

SheTrades West Africa: Promoting Women's Participation in Public Procurement in Liberia

Recommended Next Steps

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ABBREVIATIONS

GRPP	Gender-responsive Public Procurement
ITC	International Trade Centre
KOICA	Korean International Cooperation Agency
MSMEs	Micro, Small, and Medium-sized Enterprises
PPCC	Public Procurement Concessions Commission
PPRC	Public Procurement Research Centre
SBA	Small Business Empowerment Act
WOB	Women-owned business
LISGIS	Liberia Institute of Statistics and Geo-Information Services
UNDP	United Nations Development Programme

1 Introduction

The Government of Liberia has expressed the ambition to promote the participation of women-owned businesses (WOBs) in public procurement.

The Liberian Ministry of Commerce and Industry, the Public Procurement and Concessions Commission (PPCC) and the International Trade Centre (ITC)'s SheTrades Initiative organized a 2-day workshop in the context of the SheTrades West Africa project, funded by the Korean International Cooperation Agency (KOICA) to discuss opportunities to promote women's participation in public procurement opportunities in Liberia. ITC involved the expertise of the Public Procurement Research Centre (PPRC) to facilitate (part of) the workshop and to formulate recommendations on the way forward. The workshop took place from 20-21 July 2022, and this policy brief highlights the key outcomes of the workshop and recommendations for next steps towards gender-responsive public procurement in Liberia.

The Ministry of Commerce and Industry and PPCC have translated the interest in realizing the ambition for gender-responsive public procurement (GRPP) in Liberia into concrete action. PPCC has created a Gender Technical Team that, in cooperation with UN Women, is putting together a 'Five years (2022-2026) Gender Action Plan' to support the Gender-Responsive Public Procurement Strategy of PPCC.

NB: Although this policy brief and subsequent related actions from ITC are not formally linked to the initiatives that PPCC is undertaking with UN Women, the Gender Action Plan (draft version of July 2022) seems to support the changes that are needed at governmental level to work towards GRPP.

2 The workshop

The purpose of the workshop was to share the results of institutional interviews on women in public procurement in Liberia as well as to share stakeholders' experiences, lessons learned, and insights for improvement. Additionally, the workshop was aimed at developing practical recommendations to promote gender-responsive public procurement in Liberia. Part of the two days was dedicated to training participants on ITC's methodology to develop a gender-responsive public procurement program as described in the guide [Making Public Procurement Work for Women \(2020\)](#). The agenda of the workshop is attached as Annex A.

2.1 Day 1 of the workshop

Day 1 of the workshop was dedicated to:

- familiarizing the audience with GRPP;
- analysis of the current situation in Liberia based on research conducted; and
- exploring barriers that WOBs face whilst trying to compete for public tenders.

A local consultant conducted research - mainly based on key informant interviews - to assess the current situation in Liberia regarding GRPP. The results are presented in a separate document entitled "Short Assessment and Recommendation to increase the Participation of Women-Owned Businesses in Public Procurement Processes". This document also explains the role of the Public Procurement and Concessions Act in Liberia (2005, as amended and restated in 2010), that of the Small Business Empowerment Act (SBA), and the percentages therein to stimulate participation of micro, small and medium sized businesses (MSMEs) and WOBs in public procurement processes.

PPCC presented on their organizational role and goals as well as on how they are actively implementing GRPP in Liberia. PPCC monitors all 143 procuring entities in Liberia. As per 8 July 2022 a total number of 712 companies are registered in the Vendors Register of PPCC to do business with the Liberian Government. They explained that a Gender Team has been formed to develop a gender strategy and policy in order to mainstream gender in Liberia's public procurement. They also highlighted that the Gender-Responsive Strategic Plan is currently under review (July 2022). Further, PPCC takes the definition of WOBs to be those businesses of which 51% or more of the shares is owned by women (or: a woman). The responses to the presentations of the PPRC experts and the outcomes of subgroup and plenary discussions are captured in the other sections of this policy brief.

At the end of the day, ITC presented on options for a national definition of WOBs in Liberia and the efforts of the International Organization of Standardization (ISO) International Workshop Agreement (IWA) to formulate global definitions on women's entrepreneurship (IWA 34).

2.2 Day 2 of the workshop

Day 2 of the workshop was dedicated to sharing insights and discussing options in relation to two important topics. The first topic was the identification of barriers that WOBs in Liberia encounter, or that otherwise prohibit WOBs from participating in and/or winning of public tenders. The second topic was the extent to which Liberia would consider adopting targeted assistance strategies. Targeted assistance strategies are ways to put WOBs at an advantage compared to male counterparts. This increases the chance that WOBs will not only participate in tenders, but also win. Further, the implementation and application of GRPP measures were discussed.

