

Boosting women-led enterprises through public procurement

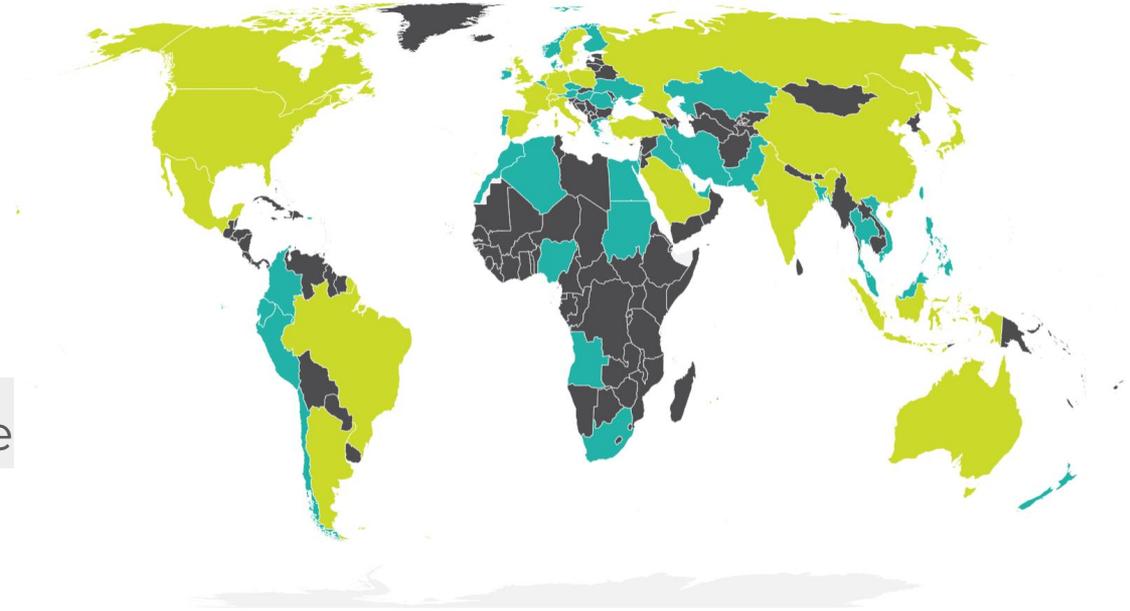
www.open-contracting.org/gender

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US\$ 13 trillion globally

Governments spend **one fifth of GDP** in public procurement

Women-owned small and medium enterprises (SMEs) **contribute 20%** to the global GDP (WB, 2012)





... Women-led businesses get between only **5** and less than **20%** of this market.

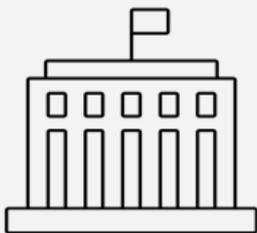
How can Open Contracting help?

Open contracting is about **publishing and using open, accessible and timely information** on public contracting to engage citizens and businesses **to fix problems and deliver results.**

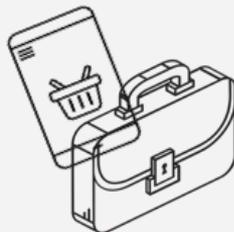
We help partners
think different
about procurement
using an **open**
government and
an open data
approach to drive
impactful,
sustainable
reforms



Open Contracting connects



Government



Business



Civil society

to open up and monitor public contracting

Better value for money

Fairness of accessing the market of public tenders

Detection of corruption

Monitoring on effectiveness of delivery

Internal efficiency



A gender-inclusive open contracting approach throughout the stages of procurement can shift power dynamics in favour of gender equality and inclusive growth.

Challenge

Difficult to identify women-led businesses.

In most procurement regimes there is no clear definition of a women-led business and a dearth of gender-disaggregated bidder and supplier data.

New research provides some innovative ideas on how to build these datasets.

