

Boosting Women-led Enterprises through Public Procurement

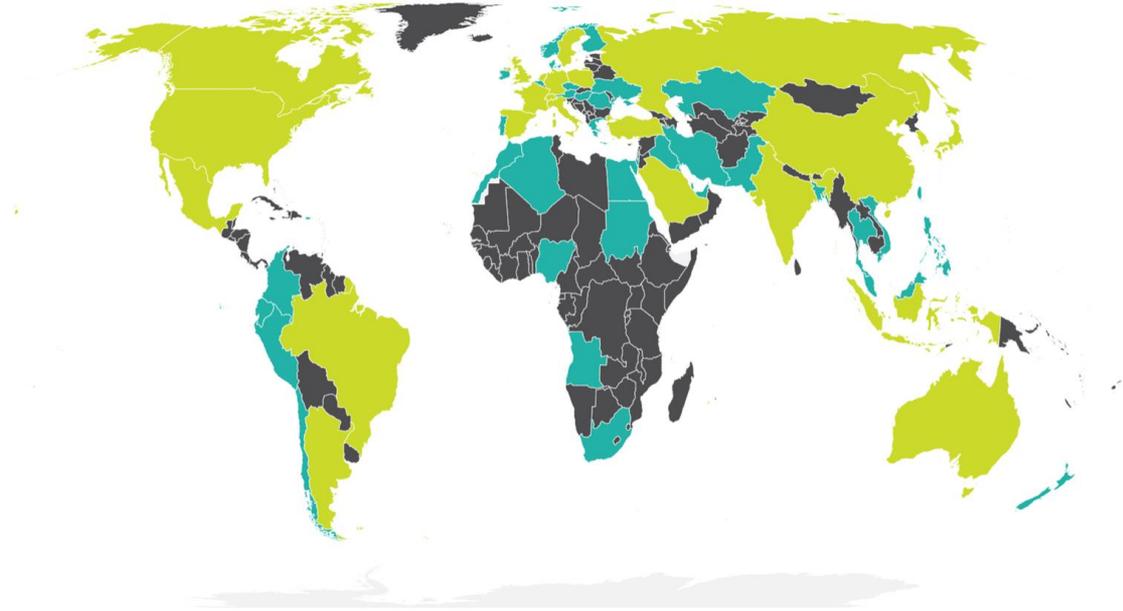
www.open-contracting.org/gender

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US\$ 13 billion worldwide

Governments spend **1/5 of their GDP** on public procurement

Women-led small and medium-sized enterprises (SMEs) **contribute 20%** of global GDP (WB, 2012)





... companies led
by women obtain
between only

5 and less than

20%

of this market

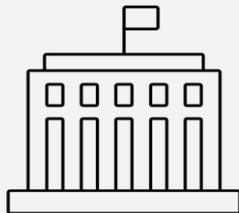
How can open public procurement help?

Open public procurement is about **publishing and using open, accessible, and timely information** about government procurement to engage citizens and **businesses in solving problems and achieving results.**

