

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

Short Assessment and Recommendation to increase the
Participation of Women-Owned Businesses in Public
Procurement Processes

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Abbreviations

GRPP	Gender-responsive public procurement
ITC	International Trade Centre
LISGIS	Liberia Institute for Statistic and Geo Information Services
MSMEs	Micro, small, and medium enterprises
PPCC	Public Procurement and Concession Commission
SBA	Small Business Empowerment Act
WOB	Women-owned business(es)

Introduction

Increasing women's participation in economic activities is as important as advocating for their rights. There are several ways to promote women's economic empowerment and these are enshrined in various national laws and international instruments.

Several institutions, including the International Trade Centre's (ITC) SheTrades Initiative, have been promoting women's economic empowerment through various means. The SheTrades initiative aims to create an ecosystem of integrated solutions that empower women economically through greater integration in trade and investment. The Initiative ensures that the right capacities and conditions are present for women to trade and that they are supported by an ecosystem of market partners and effective support organizations. SheTrades also works to remove inequalities in the trade policy space that hinder women's participation.

Under the SheTrades West Africa project, ITC is working to improve the livelihoods of women in agricultural value chains and also create a more inclusive policy environment for women to trade. With a view to promote women's participation in public procurement opportunities, SheTrades embarked on a short assessment with key institutions and Women-owned businesses (WOBs) in agricultural value chains, intended to understand women's participation in public procurement processes in Liberia and to promote Gender-responsive public procurement (GRPP).

Gender-responsive public procurement (GRPP) not only promotes women's economic empowerment by supporting women-owned businesses but also improves the living conditions of women, who use money earned to educate their children and take care of their families.

While it is true that GRPP empowers women, women still lag behind when it comes to participating in public procurement. According to the World Bank, less than **1 %** of women-owned businesses are awarded procurement contracts¹.

Liberian women-owned businesses that participate in public procurement and win contracts feel empowered and are able to empower other females by providing job opportunities. This is a clear indication that including more women in public procurement processes will increase the growth of women-owned businesses and positively impact the lives of other women who will be contracted as a result of contracts awarded.

¹ <https://gracamachetrust.org/2021/10/20/why-including-more-women-owned-businesses-in-public-procurement-processes/#:~:text=The%20study%20revealed%20that%20women,the%2034.5%20Billion%20surveyed%20tenders.>

Method Used to conduct the Assessment

Both qualitative and quantitative data collection methods were used. Questionnaires used during the interview were developed by ITC and marks were allocated based on ITC's methodology as described in the guide [Making Public Procurement Work for Women \(2020\)](#). A total of ten (10) institutions (5 government and 4 women owned business, and 1 autonomous agency) were interviewed and one (1) general country assessment was conducted. The total of 16 persons (5 from PPCC, 3 from Chamber of Commerce and 1 each from each of the remaining 8 institutions) participated in the interview.

Interviews conducted with government institutions and the chamber of commerce were face-to-face while those conducted with Women-owned businesses were through phone calls.

Problem women face in Public Procurement processes

From existing literature, it is known that women-owned businesses continue to be in disadvantaged positions in obtaining public contracts related to procurement, leading to a very huge disparity.

“Only 1% of government procurement tenders are won by women. Women entrepreneurs are at a disadvantage in many aspects of local and international trade. They face unequal access to finance, skills, and land and support networks.”²

In Liberia, public procurement processes have often been dominated by males over the years. The public procurement space tends to favor men over women in that, the majority of the items to be procured are items that are often sold and controlled by men, leaving them to continuously own and control a large portion of monies allocated in the country's budget for procurement purposes.

In June 2016, the Small Business Empowerment unit of the Ministry of Commerce launched its first report in keeping with the mandate of the implementation of the Small Business Act Section 4.1c³. The report shows that the actual approved procurement plan budget for Public Procurement and Concession Commission (PPCC) for fiscal year

² <https://apolitical.co/solution-articles/en/why-do-men-win-99-of-all-procurement-contracts>

³ At least 25% of all public procurement contracts entered into by all government institutions including state owned enterprises shall be allocated and provided to Liberian-Owned MSMEs of which at least 5% shall be allocated and provided to Women-Owned MSMEs. For greater certainty, the foregoing percentages relate to the aggregated monetary value of all procurement contracts during the life of each contract.

