



Department  
for International  
Development



# **INVESTMENT OPPORTUNITIES AND FUNDING SOURCES FOR WOMEN ALONG THE TIMBER SUPPLY CHAIN**

**RESEARCH REPORT**

**DECEMBER, 2019**

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## **Introduction**

The wood processing is one of the main sub-sectors of the forestry sector in Ghana and plays a significant role in the economic development of the country. The forestry sector has been estimated to contribute about a third of the nation's foreign exchange. The total employment in the wood sector alone is estimated to reach 250,000 by the year 2020 (FAO FOSA Country Report, 2003). The wood processing value chain refers to all activities that involve value creation from the point of origin to the final consumer or end user. Business opportunities exist for women entrepreneurs at the entire value chain.

Excel Global Consulting was recruited by Kumasi Wood Cluster Association (KWC) for fifteen (15) days under the project titled "Building Capacity of SMFEs to supply and Trade in Legal Timber in Ghana and Liberia" supported under the FGMC programme.

The objectives of the consultancy were to 1) research into investment opportunities available to women entrepreneurs along the timber supply chain and 2) list the various sources of funding sources currently available in Ghana from which women groups within the timber sector can benefit from.

## **The Timber Supply Value Chain in Ghana**

The timber value chain in Ghana can be categorized under three main levels; primary, secondary and tertiary. The **primary level** comprises all activities including taking stock of trees in the forest, logging of trees, extraction and removal of logs, transporting them from the forest to the factory, transforming the logs into basic products of little value addition at processing sites. The **secondary level** involves activities which relates to processing the timber logs into lumber, plywood, veneer, amongst others. The raw log is cut into different sizes and lengths at this level to make them suitable for further value addition manufacturing processes. The different products from the secondary level are transported and distributed to the markets and/or to various processing factories. Products from the secondary level activities are either consumed as final products for instance those used for construction. Others are further processed into consumable products such as flooring and carpentry items. The **tertiary level** on the other hand comprises of finished items such as furniture and other activities related to distribution, marketing and consumption of wood products. At this level, waste from processing factories can also be recycled and utilized as in the case of particle boards.

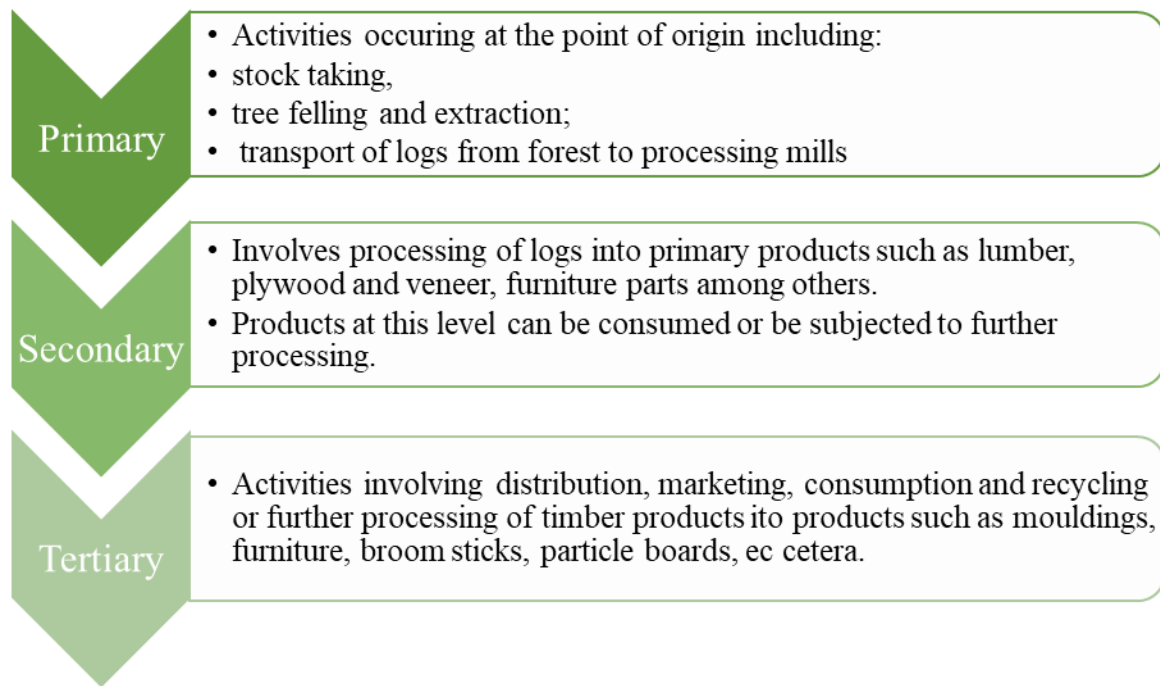
Women are involved at all levels but percentage participation is lower than men even though significant to observe (GTF, 2017)

