

***Peace Dividend* Trust**
Building a Better Peace



Peace Dividend Marketplace

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Small & Medium Enterprise Initiative: SME
Working Group
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About Peace Dividend Trust

- PDT a 501 (c) 3 charity
- Focused on local economic impact of international buying
- In Liberia: linking international spending to locally-based enterprises

Project undertaken with the financial support of :





Complex and interconnected challenges



Widespread Poverty



Inadequate Infrastructure



Lack of Formal Employment



State Fragility



The case for local procurement

- ✓ Helps spend a dollar twice
- ✓ Creates income opportunities for Liberian people
- ✓ Revives and builds the local economy
- ✓ Combats corruption and cronyism
- ✓ Strengthens the government of Liberia





Liberian marketplace opportunities: goods

- **Building materials:** sand, cement, gravel, lumber, plastic products (eg. Water tanks, containers), electrical supplies
- **Geological supplies**
- **Heavy equipment**
- **Office support:** printing, office supplies, IT equipment, and furniture



Liberian marketplace opportunities: services

- **Small-scale garment manufacturing:** clothing, uniforms
- **Logistics:** transportation, motor vehicles, automative parts, maintenance services, shipping and courier services
- **Telecommunications:** 5 major providers
- **Security services:** provision of static guards or mobile detail
- **Living Accommodation:** hotels, restaurants, supermarkets, office space, catering
- **Fuel distribution**
- **Health care & Medical Insurance**
- **Business Services:** Insurance, Accounting, and Legal Services
- **Maintenance Contracting:** Waste Management, etc.

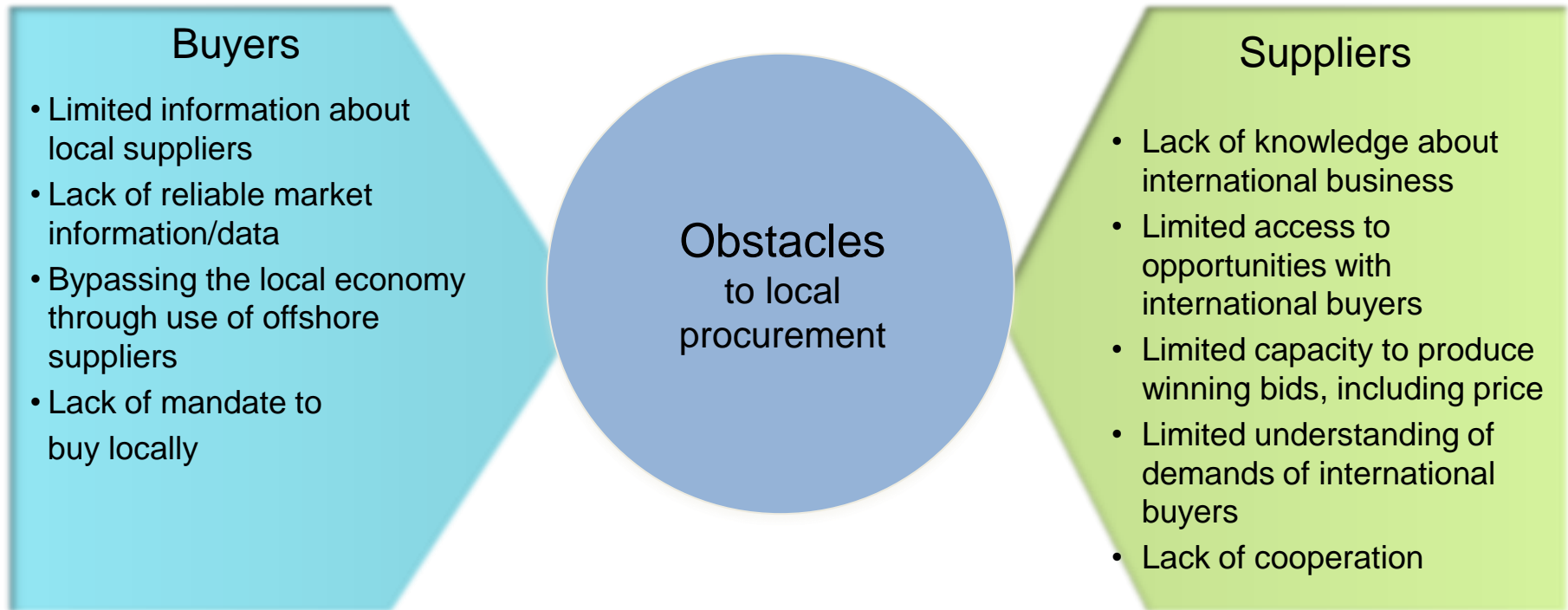


Liberian marketplace opportunities: works

- **Engineering services**
- **Construction services:** road construction, vertical and horizontal construction
- **Sanitation, Waste & Maintenance Support**

