

# Towards Gender Balance in Public Procurement

## Understanding the Barriers and Solutions to Include Women-Led Businesses



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WOMEN\*

RESEARCH REPORT

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## About Value for Women

Value for Women (VfW) is a women-led global social enterprise that works closely with partners to design and implement research, technical assistance programs, evaluations, tools and blended capacity-building initiatives in Africa, Asia and Latin America focused on impact investing and the small and medium enterprise space. VfW helps organizations to advance gender inclusion. We believe that women are key drivers of economic and social growth, and that women's inclusion is essential for better business outcomes. We identify and test new solutions that foster inclusion while unlocking the powerful economic potential that women hold. Specifically, we support investors seeking business and social returns in diverse sectors, such as finance, agriculture, and clean energy by providing research and technical advisory support.

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## Introduction

Value for Women and the Open Contracting Partnership (OCP) developed this research report to document the challenges and opportunities to empower women-led businesses (WLBs) in public procurement. The research examines the challenges WLBs experience in public procurement, explores some of the wider challenges of shaping gender-responsive procurement (GRP) policies,<sup>1</sup> and summarizes key reforms pursued by governments to create fairer and more inclusive procurement systems.

Globally, the literature on public sector experiences with GRP is limited. This report aims to contribute to the current knowledge base on how governments can better support women entrepreneurs and WLBs who seek to sell to the government. Most of the examples and case studies in this report come specifically from Chile, the Dominican Republic, and the City of Buenos Aires, which have developed GRP programs and are at different stages of implementation.

This report was created with the following audiences and objectives in mind:

- **Public procurement officials**, to increase understanding about the nature of the barriers WLB face in public procurement markets, and to recommend potential solutions, including the collection and use of data to inform strategies supporting GRP.
- **Social policy design and implementation practitioners**, to understand and incorporate linkages between policies and initiatives that support women's economic participation and the procurement system.
- **Entrepreneurial ecosystem actors** (including but not limited to businesses development service providers, investors, banks, women entrepreneurs' networks), to help identify challenges for WLBs and women entrepreneurs in accessing public procurement, which can be used to inform GRP initiatives and programs.

While this report focuses specifically on public procurement as it pertains to women, including those who identify as women, GRP policies can be used to construct a fairer and more inclusive public marketplace for other historically excluded groups.

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<sup>1</sup> Gender-responsive procurement policies may include both measures to support WLBs to participate as suppliers and measures to ensure goods, works, and services procured meet the needs of women and girls.

# Methodology

This study sought out to answer the following questions:

- What barriers do WLB face in accessing public procurement opportunities?
- What challenges do governments face when trying to increase procurement from WLBs?
- What can governments do to promote gender-responsive procurement?

The methodology for the study summarized in this report included a desk review of relevant literature, analysis of the public procurement data from the City of Buenos Aires, Chile, and the Dominican Republic, and interviews with 14 stakeholders, including government officials implementing women's procurement programs and women's entrepreneurship experts. The study focused on the gender-responsive procurement initiatives from: the General Directorate of Procurement and Contracts from the City of Buenos Aires, Argentina; *ChileCompra*, the Government Procurement Agency in Chile; and the General Directorate of Public Procurement in the Dominican Republic. While originally the study envisioned in-person workshops with entrepreneurs and policymakers, the consequences of the COVID-19 pandemic led the study team to replace the workshops with virtual interviews.

## In Focus: Defining women-led business

*Women-owned* is generally used in the literature and by international organizations to identify firms belonging to women and *women-led* for those firms that have women in key decision-making positions (e.g. CEO, president, general manager). In a majority of studies, the "gender" of the firm is defined based on a certain threshold of ownership, ranging from having one woman owner to 51% or more.<sup>2</sup> These definitions are focused on micro, small and medium enterprises (MSMEs) since, in the case of sole proprietorships, a WLB is simply one where a woman is the sole proprietor. These different definitions can lead to a wide range of results. For example, in the case of Mexico, 32% of small firms have at least one woman participating in ownership versus 18.3% of small firms with a woman as a top manager.<sup>3</sup>

Ownership of a firm may not be the best way to determine the actual influence of women within a firm, and many studies and organizations look into the management structure of firms or a combination of ownership and management.<sup>4</sup> In half of the multi-owner firms, where at least one owner is female, the key decision-makers are all male.

As a result, there is no standardized definition of a women-led business, which makes comparing findings across past research difficult. We recommend the following definition of WLBs:

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

<sup>2</sup> C. Piras, A. Presbitero, & R. Rabellotti, (2013), "Definitions Matter: Measuring Gender Gaps in Firms' Access to Credit." Inter-American Development Bank.

<sup>3</sup> World Bank, (2017), "World Bank Enterprise Surveys." Washington, DC: World Bank.

<sup>4</sup> C. Piras, A. Presbitero, & R. Rabellotti, (2013), "Definitions Matter: Measuring Gender Gaps in Firms' Access to Credit." Inter-American Development Bank. See also Fazekas, M. & Kazmina, Y. & Wachs, J. (2020). Gender in public procurement: Extent, distribution, and impacts. European Bank for Reconstruction and Development.

## Why gender matters in public procurement

*“Public procurement constitutes a significant component in countries’ budgets, equivalent to approximately one-third of public spending, which is a big volume of resources involved in public procurement. The primary objective of public procurement is to contract and solve the needs of the country in the most efficient and effective way, obtaining greater value for public money. The secondary objective of public procurement is to promote public policy objectives through public procurement, given the great purchasing power of the State.”*  
Trinidad Inostroza, Public Procurement and Public Management Consultant,  
Ex-Director ChileCompra

Over the last decade, governments and multilateral development organizations have increased programs that promote gender equality. The Organization for Economic Co-operation and Development (OECD) found that in 2017-2018, on average, 42% (USD 48.7 billion) of the official development assistance of its member states was focused on gender equality and women’s empowerment, compared to 37% in 2015-2016.<sup>5</sup> However, these figures pale in comparison to the trillions of dollars spent by governments on the procurement of goods and services. The worldwide public procurement market is approximately one-fifth of the global gross domestic product (GDP).<sup>6</sup> In OECD countries, government procurement accounts for around 12% of GDP<sup>7</sup> – a figure that is similar in emerging markets.