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



Open public procurement links



government



Private sector



Civil society

to open and track the public procurement

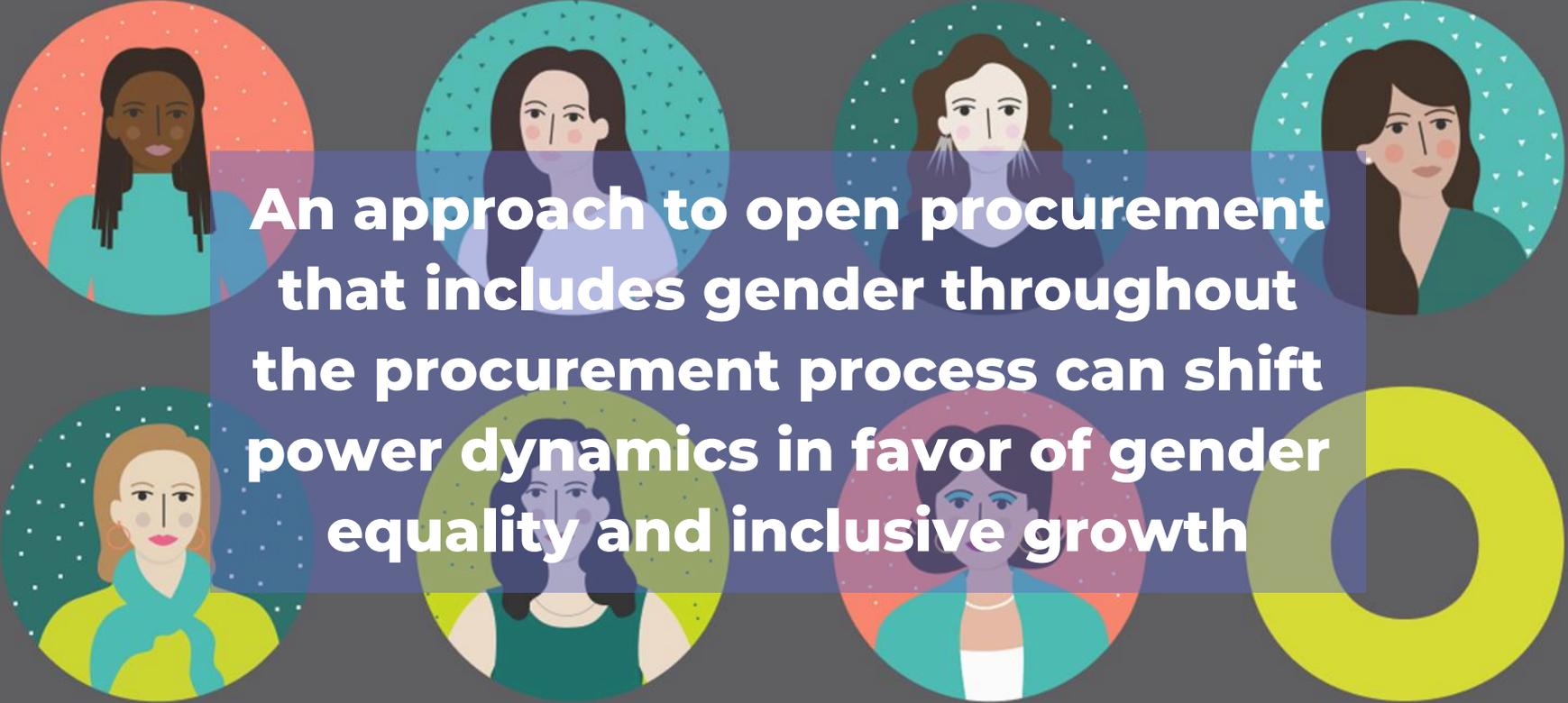
Best value for money

Fair access to the public tender market

Detection of corruption

Monitoring the effectiveness of the delivery of goods/services

Internal efficiency



An approach to open procurement that includes gender throughout the procurement process can shift power dynamics in favor of gender equality and inclusive growth

Challenge

It is difficult to identify women-led businesses.

In most public procurement regimes, there is no clear definition of a woman-led business, and there is a dearth of gender-disaggregated data on bidders and suppliers. New research offers innovative ideas on how to build these data sets.

