



# Towards gender-responsive public procurement

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Graphics: Towards gender balance in public procurement – by Open Contracting Partnership

# Gender equality and women's empowerment are indispensable to achieving the SDGs



SMEs and Women-Led Business play critical roles in economic growth and development, and winning government contracts have positive effects on firm-level dynamics. Yet, It is estimated that **only 1% of the \$10 trillion USD that is spent annually on public procurement is awarded to women-owned businesses**

Growing attention is being paid to promotion of women's entrepreneurship as an important avenue to achieving various development objectives. As noted in the *World Development Report 2012: Gender Equality and Development*, “[**gender equality is a core development objective in its own right – and also smart economics**”.

Gender policies for public procurement have a particular relevance in the developing countries in light of the need to open up opportunities for women – both for reasons of equity and for unleashing job creation, economic development and innovation. The role of such policies takes on added importance in Laos because work still needs to be done to achieve gender equality and Women's position in the labor market is largely affected by socio-economic disadvantages caused by gender-based discrimination.



# Sustainable Procurement

Sustainable procurement policies address how public procurement can promote objectives in the following areas: environmental (e.g., energy efficiency and water conservation in equipment and buildings being procured); economic development (supplier diversity, increasing share of procurement contracts awarded to SMEs, including women-led businesses, innovation); and social welfare (e.g., compliance of suppliers with labor laws and other aspects of corporate social responsibility). At the heart of sustainable procurement policies is the notion of inclusion of previously disenfranchised and underrepresented groups, including women. On the international level, sustainable procurement is drawing growing attention. For example,

- The new World Bank Procurement Regulations expressly recognize the possibility of incorporating the borrower's sustainable procurement policies.
- The, 2014 version of the EU Directive on procurement contains more developed provisions enabling application of sustainable procurement policies.
- The International Standardization organization (ISO) has issued a first international standard on sustainable procurement (ISO 20400:2017), which provides guidance to organizations on integrating sustainability within procurement
- Important exploratory and piloting work has been conducted by the Marrakech Task Force on Sustainable Public Procurement, under the auspices of UNEP.
- The updated OECD-DAC Methodology for Assessment of Procurement Systems (MAPS) includes a sub-indicator (3(a)), and related assessment criteria, concerning sustainable public procurement



# Concepts, terms and techniques in a gender policy for public procurement

## What is gender-responsive procurement?

Gender-inclusive, Gender-Smart, Gender-responsive procurement

Women-owned vs Women-managed businesses

Implementation techniques include

- Target levels for contract awards
- Price preferences for WLBs
- Set-asides for WLBs
- Promotion of subcontracting/inclusion in supply chain
- Facilitation/promotion of teaming arrangements (e.g., joint ventures, subcontracting, supply chain, etc.)
- Job creation for women through promotion of corporate diversification and inclusion
- Requirement for code of conduct, GBV disqualifications and response action plan
- Capacity building

Economic inclusion

- Increasing procurement opportunities for WLBs and facilitating their participation in public procurement proceedings and access to contract awards.

Social Responsibility (Gender Inclusion)

- Various issues related to the manner in which women are treated at the workplace: pay equality issues, gender-based violence, sexual exploitation and abuse, and sexual harassment (GBV/SEA/SH).





# Country examples (1): US, South Africa, Chile



- **United States:** The US was at the forefront of adopting legislation that encouraged the participation of SMEs and women-led SMEs in public procurement. **In 1994**, the government established a specific goal of 5% of federal procurement dollars that should go to women-owned businesses. In 2002 fiscal year, ~2.9% of federal contracts went to women while in 2013 women-owned businesses received ~8.3% of contracts but only 2.5% of federal contracting dollars. However, the **US government only achieved its goal of dedicating 5% of federal contracts to women-owned business in 2016.**
- **South Africa:** Despite efforts by South Africa to facilitate the participation of women-led enterprises in public procurement, there remain significant obstacles. **The Constitution protects any sort of discrimination in the procurement process while the Preferential Procurement Policy Framework of 2000 allows for preferences in awarding contracts.** Despite those efforts, however, a 2013 survey of women-led SMEs in South Africa found that the respondents' experiences with rendering goods or services to government were sporadic or one-off engagements and 91% of respondents felt that there remain barriers to accessing public procurement contracts.
- **Chile:** The Government enacted an **Action Plan** to facilitate the participation of women-led enterprises in the public procurement market when a study revealed that only 36% of companies selling products to the government were women-led businesses. The Action Plan included modifying the public procurement regulations and guidelines to help public officials ensure that gender considerations were included in the criteria that they used to decide which companies to purchase goods and services from. In 2015, ChileCompra established a program for women entrepreneurs to support and strengthen their participation as suppliers in the public procurement market. However, **there is not a set-aside** for a certain number or value of contracts.