**Public procurement presents a huge opportunity to promote gender equality** because governments engage at all levels of the procurement process and are, therefore, uniquely placed to promote gender equality – and WLBs in particular – through their selection and contracting of goods and services. Governments can leverage their roles as “market regulators” (via procurement policies) and as “market participants” (as purchasers of goods, works and services) in order to empower WLBs.<sup>8</sup>

**Recent estimates suggest that if gender parity were achieved across a host of economic outcomes, global GDP would increase by USD 28 trillion by 2025.**<sup>9</sup> Increasing women’s labor force participation in emerging economies has led to economic gains and poverty reduction. For example, between 2000 to 2010, increases in women’s labor force participation in Latin America and the Caribbean contributed to decreasing extreme poverty by 30%.<sup>10</sup> Hence, supporting gender equality through focused efforts to increase the number of public contracts awarded to women entrepreneurs and WLB may stimulate growth.

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<sup>5</sup> OECD, (March 2020), “Aid Focused on Gender Equality and Women’s Empowerment: A snapshot of current funding and trends over time in support of the implementation of the Beijing Declaration and Platform for Action.”

<sup>6</sup> World Bank Group, (2016), “Benchmarking Public Procurement 2016: Assessing Public Procurement Systems in 77 Economies.” Washington, DC: World Bank.

<sup>7</sup> OECD Dataset on Public Procurement, (2016). Available at: [https://qdd.oecd.org/subject.aspx?Subject=GOV\\_PUBPRO\\_2016](https://qdd.oecd.org/subject.aspx?Subject=GOV_PUBPRO_2016)

<sup>8</sup> K. Chin, (2017), “The power of procurement: how to source from women-owned businesses. Corporate Guide to GRP.” UN Women’s Economic Empowerment Section. Retrieved from: [www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2017/the-power-of-procurement-how-to-source-from-women-owned-businesses-en.pdf?la=en&vs=237](http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2017/the-power-of-procurement-how-to-source-from-women-owned-businesses-en.pdf?la=en&vs=237)

<sup>9</sup> McKinsey Global Institute, (September 2015), “The Power of Parity.”

<sup>10</sup> World Bank, (August 2012), “The Effects of Women’s Economic Power in Latin America and the Caribbean.” Washington, DC: World Bank.

**By aligning procurement policies and procedures with gender equality objectives, governments can support WLBs and improve several gender equality and economic performance metrics.** Small and medium sized enterprises (SMEs) account for more than half of all jobs worldwide, and their share of overall employment is comparable to that of large firms.<sup>11</sup> In developing countries, SMEs account for 66% of full-time employment<sup>12</sup> and around a third of SMEs in emerging markets are led by women.<sup>13</sup> With seven million women-owned SMEs in the formal sector in emerging markets,<sup>14</sup> supporting WLBs presents a huge opportunity for governments seeking to develop their economies and promote gender equality. Women-led businesses also tend to hire more women.<sup>15</sup> Thus, supporting them results in a multiplier effect that extends beyond the business into the wider community.

## Barriers faced by women-led businesses in accessing public procurement

What is holding them back?

**While data is scarce, and complicated by different definitions of WLBs, studies from around the world show that WLBs get a minority of government contracts in countries all over the world.** WLBs represented a minority of public purchasing and contracting in the Dominican Republic, Chile, and the City of Buenos Aires.<sup>16</sup> Women-owned businesses only get 4.7% of federal contracts in the United States, and only 10% of the Canadian government's SME suppliers are women-owned.<sup>17</sup> In Albania, 26.8% of all businesses are run by women, but only 5% of municipal contracts are awarded to women-run businesses, adding up to just 3.2% of total procurement spend.<sup>18</sup> A recent study of procurement governed by the procurement directives of the European

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<sup>11</sup> M. Ayyagar, A. Demircuc-Kunt, & V. Maksimovic, (2014), "Who Creates Jobs in Developing Countries? *Small Business Economics*," 43(1), pp.75-99.

<sup>12</sup> International Finance Corporation, (2013), "IFC Jobs Study: Assessing Private Sector Contributions To Job Creation And Poverty Reduction." Washington, DC: World Bank.

<sup>13</sup> Goldman Sachs, (2014), "Giving Credit Where It Is Due: How Closing The Credit Gap for Women-Owned SMEs Can Drive Global Growth," Global Markets Institute.; IFC Enterprise Survey Database. Washington, DC: World Bank.

<sup>14</sup> Goldman Sachs, (2014), "Giving Credit Where It Is Due: How Closing The Credit Gap for Women-Owned SMEs Can Drive Global Growth." Global Markets Institute.; IFC Enterprise Survey Database. Washington, DC: World Bank.

<sup>15</sup> Goldman Sachs, (2014), "Giving Credit Where It Is Due: How Closing The Credit Gap for Women-Owned SMEs Can Drive Global Growth." Global Markets Institute.; IFC Enterprise Survey Database. Washington, DC: World Bank.