How OC can help

Gender disaggregated

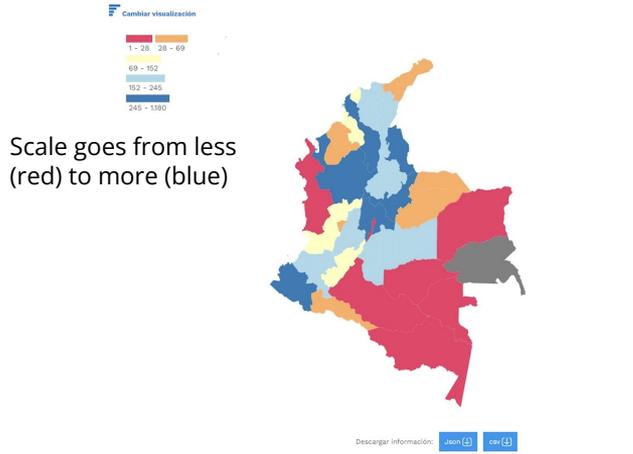
procurement data identify women-led businesses in data from procurement systems and/or company registers

Clear definition of WOB

Define what a women-led business means in your context

Example from Colombia

Number of contracts awarded to WOB by region



OCP supported the work on a [new regulation](#) for an “[Entrepreneurship Law](#)” that

- Defined what women-owned and women-run businesses/entrepreneurships/SMEs and
- Created differential criteria to assign points to promote the participation of women in the public market
- Designed a gender-balanced procurement guide

A **gender marker was added in the e-procurement system** for data analysis

Challenge

Complex & onerous procedures.

Smaller size hinders their capacity to meet requirements of large government contracts.

Lack of knowledge of tender opportunities

Perceptions of corruption or bias

Experts interviewed said women entrepreneurs believed corruption and bias impaired the fairness of public procurement processes.