2015/2016 was \$219,142,846 and \$42,635,662.47 of this amount was allocated to Liberian micro, small, and medium-sized enterprises (MSMEs)⁴.

Chart 1 shows the amount that Women-owned businesses benefited from the 25% allocated to Liberia MSMEs, and Chart 2 shows the amount that WOBs benefited from the total approved procurement plan budget of FY 2015/2016.

Chart 1: Allocation of 25% to Liberian-owned MSMEs, including men and women-owned MSMEs

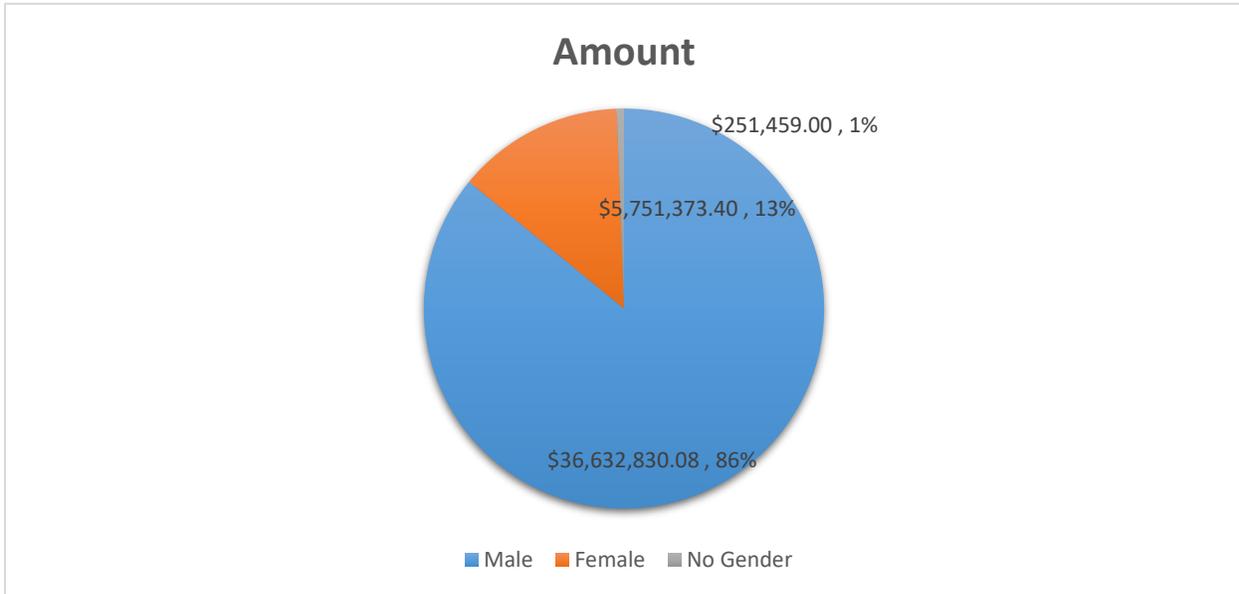


Chart 2: Total Value that women benefitted from the actual approved procurement plan budget

⁴

https://www.moci.gov.lr/doc/LBR.MoCI.FYear1.Final.SBAPerformanceReport.072117%20ok%20for%20print_2.pdf

