

The IFC Oil, Gas and Mining Linkages Program
The IFC Ahafo Program
 Supporting Local Business Development in Ghana
Funded by IFC PEP Africa in partnership with Newmont



What is the Ahafo Linkages Program?

The Ahafo Linkages Program (ALP) is a partnership between IFC, a member of the World Bank Group, and Newmont Gold Ghana Limited (NGGL). The ALP is a business development program that supports the growth of local businesses, helping them access opportunities associated with the Ahafo Mine and beyond. The program officially launched in July 2007 following the signing of the Ahafo Linkages Program agreement by Newmont Ghana and IFC in February 2007. With a three-year mandate, the ALP will end in June 2010.

ALP Goal

The ALP aims to help generate employment opportunities and increase revenue for local Micro, Small and Medium Enterprises (MSMEs) in the operational area of the Ahafo mine by providing business development training, mentoring, market diversification and financial access training to participating businesses.

ALP's Objectives

To help increase income and employment among the Ahafo communities.

To build the capacities of local enterprises and support the creation of a vibrant economic environment that is attractive and conducive for doing business.

Who Benefits?

The ALP is targeted at enterprises within Newmont's host communities in Ghana's Asutifi and Tano North Districts. These communities are: Gyedu, Hweddiem, Kenyase No. 1, Kenyase No. 2, Nkaseim, Ntotroso and Wamahinso in the Asutifi District and Adrobaa, Afrisipakrom, Susuanso, Tanoso, Terchire and Yamfo in the Tano North District.

To qualify for the Ahafo Program, each business must satisfy the following conditions:

- it must be validated as a local enterprise operating in the locality
- it should be willing to improve performance and compete in the open market
- it must be registered or have the potential to be registered at the Registrar General's Department
- it should have at least two permanent employees engaged in its economic activities.

The Approach

The Ahafo Linkages Program is designed to help maximize the growth potential of the following local businesses:

1. Local Suppliers Development: Helps local businesses acquire the skills necessary to work within Newmont's supply chain.
2. Local Economic Development: Works to diversify the local economy by building the capacity of businesses not directly involved in mining, such as egg producers, brick makers, and caterers.
3. Strengthening the Business Association: Strengthen the Ahafo Local Business Association (ALBA), an organization that fosters business growth in the region. ALBA currently has over 100 members working in a number of sectors.
4. Training local trainers: Training of local business service providers, who support local businesses on an ad-hoc basis during and after the close of the Ahafo Linkages Program.
5. Business to business encounters: This is supplier-buyer matchmaking where potential clients are paired with ALP businesses for commercial relationship leading to appointments and deals. This event optimizes market diversification opportunities for companies receiving technical assistance.

The Way Forward

1. Continue one-on-one mentoring and advisory services for the selected businesses until March 2010
2. Organize a business to business encounter in April 2010 to increase marketing opportunities for the businesses under training
3. Continue results measurement through periodic monitoring of program performance
4. Provide ad-hoc training in procurement, basic accounting, financial access, quality, safety and maintenance to the program participants
5. Provide technical/productive capacity training for the growth businesses
6. Organize terminal evaluation of the program in February 2010

PROJECT HIGHLIGHTS

- In 2008, 125 local MSMEs were awarded with contracts with NGGL with a total value of US\$4,668,404. These figures are more than double the transactions made with locals in 2006. Of the 125 local MSMEs engaged in 2008, 21 are owned by women.
- 47 local companies received mentoring on management aspects in 2008, both vendors and non-vendors of NGGL. Thanks to the capacity building process, these companies have established offices, formalized their business practices and they have experienced a 93 percent combined annual growth in revenues (2008 versus 2007), with aggregated sales of GH¢ 5.83 million. These companies generated 85 new jobs in 2008.
- 19 local businesses development service providers have completed training in local consulting and Business Development System provision with the program. Six of these local consultants have provided training in financial management, costing and pricing and tender management to the local SMEs.
- In 2009, 54 local MSME vendors and non-vendors to NGGL began receiving mentoring with the ALP.

The sustainability strategy of the program is implemented through the transfer of project management systems, structures and processes into the Local Suppliers and Contractor Development (LSCD) unit of Newmont. The LSCD unit was established early during the project implementation cycle to enable IFC transfer Linkages expertise and knowledge to Newmont.

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