3 Outcome of discussions - Survey results

Workshop participants completed a survey to shed light on their knowledge, perspective and suggestions with respect to public procurement, WOBs, and WOBs' participation in public procurement. These outcomes were also discussed during the workshop. The survey was completed by 25 respondents (16 females and 9 males), and the counts are shared below.

3.1 Participants

The participants of the workshop and thus respondents that filled the survey were representatives were from:

- Women-owned businesses
- House of the Senate Office
- Chamber of Commerce
- Ministry of Commerce and Industry
- Ministry of Finance and Development Planning
- Ministry of Gender, Children and Social Protection
- PPCC
- Development Education Network
- Liberia Institute of Statistics and Geo-Information Services (LISGIS)
- Women Initiative for Sustainable Agriculture
- United Nations Development Programme (UNDP)

3.2 Counts

Below are some counts of answers to key close-ended questions:

Statement		agree	neutral	disagree
B1	Before today, I already knew what gender responsive public procurement was	20	3	2
B2	I know <i>how</i> the power of public procurement can advance certain groups/types of suppliers	21	4	0
B3	I know what it means to apply price preferences in public procurement	12	9	4
B4	I understand that women owned businesses face more barriers than men owned businesses trying to compete in public tenders	24	1	0
B5	Before today, I had heard of the Small Business Empowerment Act	18	3	4
B6	Before today, I had heard of the target set for Liberian women-owned MSMEs in the Small Business Empowerment Act	17	2	6
B7	I think that women owned businesses should be helped to <i>participate</i> in public tenders	25	0	0
B8	I think that women owned businesses should be helped to <i>win</i> public tenders	20	1	4

Statement		agree	neutral	disagree
B9	I believe that gender responsive public procurement can make a difference for women owned businesses in Liberia	25	0	0
B10	If women owned businesses work hard enough they have the same chances as any other business	16	3	6
B11	I can personally contribute to supporting women owned business in the context of public procurement	19	5	1

	Statement	Response
C1	The target for Liberian women owned businesses to be granted government contracts was 5% in 2015. Choose your response.	This target of 5% is too low: 21. This target of 5% is fair: 2. This target of 5% is too high: 1. No answer: 1.
C2	For success on gender responsive procurement, the cooperation between different ministries (e.g. Ministry of Commerce and Industry and Ministry of Finance) is important. Current communication between ministries:	is satisfactory: 0. needs improvement: 19. needs to be initiated: 3. I do not know: 3.
C3	Consider this definition: "Liberian-owned MSME means any micro, small or medium enterprise of which more than 50% of the securities, equity and/or ownership interests carrying sufficient votes to elect a majority of the board of directors or other similar body of the MSME is owned, directly or indirectly, by one or more Liberian citizens, including women-owned MSMEs; with such majority Liberian shareholder being a signatory to the official documents and bona fide bank accounts of the business." Choose your response:	I am aware of this definition and I apply it: 9. I am aware of this definition but I do not use it: 6. This is the first time I have read this definition: 9. No answer: 1.

3.3 Interpretation

Supported by qualitative feedback provided in both the surveys and during workshop discussions, it is clear from B7 that all those present agreed that WOBs should be helped to participate in public tenders and that GRPP can really make a difference in Liberia (B9).

However, 4 people (B8) would not prefer to help WOBs actually win tenders (through favoring them during evaluations over other businesses). This may be linked with the mixed answers to question B10 about whether WOBs have the same chances as other businesses.

Further, the majority states that the current target of 5% being too low (C1). Previous research had already identified that collaboration between different ministries needs improvement in order to achieve better GRPP which is confirmed by the respondents (C2).