<sup>16</sup> Comunidad Mujer, (2018), "Sistematización, Compras inclusivas en Chile. Fomentando la vinculación exitosa de micro y pequeñas empresas propiedad de mujeres en ventas al Estado." [www.chilecompra.cl/wp-content/uploads/2018/03/CompraspublicasinclusivasenChile.pdf](http://www.chilecompra.cl/wp-content/uploads/2018/03/CompraspublicasinclusivasenChile.pdf); Datos de la Dirección General de Contrataciones Públicas, Dominican Republic, [www.dgcp.gob.do/visualizaciones](http://www.dgcp.gob.do/visualizaciones)

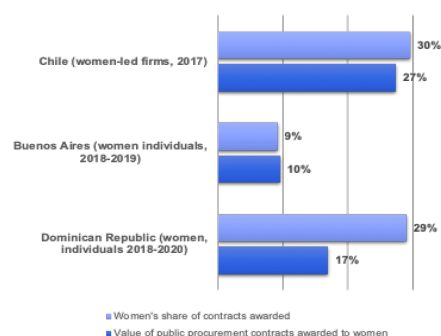
<sup>17</sup> Riding, A. & Orser, B. & Liao, D. (2018). Benchmarking Small and Medium Enterprises as Suppliers to the Government of Canada Inclusion, Innovational and International Trade

<sup>18</sup> Open Government Partnership, (2019), "Using Data on Women-Owned Businesses in Albania." Available at: [www.opengovpartnership.org/stories/lessons-from-reformers-using-data-on-women-owned-businesses-in-albania](http://www.opengovpartnership.org/stories/lessons-from-reformers-using-data-on-women-owned-businesses-in-albania)



Union (EU) found that 26% of government suppliers' managers are women and only 16.5% of suppliers for large value contracts have mostly women on their management teams.<sup>19</sup>

**Figure 1: Value and total contracts awarded to women suppliers in selected countries**



According to data from government e-procurement systems, firms with women in key decision-making positions were awarded 30% of public contracts by volume and 27% by value in Chile in 2017. Women entrepreneurs and sole proprietors won 9% of contracts by volume and 10% by value in the City of Buenos Aires in 2018 and 2019, and 29% of contracts by volume and 17% by value in the Dominican Republic from 2018 to 2020.

Figure 2, below, illustrates the most common barriers cited by WLBs seeking to participate in public procurement.

**Figure 2: Selected challenges for women-led business growth**

|   |   |
|---|---|
| <b>Financial Capital</b>                  | <ul style="list-style-type: none"> <li>- Lower levels of financial literacy and knowledge of financial products</li> <li>- Preference for having more information before making financial decisions and feeling less equipped to manoeuvre complex procedures</li> </ul>                                  |
| <b>Physical and Technological Capital</b> | <ul style="list-style-type: none"> <li>- Less ownership of land and property, limiting collateral for credit and investment capital</li> <li>- Less likely to own mobile phones than men</li> </ul>   |
| <b>Human and Social Capital</b>           | <ul style="list-style-type: none"> <li>- Less access to appropriate local, national, and international business networks</li> <li>- Less access to appropriate formal and informal mentors</li> <li>- Fewer women enrolling in tertiary-level education in high-productivity sectors like STEM</li> </ul> |
| <b>Crosscutting inequalities</b>          | <ul style="list-style-type: none"> <li>- Gender biases and norms affecting the perception of WLBs and how public procurement is planned, procured, implemented and monitored</li> </ul>   |
| <b>Accessing public procurement</b>       | <ul style="list-style-type: none"> <li>- Operating on a smaller scale creates barriers for applying to larger government tenders</li> <li>- Lack of knowledge of tender opportunities</li> </ul>  |

Based on Inter-American Development Bank's Gender and Diversity Sector Framework Document 2015.

<sup>19</sup> Fazekas, M. & Kazmina, Y. & Wachs, J. (2020). Gender in public procurement: Extent, distribution, and impacts. European Bank for Reconstruction and Development.

## Access to finance

Women entrepreneurs' lack of access to finance limits their ability to acquire the working capital needed to apply for government contracts. According to the International Finance Corporation, 70% of women-owned MSMEs in developing countries are unserved or underserved by financial institutions.<sup>20</sup>

Since WLBs have limited access to finance, they struggle to grow in size and capacity, limiting their possibility to tender for bigger contracts. This also impacts their ability to dedicate time to engage in lengthy tendering processes and absorb the shocks of delayed payments.

## Gender norms and structural inequalities

Gender norms and assigned roles such as bearing primary responsibility for unpaid care work, including childcare, domestic work, and caring for sick relatives, can have a significant impact on women's participation in the procurement market as both the supplier and stakeholder.

It can translate into greater time restrictions for women,<sup>21</sup> and can also have a negative impact on self-confidence, as these essential roles are under-recognized and valued. A global study in 142 countries found that both men and women perceive work-home-life balance as the top challenge facing working women in their countries.<sup>22</sup> For example, having less time available to spend on business-related activities has implications on where and when women can work, and whether they can attend meetings or networking opportunities. This further reduces women's capacity to engage in the public contracting market on the same conditions as men.

*"In Chile, we have seen that women not only have less time to dedicate to their businesses but also the times to work on it are different." – Trinidad Inostroza, Public Procurement and Public Management Consultant, Ex-Director ChileCompra*

While there are exceptions, pervasive norms relating to women's activities, priorities, and responsibilities define perceptions about roles women can play and spaces they can occupy. This creates a self-fulfilling prophecy of what women can and should do, impacting deeply on their own self-belief of what they are capable of doing and achieving. In many countries these gender norms are exacerbated by norms pertaining to race, ethnicity, gender identity or other traditionally marginalized groups.

*"I've been able to work with the government through the architects' association. The organization builds a bridge, deals with technical aspects of projects. This is an opportunity for*

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<sup>20</sup> International Finance Corporation, (2012), "Women-Owned SMEs: A Business Opportunity for Financial Institutions." Washington, DC: World Bank.

<sup>21</sup> World Bank, (2012), "World Development Report 2012: Gender Equality and Development." Washington, DC: World Bank. Available at: <https://siteresources.worldbank.org/INTWDR2012/Resources/7778105-1299699968583/7786210-1315936222006/Complete-Report.pdf>

<sup>22</sup> Gallup and the International Labor Organization, (2017), "Towards a better future for women and work: Voices of women and men." Available at: [www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms\\_546256.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_546256.pdf)

*me, a young woman leading an architecture and urbanism SME.” – Laura Rojas, Director Bicistema, Bogotá*

## Operating on a smaller scale

WLBs tend to be overrepresented in micro and small businesses. In Latin America and the Caribbean, Sub-Saharan Africa, and East Asia women lead, on average, 23% of small businesses compared to 11% of large businesses.<sup>23</sup> The smaller size of WLBs hinders their capacity to meet the requirements of large government contracts since they do not have the resources or requirements needed to apply.

