industry and Training Institution.
- Training Institutions should seek inputs from Industries.
- Introduce competency base training.
- Provide adequate motivation in the form of incentives and grants for Students, Supporting Industries and Master Craftsman
- Involve the Public Sector in OJT placement.

In order to effectively carry out the above activities the programme will be implemented in two phases, a pilot phase and roll-out phase.

5.2 Pilot Phase

The pilot phase will be implemented for an initial period of three years and subsequently institutionalized into a Foundation during the rollout phase to support the ongoing skills development. Five disciplines involving ten course modules in the areas of (i.e. Engineering, Building / Civil, Hospitality, Tourism and ICT) and six Polytechnics (i.e. Accra Poly, Kumasi Poly, Cape Coast Poly, Tamale Poly, Takoradi Poly and Ho Poly) have been selected for the pilot implementation.

- Students pursuing courses in Applied Science and Technology namely:
 - Engineering
 - Planning, Architecture and Building Technology
 - Agriculture & Natural Resources
 - Pharmacy & Laboratory Technology
 - Courses in ICT
 - Hospitality & Tourism
- It should cover 2nd and 3rd year undergraduate students and HND students of Universities & Polytechnics for 2 weeks in a year during the 3 years.
- Out of the 30 trade areas offered by the NVTI the pilot phase will cover 8 areas involving 2000 students for each region covering 20,000 students for a period of one year.
- Identification of partners to the training institutions during the pilot phase. This will include master craftsmen as a new introduction to the programmes.
- Cost implications of pilot phase is ₵203.94 billion covering stipends and transport allowance for trainees and supervision and monitoring expenses as well as training of master craftsmen.

5.3 The roll-out phase

After the pilot phase the program will be executed to all courses offered in the Universities and Polytechnics as well as all the 30 trade areas offered by NVTI. The NVTI has structures in all the regions to facilitate the process. With the experience gathered over the years as a guide, the process could be replicated in all estimated 543 VTIs nationwide. The structures include offices and some equipment which could be

upgraded to meet the placement and data collection task. NVTI is willing to appoint industrial liaison officers to co-ordinate the new forms of placement. About 20,000 trainees in various VTIs nationwide would be selected for the pilot phase in eight trade areas. A maximum of five (5) trainees are expected to absorb the trainees for one OJT period of 4 months. It is projected that 60% of the entities would be Master Craftsman Workshops, 35% MSME and 5% Government entities.

6.0 SUSTAINABILITY OF THE PROGRAMME

Given the importance of the programme, measures should be put in place to ensure its sustainability in respect of funding, management and operations. This will involve the following:

6.1 Info / Infra - structure Support – To provide appropriate infostructure and infrastructure for supporting the industrial attachment programme

- Set up the Industrial Attachment Project Office / Secretariat.
- Create and strengthen Industrial Attachment Liaison Offices at the Institutions and enterprise levels.
- Develop Management Information System for effective support and coordination of the industrial attachment programme.
- Support institutions to develop student and industry tracer mechanisms and supervision guidelines for the industrial attachment programmes.

6.2 Management and Operational Sustainability

There is the need for establishing an industry coordinating mechanism that will be responsible for coordinating the entire OJT programme for both Apprenticeship and Internship. This will ensure that the OJT programme is demand driven and evolves to reflect the changing and new skill requirements of industry. To this end, a Programme Advisory Board (PAB) with overall responsibility for OJT in the country will need to be established. The Advisory Board shall also establish two technical sub– committees to be responsible for Curriculum / Competencies Development and Industrial Attachment Programme.

6.2.1 The functions of Programme Advisory Board will include but not limited to the following:

- Identification and Registration of Employers / Master Craftsmen
- Registration of Students/Apprentice; the apprentices will be identified and registered using the youth unemployment survey and other institutional structures throughout the country.
- Monitoring; monitor the placement of trainees on-the-job through regional Liaison coordinating officer.
- Formulation of policies to direct and manage effective OJT.

It is expected that the project shall evolve to become financially self – sustainable over a period of time of its establishment into a foundation during the roll-out phase.

The details of the overall project cost and funding mechanisms shall be established during the implementation of the pilot phase. However, financial support is required to assist the industrial attachment committee to setup the project office infrastructure and kick – start the pilot programme.

6.3 OJT Secretariat

To ensure the smooth implementation of the project, the collaborating agencies shall establish a Project Management Secretariat. The project management secretariat shall be supervised by the Project Advisory Board with overall responsibility for ensuring the achievement of the objectives of the project. The secretariat shall be responsible for the day-to-day management of the project and shall be headed by the Executive Director.