4 Outcome of discussions - Barriers

Barriers that WOBs typically encounter are described in ITC's guide *Making Public Procurement Work for Women* and are divided in five main categories. Below is a summary of how the barriers in each category were assessed by the workshop participants. The following applies to the priority for addressing the barriers / make a change:

- 1 = very important
- 2 = important
- 3 = less important

4.1 Category 1 - Misfit Tender Design

Barrier	Applicable?	Priority for change
Complex tenders and large contracts	Yes	1
Competition based on price	Yes	2
Insufficient time to prepare	No	3 (in the law)
Closed market by framework agreements	Yes	1

4.2 Category 2 - Excessive requirements

Barrier	Applicable?	Priority for change
Disproportionate financial requirements	Yes	1
Disproportionate quality	Yes	2
Over-emphasis on costly industry standards and certifications	Yes	2
Track record needed	Yes	2

4.3 Category 3 - Behavior of procuring entity

Barrier	Applicable?	Priority for change
Late payments and/or risk of non-payment	Yes	1 (prominent issue)
Information request overload	Yes	2
Lack of feedback	Yes	2
Biased position towards WOBs	Yes	1

4.4 Category 4 - Lack of information

Barrier	Applicable?	Priority for change
Insufficient access to tender opportunities	Yes	1
Little dialogue with procuring entity	Yes	2
No invitations to bid	Yes	3
Limited access to internet	Yes	3

4.5 Category 5 - Capability of WOBs

Barrier	Applicable?	Priority for change
Lack of tendering skills/ <i>lack of social network</i>	Yes	1
Limited financial resources	Yes	1
Little experiences to fall back on	Yes	1
Insufficient network, connections	Yes	1

5 Outcome of discussions – Targeted assistance strategies and measures

The next discussion revolved around the target percentage of spend that should be realized at WOBs, possible targeted assistance strategies, and measures.

The three possible targeted assistance strategies are:

1. Subcontracting: in high-value contracts, choosing a woman owned business as subcontractor is obligatory.
2. Price preference: WOBs get a competitive advantage through adjusted price evaluation scores.
3. Reservations: only WOBs can participate in tenders in a certain category, such as a specific market sector.

5.1 Target percentage

The target percentage relates to the part of the entire purchasing spend in a certain period (financial year) that is realized at WOBs. Currently, the SBA Act defines that 5% of the entire spend in Liberia should be realized at women owned MSMEs. As explained above with the results of the survey, the audience agreed that this percentage should be higher to reflect the ambition that Liberia has in relation to WOB participation. In order to determine the target percentage, additional discussions are needed. Ideally, more data is found to establish an ambitious yet realistic percentage. However, if data is not available, PPRC advises to decide on a percentage and start monitoring progress. If necessary, the target can be adjusted over time and/or follow a phased predetermined time path.

5.2 Subcontracting

The audience agrees that the strategy of subcontracting can be adopted and included in the preferential procurement policy. It resembles the current possibility in the SBA Act to require a Liberian-owned MSMEs as subcontractors in international bids. However, the targeted assistance strategy of subcontracting needs to be enabled in the revised Public Procurement and Concessions Act.

5.3 Price preference

There is consensus amongst workshop participants that the price preference strategy is not needed for Liberia. The ability or inability to compete on price is not considered a pressing challenge for WOBs. Therefore, the suggestion is to not include this targeted assistance strategy in the preferential policy and to not consider it for the revision of the Public Procurement and Concessions Act.

5.4 Reservations

The targeted assistance strategy of reservations is considered an attractive option for Liberia, provided that this strategy is only to be applied in sectors where it is actually useful. The strategy should be included in the preferential procurement policy that the Public Procurement and Concessions Act endorses.

5.5 Measures

PPRC experts also explained the possible application of so called 'measures'. Policy makers and procuring entities can take measures that specifically apply to identified barriers. These are part of the steps to empower women-owned businesses through public procurement.

A distinction can be made between measures that are always applicable, regardless of the tender, and measures of which the applicability depends on the tender. The audience agreed that they prefer to use measures that can always be applied for each tender and to have the option per tender to apply those measures that can be applied when possible. The applicability and use of the measures can also be addressed in the preferential procurement policy that needs drafting.

6 Conclusions

In summary, the overall conclusions from the audience during the 2-day workshop are:

1. Liberian national procurement law (the Public Procurement and Concessions Act) needs to provide for a preferential procurement policy. This means that the Act needs to refer to an official preferential procurement policy that is published for all procuring entities to access and apply.
2. ITC can recommend what to include in the policy and how. Annex B presents a possible outline of the policy.
3. The target of 5% (to be realized at WOBs as a percentage from the total purchasing spend) is too low. More information is needed to conclude on the envisaged target and how to work towards the set target over time.
4. Subcontracting should be included as a targeted assistance strategy in the preferential procurement policy.
5. Price preferences is not included as a targeted assistance strategy.
6. Reservations should be included as targeted assistance strategy, and more details are needed as to *how* to go about this.