## **INVESTMENT OPPORTUNITIES TAILORED TO THE NEEDS OF WOMEN AT LEVELS ALONG THE TIMBER SUPPLY CHAIN.**

Women tend to play specific roles in forestry and agroforestry value chains. These activities are important for their incomes, and in turn for the well-being and food security of their households. However, women's roles in forestry value chains are generally poorly supported by policy-makers and service providers.

The persistent lack of gender-disaggregated data further compounds this problem. Empowering women in the forest sector can create significant development opportunities for them and generate important spill-over benefits for their households and communities.

A number of business opportunities exist for both men and women along the timber supply chain (Nana Ama Yirrah, 2018). The wood processing value chain can be categorised into three key areas: Primary sub-sector, Secondary sub-sector and Tertiary sub-sector. The figure below outlines the activities undertaken along the timber processing value chain:



*Figure 1 The Timber Processing Value Chain (Adapted from Nana Ama Yirrah, 2018)*

An idea can become an opportunity by being attractive, durable, timely and anchored in a product or service, which creates or adds value for its buyer or end users. Opportunities along the timber supply chain can be found by observing trends in consumption of timber products, solving a problem or finding a gap within markets. Both men and women along the chain can

identify a business opportunity by observations or paying particular to one’s environment and or asking questions, or challenging an existing consumption and through personal experiences.

There is a higher risk involved in activities at all levels of the timber processing value chain making it less attractive to women. At the tertiary level, women are mostly found in the small-scale operations or in the large-scale operation as support staff. Women are considered more caring and gentler than men, hence they are better placed in giving attention to final details of finished products. This explains why more women are found at the tertiary processing level of the supply chain.

**Opportunities at the primary sub-sector**

Table 1 below presents the key activities under the primary sector, opportunities available for women entrepreneurs and the current key players.

Main Activities	Opportunities	Key players
1. Acquisition of license	Advisory services	Currently dominated by men
2. Taking stock of the trees in the forest	Tree spotters	Forestry commission, Permit holder, TUC.
3. Cutting of trees	Financing acquisition of equipment	Currently dominated by men
4. Processing of timber into logs	-	Dominated by men
<b>5. Transportation of logs</b>	<b>Women act as financiers</b>	

**Opportunities at the secondary sub-sector**

The secondary sub-sector is dominated by men because of complicated regulatory requirements. The table below presents the key activities and their respective business opportunities available to women at the secondary sub-sector.

Main Activities	Opportunities	Key players
1. Milling of timber to lumber	Financiers	Dominated by men
2. Processing of logs to veneer, plywood and Mouldings.	Financiers Marketing consultants	Dominated by men
3. Transportation services	Transportation services	Dominated by men

<b>4. Other opportunities</b>	<b>Advisory services - Compliance</b>	<b>Dominated by men</b>
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### Opportunities at the tertiary sub-sector

Women play a significant role at this level especially in the area of distribution and marketing. The key activities and the business opportunities available in this sub-sector are presented in table below:

<b>Main Activities</b>	<b>Opportunities</b>	<b>Key players</b>
1. Manufacturing/Processing	Wood cavers Wood designers Finishers	Dominated by men
2. Marketing	General wood dealers Furniture dealers	Dominated by women
3. Distribution	Services for local and export market	Dominated by both men and women
4. Recycling	Wood by-products dealers Processing of by-products to usable products such Chipboard and charcoal etc.	Dominated Men
<b>5. Capacity building</b>	<b>Advisory services- Compliance Capacity building Advocacy role</b>	<b>Both men and women.</b>

### FUNDING SOURCES FOR WOMEN ENTREPRENEURS IN GHANA

Inadequate access to funding is one of the key barriers to small business growth in Ghana. Some of the funding sources available to women entrepreneurs in Ghana are categorized below:

## **Personal Funding**

The vast majority of founders contribute personal funds, along with sweat equity, to their ventures. Sweat equity represents the value of the time and effort that a founder puts into a new venture.

