



**Second Workshop for the implementation of the
“Training and Mentoring Programme for Women-led
Businesses project in Liberia, South Africa, DRC,
Mozambique, Senegal and Rwanda”**

AIDE-MEMOIRE

Date and Venue: 14th-18th July 2008 Madrid, Spain

Organizers: Femmes Africa Solidarité (FAS) and Center for Diversity in Global Management, Instituto de Empresa (IE)

Numbers of participants: 25

INTRODUCTION

Femmes Africa Solidarité (FAS) and the Center for Diversity in Global Management at the Instituto de Empresa (IE), have organized a five day training workshop for the participants of the “Training and Mentoring Program for Women-led Business project in Senegal, Mozambique, Rwanda, DRC, Liberia and South Africa”. This workshop follows a training workshop held in Dakar, Senegal in June 2008, which prepared women for this upcoming face to face training with their mentors in Madrid.

The project is supported by the Government of Spain, which has given Africa priority in its Cooperation Program.

BACKGROUND

Women are an emerging economic force in Africa, especially in post-conflict countries, and neither policymakers nor investors in the private sector can afford to ignore them. African countries’ political stability and economic growth depend in large part on the participation of women in their economies. Africa can boast a vast number of women entrepreneurs working across the continent: according to some estimates, their businesses account for over a third of all firms and make up the majority of businesses in the informal sector. However, women-owned businesses tend to be smaller, have less revenue, and face larger barriers when attempting to

access credit. These issues prevent women from expanding their businesses, which in turn keeps them from creating more jobs in their communities and making greater contributions to the economic growth of their countries. The expansion of women-led businesses has the potential to be the engine of economic growth on the African continent. It will take a combination of personal growth and perseverance (including the participation in projects such as this), and government initiatives that can remove barriers to accessing financing, to realize the full potential of women entrepreneurs in Africa.

A recent United Nations report concluded that economic development is closely related to the advancement of women. In nations where women have advanced, economic growth has usually been steady. By contrast, in countries where women have been restricted, the economy has been stagnant.

The state of women's economic empowerment on the African continent is improving, but has a long way to go. The business environment for women is still fraught with barriers to accessing credit, especially as women often do not have collateral to offer for loans. A training such as this teaches women to be creative and flexible when attempting to access financing.

Most post-conflict countries have not budgeted enough money or created enough institutions to support the small business development of women-led enterprises. In all six of the countries that are part of this project, the majority of women entrepreneurs have used their own or family funds to start their business, and later reinvest their profits back into their enterprises. While many have been successful, there still exist many regulatory procedures that undermine and hinder women's progress in the economy.

Some countries, however, have taken substantial initiatives to support women in business. It is clear that a commitment to gender equality at the highest level of government plays a significant role in the success of women's enterprises. For example, in Rwanda and South Africa, women have been encouraged to enter labour-intensive sectors of the economy from which they have traditionally been excluded. In Liberia, women are becoming involved with mining, in South Africa with construction, and with transportation and logistics in the DRC. Generally, however, in most of the post-conflict countries in Africa, women's largest entry into the economic sector has been in the agricultural and food processing sector. In fact, women produce more than 80 percent of the food for Sub-Saharan Africa. When women have been able to obtain land, they often maximize it by processing and selling their produce to local markets or by participating in the exporting business.

Women have not yet realized the potential of working together and networking, which will ultimately be to their great advantage. Many of them operate solely, with little help from fellow businesswomen, even when they belong to Chambers of Commerce or women's business organizations.

This project aims to create a long-lasting network of women entrepreneurs across the corners of the African continent. Additionally, women, even when successful, are often unaware of the need to create professional business plans in order to attract investor capital, and, even when financial resources are available, women do not always have a clear implementation strategy for the utilization and management of their financial resources. This project seeks to assist women on these two related fronts as well.

Women entrepreneurs across the continent are willing to take risks to create and expand businesses. They demonstrate remarkable tenacity in the face of financial and political odds. With limited funding, the women from the six countries chosen for this project, and those just

like them across the continent, have been breaking new ground in industrial and labour intensive sectors, the services sector, property development and have been rapidly moving into the manufacturing sectors of the economy. With the right training and the removal of institutional barriers, there is no telling how far these women can go!

CONTEXT

There are many who support Africa's goal in realizing its economic dreams. IE is a large and well respected European business school with vast international connections; it has partnered with FAS and developed the Training and Mentoring Project for Women-led Businesses with the aim of assisting in the economic empowerment of African women. IE and the Spanish Government's interest in the African continent will bring great potential to the region and to the region's women in particular.

The added value of the project is that it focuses on economic sustainability, business expansion and community development on the African continent. Additionally, with FAS's experience from working for ten years on the continent, creating relationships among women, there is a large potential for networking both during and after the project. Participants will be developing relationships with each other and their mentors, and those relationships can be fruitful and long lasting.

This project has had numerous stages of development. The preparatory phase, now finished, included the harmonization of the module between IE and FAS, a facilitation training workshop, the field visits and selection, and the Dakar workshop.

Harmonization of the module between IE and FAS:

From 24-25 July 2007, FAS and the IE Director for the development of the Mediterranean, Gulf Countries and Africa organized a consultative meeting to help the two institutions acquire a common understanding of the project, to prepare the content of the Memorandum of Understanding between FAS and IE, and to plan the implementation of the project. On the issue of assessment and selection, the meeting proposed that a selection team to go in the field to evaluate the conditions on the ground.