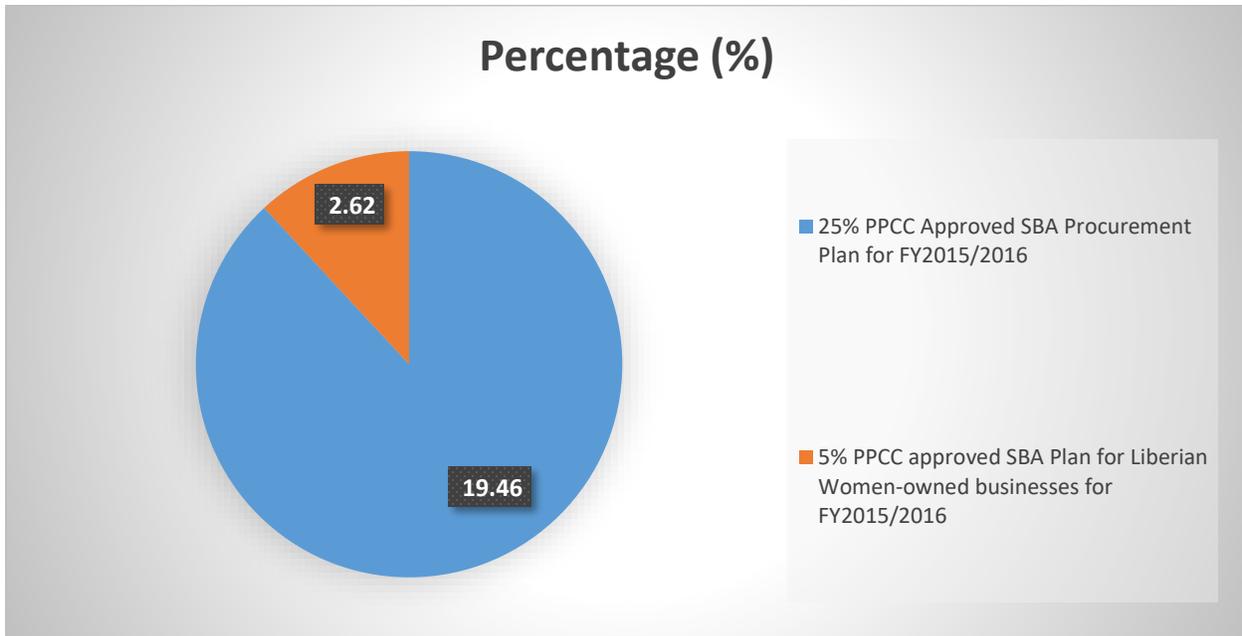


Chart 1 shows that women-owned businesses accounted for \$5,751,373.40, which is 13% of the 25% contracts allocated to Liberian-owned MSMEs. This amount may seem big however, it indicates 2.62% of the PPCC approved procurement plan budget for FY 2015/2016, which is very little as compared to the picture shown.

The report also highlighted the top 20 performing Liberia-owned MSMEs and most of these businesses are owned and managed by males. This report is an old one and cannot give the actual picture of the current reality. Follow-up shows that the Small Business Administration Unit at the Ministry of Commerce does not have an updated version or a more recent report which serves as a limitation to follow-up on the implementation of the SBA law.

Findings from assessment

Assessment was carried out across ten (10) institutions and 16 individuals:

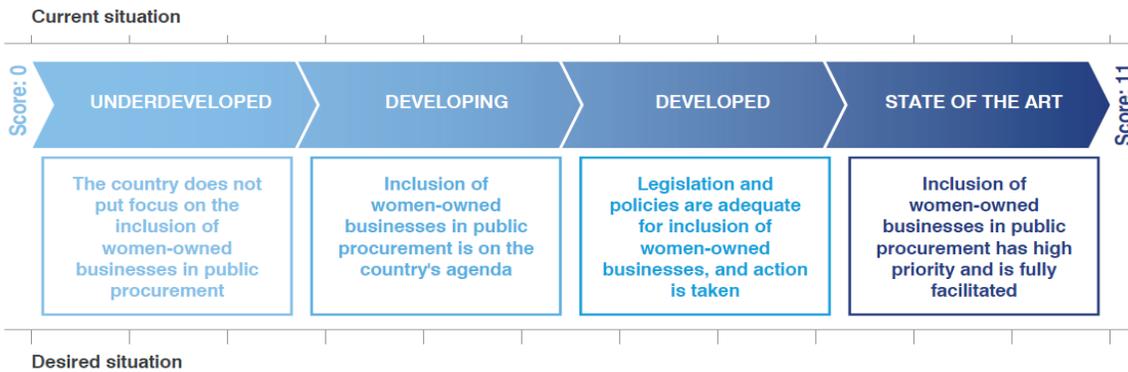
- Five with the government,
- four with women owned businesses,
- one autonomous agency and one was conducted at the country level.