## **Funding from Friends and Family**

Friends and family are the second source of funds for many new ventures.

Guidelines for family and friendship financing deals:

- Consider the impact of the investment on everyone involved
- Keep the arrangement “strictly business”
- Educate “naïve” investors
- Settle the details up front
- Never accept more than the investor can afford to lose
- Create a written contract
- Treat the money as “bridge financing”
- Develop a payment schedule that suits both parties
- Have an exit plan

## **Bootstrapping Techniques**

Another source of seed money for a new venture is referred to as bootstrapping. Bootstrapping is finding ways to avoid the need for external financing or funding through creativity, ingenuity, thriftiness, cost cutting, or any means necessary. Many entrepreneurs bootstrap out of necessity. Examples of Bootstrapping Methods includes:

- Buying used instead of new equipment.
- Obtaining payments in advance from customers
- Coordinating purchase with other businesses
- Sharing office space or employees with other businesses
- Hiring interns

## **Equity Financing**

Equity financing is the process of raising capital through the sale of shares.

## **Types of Equity Financing:**

### ***Venture Capital***

Venture capital (VC) is a type of financing that is provided by firms or funds to small, early-stage, emerging firms that are deemed to have high growth potential, or which have demonstrated high growth (in terms of number of employees, annual revenue, or both).

- Venture Capital (<http://www.venturecapitalghana.com.gh>) The Ghana Angel Investor Network (GAIN) is an innovation of the Venture Capital Trust Fund designed to help ease access to capital for early stage-stage entrepreneurs within Ghana.
- Oasis Capital Ghana Limited ([www.oasiscapitalghana.com](http://www.oasiscapitalghana.com)) Oasis Capital Ghana Limited was established in February 2009 under the laws of the Republic of Ghana as a growth and venture capital fund manager. They seek to provide risk capital in the form of equity, quasi-equity and profit-sharing facilities to entrepreneurial businesses in Africa. They also offer Business Development Service (BDS) to investee companies as part of our value proposition.
- The Africa Media Ventures Fund (<http://www.amvf.nl/>) AMVF mobilizes capital and experience in the Netherlands to invest in entrepreneurs in the media sector and small and medium sized African media companies and offers a combination of venture capital and business development support, involving knowledge, experience, access to proven business concepts and network. Their capital investment ranges from \$ 20,000 to \$ 200,000 and the focus is on Kenya and Ghana.

### ***Business Angels***

Business angels are individuals who invest their personal capital directly in start-ups. The prototypical business angel is about 50 years old, has high income and wealth, is well educated, has succeeded as an entrepreneur, and is interested in the start-up process. There are only few angel investors in Ghana. An example is Quick Angles ([www.quickangelsghana.com](http://www.quickangelsghana.com)) Quick Angels limited is a fully owned Ghanaian ANGEL INVESTOR company established in 2019 under Section 24 of the Companies Code 1963 (Act 179) with registration No. CS067512019. The company's prime focus is to support startups and business growth.

### ***Initial Public Offering (IPO)***

An initial public offering (IPO) is a company's first sale of stock to the public. When a company goes public, its stock is traded on one of the major stock exchanges.



## Government of Ghana (GoG)

GoG sometimes offer loans or grants to small business and the following are the names of the government agencies that support small businesses.