6.4 Financial Sustainability

- Identify financial requirements for the industrial attachment programme.
- Develop and promote funding mechanisms for supporting the OJT programme by key stakeholders including Government.
- Develop proposals for government consideration in establishing a Training Fund or enterprise training levy for long-term sustainability of the Industrial Attachment (IA) and the TVET programmes.
- Develop student income support programmes.
- Develop institutional income generation strategies (i.e. consultancies, funded projects, production units, etc.)

7.0 PROPOSED OJT INCENTIVES AND GRANTS SCHEMES

The various incentives and benefits that may be provided to encourage employers, MSMEs and Master Craftsmen to sign on to the program could be a combination of the following:

7.1 TAX INCENTIVES

NO	TAX INCENTIVES	PROGRAMMES	COURSES
1.	Tax Credit	Agricultural Science & Food Processes	Horticulture, Fisheries
2.	Lower Corporate Tax	Engineering Science Applied Science & Technology Agricultural Science & Food Processes	Building Civil, Furniture Tech. Computer Science
3.	Allowable expenses (direct expenses incurred on training. e.g. Stipends, T&T, Stationery)	Engineering Science Applied Science & Technology Applied Statistics & Mathematics Agricultural Science & Food Processes Business Pure Arts Arts	Refrigeration, Architectural Sic. Fashion Design, Catering Services Horticulture, Fisheries Purchasing & Supply Social Sciences, Geography Sculpture, Painting
4.	Expenses incurred on repair & maintenance of plant & machines up to a limit to be determined	Engineering Science Applied Science	Mechanical Engineering Laboratory Technician
5.	Increase rate of capital allowance on machines and tools	Engineering Science Applied Science & Technology Agricultural Science & Food Processes	Mechanical Engineering Laboratory Technician Horticulture, Fisheries
6.	Zero rating of VAT up to some limit for items	Agricultural Science & Food	Horticulture, Fisheries

NO	TAX INCENTIVES	PROGRAMMES	COURSES
	produced by companies taking part in OJT (if registered)	Processes Engineering Science Applied Science & Technology	Building Civil, Furniture Tech. Fashion Design, Catering Services
7.	Special tax incentives for craftsmen <ul style="list-style-type: none"> • Tax holiday for 5 years (urban area & registered) • Tax holiday for 8 years (rural area & registered) 	Apprenticeship	Masonry Carpentry Electrical Catering Dressmaking Electronics Motor Vehicle Mechanic

7.2 GRANTS

NO	GRANTS	PROGRAMMES	COURSES
1	-Employers to be reimbursed for wages up to a limit to be determined -A fixed amount or a fixed sum to be determined which ever is lower	Engineering Science Applied Science & Technology Agricultural Science & Food Processes Business	Refrigeration, Architectural Sic. Fashion Design, Catering Services Horticulture, Fisheries Purchasing & Supply
2	Acquire tools and equipment for the OJT	Engineering Science Applied Science & Technology	Mechanical Engineering Laboratory Technician

7.3 OTHER INCENTIVES

7.3.1 Master Craftsman/Workshop (M.C.W.)

The Small Scale enterprises or Master Craftsmen / Workshop who are registered and signed on to the OJT programme. Those registered as tax-paying shops should be given the following incentive package to motivate them:

- Basic Tools - One set for those workshops recruiting up to 5 apprentices and two sets of tools for those recruiting 6 or more. The estimated cost for a set of tools is about 2 million cedis.
- Training in pedagogical skill for a Workshop Instructor.
- District Assemblies to award a percentage of their contract to the M.C.W. to facilitate continuous training of Apprenticeship.

A total of 200 tool's set would be required by the Master craftsman Workshops to facilitate the O.J.T. pilot phase and also support the roll out period. 82 MSMEs/SOEs are projected to support the process and would require some tax incentives. It must be noted that if the Master Craftsmen/women are supported in Training and with tools, the Traditional Apprentices in their shops will equally benefit from these facilities.

7.3.1 Incentives for Micro Small /Medium Enterprise

- Tax Relief
- Trained Instructor for the MSMEs
- Basic Tools

7.3.3 Tax Rebate and Incentives for formal Sector Employers

According to the 2006 Budget Statement Article Clause 1133 pg 344.

The Minister of Finance and Economic Planning stated that, the problem of gainful employment for our educated youth has become challenging due to the requirement of most employers for relevant practical experience before engagement. Government, therefore, proposes to establish an Employment Tax Credit Scheme to provide incentives for companies employing fresh graduates from our tertiary institutions to improve their access to the job market. The credit will be allowed for all enterprises irrespective of their size of operations, as follows:

These incentives will be additional to the normal allowable expenses for wages and salaries.