7 Recommended next steps

In order to lay a strong and sustainable fundament for the promotion of women's participation in public procurement opportunities in Liberia, the following steps are recommended for 2022:

1. Formally decide on a) the target for spend realized at WOBs and b) the use of targeted assistance strategies.
2. Decide on a definition of "women-owned businesses" that will be adopted by all government institutions and procuring entities.
3. Create a legal basis for the target and targeted assistance strategies (1 a and b above), by amendment of the Liberian Public Procurement and Concessions Act. The Act has to refer to the preferential procurement policy that needs to be drafted (see point 4 below). Note that Liberia may want to serve a wider audience with these amendments by addressing 'minority groups', 'historically disadvantaged groups' or 'special interest groups' (including for example youth and people with disabilities), rather than women and WOBs only. Doing so will prevent the government having to change the law again in the near future to suit preference of other target groups - besides WOBs - to benefit from strategies and measures to improve responsible public procurement.
4. In parallel with point 3, draft and officially approve a preferential procurement policy. This policy outlines the objectives and starting points for Liberia's promotion of women's participation in public procurement. It is important to do this whilst the amendment of the Public Procurement and Concessions Act is underway. As already mentioned, the proposed outline of such a preferential procurement policy is added to this policy brief as Annex B.
5. Draft an action plan based on ITC's guide *Making Public Procurement Work for Women*. The plan is necessary to implement the preferential policy and focuses on reducing identified barriers by the implementation of related measures. This has to happen at both procuring entity level and at the level of WOBs. Also, the plan needs to address the identification of procurement opportunities for gender inclusive procurement. This step can focus on sectors with presence of WOBs where procurement contracts need to be awarded in the coming 18 months, with a special interest for the agricultural sector. The action plan can tap on the aforementioned 'Five years (2022-2026) Gender Action Plan' that is already available in draft.

Once these five steps are completed, the implementation of the preferential procurement policy and the execution of the updated Gender Action Plan can start in 2023.

Annex A - Workshop agenda

Day 1

- 09:30 – 10:00 Arrivals and Registration**
- 10:00 - 10:30 Welcome and Opening Remarks**
- ITC
 - KOICA (TBC)
 - Public Procurement and Concessions Commission
 - Ministry of Commerce and Industry
- 10:30 - 10:45 Session 1: Introduction to Gender-Responsive Public Procurement**
- Introduction to SheTrades Initiative
 - Making the case for women's participation in public procurement processes
 - Overview of current situation of women in public procurement in Liberia
- 10:45- 11:30 Session 2: Assessment of Women in Public Procurement in Liberia**
- Presentation of results by national consultant
 - Analysis of high performance and areas for improvement
 - Q&A with stakeholders based on the results
- 11:30 – 13:30 Session 3: Plenary Discussion and Analyzing the Situation**
- Reaction from PPRC experts
 - Good practices from national institutions
 - Discussion with stakeholders
- 13:30 - 14:30 Lunch**
- 14:30-16:30 Session 4: Definition of women-owned businesses in Liberia**
- Existing definitions of women-owned businesses in Liberia
 - Presentation of International Workshop Agreement (IWA) 34 definitions
 - Plenary discussion

Day 2

09:30 – 10:00

Arrivals

10:00 - 11:00

Assess the Situation and Design a Roadmap

- Assessing the current situation of women in public procurement in Liberia
- Identifying the existing barriers to including more women in public procurement
- Finding procurement opportunities that are a fit between available opportunities for women-owned businesses and organizational procurement practices
- Creating a roadmap that lays the groundwork to introduce inclusive procurement practices

11:00 - 12:00

Make it Happen

- Training on executing tenders in a women-owned business-friendly manner, combined with proper stakeholder management, and accountability

12:00 - 13:00

Lunch

13:00 - 14:00

Monitor Progress

- Monitoring the impact of programmes for women-owned businesses to understand their effects

14:00 – 14:30

Q&A

- Discussion on questions, comments, and suggestions

14:30 – 15:50

Develop Recommendations

- Breakout group discussions

15:50 – 16:30

Closing Remarks and Evaluations

Annex B - Outline preferential procurement policy

1. Introduction

1.1 Background

1.2 Objectives and Content

2. Purpose and Target

3. Definition of Women-led Businesses and Women-led Cooperatives

4. Strategic Approach: Targeted Assistance

4.1 Subcontracting plans

4.2 Reservations

5. Strategic Approach: Reducing Barriers to Entry

6. Institutional Arrangements

6.1 Roles and Responsibilities

6.2 Monitoring and Evaluation

6.3 Communication