*“The majority of challenges for women entrepreneurs to participate in procurement opportunities have to do with their size and resources. In order for these women-led businesses to participate in the respective bids, they would need much more working capital, and they don’t have the capacity to apply to these contracts.” – Andrea Lizarzaburu, Regional Director for Latin America and the Caribbean, WEConnect International*

## Lack of knowledge of tender opportunities

Interviewees from countries implementing GRP reforms said women entrepreneurs tend not to have timely information about procurement opportunities and procedures. In some cases, procurement information is not readily available online, and even when it is available online, many women entrepreneurs and small business owners may not know where to look, have the time to find the specific tenders or fill out complex bids.

This lack of knowledge can lead to WLBs missing out on procurement opportunities, but also developing negative perceptions about the public procurement ecosystem. Smaller businesses have a perception that government contracts are large, and the process is long and complicated, which deters them from applying. For example, women in the Dominican Republic tended to assume public procurement processes were corrupt, and contracts were already assigned to family and friends of procurement officials. Where governments had GRP programs and extra support, many didn’t know about them.

*“[Current barriers to being a vendor for the government] I have the level of education and tools to know what is needed to meet the requirements, but not everyone is in the same conditions. This is a terrible gap.” – Laura Rojas, Director Bicistema, Bogotá.*

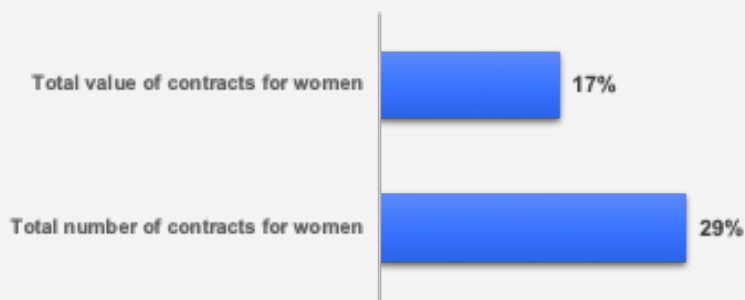
*“On the women’s side, there are challenges with regards to how aware they are about what they need to do at the moment of winning a contract. There is a need also to work on women’s soft skills.” – Andrea Lizarzaburu, Regional Director for Latin America and the Caribbean, WEConnect International*

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<sup>23</sup> World Bank. World Bank Enterprise Survey Database. Available at: [www.enterprisesurveys.org](http://www.enterprisesurveys.org)

## In Focus: Opening up the public market to women-led businesses in the Dominican Republic: “A call to think creatively!”

Total value of contracts awarded to women in the Dominican Republic (2018-2020)<sup>24</sup>



In 2012, the government of the Dominican Republic undertook an analysis of their procurement data to identify the value and number of contracts awarded to WLBs. They also reviewed the barriers facing WLBs to participate in public procurement. Currently, this sex-disaggregated data analysis is part of their online open contracting procurement system and has a dedicated page outlining the numbers and amounts of contracts awarded to women.

*“Tenders sometimes set prerequisites that are not necessarily essential, and if you are not familiar with dealing with this, you are out. Tenders are designed for big companies and not necessarily for the market reality. We have 98% of medium companies in the market. [When looking at contracts] you realize that you are working for 2% of the market. Analyzing the contracts that have been constantly awarded to large companies with financial capacity, we realized that they were not necessarily more efficient.” – Yokasta Guzman, Director of Public Procurement, Dominican Republic*

Based on their findings, the government implemented the following actions:

- Offering in-person and virtual training on how to tender successfully through the online portal.
- Implementing a “Draw” process for procurement tenders (“[Sorteo de obras](#)”), or a selection procedure to randomly select winners from a list of prequalified bidders who can carry out the tender within predetermined pricing and contract parameters. This process is used to award small contracts in the construction, food and beverage, agriculture, livestock, and furniture sectors. Further, to ensure transparency, all draw-related information is made public. This includes tenders, lists of providers, expressions of interest, evaluation criteria, draw details, and adjudication.
- Designing tenders and contracts based on an understanding of the local market realities so that the size of the contracts and requirements can be delivered by SMEs and local businesses whenever possible.
- Outreach to women entrepreneurs from various sectors and regions to explain the new procurement policies.
- Connecting suppliers and institutions by:
  - Sharing information about different institutions’ upcoming needs;
  - Facilitating spaces for suppliers or potential suppliers to present their offers at no cost to establish business relationships. For example, they organize business networking sessions to bring together government institutions and WLBs. At an event in 2019, 745 women

<sup>24</sup> Based on OCP analysis of the Dominican Republic’s General Directorate of Public Procurement open data portal from the period between 2018 and March 2020.

entrepreneurs/business leaders met 30 government institutions managing a significant part of the national budget;<sup>25</sup>

- o Developing a [public catalogue of women and WLB suppliers](#) that is shared with external market actors and different government units in charge of public contracting.

The Dominican Republic recognized and acted on the opportunity to link public spending with achieving the country's social development objectives and developed specific indicators<sup>26</sup> that measure the contribution of the procurement system to more inclusive development. The next steps are to approve a new reform that will guarantee that 40% of public expenditure goes to SMEs and that the payment cycle does not exceed 30 days.

## Challenges faced by governments in procuring from women-led businesses

This section provides an overview of the challenges faced by governments when implementing policies, processes, and practices that seek to redress gender inequalities in public procurement.

### Difficulty in identifying women-led businesses

**There is no universally agreed definition of a WLB.** International organizations and governments have different definitions of what a *women-led* or *women-owned business* is. This includes different government programs, which may not only differ in how they define WLB but also in how they define MSMEs.