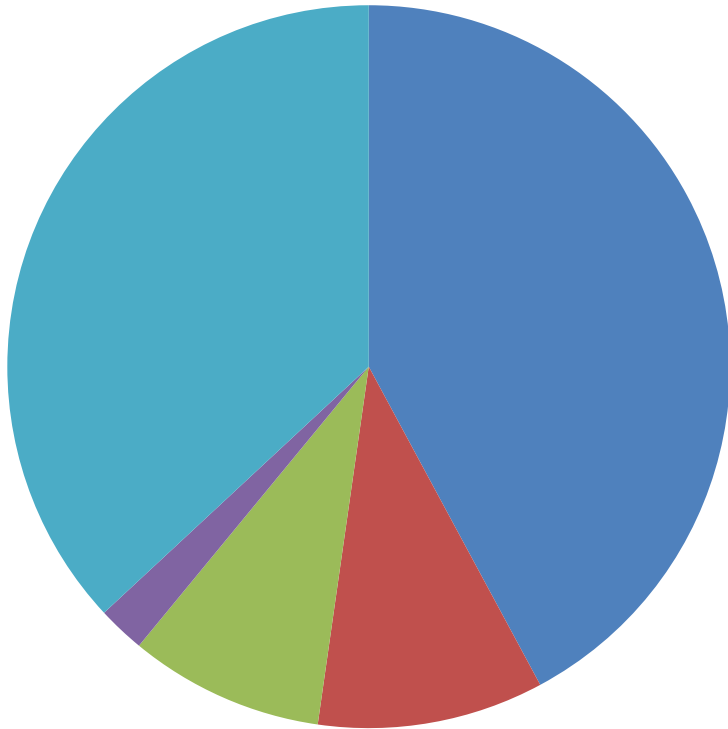


Obstacles to increased business in Liberia





Spending on Liberia



- International Organizations
- Contributions
- Budgetary Support
- CSR Schemes
- Foreign Direct Investment Inflows





Services linking supply and demand

Increasing market information

Building capacity

Market research & advocacy

Promoting local procurement initiatives, organizing events and providing ongoing market research reports

Business directory

Online portal connecting buyers to verified and formal local businesses

Tender distribution

Collecting and distributing international tenders from buyers looking for specific goods and services

Business matchmaking

Linking buyers with Liberian businesses through specific procurement requests

Training

Training local businesses on the procurement processes, helping them to complete compliant bids



Research questions

- What is our counterfactual?
How can we look at the difference we make to an entire market?
- Which of our services are most effective/cost effective?
- How are we contributing to market 'health' as well as market size:
 - Linkages
 - Access
 - Diversity
 - Capacity
- How to avoid market distortions?





The Data

- **Business portal data:** e.g. size, types of goods and services, track record.
- **Indicators at verification and update:** e.g. understanding and confidence related to procurement procedures, optimism.
- **Feedback from buyers and suppliers on contracts facilitated:** contract length, sector, value.
- **Job creations surveys:** deeper questions on impact of winning contracts.
- **Before and after training surveys:** improvements in understanding.

We can't easily link service-use to outcomes



PDT's Research Experience

- **Tracking aid spending into local economies:** *Economic Impact of Peacekeeping and Spending the Development Dollar Twice.*
- **Increasing understanding of the impact of local procurement:** Approaches to managing risk, methodology for collecting necessary data.



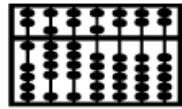
Policy relevance

- Create models of how fragile markets evolve that can help with the development of more specific government policies
- For an individual business, is the journey from low demand, through demand from international agencies to strong demand from domestic and foreign markets a plausible one?
- Buy local policies have gained wide acceptance in aid policy circles – but what indicators can tell us when these policies become inappropriate?



Project timing and resources

- **The Marketplace in Liberia has set up with verification due to start in October.**
- **Anticipate 1,000 businesses verified in the first 3 months but this might be hampered by the election.**
- **Other services due to start in early 2012.**
- **The project has a full time market researcher.**
- **Some room in the budget for hiring national researchers but anything else would have to be separately fundraised for.**



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