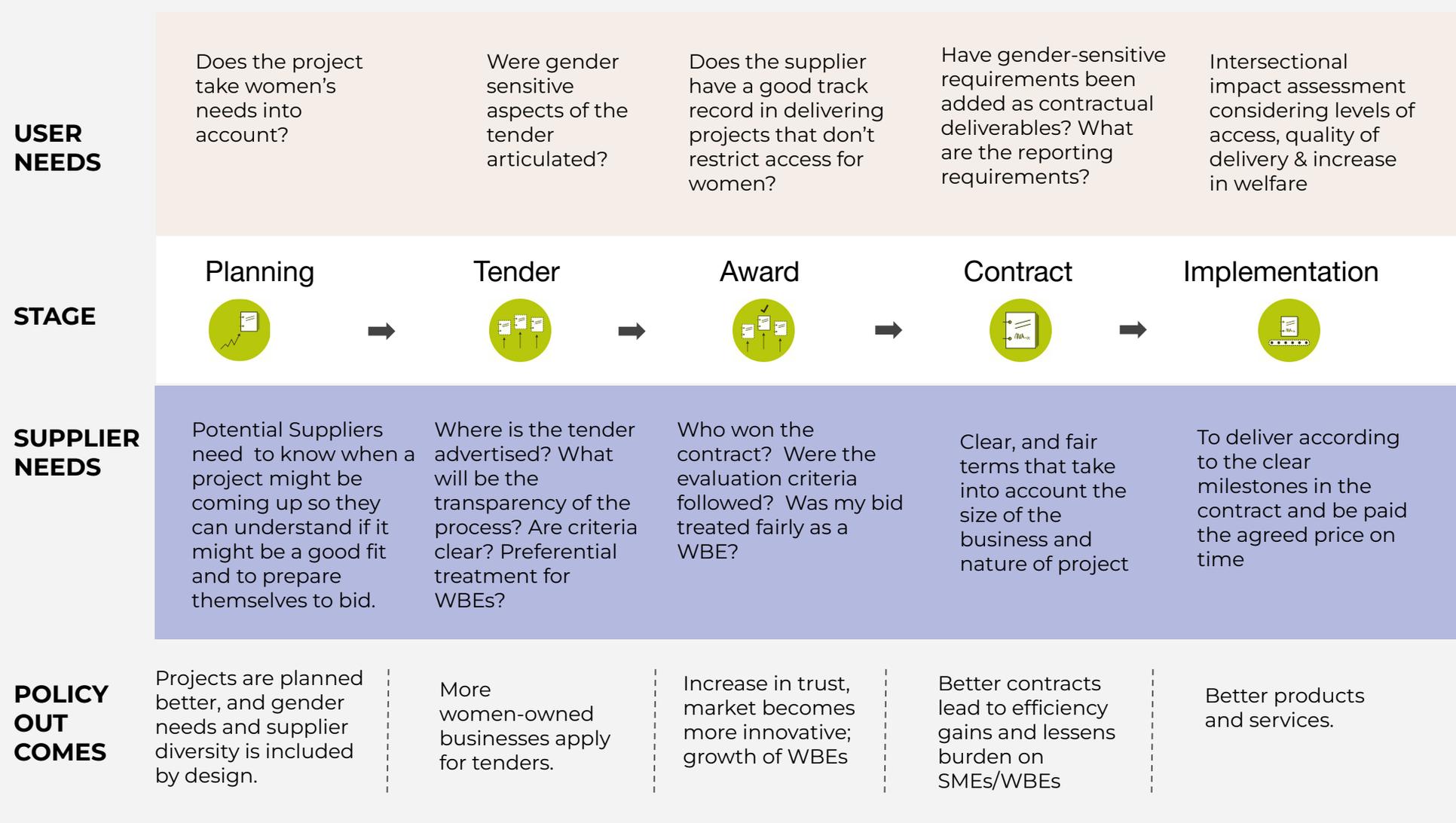
How OC can help

Make contracts open by design.

Publish information about the planning, tender, award, contract and implementation of public contracts to demystify the process and empower businesses with access to information.

Simplify the contracting process.

Simplify the application procedures and tender documentation, reducing the size of the contracts, have appropriate award criteria



Challenge

Negative perceptions impact bids (on both sides).

Gender biases and norms

Gender norms and assigned roles, translate into greater time restrictions for women.

Weak feedback loops

Many procurement officials lack formal and informal mechanisms to inform, engage, and act on the feedback of diverse business communities.

How OC can help

Understand gender gaps and challenges. This can be done through workshops, user research and data analysis with key stakeholders within the government, entrepreneurs and civil society.

Develop engagement and feedback mechanisms for women-led businesses.

Plan a gender-responsive procurement strategy

Example from Ekiti, Nigeria

Key actions so far:

- Understand and **engage key stakeholders**: Surveys, capacity building
→ registration of WOBs has gone up by about 50% following an awareness raising campaign
- Developing procurement **policy guidelines** and a manual for gender responsive procurement.
- Increasing **capacity of procurement officers**.
- Procurement **portal with open data**.

Challenge

Lack of access to finance.

Women entrepreneurs' lack of access to finance due to discriminatory practices, which limits their ability to acquire the working capital needed to apply for government contracts.

How OC can help

Develop prompt payment guidelines and regulations Some governments have addressed the issue by enacting laws or policies requiring the procuring entities to make prompt payments and to pay interest penalties if they do not.

Provide business support services for women-led businesses so that they have the right tools, capacity, and skills to become suppliers. Activities can include business advisory services, bid training, and supplier credit initiatives.

East Africa Ongoing research on gender-responsive procurement

This project, in collaboration with the Africa Freedom of Information Centre and The Institute for Social Accountability, aims to fill this evidence gap and foster **evidence-based reforms** in procurement policies and practices across five East African countries (Ethiopia, Kenya, Rwanda, Tanzania, and Uganda), and aims to **enhance the extent and quality of women's participation**. It will **examine the barriers** women-led businesses face in accessing public procurement opportunities, the **effectiveness of emerging practices** to improve participation of women-led businesses, and the **policy reforms and program design modifications needed** to improve the current situation.

It is supported under the Growth and Economic Opportunities for Women (GrOW) East Africa initiative, jointly funded by the Bill & Melinda Gates Foundation, The William and Flora Hewlett Foundation, and IDRC.

What barriers are women-led businesses facing in public procurement?



Difficult to identify women-led businesses.

In most procurement regimes there is no clear definition of a women-led business and a dearth of gender-disaggregated bidder and supplier data. *New research provides some innovative ideas on how to build these datasets.*

Negative perceptions impact bids (on both sides).

Women reported negative perceptions about the openness and fairness of the public contracting processes. Government officials may also have negative perceptions about women entrepreneurs' capacities and the potential of their businesses.

Lack of access to finance.

Women entrepreneurs' lack of access to finance due to discriminatory practices, which limits their ability to acquire the working capital needed to apply for government contracts.

Operating on a smaller scale.

In Latin America, Sub-Saharan Africa, and East Asia, women lead, on average, 23% of small businesses compared to 11% of large businesses. The smaller size hinders their capacity to meet requirements of large government contracts.

What are key recommendations to improve the status quo?

Define what a women-led business means in your context.

Our working definition:

- A. $\geq 51\%$ ownership/stake by a woman/women; or
- B. ≥ 1 woman as CEO/COO (president/vice president); or
- C. women sole-proprietors.