The second day of the meeting was attended by FAS and IE Directors, Spanish Development Cooperation representatives, consultants and experts, and built upon the discussions that the smaller group had been engaged in on the previous day. During these exchanges, the participants enriched the debate by suggesting innovative ways to include business stakeholders like the chamber of commerce, business women networks and the private sector of the selected countries in the project.

Facilitation Training Workshop:

FAS and IE organized a two-day training workshop in Dakar for the facilitators and consultants on the 11th and 12th of January 2008 with the principal aim of training them in the use of the project's selection criteria. The facilitation workshop laid the groundwork for discussions on the unique aspects of women in business and the basic concepts of business and economics.

Field Visits and Selection:

The consultants hired by FAS developed a tool to measure the business environment and the capacity for business expansion of each of the women in the selected countries. The tool also assisted in evaluating the leadership and management qualities of the pre-selected women. In addition, the consultants assessed the financial management skills and the women's success in accessing credit. The field visits provided an opportunity to identify potential mentors who could offer advice and technical support to the participants.

Additionally, the consultants created a "mapping" document that evaluated the political and socio-economic status of each of the 6 countries involved in the project. The following is a brief synopsis of their conclusions:

- **DRC:** The DRC has remained politically fragile since the end of its civil war, which lasted from 1998-2003. While the current president has made progress in liberalizing domestic political activity, serious human rights problems remain in the security services and justice system. The collapsed economy, non-payment of military and public service salaries, and very high unemployment has led to a high level of crime. A combination of negative economic growth and rising population growth has led to numerous social and economic problems.
- **Liberia:** Liberia has gone through two civil wars: one that lasted from 1989 – 1996 and one that lasted from 1999 – 2003, but is on the road to recovery with the first female head of state on the African continent, Sirleaf Johnson. Johnson's government has been putting into place some structural reforms in order to create an appropriate environment for the country's economic recovery. Bureaucratic red tape in administrative procedures and high interest rates and bank charges have been reported as factors influencing Liberia's poor economy.
- **Mozambique:** Overall, the country has notable political stability, though some Western governments still caution their citizens that there is an especially high crime rate in the country. In 1987, the government embarked on a series of macroeconomic reforms designed to stabilize the economy. These steps, combined with donor assistance and political stability have led to dramatic improvements in the country's growth rate. Mozambique's laws do not inhibit women from participating in business and economic activities, though they still face many difficulties in obtaining credit.
- **Rwanda:** Rwanda's bloody history of conflict, beginning even before it gained its independence from Belgium in 1962, is well known around the world. Challenges facing the government include promoting further democratization and judicial reform and continuing work on medium- and long-term development planning. The country still suffers from a substantial lack of electricity and water power, but Rwanda has the third highest percentage of women entrepreneurs of any country in Africa, and government reforms have helped tremendously to expand opportunities for them.
- **Senegal:** Senegal was among the first African countries to practice multiparty democracy, recognizing political parties in 1974. The president has advanced a liberal agenda for Senegal, including privatizations and other market-opening measures, and is committed to practicing transparency and reducing corruption. The legal and economic environment has generally improved, mainly in the favor of women. Senegal's institutional environment has also improved with the creation of a Ministry for Micro-credit, which has now become the Ministry for Women Entrepreneurship.
- **South Africa:** After a long history of a brutal racially-based regime in South Africa, the first multi-racial elections in 1994 brought an end to apartheid and ushered in black majority rule. Daunting economic problems remain from the apartheid era - especially poverty, lack of economic empowerment among the disadvantaged groups, and a shortage of public

transportation. Although South Africa's society is undergoing a rapid transformation, some discrimination against women continues. There is a dearth of empirical studies on women entrepreneurs in South Africa, despite the widely recognized fact that it is an important sector of the economy with great potential to contribute to economic growth, economic development and employment generation. Black women are the largest self-employed group of the population.

Dakar Workshop:

FAS and IE organized a two day workshop training with the principal objective of giving the participants an overview of the project while acquainting them with basic theories in business and economics. It was held in Dakar, Senegal on the 16th and 17th of June 2008.

The specific objectives of the workshop were to provide the participants with an overview of the necessary elements of a business plan; to inform the participants of the key factors involved in the start-up of a business; to help the participants develop an understanding of how the processes of “New Venture Creation” and business development work; to examine the principal management tools applicable to new companies and to develop the associated capabilities needed to manage a new venture; and to teach the participants how to create a workable business plan while at the same time analyzing the feasibility of a given start-up project and/or growth strategy.

The Dakar workshop was a successful introduction into the program for all of the participants and mentors.

OBJECTIVES

The overall objective of the Training and Mentoring project is to assist in the capacity-building of 23 African businesses in their respective economic areas. This will have the effect of broadening the entrepreneurs’ business knowledge, in part by setting up systems of networks and by providing them with dedicated mentoring. The Madrid training will focus on developing professionalized and effective business plans and establishing the relationships between mentors and participants.

METHODOLOGY

This course will utilize face to face training and instruction between participants and their mentors.

EXPECTED RESULTS

The expected results of the training are:

- Deeper understanding of how to formulate a business plan;
- Better understanding of how a business plan can help to attract financing;
- Skills and tools for implementing sustainable business growth will be acquired;
- Deeper understanding of the benefits of effective business management; and
- Continued instruction of the E-learning process.