Country Level Assessment

The results from the questionnaire on women's participation in public procurement opportunities showed that Liberia is in the developing stage (inclusion of women owned-businesses in public procurement is on the country's agenda) for GRPP (as defined in ITC's guide *Make Public Procurement Work for Women*) and that it is part of the country's

agenda to include more Women-Owned businesses in public procurement. The country had a total score of 5 out of 11 based on the assessment conducted.

Figure 1: Self-assessment at the Country Level



Best practices at country level

Liberia does not have a preferential policy regarding public procurement; however, an objective of gender-responsive procurement is included in the Small Business Administration (SBA) Act, approved on December 22, 2014. which mandates all government entities, including state-owned enterprises, engaged in public procurement to allocate a minimum of 25% of their total procurement budget towards Liberian-owned MSMEs, and that at least 5% of the procurement spend should be allocated towards Liberian women-owned MSMEs. Section 4.3 c of this act mandates the Public Procurement and Concession Commission (PPCC) to ensure the implementation of this section each fiscal year of the government.⁵

The country has put in place some good measures aimed at collecting gender-disaggregated data for businesses in Liberia. The government entity responsible for data collection Liberia Institute for Statistic and Geo Information Services (LISGIS) has been able to identify women-owned businesses in key sectors in the economy.

All businesses registered under the laws of Liberia receive registration confirmation through mobile text messages once registered.

Liberia procurement law and definition of Women-Owned Businesses

Even though the country has an objective of gender-responsive procurement for MSME's participating in public procurement, it does not currently have measures in place to monitor the implementation of the law.

⁵ <https://www.moci.gov.lr/doc/SBALaw.pdf>

The country does not have a formal/standard definition of women-owned businesses and as such institutions have various ways of defining women-owned businesses.

For example, according to the Small Business Administration Act, “Liberian-owned MSMEs” 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 bank accounts of the business. “Women-owned MSME” has the same meaning as Liberia-owned MSME except that the persons with the required securities or ownership interests and signatory rights are women who are Liberian citizens”.

On the other hand, PPCC decided to adopt 51% of the business owned by women to be the definition of “women-owned business” since this is the definition used by UN Women.

The Chamber of Commerce, Ministry of Gender Children and Social Protection, and the Ministry of Finance do not currently have any definition but are considering adopting one through collaborative efforts with other stakeholders.

[Assessment with Government Institutions and the Chamber of Commerce](#)

The assessment carried out with government institutions showed that, as part of the country’s agenda, “women-owned businesses” should be encouraged to participate in public procurement processes.

The assessment shows that information is gathered on women-owned businesses. However, more can be done to make sure that the information is widely available for public consumption.

For instance, the Liberia Institute for Statistics and Geo Information Services (LISGIS) reported that a survey was conducted by the department of National Accounts, and gender disaggregated data exists on the number of women-owned businesses registered in country, the percentage, and the average number of employees of the businesses that are registered.

LISGIS also collects data on sectors that have the highest percentages of women-owned businesses.

These sectors include:

- Wholesale and retail trade;
- Accommodation and food services activities;
- education;

- other services activities (not mentioned by the interviewee); and
- manufacturing (including value addition).

What is missing from the survey report is the average turnover of businesses and that of women-owned businesses. Gender-disaggregated data was provided for each of these areas as indicated in Table 1 below.