How OC can help

Gender-disaggregated procurement data

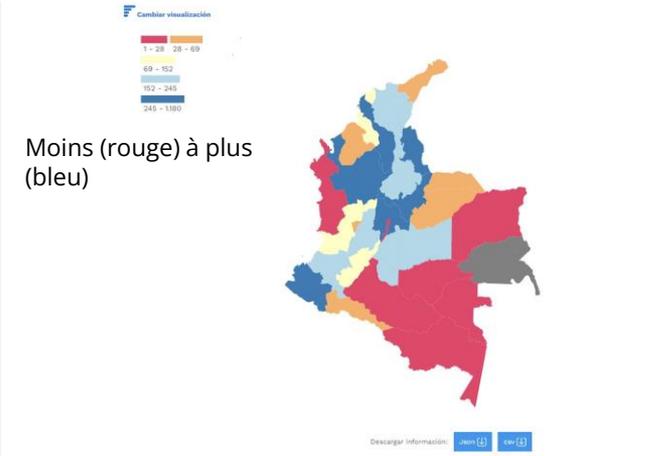
identifies women-led businesses in procurement systems and/or business registry data.

Clear definition of a woman-led business

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

Example of Colombia

Number of contracts awarded to women-owned businesses by region



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

- defined women-owned and women-led businesses/entrepreneurs/SMEs
- created differential criteria for awarding points to promote women's participation in public procurement
- designed a gender-balanced guide to public procurement

A gender marker has been added to the online procurement system for data analysis.

Challenge

Complex and costly procedures.

Their small size prevents them from meeting the requirements of large government contracts.

Lack of knowledge of bidding opportunities

Perception of corruption or bias

According to the experts interviewed, women entrepreneurs believe that corruption and bias affect the fairness of public procurement processes.

How OC can help

Make contracts open by design. Publish information on planning, bidding, awarding, contracting, and implementing government contracts to demystify the process and give businesses access to information.

Streamline the contracting process.

Simplify application procedures and bidding documents, reduce the size of contracts, have appropriate award criteria.

User needs

Does the project take into account the of women's needs?

Have the gender-specific aspects of the tender been articulated?

Does the provider have a good track record of delivering projects that do not limit women's access?

Have gender-sensitive requirements been added as contractual benefits? What are the reporting requirements?

Cross-sector impact assessment, considering levels of access, quality of delivery and increased well-being

Phase

Planning



Call for tenders



Awarding



Contract



Implementation



Supplier needs

Potential vendors need to know when a project is coming up, so they can see if it's a good fit and be prepared to bid.

Where is the tender published? How transparent will the process be? Are the criteria clear? Preferential treatment for women-led companies?

Who won the contract? Were the evaluation criteria met? Was my bid treated fairly as a woman-owned business?

Clear and fair terms that take into account the size of the company and the nature of the project.

Deliver according to the milestones clearly defined in the contract, and receive the agreed price on time.

Policy results

Projects better planned, and gender and supplier diversity needs taken into account at the design stage

More women-led companies are applying for tenders.

Increased confidence, market becomes more innovative; growth of women-led businesses

Better markets lead to efficiency gains and reduce the burden on SMEs or women-owned businesses

Best products and services.

Challenge

Negative perceptions have an impact on offerings (on both sides)

Gender biases and norms

Gender norms and assigned roles result in greater time restrictions for women

Weak feedback loops

Lack of formal and informal mechanisms to inform, engage and act on feedback from the various 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 in government, the private sector, and civil society.

. Build engagement and information feedback mechanisms for women-led businesses.

Plan a gender-sensitive public procurement strategy.

Example of Ekiti State, Nigeria

Key actions to date:

- Understanding and **engaging key stakeholders:** surveys, capacity building
→ registration of women-owned businesses increased by ~50% following an awareness campaign
- Develop procurement policy **guidelines** and a guide for gender-sensitive public procurement.
- Build the **capacity of procurement officers.**
- Develop a public procurement portal with **open data.**

Challenge

Lack of access to funding

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

How OC can help

Develop guidelines and regulations for prompt payment. Some governments have addressed the issue by enacting legislation or policies requiring procuring entities to make prompt payments; otherwise, they pay interest penalties.

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

East Africa Ongoing research on gender-responsive public procurement

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

This project is supported by 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 are the obstacles faced by women-led companies in public procurement?