**There's a lack of availability and use of supplier gender-disaggregated data.** On the microenterprise end of the business size spectrum, where sole-proprietorship and informality are the norms, it is easier to identify women-led firms based on the gender of the owner, but defining a women-led business becomes harder when dealing with small firms with multiple owners or decision-makers. In the case of sole-proprietorships, governments have found their management information systems may already track the gender of the supplier. However, some governments have found that their systems did not even track the gender of sole proprietors.

*ChileCompra* was only able to reference the gender of the sole proprietor with the national identification number database, which includes the gender of the person. In the case of the Dominican Republic, an initial analysis of the supplier database was able to use the gender of sole proprietors to create a gender-disaggregated baseline.

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<sup>25</sup> Information published on the Dirección General de Contrataciones Públicas portal. Retrieved on 13/04/20 from: [www.dgcp.gob.do/2019/08/14/rueda-de-negocios-dirigida-a-mujeres-cierra-con-903-entrevistas](http://www.dgcp.gob.do/2019/08/14/rueda-de-negocios-dirigida-a-mujeres-cierra-con-903-entrevistas)

<sup>26</sup> Information on indicators can be found at: [www.dgcp.gob.do/visualizaciones](http://www.dgcp.gob.do/visualizaciones)

## Weak feedback loops lead to discrepancies between policy and supplier needs

*“The vision of the official in the office is very different from what happens in the regions. We saw women willing to take the opportunity. The proximity is very important. Put a face behind everything to lessen uncertainty. Procurement systems must be humanized.” – Yokasta Guzman, Director of Public Procurement, Dominican Republic*

Expert interviewees said that some public procurement systems do not have consistent feedback or consultation mechanisms in place for suppliers to have their voices heard in shaping procurement reforms. Feedback and consultation mechanisms can include working groups, regular events and feedback sessions, supplier care call lines, online consultations, or complaint mechanisms. Where these opportunities for feedback and consultation do occur, it can often be the same voices that are heard, with insufficient outreach to WLBs and other underrepresented communities.

*“Communication between the government and SMEs is deficient. What I know is because of my own search for information linking up with organizations from the architecture and urbanism sector. Communication is poor and leaves many behind.” – Laura Rojas, Director Bicistema, Bogotá*

*“We did multiple things. We identified the type of contracts women usually bid for. During our interactions with suppliers, you recognize their desire to know more and to share. Capacity development initiatives we run give us feedback that has been important. For example, with flour suppliers, after we explained the opportunities available to them, they not only organized themselves to be able to meet contract requirements, but they also suggested changes to them. At the Directorate of Public Procurement, we heard them and incorporated their ideas. From this moment, we understood the meaning of this dialogue.” – Yokasta Guzman, Director of Public Procurement, Dominican Republic*

*“We do not have friends or family contacts in the government. One thing that has been helpful is that, in one of the Mexican States, we have registered with a system where they keep emailing you new tenders once you are registered as a vendor.” – Paulina Bustos Arellano, Co-Founder at Cívica Digital*

## Negative perceptions impact bids

Addressing perceptions that women have about the openness and fairness of public contracting processes, in addition to those government officials have about women entrepreneurs' capacities and the potential of their businesses, plays an important role in bringing about reforms to the procurement system. Interviewees said women entrepreneurs believe it is not worth their time to go through the bidding process since they think contracts are already assigned to entrepreneurs that are well connected and that procurement processes are not transparent or fair.

Governments would benefit from talking to WLBs openly about these perceptions and addressing any misunderstandings to reduce barriers to entry.

Publishing who wins what as open data is another way of building this trust as it holds governments publicly accountable and gives WLBs a data source to monitor for fairness. In Ukraine, civil society, private sector and government reformers have worked together to revolutionize public procurement, enshrining open contracting and the Open Contracting Data Standard into law as part of the country's Prozorro.org open source e-procurement system. As of January 2018, the savings amount to over US\$1 billion and thousands of new businesses are competing for contracts. Some 80% of government contracts now go to SMEs and perceptions of corruption in procurement have halved.

*"Another barrier is that public procurement is linked to corruption and requires acquaintances and friends [in the government]. There are few government entities that are open to sourcing from new companies, but when there are larger contracts, you know that this is already fixed. Particularly in infrastructure projects." – Laura Rojas, Director Bicistema, Bogotá*

On the supply side, in both the private and public sectors, there continue to be perceptions that women can only lead microenterprises rather than larger businesses. These preconceived ideas extend to the types of services, products, and work WLBs can do. These preconceived notions amongst procurement officers may make it difficult for them to identify a problem with the current way of doing things. For example, the relative scarcity of women leading companies in science, technology, engineering, and math (STEM) and infrastructure sectors may lead purchasing officials to assume that WLBs do not exist or will not make bids.

*"Not all WLBs are small. However, corporations share contract opportunities linked to the indirect operations such as marketing services, cleaning, corporate gifts, etc., because they find it more difficult to integrate diverse suppliers in the direct operations and production of their main products." – Andrea Lizarzaburu, Regional Director for Latin America and the Caribbean, WEConnect International*

Even when policy reforms are introduced, governments face the challenge of implementing procedures and making the organizational and cultural shifts required for GRP. Expert interviewees said that governments face a challenge in providing a business case to buy from SMEs and small businesses where WLBs are overrepresented due to a perception amongst procurement officers that sourcing from smaller businesses will be more resource-intensive.

*"Procurement policies led by the market implies that reforms have tended to focus on changes in structural aspects of the procurement system, thus tending to only focus on the efficiency argument." – Professor S. N. Nyeck, PhD, Emory School of Law - Vulnerability and the Human Condition Initiative & Feminism and Legal Theory Project*

## In Focus: Institutional genderism against women business leaders

Laura Garcia, Vice-President of Vital Voices Argentina and President of Global News Group and a woman entrepreneur herself, noted that the gender biases in institutions permeate the way people think about women in businesses and that this, in turn, limits WLB growth. Ms Garcia highlighted three levels of work required to support to women entrepreneurs:

- Personal - With women being convinced that they can do it;
- Social - With a society that is also convinced that women can be business leaders;
- Legal framework - With the existence of laws that provide support.