...and identify women-led businesses in data from procurement systems and/or company registers.

Make a commitment to gender equality

... and develop a strategy for gender-responsive procurement, including capacity building. This should involve market/user research.

Make contracts open by design

Publish information about the planning, tender, award, contract, and implementation of public contracts to demystify the process and empower businesses with access to information.

Simplify application procedures and tender requirements

... by streamlining and standardizing tender documentation and prequalification procedures - making it more inclusive for women.



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Our approach to inclusion in procurement

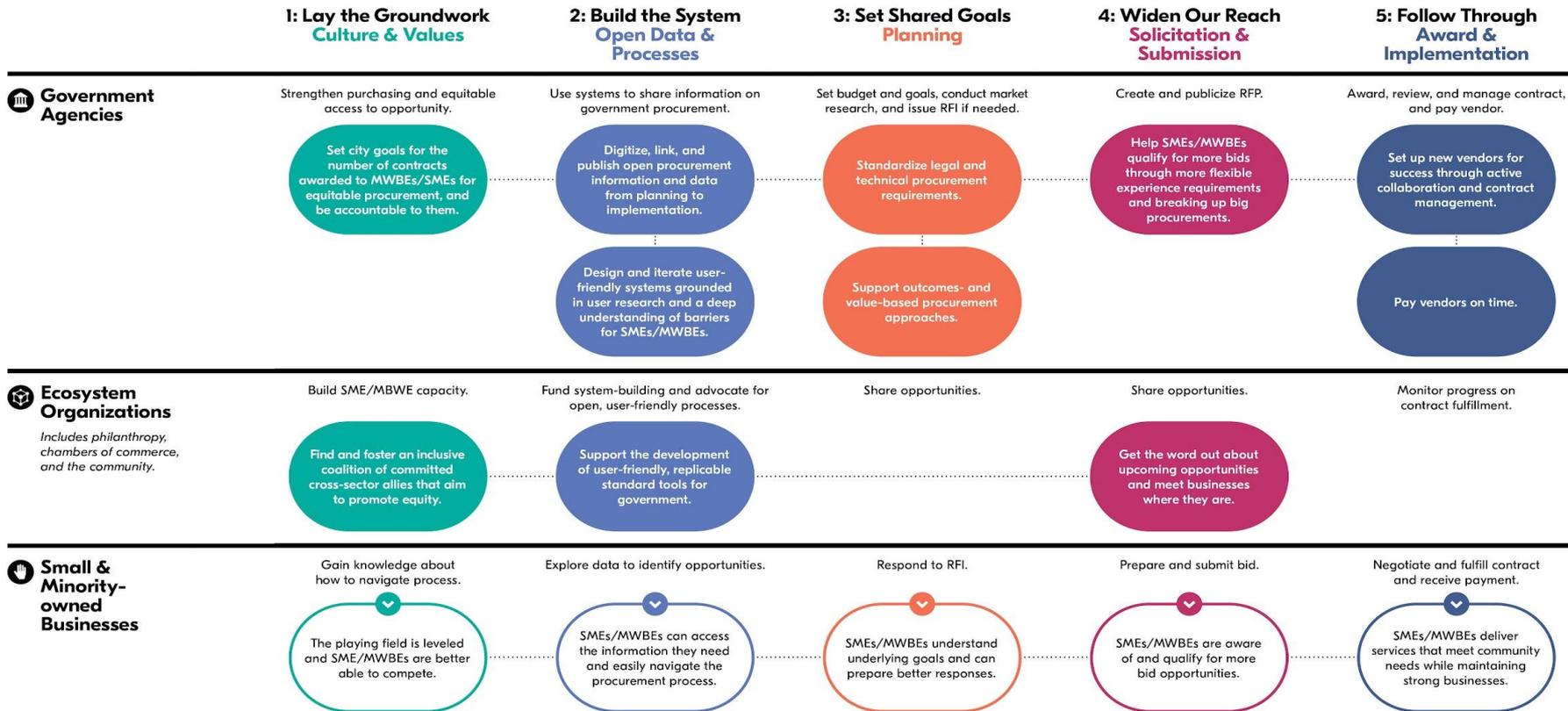
1. **Co-creation and input** in project design and implementation
2. **Setting objectives and Key Performance Indicators (KPIs)** to understand if our activities are making a difference.
3. **Redesign systems and processes to share power and reflect values** of traditionally marginalized groups

Game-Changing Procurement Solutions

GAME CHANGERS

We often hear from government officials, members of the business advocacy ecosystem, and businesses themselves that they would like to better understand how they can work together. Below are the key steps in the procurement process and the activities each stakeholder is responsible for.