- MASLOC ([www.masloc.gov.gh](http://www.masloc.gov.gh))  
The objective of MASLOC is to provide, manage and regulate on fiduciary basis, approved funds for microfinance and small-scale credit schemes and programmes and also serve as the apex body of the microfinance sub sector.
- The National Entrepreneurship and Innovation Programme ([www.neip.gov.gh](http://www.neip.gov.gh)) (NEIP) is a flagship policy initiative of the government of Ghana with the primary objective of providing an integrated national support for start-ups and small businesses. NEIP primarily focuses on providing business development services; startup incubators and funding for young businesses to enable them grow and become successful.
- The Skills Development Fund ([www.sdfghana.org](http://www.sdfghana.org)) was set-up in 2006, by Act 718 by the government of Ghana and the fund is administered by the Council for Technical and Vocational Education and Training (COVET). The objective of the council is to 'coordinate and oversee all aspects of technical and vocational education and training in the country'. One of the council's functions is to 'source funding to support technical and vocational education and training (TVET) activities'.
- National Board for Small Scale Industries ([www.nbssi.gov.gh](http://www.nbssi.gov.gh)).  
NBSSI was established by an Act of the Parliament of the Third Republic of Ghana (Act 434 of 1981) and operationalized in 1985 because Government views the sector as having the potential to contribute substantially to reducing the high unemployment rate as well as the growth of the economy of Ghana.
- BUSAC ([www.busac.org](http://www.busac.org)) The Business Sector Advocacy Challenge (BUSAC) Fund is a programme set up to strengthen the advocacy capacity of private sector business groups and associations in Ghana. Supported by DANIDA
- RDF Ghana ([www.rdfghana.com/about-us](http://www.rdfghana.com/about-us))  
To be the leading non-bank development finance institution that supports the needs of Ghana's financial providers while effectively serving SMEs financial needs and maintaining our fund value.
- Women Entrepreneurs' Transformation Program (WETP) ([www.ghanacic.org/about/women-entrepreneurship-transformation-program-wetp/](http://www.ghanacic.org/about/women-entrepreneurship-transformation-program-wetp/)) The WETP is a program for women entrepreneurs within the GCIC incubator aimed at unleashing the untapped potential of female entrepreneurs. GCIC works with feminine leadership and life coaches to take our women entrepreneurs through a journey which seeks to transform their leadership with increased authenticity, trust, and awareness.

## **Bilateral / Multi-Lateral / Development Partners Initiatives to Support Women Entrepreneurs**

- USAID ([www.usaid.gov/serbia/news-information/fact-sheets/women-entrepreneurs-and-startup-founders-initiative](http://www.usaid.gov/serbia/news-information/fact-sheets/women-entrepreneurs-and-startup-founders-initiative)) USAID's Women Entrepreneurs and Startup Founders Initiative (WE Founders). The initiative is a three-year, US\$1.2 million funding which builds competence, leadership of women entrepreneurs and gender-diverse startups.
- USAID – Feed the future initiative: **Ending global hunger is one the greatest challenges and opportunities of our time.** Feed the Future is working to solve it through partnerships and innovation. Our model was born from an understanding that business as usual was not going to create the sustainable, long-term change needed to end chronic hunger and poverty. So, we forged a new approach.
- **Academy for Women Entrepreneurs Program** – is a new initiative supporting women entrepreneurs around the world. AWE will provide online education resources, forester networks that support access to mentorships, and connect women through existing exchange programs. This initiative is administered by YALI RLC, GIMPA, Achimota-Accra.
- **Goldman Sachs** (<https://www.goldmansachs.com/citizenship/10000women>). Goldman Sachs 10,000 Women is a global initiative that fosters economic growth by providing women entrepreneurs around the world with a business and management education, mentoring and networking, and access to capital.

## **Non-Governmental Organizations**

- Ghana Women Fund ([www.ghwomenfund.com](http://www.ghwomenfund.com)). They wholesale credit to women and women businesses through their on-lending programs with Rural and Community Banks (RCBs), financial NGOs and individual borrowers who cannot access credit in regular banks.

## **Crowdfunding**

A form of raising money that takes place, usually via the Internet, where people pool their money to support a start-up or other initiative, usually in return for some sort of amenity rather than loan. Kick starter is a popular online crowd funding platform.

- Gogetfunding (<https://gogetfunding.com>) GoGetFunding empowers you to raise money for anything that matters to you. From personal causes and events to projects and more. They have helped people from all over the world raise millions online. They are recognized by Forbes as one of the top global crowdfunding websites and our campaigns have been featured in a vast number of leading press publications.
- African Women's Development Fund (<http://awdf.org/grants>) The African Women's Development Fund (AWDF) is a grantmaking foundation that supports local, national and regional women's organizations working towards the empowerment of African women and the promotion and realization of their rights. By specializing in grant-making and focused, tailored movement-building programmes, they work to strengthen and support the work of African women's organizations.
- Kickstarter (<https://www.kickstarter.com/>) is a US-based global crowdfunding platform for creative projects. The platform is reward/donation based and offering financial incentives like equity or repayment is prohibited.

## **Loans and Microfinance**

Loan is a common way of financing companies: One borrows from the investors/lenders an agreed amount (the principal) and repay the principal and interest to them after a specified period of time. Microfinance loans typically target small business owners.