*“I have been running a company for a long time that has a presence in ten countries. However, when I go to the bank [to discuss lines of credit], I get asked: where is your business partner? In the past, when I finished my business pitch, one of the judges said that they believed in my business but were not going to invest in it because I am a woman. So, as I was a woman, they needed more time and proof from me, to demonstrate that my business was serious enough.” – Laura Garcia, Vice-President Voces Vitales and President GlobalNews Group*

## Recommendations based on examples of good practices

### Bridging needs

*“For a government to implement a supplier diversity program, it will have to analyze and readapt its procurement processes; understand the implications of the changes that will be required, especially on people; and understand the entire decision-making process in order to implement an inclusive strategy.” – Andrea Lizarzaburu, Regional Director for Latin America and the Caribbean, WEConnect International*

The section provides policymakers with a series of recommendations that can help overcome the challenges outlined above. These recommendations are based on the desk review and interviews with women’s entrepreneurship experts and the practitioners that implemented national and local government GRP initiatives. We outline lessons learned from public procurement agencies, particularly from the Governments of Buenos Aires, Chile, and the Dominican Republic. The implementation of these GRP initiatives implied actions at different levels that help to link women entrepreneurs with public procurement opportunities by using modified regulations and guidelines to help officials include GRP considerations in their decision-making and providing specialized training programs for women.

Figure 3 outlines a framework that organizes these recommendations along key entry points in the public procurement process and when developing open contracting reforms.

Given that there are different starting points for governments, there is no one-size-fits-all approach. However, experiences from multiple national and sub-national governments show that to increase the number of WLBs in public procurement contracts, comprehensive programs



may be necessary to address all the relevant gendered barriers. These interventions include but are not limited to the contracting process.

There are multiple activities that governments may undertake in adopting a GRP system. These activities have been categorized in accordance with the anticipated timescale required to design and implement these actions. See Figure 3 for definitions and Figure 4 for categorization of activities by entry points.<sup>27</sup>

**Figure 3: Gender-responsive activities – Estimated timescale<sup>28</sup>**

| Estimated Timescale |   |
|---------------------|---|
| Quick win           | Quick win: less than three months from beginning to end                           |
| Medium              | Medium-term: 3-12 months from beginning to end                                    |
| Long                | Long-term: can take more than 12 months to come to fruition from beginning to end |

**Figure 4: Gender-responsive procurement – Entry points and recommendations**

|  | Recommendations   | Effort        |
|--|---|---------------|
| <i>Understand users &amp; stakeholders</i>           | Define and identify women-led businesses  | Medium        |
|  | Develop feedback and engagement mechanisms with women entrepreneurs and business-people       | Quick win     |
| <i>Plan a gender-responsive procurement strategy</i> | Make a commitment to gender equality and develop a strategy for gender-responsive procurement | Quick win     |
|  | Build capacity to implement gender-responsive procurement                                     | Medium        |
| <i>Make contracts open by design</i>                 | Publish information about public contracting from planning to implementation                  | Medium - Long |
|  | Use standardized open data to publish contracting information to enable analytics and reuse   | Medium - Long |

<sup>27</sup> The list of governments implementing the respective recommendation is based on interviews and documents reviewed as of April 2020. Governments may be implementing measures that Value for Women was not able to capture in the study.

<sup>28</sup> These estimates were developed based on previous experience and Key Improvement Indicators collected by Value for Women.

|   |   |               |
|---|---|---------------|
| <b>Simplify contracting processes</b>                 | Apply a gender lens to contracting requirements and payments                | Medium - Long |
| <b>Ensure prompt payment</b>                          | Ensure suppliers are paid promptly, reducing the need for access to finance | Medium        |
| <b>Increase supplier capacity</b>                     | Provide business support services for WLBs                                  | Medium - Long |
| <b>Nurture an inclusive public procurement market</b> | Link procurement policies with social and gender policy objectives          | Medium        |

## Understand users & stakeholders

### Define and identify women-led businesses

Collecting gender-disaggregated data<sup>29</sup> is an important step towards understanding different gaps and needs. Governments seeking to develop a GRP strategy need to create a process to define and identify WLBs. The following steps should be taken:

1. **Define what a WLB means in the local context.** WLB definitions should be practical and take into account the availability, or lack thereof, of gender-disaggregated data.
2. **Include fields to identify WLBs in procurement systems and company registers.** Defining WLBs for GRP will likely require changes to the e-procurement systems and company registers to ensure they align and capture the relevant data (e.g. creating a field for the gender of the CEO or beneficial owner or general manager of the supplier). This could be automated through open data and identifiers, but where high-quality ownership and company data is poor, some governments have developed creative solutions. For example, Chile remedied this problem by introducing an electronic registry that certifies WLBs and is linked to the civil registry. The criteria for identification as a WLB include:
  - 50% or more of the company's shares are owned by women;
  - The legal representative or chief executive of the company is a woman. The legal entity is counted as women-owned.

The City of Buenos Aires dealt with the issue by launching the *Sello Mujer* ("Women's Seal"), a mechanism for voluntary identification of women-led suppliers registered in the Single and Permanent Computerized Register of Suppliers (RIUPP). The RIUPP enables simple visualization for buyers and decision-makers of WLBs' participation in the system and proof of status in contracts that have met the sustainability criteria of considering gender.

3. **Understand gender gaps and challenges.** Through a gender analysis of the chain of public procurement, officials can identify key pain points (i.e., the points where women's participation in the procurement process drops off) and better understand women's needs and challenges. These analyzes can use both the procurement system administrative data as well as primary research, such as interviews and focus groups with women entrepreneurs. It can be done through workshops, user research and data

<sup>29</sup> Data collected and tabulated separately for women and men and/or the businesses they lead.

analysis with key stakeholders within the government (e.g. women’s ministries, gender bureaus, entrepreneurship support agencies), entrepreneurs and from civil society (e.g. women’s entrepreneurship and business associations and NGOs). It can also be done with data. Sex-disaggregated data can be analyzed to design strategies to increase their participation, identifying agencies with high or low participation of WLB, key sectors for these businesses, the type of contracts they are winning and their rate of inclusion in public purchases.