Difficulty in identifying women-led businesses

In most public procurement regimes, there is no clear definition of a woman-led business, and a dearth of gender-disaggregated data on bidders and suppliers. A new study offers innovative ideas on how to build these data sets.

Negative perceptions have an impact on offers (on both sides)

Women noted negative perceptions about the openness and fairness of government procurement processes. Government officials may also have negative perceptions about the capabilities of women entrepreneurs and the potential of their businesses.

What are the obstacles faced by women-led companies in public procurement (continued)?



Lack of access to funding

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

Smaller scale operation

In Latin America, Sub-Saharan Africa, and East Asia, women run, on average, 23 percent of small firms, compared to 11 percent of large firms. The small size of these firms makes it difficult for them to meet the demands of large government contracts.

What are the key recommendations for improving the status quo?

Define a woman-led business in your context.

Our working definition:

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

... and identify women-owned businesses in data from public procurement systems and/or business registries.

Commitment to gender equality

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



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What are the key recommendations for improving the status quo (continued)?

Making markets open by design

Publish information on planning, bidding, awarding, contracting and executing government contracts to demystify the process and give businesses access to information.

Simplify application procedures and bidding requirements

... streamlining and standardizing bidding documentation and prequalification procedures to promote gender mainstreaming.



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Our approach to inclusion in public procurement

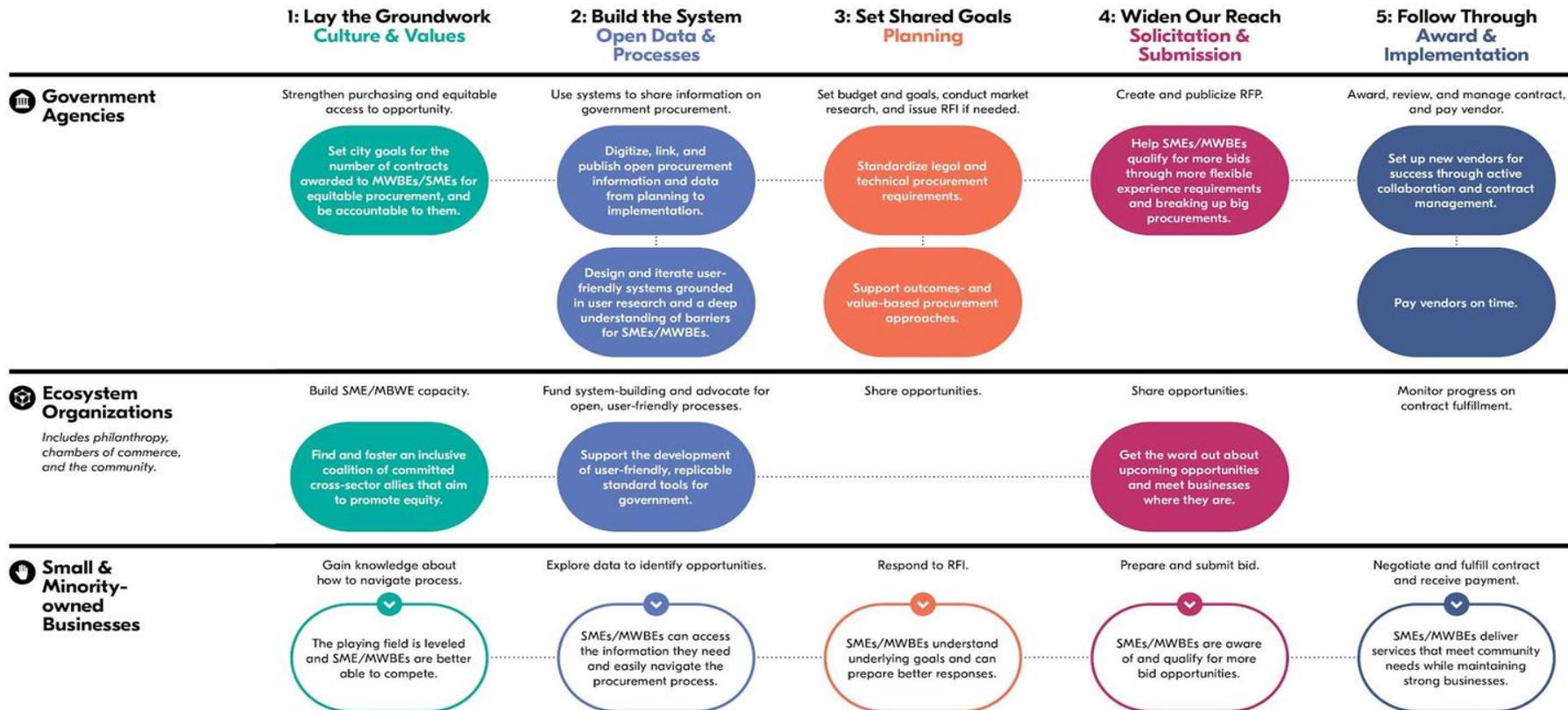
- 1. Co-creation and contribution** to the design and implementation of projects
- 1. Establish objectives and key performance indicators (KPIs)** to understand whether our activities are leading to change
- 1. Reconfiguring systems and processes to share power and reflect the values** of traditionally 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.