- The Ghana Start-up Capital Fund (<http://gscfund.wordpress.com/>) is a private sector (non-profit) and a self-help initiative set-up in 2011 to massively promote entrepreneurship, provide needed support and resources to entrepreneurs, create jobs and reduce unemployment, provide skills development and knowledge transfer.
- The Ghana Microfinance Institution Network (<http://www.ghamfin.org/microfinance/>) GHAMFIN co-ordinates and support the activities of MFIs with a view to promoting the development of an efficient and sustainable MFI industry in Ghana.

## **Business Advisory Support Services and Networking for Women**

### ***Woman Rising***

Is a flagship project of The African Network of Entrepreneurs (TANOE), a limited by guarantee organization that seeks among other things the constant development of women and to assist African entrepreneurs to build sustainable businesses? Woman Rising serves as a community of hope for African women entrepreneurs who desire to live their dreams and are passionate about gaining the requisite knowledge to better position them to move ahead in their fields of endeavor. [www.womanrising.org](http://www.womanrising.org)

### ***The Fabulous Women Network***

The Fabulous Woman Network is a Kumasi-based social enterprise which conducts events to bring women together to share experiences, learn, network and collaborate. On social media, we interview and share stories about women who are shining in order to inspire other women. Since we started our operations in April 2015, we have shared stories of over 200 women and organized various events for over 1000 women. Our online activities through social media has reached over 10,000,000 people. <https://thefwn.amaduncan.com/about-us/>

### ***Ghana Mompreneurs Club***

Mompreneurs is an online community that was launched in September 2015 as Mompreneurs in Ghana. The blog was established to provide and give motivation to mothers in Entrepreneurship especially young mothers who are now grounding their feet as business owners. In the latter part of 2017, the blog was branded to We Mompreneurs to represent Mothers who are SMART and FOCUSED and know exactly what they wanted to achieve as business owners. The blog has since its inception featured over 20 Mothers in Business both on their Instagram Woman Crush Wednesday feature and on their Feature Friday Blog. We also provide advice on certain business aspects such as Business Management, Marketing, Human Resource and Digital Marketing. We Mompreneurs is here to INSPIRE, share useful business tips and share motivating stories of women just like YOU. <https://wemompreneursgh.com>

### ***Executive Women Network (EWN)***

Is the first of its kind in Ghana, EWN will be a home base for women to grow their professional skills and build important networks. Most importantly EWN is committed to a progressive approach of enabling women to achieve their professional goals, preparing them to become more resilient, authentic leaders and nurturing them to fulfill their personal dreams. Our founding members have created the story of the Executive Women Network, a legacy that we will continue to build on with each passing year with the addition of new members who will be

taking actions that make a difference in the continuing development of our story line.  
<https://www.ewntree.com/about-us/our-story/>

### ***CAMFED***

Is an international non-profit organization tackling poverty and inequality by supporting girls to go to school and succeed, and empowering young women to step up as leaders of change. Since 1993, CAMFED's innovative education programs in Zimbabwe, Zambia, Ghana, Tanzania and Malawi have directly supported more than 3.3 million students to attend primary and secondary school, and nearly 5.7 million children have benefited from an improved learning environment.  
<https://camfed.org/about/>

### ***Levers in Heels***

Launched in 2014, Levers in Heels has been driven by its mission to give a voice to African women in STEM through its tailored interviews. These interviews seek to amplify the achievements of these women, to inspire and empower the next generation of African female STEM leaders. <http://leversinheels.com/about-us/#.XfUFNOj7QdU>

### ***ObaaGoGetter Network (OGN)***

The ObaaGoGetter Network (OGN) is a non-profit organization and a platform dedicated to bringing corporate women and female entrepreneurs together to inspire and support each other in order to reach for more in their career fields and businesses. The network provides a supportive environment for personal and professional growth, a forum for sharing ideas and expertise and a platform for which today's woman can reach her highest aspirations with the support of her fellow women. <http://www.obaagogetternetwork.org/>

## **Conclusion**

The wood processing value chain contributes significantly to the economy of Ghana and offers many opportunities for women entrepreneurs. However, for women entrepreneurs to benefit

from these opportunities there is the need for a change in mind-set in terms of how women view the sector. There is also the need for capacity building in the area of entrepreneurship and general management for women who want to take advantage of the opportunities available in the sector.

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