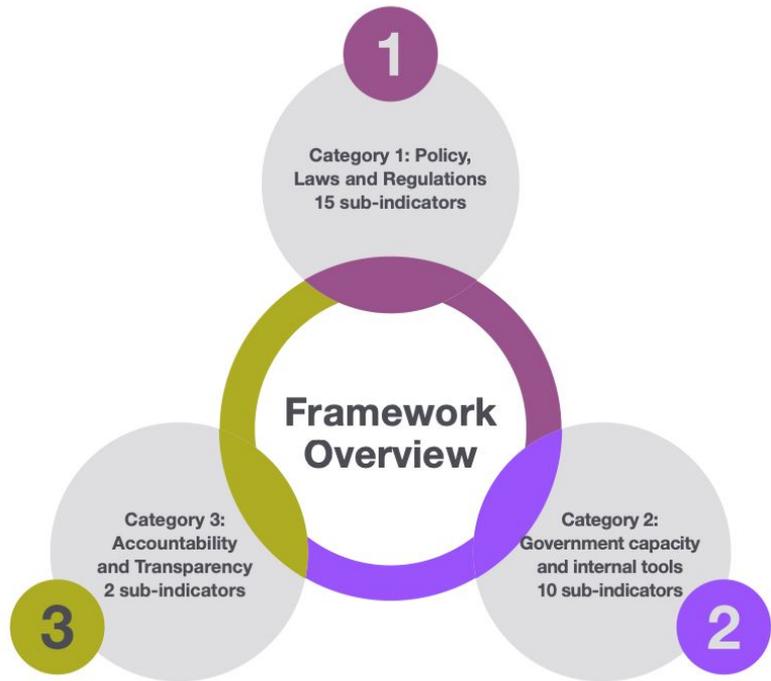
Also shown are several potentially game-changing moments and solutions—both process- and data-driven—that could make a big difference in supporting a more equitable procurement system. These solutions were identified based on insights from our expert conversation and organizational experience.



Other resources: GESI framework

OCP supported the creation of the [GESI](#) by Oxford Insights to to assess the inclusivity of procurement practices, policies, regulations and laws within a country or region.