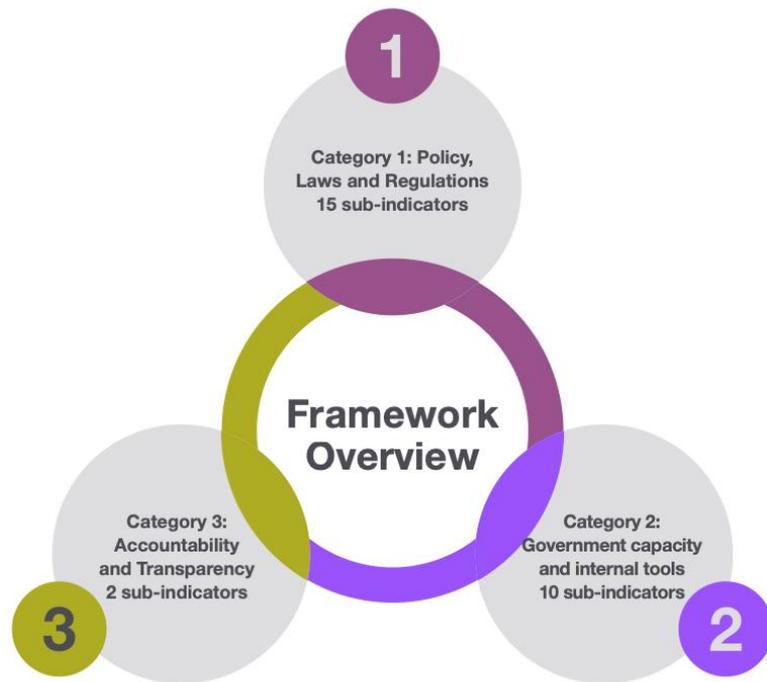
Also shown are several potentially game-changing moments and solutions—both process- and data-driven—that could make a big difference in supporting a more equitable procurement system. These solutions were identified based on insights from our expert conversation and organizational experience.



Other resources: GESI framework

OCP supported the creation of the Gender Equality and Social Inclusion (GESI) in Public Procurement resource by Oxford Insights to assess the inclusiveness of public procurement practices, policies, regulations and laws in a country or region.