Tax Credit for Employers

Percentage of Fresh Graduates in Workforce	Proposed Incentive
Up to 1%	10% of salaries / wages of such employees
1 – 5 %	30%
Above 5%	50%

The clause 1133 of 2006 Budget has been stipulated for incentive for the employment of fresh graduates but it is proposed that it could be used also as tax incentive for those employers who will taken on students for OJT whilst in school. The modification will be a flat rate of tax rebate based on numbers of students taken on for the OJT.

8.0 PROJECT COST AND FUNDING

8.1 Cost

To implement the pilot phase of OJT programme, the sponsors will require a total investment of ₪203.94 billion.

Summary of Cost for "On the Job Training (OJT)"

Institution	Total Cost ₪
Universities	31,500,000,000
Polytechnics	40,000,000,000
NVTI	129,440,000,000
Private Sector	3,000,000,000
Total	203,940,000,000

8.1.1 Cost for "ON THE JOB TRAINING (OJT)" - PILOT STAGE

Universities

	Cost per Month ₪	No. of Months	Total per Student ₪	No. of Students	Total ₪
Student's Stipend	750,000	2	1,500,000	15,750	23,625,000,000
Supervisory/Monitoring	Rate per Night	No. of Days	Total per Supervisor	No. of Supervisors	
Night Allowance	500,000	10	5,000,000	315	1,575,000,000
Transport Cost	2,000,000	10	20,000,000	315	6,300,000,000
Grand Total					31,500,000,000

Notes:

1. It is assumed that there are 70,000 Students in the Universities.
2. OJT is available for 2nd and 3rd year students only who constitute about 35,000.
3. For the pilot stage the OJT is restricted to only Applied Science & Technology students who constitute about 45% of the entire 2nd and 3rd year students.
4. Student's Stipend includes Accommodation, Food and Transportation.
5. Each Supervisor should monitor 50 Students.
6. Supervisors will spend 10 nights outside their stations.
7. Sources of funding should be by Government Grant and Fees from Students.

8.1.2 Cost for "ON THE JOB TRAINING (OJT)" - PILOT STAGE

Polytechnics

	Cost per Month ₪	No. of Months	Total per Student ₪	No. of Students	Total ₪
Student's Stipend	750,000	2	1,500,000	20,000	30,000,000,000
Supervisory/Monitoring					
	Rate per Night	No. of Days	Total per Supervisor	No. of Supervisors	
Night Allowance	500,000	10	5,000,000	400	2,000,000,000
Transport Cost	2,000,000	10	20,000,000	400	8,000,000,000
	Grand Total				40,000,000,000

Notes:

1. It is assumed that there are 40,000 Students in the Polytechnics.
2. For the pilot stage the OJT is restricted to only Applied Science & Technology students who constitute about half of the entire students population.
3. Student's Stipend includes Accommodation, Food and Transportation.
4. Each Supervisor should monitor 50 Students.
5. Supervisors will spend 10 nights outside their stations.
6. Sources of funding should be by Government Grant and Fees from Students.

8.1.3 Cost for "ON THE JOB TRAINING (OJT)" - PILOT STAGE

NVTI

	Cost per Month ₹	No. of Months	Total per Student ₹	No. of Students	Total ₹
Trainees Stipend	500,000	12	6,000,000	20,000	120,000,000,000
Supervisors Allowance	Rate per Day	No. of Days	Total per Supervisor	No. of Supervisors	
Night Allowance	300,000	14	4,200,000	400	1,680,000,000
Transport Cost	200,000	14	2,800,000	400	1,120,000,000
Orientation Cost	500,000	2	1,000,000	400	400,000,000
Training Master Craftsmen	750,000	2	1,500,000	4,000	6,000,000,000
1 Four Wheel Pick Up					240,000,000
			Grand Total		129,440,000,000

Notes:

1. It is assumed that there are 20,000 Students in the NVTI.
2. Student's Stipend includes Accommodation, Food and Transportation.
3. Each Supervisor should monitor 50 Students.
4. Supervisors will spend 10 nights outside their stations.
5. Sources of funding should be by Government Grant and Fees from Students.

It is envisaged that the programme will be funded through various funding sources summarized below.

8.2 Sources of funding

It is envisaged that the **Shaping Future Employable Skills** programme will be funded through various funding mechanisms. Some of the proposed funding mechanisms are summarised in the table below.