### **In Focus: Gender analysis and intersectionality**

Governments can catalyze gender equality and women’s participation in the economy by using an intersectional analysis to plan public policy and procurement budgets. An intersectional analysis acknowledges that systematic oppression will impact individuals differently based on the interplay between different facets of their identities and protected characteristics. For instance, ethnic minorities have significantly lower educational outcomes in multiple Asian countries<sup>30</sup> and across Latin America and the Caribbean. Further, women entrepreneurs in rural areas or outside capital cities may find it more difficult to access information about procurement opportunities (see the *Develop feedback and engagement mechanisms* section, below, p. 23). Some key characteristics to keep in mind when undergoing an intersectional gender analysis of WLB are:

- Race
- Ethnicity
- Class
- Gender identity
- Rural vs urban
- Disability status

Governments should consider collecting the indicators outlined in Figure 5, which are needed for gender analysis and can help define a baseline and respective targets for GRP strategies.

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<sup>30</sup> Asian Development Bank Institute, (December 2016), “Poverty and Ethnicity in Asian Countries.” Available at: [www.adb.org/sites/default/files/publication/216026/adb-wp624.pdf](http://www.adb.org/sites/default/files/publication/216026/adb-wp624.pdf)

**Figure 5: Indicative gender and gender-disaggregated indicators, related analysis & use**

|                                  | Identify  | Understand  | Verify  | Use  |
|----------------------------------|---|---|---|--|
| Supply side - procurement agency | % of applicants/bids, by gender   | Analyze gender gaps in applications                   | Decide how stringent the verification will be | Develop targets for women applicants   |
|                                  | % of contracts awarded, by gender   | Identify gender gaps in contracts awarded             |   | Develop targets for the number or financial amount of contracts awarded to women |
|                                  | Total & average amount (in local currency) of contracts awarded, by gender                      |   |   |  |
| Demand side - users/suppliers    | % of complaints, by gender<br>Open-ended feedback from women and men on the contracting process | Identify gender differences in satisfaction and needs |   | Inform procurement strategy with feedback from women                             |

### **In Focus: The value of gender-disaggregated data and gender analysis**

*“The first difficulty we encountered in engaging in a reform process is access to information. Having baseline information is the key to effective action.” – Trinidad Inostroza, Public Procurement and Public Management Consultant, Ex-Director ChileCompra*

*“The City of Buenos Aires started the process with the construction of a system of gender indicators. This was a snapshot of rigorous evidence that the City of Buenos Aires had from many years ago thanks to the work of the Directorate of Statistics and Census. We identified inequality as gender gaps, public policy gaps and from it, developed a conceptual framework to address gender inequality. With that analysis and following the ECLAC [Economic Commission of Latin America and the Caribbean] conceptual framework, we defined the main goals for our gender strategy.” – Marisa Miodosky, responsible for implementing the Gender Strategy, General Secretariat and International Relations Department, Government of the City of Buenos Aires*

*“Procurement systems cannot only be seen in regard to their contribution toward transparency and the fight against corruption. They also provide significant input to public policy as they provide a lot of strategic information that can shape the support governments provide toward the development of different sectors.” – Yokasta Guzman, Director of Public Procurement in the Dominican Republic*

### **Develop feedback and engagement mechanisms for women-led businesses**

*“We need to inform and train women to help them get on the registration process. Training is pivotal. Internally, we need to accompany the different operational purchasing units and show them how we include clauses with a gender perspective and how they are weighted and controlled (to benefit WLBS).” – Marisa Tojo, Procurement Director, Government of the city of Buenos Aires*

By having an effective outreach strategy that targets women entrepreneurs and women's businesses and professional associations, government procurement agencies can: 1) better understand the diversity of needs, preferences, and aspirations; 2) demonstrate and communicate the government's commitment to buy more from WLBs; 3) receive and provide feedback during contract application, award, and implementation processes; 4) develop targeted campaigns that disseminate procurement opportunities to women entrepreneurs and WLBs.

These outreach strategies are particularly important for groups of women who may have less access to procurement information, such as those living outside capital cities, in rural areas, or those who belong to an under-represented group. These information campaigns may also include specific guidance on how to access supplier readiness and business development services programs for women.

The governments of the City of Buenos Aires, Chile, and the Dominican Republic set aside specific resources to ensure all tenders and programs related to WLBs are easily accessible online and linked with different government areas that seek to support women entrepreneurs. Beyond employing public information campaigns, additional outreach activities included:

- Conducting business fairs and networking sessions to facilitate engagement between different government purchasing agencies and women entrepreneurs.
- Visits to business associations to present GRP reforms and elicit feedback from users.
- In Chile and the Dominican Republic, procurement agencies launched specific initiatives to reach rural areas to inform WLBs about reforms and help them understand the procurement process.

## Plan a gender-responsive procurement strategy

During the development of public procurement strategies, governments should commit to including gender-responsive objectives and actions, redress gender biases, and build internal capacity to implement gender-responsive actions. A GRP system should seek to include all of the elements outlined in the recommendations of this report.

### Make a commitment to gender equality

The senior leadership of government procurement agencies should publicly commit to implementing GRP strategies. These public commitments serve as accountability mechanisms with the wider public and with WLB specifically, in addition to sending a strong message to civil servants about the importance of providing equal access to opportunities for WLBs. To transform this commitment into action, strong coordination between different government offices is required to ensure coherence for those agencies or ministries responsible for public procurement, payments, supplier finance, SME business development services, and social development.