Table 1: Gender-Disaggregated Information from LISGIS

1 Wholesale and retail trade	<ul style="list-style-type: none"> • Number of businesses that are registered: 4,119 • Number of Women-Owned Businesses that are registered; 839 • Percentage of Women-Owned Businesses as part of the total number of businesses (28.9% of total Trade; 20.3% of total businesses) • Average number of employees for women-owned businesses (Average Female Business in trade, 3)
2 Accommodation and food service activities	<ul style="list-style-type: none"> • Number of businesses that are registered 304 • Number of women-owned businesses are registered 138 • Percentage of women-owned businesses as part of the total number of businesses (45.39% of total accommodation) • Average number of employees for women-owned businesses (Average Female Businesses in accommodation: 5.2)
3 Manufacturing	<ul style="list-style-type: none"> • Number of businesses that are registered 290 • Number of women-owned businesses are registered 37 • Percentage of women-owned businesses as part of the total number of businesses (16.06% of total manufacturing) • Average number of employees for women-owned businesses (Average 7.6 persons in registered female business)
4 Education	<ul style="list-style-type: none"> • Number of businesses that are registered 192 • Number of women-owned businesses are registered 52 • Percentage of women-owned businesses as part of the total number of businesses (23.06% of total education) • Average number of employees for women-owned businesses (Average 3.2 persons in register business)
5 Other service activities	<ul style="list-style-type: none"> • Number of businesses that are registered 117

	<ul style="list-style-type: none"> • Number of women-owned businesses are registered 43 • Percentage of women-owned businesses as part of the total number of businesses (38.3% of total Other services) • Average number of employees for women-owned businesses (Average 8 persons in registered female business)
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Source: LIGIS (2017)

Information-sharing among government institutions and among various departments/units can be improved.

An interview conducted with the Ministry of Commerce's WTO unit shows that the unit does not have gender-disaggregated data or information regarding women-owned businesses. However, some information on gender -disaggregated data can be found with the SBA Department at the Ministry of Commerce. For instance, during the fiscal period of the first report (2015/16), "the SBA successfully registered 706 petty traders, helping them to move from the informal sector to the formal sector. Out of 706 petty traders 503 registered under category "A" of which 142 was Liberian women-owned, 156 registered under category "B" of which 51 was women-owned, and 47 registered under "C" of which 20 was Liberian women-owned businesses. The bureau also assisted over 150 small businesses in qualifying for public procurement contracts⁶. Even though the Bureau of Small Business Administration registered 150 businesses at the time, it is not known how many of these businesses were owned by women. Better communication and collaboration on data collection and analysis can support improved outcomes for women.

Women-owned businesses at the country level hardly participate in public procurement tenders. One of the challenges highlighted in the SBA report is that, there was poor participation of Liberian women-owned MSMEs in public tenders and winning of public tenders in 2015/2016. There may be several reasons why women-owned businesses are not participating in public tenders. These reasons are not fully determined due to the lack of proper monitoring. Secondly, majority of the institutions do not review procurement plans and targets to identify where women-owned businesses could be encouraged to engage.

Responses from various government institutions show that the majority of women-owned businesses lack the finances to execute procurement contracts without pre-financing from the buyer, and they would either not have the required documents or lack the capacity to participate in public tenders.

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https://www.moci.gov.lr/doc/LBR.MoCI.FYear1.Final.SBAPerformanceReport.072117%20ok%20for%20print_2.pdf

Considering the importance of gender budgeting, government institutions interviewed admitted that there is no specific budget set-aside specifically for women-owned businesses; however, the 25% and 5% is being captured in PPCC approved plan budget as indicated in the SBA report. Not much effort is being made by responsible government institutions in working with women-owned businesses to add value to their supply base.

Assessment with Women Owned Businesses

Public tenders are meant to benefit every business and every one. However, the requirements to compete are often complicated leaving females who do not have the finances and the time to meet up with the requirements and complicated forms to be counted out of the process. The issue of capacity is also key to ensuring participation in public procurement processes. Many women lack capacity, especially on understanding and filling in the forms, which have kept them from participating in and winning public procurement bids.