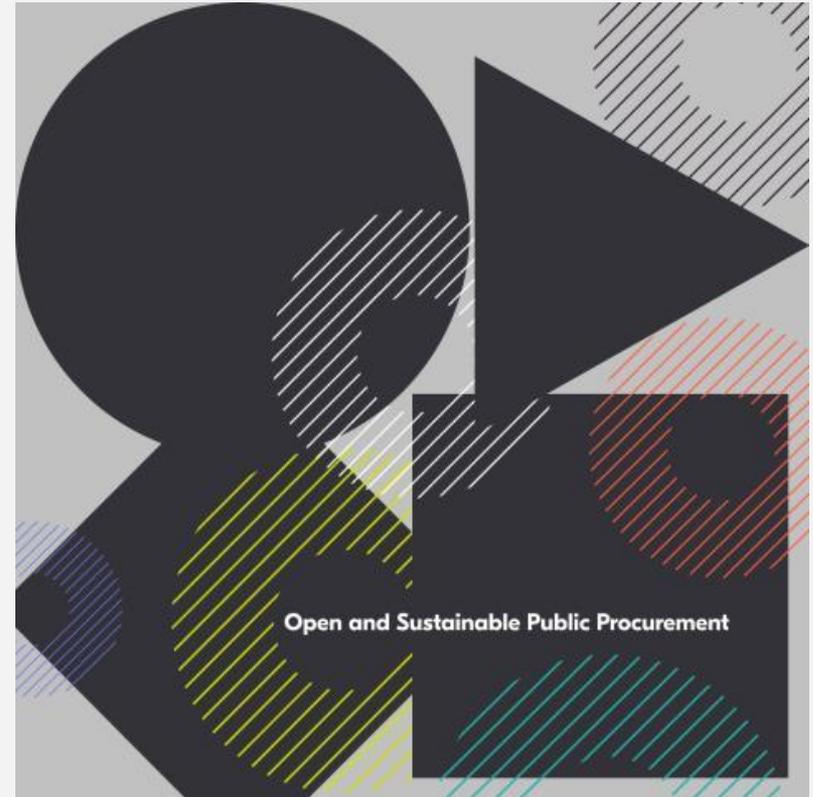
Framework Overview



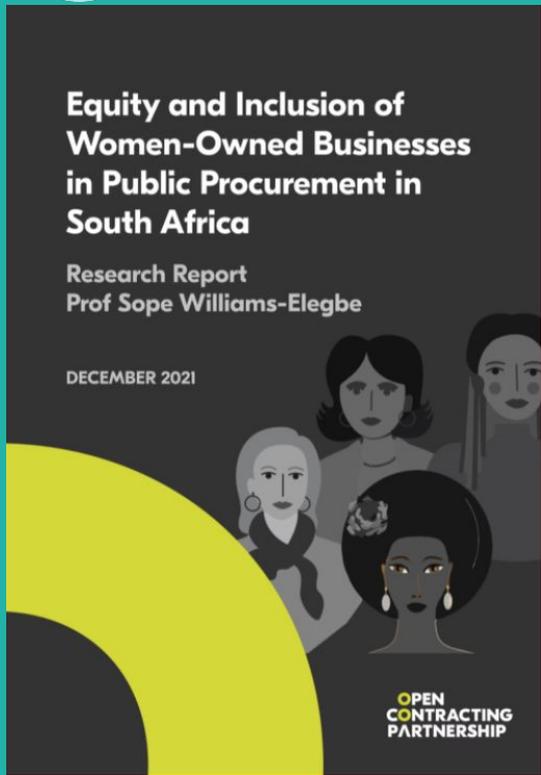


Other resources: SPP Guide

OCP will launch tomorrow a [Sustainable Public Procurement toolkit](#), that provides practical insights for day-to-day needs at different levels of where governments are.



Want to learn more?



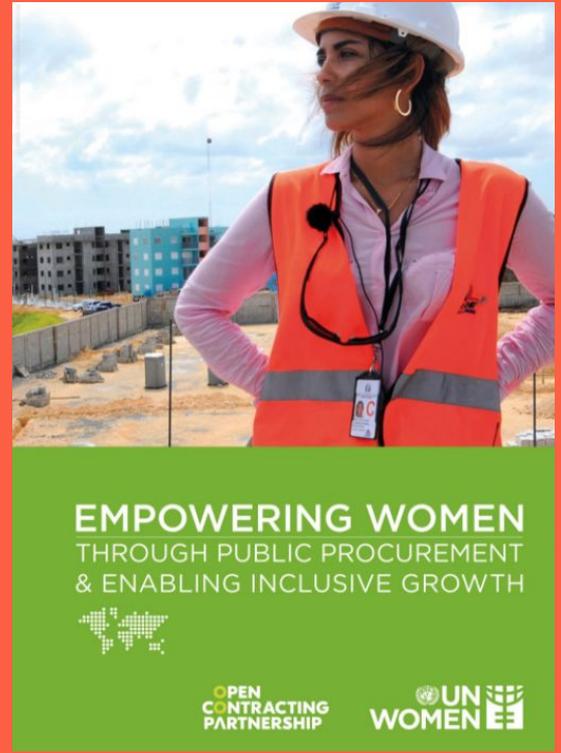
Equity and Inclusion of Women-Owned Businesses in Public Procurement in South Africa