# Country examples (2): Kenya, Dominican Republic, and South Korea



- **Kenya:** the 2010 Constitution, the 2011 Public Procurement and Disposal Regulation (PPDR), and the establishment of the Access to Government Procurement Opportunities (AGPO) program all exist to benefit women-owned enterprises. For example, **an amendment to the 2011 PPDR reserves 30% of government procurement of goods, services, and works for enterprises owned by women, youth, and people with disabilities** and the AGPO program has access to government business worth 18 billion USD annually. **By mid-May 2015, over 6,500 businesses** owned by female or disadvantaged groups had benefitted from government businesses worth Ksh 9.3 billion.
- **Dominican Republic:** The Dominican Republic has developed a preferential purchasing program to support Micro, Small and Medium-Sized Enterprises managed or led by women. The program mandates positive discrimination to empower women in the economy. Law 488-08 mandates allocating 20% of the public procurement for MSMEs to women-owned enterprises. In 2014 this program increased the participation of women in public procurement by 15%. In 2015 the program aimed to increase the registration of women-owned enterprises as public suppliers by 15%
- **South Korea:** Since January 2014, the Government has mandated that public institutions **purchase 5% of products or services from female entrepreneurs** in order to provide them opportunities to expand their market share. In addition, the Korean authorities have simplified contract procedures for public authorities when establishing contracts with women entrepreneurs up to a limit of USD 50,00

# Women Led Business

- There is no universally agreed definition of what it means to be a women-owned business enterprise. The definition of women-led business considers ownership – women should own the company and their ownership should not be subject to conditions – and control – women should control day-to-day operations – Open contracting partnership use following definition of WLBS:
  - ≥51% ownership/stake by a woman/women; or
  - ≥1 woman as CEO/COO (president/vice president); or
  - women sole-proprietors

**Typical obstacles faced by WLBS in public procurement markets**

Access to information

Financing participation in bidding and implementation of contracts

Administrative burdens on participation in public procurement

Technical capacity constraints

Negative perceptions

# Introducing GRPP in Kurdistan Region of Iraq (KRI)

## Context

- KRI has strengthened its legal framework for public procurement and the 2015 Executive Regulations reflect the principles of value-for-money, transparency, accountability, and efficiency.
- In addition, Standard Bidding Documents and templates support effective implementation of procurement by procuring entities, integrity in the procurement process, and transparency.
- Executive Regulations for public procurement (art. 7) requires procuring entities, in accordance with policies and guidance issued by Ministry of Planning or other competent authorities to include sustainable procurement elements, such as GRPP.

KRG was considered a good candidate to introduce GRPP

## WB Ongoing Support

1. Desk Research
2. Rapid qualitative assessment with key stakeholders
3. Drafting of possible menu of options

## WB Future Support

1. Action Plan
2. Capacity Building



# Menu of Options in a GRPP Policy

## Introduction

- Provide a clear mandate to promote greater participation of WLBs in public procurement
- Call attention
- Delineate the scope of the policy
- Summarize the obstacles faced by WLBs in accessing public procurement markets: gender bias, difficulty in accessing finance, payment delays, undue focus on bid price, etc.

## Gender equality dimension of the Policy

- Placement of duty on procuring entities to require equal-pay-for-equal work
- Work/life balance requirements
- Qualification requirements formulated affirmatively to refer to experience
- Require bidders to submit equal pay certifications with their bids
- Entitlement of contracting authorities to carry out random controls

## Economic inclusion dimension of the Policy

- Promotion of women's entrepreneurship:
  - Setting of target levels for % of procurement
  - Use of set-asides and preferences
  - Division of procurement awards into lots
  - Requiring subcontracting with WLBs
  - Support for development of WLBs
- Promotion of women's employment
  - Requiring gender-balanced composition of project teams
  - Taking employment of women into account in the evaluation and comparison of bids

## Implementation-related issues

- Definition of women-led business
- Affirm policy of simplification, as appropriate, and digitalization of procurement proceedings to facilitate greater participation and competition
- Take gender into account at all stages of the procurement cycle
- Identification of consequences for failure to comply with gender-related requirements
- Capacity building of women in the procurement workforce
- Guidelines and checklists to assist in implementation of GRPP

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# Thank you

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