Stakeholder	Funding Description
Students / Parents	<ul style="list-style-type: none">• Paying attachment fees
Educational Institutions	<ul style="list-style-type: none">• Sponsorship of lecturers for attachment• Payment of Supervisors
Industry	<ul style="list-style-type: none">• Contribution into a Training fund through payment of training Levy which will be tax deductible.• Provision of grants and sponsorships to both students and lecturers• Provision of stipend, transport and canteen services.• Provision of equipment and logistics
Government	<ul style="list-style-type: none">• Earmarked funds from the Ghana Educational Trust Fund (GET Fund).• Earmarked funds from the Consolidated Fund.• Provision of HIPC Funds to support attachment.• Establishment of Training and Business Start-up Funds.
Donors	<ul style="list-style-type: none">• Donor support for soft and hard infrastructure including education materials and equipment.

9.0 CONCLUSION

There is no doubt that human resources represent a vital cornerstone to all efforts targeted at economic, industrial and sustainable social development. Such efforts engulf also the reform of education and training systems and its delivery structures. Upgrading of human capital deliverables and closing the gaps between the labor market and education systems leads to the necessity to convert the dominating supply-driven system into demand-driven. *Focusing on the education and training of the youth on the current needs of industry adds a further dimension of rapidly accommodating change in both technology and work organisation practices.*

It must therefore be ensured that skills development is linked with jobs as products and services change, industry innovates and new occupations and skills emerge. It must be remembered that, within reason, “the future employable skills can be managed; it should not be allowed to unfold on its own”.

10.0 RECOMMENDATIONS

To address the above key challenges, the following requirements and incentives should be provided to support the OJT programme.

1). The OJT programme should be implemented in two phases. These are the following:

- A pilot phase to run for 3 years. This should apply to Applied Science a Technology courses offered in tertiary institutions. It should be made to cover second and third year students for 2 months in every academic year. In respect of NVTI the pilot phase should cover 8 trade areas involving 20,000 trainees in all the 10 regions. (i.e. 2,000 from each region) for one year.
- A roll-out phase to cover all students in tertiary education and all the 30 trade areas of the NVTI.

2. Training Institutions

On-the-job training programmes in training institutions should be reviewed and made effective and sustainable. To achieve this OJT should be included as an integral part of the curriculum of all courses offered by these institutions. This should be done with active consultation and participation of industry.

3. Partners

The partners of the training institutions in OJT programme should consist the following:

- Private Sector business organizations.
- Public Service Organisations.
- Small and Medium Enterprises in the formal sectors. This will involve the formalization of the Master-Craftsmen shops as an integral part of the OJT
- Professional practitioners such as, Law, Accountancy firms and registered consultants.

4. Government as Facilitator

- Establishment of Programme Advisory Board (PAB) with a secretariat headed by an Executive Director supervises and coordinates the entire programme.
- Provision of relevant incentive as motivation to induce active participation. These should be in the form of the following:
 - Tax rebates for private sector participation in respect of expenditure related to OJT.
 - GrantsThese are required for retooling to support OJT. To provide stipends to students and trainees as well as funds to pay the cost of supervision and monitoring.
- To facilitate access to credit facilities for business expansion to accommodate increasing student numbers.

5. Programme Advisory Board (PAB)

The PAB should provide the following:

- Development a comprehensive Database Management System to support registration of Master Craftsmen and tracking of Apprenticeship program through a tracer mechanism;
- Provision of appropriate Business Development Services through employers' organization to support effective management, appropriate HR Management and Labour / OSHE practices and productivity improvement;
- Development of an effective communication strategy for sensitization and awareness creation;
- Engagement of local liaison officers from the VTIs / Trade Associations to support and monitor the use of these start-up facilities.

6. Sources of Funding

The recommended sources of funding are the following stakeholders:

- Government
- Industry
- Donors
- Training Institutions
- Students

7. Cost Estimate

The estimated cost for the pilot phase contained in the report is ₪203.94 billion. It is recommended that this amount is provided by Government to kick-start the programme.

11.0 TIME TABLE FOR IMPLEMENTATION

KEY ACTIVITIES	PERIOD (MONTHS)											
	1	2	3	4	5	6	7	8	9	10	11	12
Submission of Proposal					xxx							
Review by Stakeholders					xxx	xxx						
Cabinet's Approval						xxx						
Source of Funding							xxx					
Setting up a Secretariat								xxx	xxx			
Publicity									xxx	xxx		
Selecting Target Groups										xxx	xxx	
Initiating the Process of OJT											xxx	
Full Implementation												xxx