Increasing Women Business Owners’ Share of Corporate and Government Procurement to Boost Local Value Addition

Thank you for the introduction. Joining you for this event from as far as Liberia to share experiences with attendants of this event brings satisfaction to the women of Liberia, most of whom are faced with the challenge of equality, poverty, increased involvement and participation in national development issues.

Women’s participation and ownership in the economy are critical issues being addressed in Liberia’s Agenda for Transformation. During the civil crisis, increased women participation in decision making propelled the rights of women to new heights. Women held ministerial posts, rose to chief justice of the Supreme Court, became head of state - and a woman has become president. Women are the symbol of peace at many peace talks held for Liberia. These actions gradually transformed Liberia for the bigger tasks of increased women’s participation in the economy to boost value addition.

With a nominal GDP per capita of $297, the third lowest in the world, Liberia’s challenges of recovery cannot be overemphasized. The country is currently reforming many sectors. The trade policy was recently engendered to account for the participation of women in cross border trade, to document measures that would improve their participation in value addition and streamline the processes that facilitate trade across these borders.

The Liberian economy has historically relied heavily on large natural resource concessions as a source of revenue. Indeed, since 2006, Liberia has had $16bn of foreign direct investment making Liberia the country with the highest ratio of FDI to GDP in the world. However, there is a serious issue with few domestic Liberian firms being capable to participate in the procurement process of the concessionaires. In Liberia, you would see Chevron, ArcelorMittal, BHP Billiton, Anadarko, regional banks and the huge public sector. The kinds of furniture that needed, the stationeries, steel-related materials, transport equipment and services are all procurement needs that could be supplied to increase income of household and reduce poverty. All these could be tied to the value addition and clear information sharing that are needed to facilitate such transactions.

Women are extremely important to the Liberian economy. A recent report published by the World Bank found that women make up 53% of the agricultural labour force producing 60% of all agricultural products. The report found that Liberian women are extremely entrepreneurial - with some 77% self-employed. However, women in Liberia do not participate in the most productive sectors of the economy such as public works, cash-crop farming and concessions.

In Liberia, cross border activities are dominated by women and youth. These traders deal in household items, mostly food stuff, and are responsible for feeding populated counties along the borders. Some of these traders would rarely participate in the
procurement process for any sector and their value addition would not target government or corporate bureaucracy but other lines of business – mainly SMEs.

Women in Liberia always look out to improve their business possibilities. The P.A’s Ribhouse, for example, is reputable for its range of restaurants. Their service wins hundreds of contracts from corporate public entities. The restaurant business at functions for local banks and at workshop across the country has a gender touch dominated by women. The procurement process is fully engendered in this line of business. Airline and tourism are two areas that are dominated by women. Most retail airlines are managed by women who have a huge market share in the procurement of travel tickets for government officials and their private sector counterparts. Tourism is not on the rise, but that sector has a woman’s face. These are services and may have limited contribution to the value addition we would like to portray from Liberia.

The Liberian Government has highlighted capacity building among female entrepreneurs as a key strategy in facilitating the development of their entrepreneurial potential – a key for attracting participation in the procurement process.

We are achieving this goal by helping to implement several female focused training schemes. One such project is the African Women Entrepreneurship Program (AWEP). This programme is designed to help female entrepreneurs to develop the skills needed in key developmental sectors of the economy. One of the areas the scheme will focus on is developing value addition in the agricultural sector, by purchasing machines to process farm produce, like rice, cassava, coffee and cocoa, into finished products for sale on the local market and export. The programme is business-focused, which is why we were so proud to announce last month a new US$200,000 grant from the US firm Chevron-Liberia.

In February of last year, we also launched the Economic Empowerment of Adolescent Girls and Young Women (EPAG) project. In collaboration with Nike, we have succeeded in training 2,491 young women in practical, demand-driven skills, identified through private sector consultations. The project has provided microcredit for young women entrepreneurs to strengthen their participation in the economy. We want to position these women to set up businesses and strengthen existing business plans to supply corporate entities and Government with the furniture, equipment and machines needed in those sectors.

We are also proud of the continued achievements of the 10,000 Women certificate programme, which provides 150 hours of business and management training to female entrepreneurs in Liberia. One of the 300 graduates, Kabeh Sumbo, recently acquired a government contract to administer 100 acres of farmland to grow her palm oil company – Fasama Agriculture and Trading Corporation. Kabeh’s company provides locally processed palm oil and coconut oil to hotels, restaurants, international NGOs and the general public. Another recent graduate, Cecelia Pratt, has successfully established Gilgal Construction Company. This Liberian-run firm has won government building
contracts in Western Liberia, where there is massive construction of public health centers, schools and administrative buildings. We have great hope that firms such as Kabeh’s and Cecelia’s can continue to compete for corporate and government procurement contracts with the assistance of these schemes.

There clearly is more work to be done in order to develop the private sector which emphasizes and strongly integrates women-owned businesses at all stages of the supply chain. We are aware that some concessionaires have concerns about the quality of product from Liberian firms. That tells you the need for enhancing capacity across sectors. Therefore, existing linkages between women businesses and other sectors have to be defined, emboldened and a policy decision has to be clearly taken.

Thank you for listening.