Research Report
Prof Sope Williams-Elegbe

DECEMBER 2021

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S Afr Report



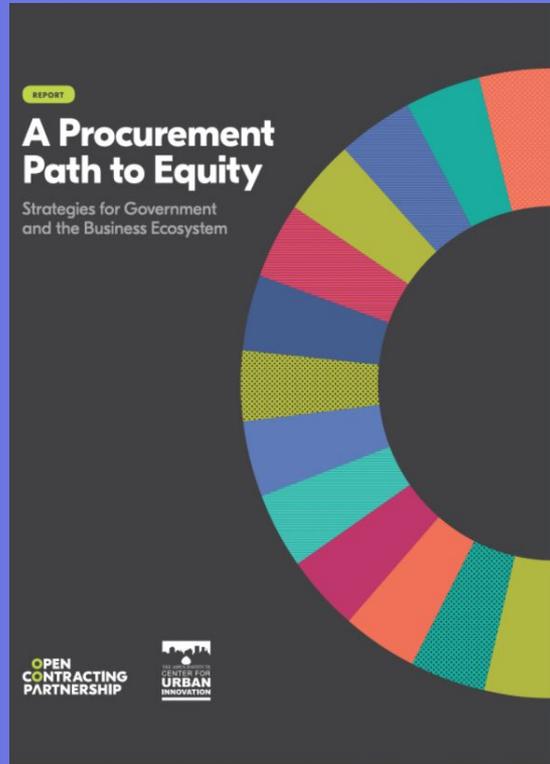
EMPOWERING WOMEN THROUGH PUBLIC PROCUREMENT & ENABLING INCLUSIVE GROWTH



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UN WOMEN

Brief



REPORT

A Procurement Path to Equity

Strategies for Government and the Business Ecosystem

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THE UNITED NATIONS
CENTRE FOR
URBAN
INNOVATION

Equity report

Want to learn more?

Gender-responsive procurement – entry points and recommendations

Understand users & stakeholders

- 1 Define and identify women-led businesses
- 2 Develop feedback and engagement mechanisms with women entrepreneurs and business-people

Plan a Gender-Responsive Procurement Strategy

- 3 Make a commitment to gender equality and develop a strategy for gender-responsive procurement
- 4 Build capacity to implement gender-responsive procurement

Make contracts open by design

- 5 Publish information about public contracting from planning to implementation
- 6 Use standardized open data to publish contracting information to enable analytics and reuse

Simplify contracting processes

- 7 Apply a gender lens to contracting requirements and payments

Ensure prompt Payment

- 8 Ensure suppliers are paid promptly, reducing the need for access to finance

Increase supplier capacity

- 9 Provide business support services for WLBs

Nurture an inclusive public procurement market

- 10 Link procurement policies with social and gender policy objectives

Effort:  Medium  Medium - Long  Quick win

Blog

Towards Gender Balance in Public Procurement

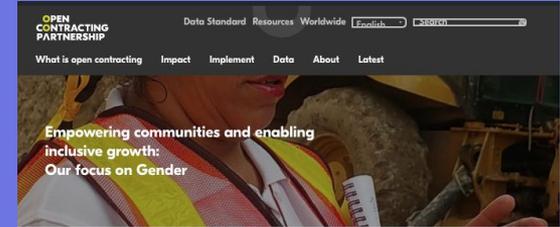
Understanding the Barriers and Solutions to Include Women-Led Businesses



OPEN CONTRACTING PARTNERSHIP VALUE FOR WOMEN

RESEARCH REPORT

Report



One in three small and medium enterprises are owned by women. Why aren't they getting their fair share of government contracts?

Women are excelling in business. According to the World Bank, women-owned small and medium enterprises (SMEs) contribute 20% to the global gross domestic product. Despite the growth of women's entrepreneurship, the number of businesses getting government contracts is much lower. Women-owned companies get only 5% of federal contracts in the US. In Albania, women-run 27% of all businesses but only a tiny 5% of companies awarded municipal contracts.

This just isn't good enough. Women's participation in public procurement as users, planners, and suppliers is critical for the creation and monitoring of effective public services. Boosting women's businesses can create jobs, and inject the market with new ideas and competition.

Lack of access to information on bids, understanding complex procedures and bias can create barriers for women entrepreneurs. We must also take into account the different factors which may render policies less effective for further marginalized groups, such as women of color and/or with disabilities.

Governments must

1. **Monitor gender-disaggregated procurement data:** This could be done by applying the Open Contracting Global Principles and Data Standard to monitor competition and gaps, quality of implementation, and understanding and addressing complaints of structural discrimination.
2. **Increase women-owned suppliers winning government contracts:** By proactively seeking out and engaging women-owned business groups, establishing a fair complaint and redress procedure and simplifying contracts to reduce preparation time for bidders, authorities can open opportunities for women-owned suppliers.
3. **Plan for gender-responsive procurement:** An integrated gender-responsive procurement strategy will ensure that the goods and services procured take into account how they impact women, often the poorest and most vulnerable group in society.
4. **Tackle gendered corruption through gender-responsive anti-corruption policies:** Recognizing the gendered aspects to corruption from sextortion to modern slavery in the supply chain and creating



- 1 Insights Report
- 2 Research report
- 3 Blog

Website

Thank you!

bit.ly/ocgender

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