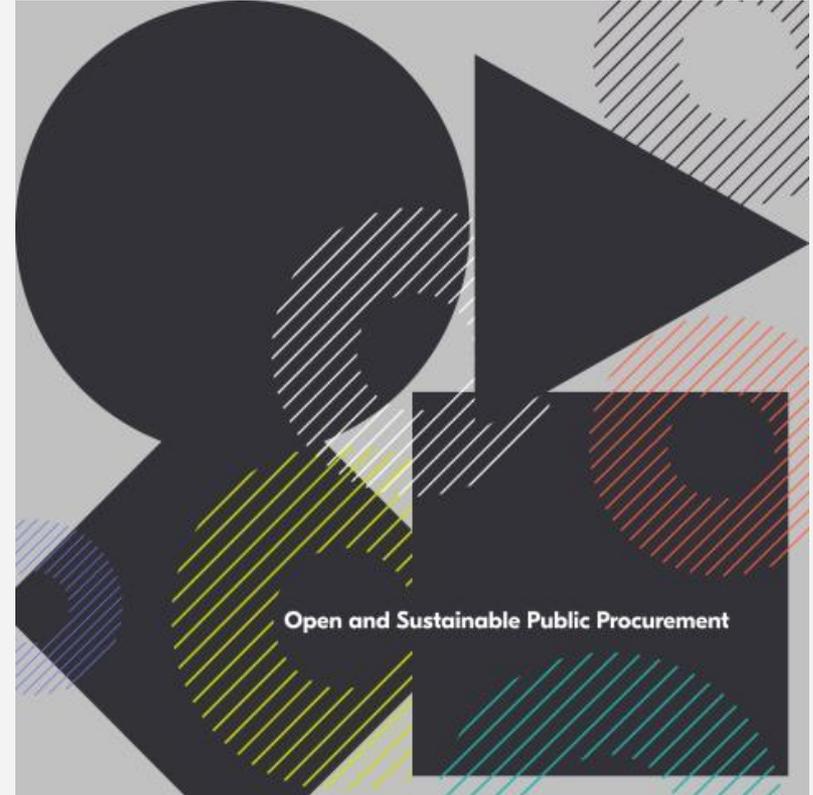
Framework Overview





Other resources: SPP Guide

OCP has launched a [Toolkit on sustainable and open public procurement](#), which provides practical guidance for day-to-day needs at different levels where governments are



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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[Afrique du sud](#)



EMPOWERING WOMEN THROUGH PUBLIC PROCUREMENT & ENABLING INCLUSIVE GROWTH



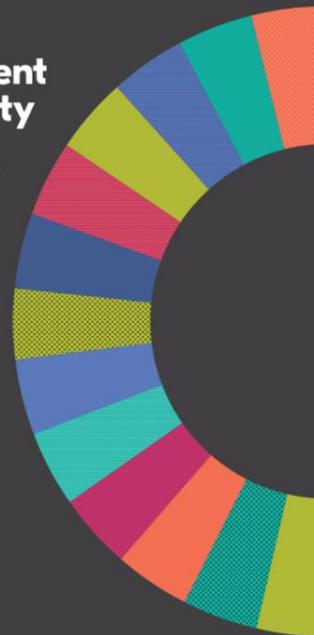
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UN
WOMEN
E3

[Dossier](#)

A Procurement Path to Equity

Strategies for Government
and the Business Ecosystem



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THE CENTER FOR
URBAN
INNOVATION

[Rapport sur l'équité](#)

To learn more (continued)

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

Towards Gender Balance in Public Procurement

Understanding the Barriers and Solutions to Include Women-Led Businesses

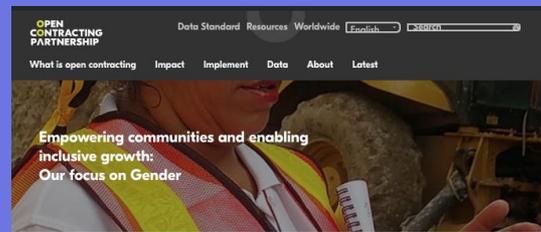


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VALUE
FOR
WOMEN

RESEARCH REPORT

Rapport



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

Site web

Billet de blog

Thank you!

bit.ly/ocgender

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