While it is true that few women-owned businesses may not have problems in applying for public tenders, the majority of women-owned businesses interviewed expressed difficulties in competing for public procurement tenders: due to the lack of awareness, complication in filling procurement forms, lack of finances, and lack of capacity.

Women interviewed also highlighted that it is difficult for most women to participate in public procurement in Liberia, especially when they have been asked to execute the contract without pre-financing. Businesses that are even dominated by women may lose huge contracts if asked to cover execution of contracts without pre-financing. For example, if a woman-owned business wins a large catering contract, the woman may not be able to apply and win the contract due to the lack of finance. Most women-owned businesses are not aware of public tenders, and they are not capacitated to fill in application forms, which may seem complicated to them due to the lack of capacity.

Barriers that Women-Owned Businesses face in Liberia

The barriers shown in table 2 are key barriers faced by women-owned businesses in Liberia. These barriers are ranked from 1 to 5 setting key priority on 1 as the highest and important for quick intervention, onward to 2&3.

Table 2: Barriers that are prominent among Women-owned businesses trying to compete in public tenders

	Barriers	Specific questions	feedback
1	Inadequate legislation and policies	Are women-owned businesses defined?	Institutions do not have specific/standard definition for women-owned businesses as such, any business could be considered

			women-owned base on the institution's definition and understanding.
2	Limited Capability of Women-owned Businesses	Do women-owned businesses have a similar level of tendering skills compared to other businesses?	Most women-owned businesses are not fully knowledgeable about tendering hence they do not have the same level of skills as compared to other businesses.
		Do women-owned businesses have a similar level of experience with competing for public tenders as other businesses?	Majority of women-owned businesses lack the experience therefore, they highly participate in public tenders as other businesses.
3	Lack of Information	Is an effort made to interact regularly with women-owned businesses about tenders?	Not much efforts (in the case of catering) or no effort is being to interact with women-owned businesses about public tenders.
		Are invitations to bid shared directly with women-owned businesses?	There is no specific attention paid to women-owned businesses when it comes to invitation to bid.
		Do women-owned businesses have internet access (in case in case online information is used)?	All businesses have internet but there might be limitation to access the internet and some women have to be encouraged to even open their own email addresses

Conclusion

It appears that there is no system in place to monitor GRPP or the implementation of the 5% in the Small Business Administration Act. Ministries, Agencies, and Commissions should collaborate when it comes to data collection on women-owned businesses, and make an effort to process data/information collectively, which may sometimes not depict the actual reality of existing women-owned businesses, and how they can be helped along the way. Once there is collaboration in data collection and information sharing, gaps could easily be identified through constant monitoring with appropriate measures.

Women-owned businesses in Liberia have unique barriers in public procurement processes that are often ignored by authorities hence action taken to improve their status hugely depend on the information that can be gathered and disseminated for onward intervention.

Recommendations

Government:

- Relevant government ministries agencies and commissions should collaborate to ensure, capture and monitor the allocation of the 5% of women owned businesses =
- The Government of Liberia should set up a mechanism to ensure and monitor information sharing with other government institutions and within institutions regarding public procurement processes,
- In order to have an acceptable definition of Women-Owned Businesses, the Government should plan a meeting with relevant stakeholders to identify a specific and standard definition for Women-Owned Businesses that can be accepted by law and be used in every sector;
- Relevant institutions should take the responsibility in ensuring capacity strengthening for Women-Owned Businesses in procurement space to allow them equally participate in GRPP;
- Institutions piloting the Gender Responsive Planning and Budgeting should capture budget line on supporting Women Owned Businesses.

Women-owned Businesses:

- Ensure that Women-Owned Businesses in the informal sector are transformed to the formal sector to enable them participate in public tenders;
- Train Women-Owned Businesses to become better at composing tenders or understanding how a tender process works.
- Support Women-Owned Businesses in the formal sector participating in public tenders to get the required information that will allow them to participate in public procurements.