### Build capacity to follow through

The implementation of GRP reform strategies should be accompanied by capacity-building initiatives for civil servants in charge of government procurement. In particular, resources need to be made available for GRP training and operational guidelines. This training should be

targeted at the senior leadership, public procurement officers and other entities rolling out GRP reforms. Training programs should focus on the following issues:

- The economic and development case for developing a gender-responsive public procurement system;
- Gender inequalities, unconscious bias, and their impact on the public contracting process;
- Specific challenges faced by different types of women and WLB, including differences between them (e.g. rural vs urban, micro vs medium enterprises, sectoral differences, etc.);
- Creating and maintaining feedback loops;
- Setting up robust complaint mechanisms;
- Collecting, publishing and analyzing open contracting data;
- Best practices from other governments.

### **In Focus: Building capacity for gender-responsive procurement at *ChileCompra***

The Government of Chile implemented a series of actions to raise awareness and build the capacity of civil servants to strengthen demand for procuring from WLBs within government, as well as the ability of WLBs to engage in public procurement processes, including:

- 1) holding workshops for public purchasing agents of *ChileCompra*, focusing specifically on how to implement reforms. This included capacity-building for those responsible for providing guidelines to procurement officials in charge of buying and contracting.
- 2) developing an e-learning module to raise awareness of the need to increase the participation of WLBs and explain the different mechanisms the government has to support this.
- 3) introducing an annual certification for purchasing agents to certify their capacity to use the contracting platform.<sup>31</sup>

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<sup>31</sup> Comunidad Mujer, (2018), “Sistematización, Compras inclusivas en Chile. Fomentando la vinculación exitosa de micro y pequeñas empresas propiedad de mujeres en ventas al Estado.” [www.chilecompra.cl/wp-content/uploads/2018/03/CompraspublicasinclusivasenChile.pdf](http://www.chilecompra.cl/wp-content/uploads/2018/03/CompraspublicasinclusivasenChile.pdf)

## In Focus: Governments and women entrepreneurs' networks reinforced the need to develop the capacity of those implementing reforms

*"At the beginning, we had to raise awareness. The first thing was to convince the internal team on why we thought this policy makes sense. Cultural changes are a little difficult. We talked to providers showing that the rules of the game have changed." – Yokasta Guzman, director of public procurement, Dominican Republic*

*"Understand the implications of the changes that will be required in the purchasing process. Sensitize the people at the forefront of the decision-making process." – Andrea Lizarzaburu, Regional Director for Latin America and the Caribbean, WEConnect International*

*"Working with purchasing managers is essential because they are the ones who make the decisions when evaluating." – Laura Garcia, Vital Voices, Vice-President*

## Make contracts open by design

Among the government cases studied as part of this report, gender-disaggregated data<sup>32</sup> has been instrumental in identifying gender gaps and informing gender-responsive procurement reforms. This section provides recommendations for how open contracting can inform and improve gender-responsive procurement reforms through the collection, publication, and monitoring of open data.

### Open contracting

Initiatives to increase transparency in public procurement, such as open data processes, can complement affirmative actions toward building a gender-responsive procurement system. Open data and the timely sharing of procurement information can enable greater transparency and accountability between governments and citizens. In turn, this transparency can help reduce women's perceptions of unfairness, bias, and corruption in public procurement processes.

Governments can employ the [Open Contracting Global Principles](#) to demystify and open up the public procurement chain from planning to tender, award, contract and implementation.

For example, the procurement agencies of the Dominican Republic and Chile have both created public online procurement portals based on open contracting principles, [Mercado Público](#) in the case of Chile and [Compras Dominicana](#) in the Dominican Republic. These portals improve transparency and simplify and democratize public contracting procedures. It has made it easier for new suppliers and women-led SMEs to access tender information. Interviewees from both governments said the platforms have contributed to increasing fairness, transparency and combating corruption.

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<sup>32</sup> Data that are collected and presented separately on men and women.  
<http://uis.unesco.org/en/glossary-term/gender-disaggregated-data>

*“Almost all of our projects are based on open data. This allows us to show the evidence and the business case (for introducing reforms towards a gender-responsive system).” – Marisa Miodosky, responsible for implementing the Gender Strategy, General Secretariat and International Relations Department, Government of the City of Buenos Aires*

## **In Focus: Compelling action through gender data at ChileCompra**

*“Countries that are working on open contracting have evidence that pushes them to see [the gender gap among suppliers], and to have a diagnostic of the situation. The evidence is compelling, and it forces you to act. While not all countries will have robust data systems, if there is a will, some action can be taken within the particular context and the development of the country’s public management and public procurement system.” – Trinidad Inostroza, Public Procurement and Public Management Consultant, Ex-Director ChileCompra*

### **Awareness that triggers commitment**

When *ChileCompra* began thinking about GRP, they did not have the gender-disaggregated data needed to obtain a baseline of WLB participation in the supplier base of the Government of Chile. As a first step, *ChileCompra* developed a gender analysis of the individuals in the supplier registry since identifying the “gender” of the leadership of business entities would require significant resources. The resulting analysis, developed alongside *Comunidad Mujer*, the leading women’s organization in Chile, allowed them to identify gender gaps in the total numbers of registered suppliers, the number of contracts awarded, and contract amounts. In addition to identifying the key characteristics of women suppliers, the study found that women represented 36% of individual providers and only 26% of the total amount of contracts awarded.<sup>33</sup> This data helped spur and substantiate the development of the gender-responsive procurement initiative and eventually helped to establish a baseline against which the initiative’s progress is monitored.

### **Managing systematized knowledge**

Beyond the initial baseline data collected, knowledge management is at the centre of the *ChileCompra* gender-responsive procurement strategy. *ChileCompra* has used data and knowledge management to both build demand for GRP actions and reforms and to strengthen the capacity of WLBs to supply to the State.<sup>34</sup>

## **Open Contracting Data Standard**

The [Open Contracting Data Standard](#) is a free, non-proprietary open data standard for public contracting, implemented around the world. At the heart of the data standard is the idea that it should be possible to follow a contracting process from planning and tender, through to award, contract and implementation through a unique ID.

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<sup>33</sup> Comunidad Mujer, (2018), “Sistematización, Compras inclusivas en Chile. Fomentando la vinculación exitosa de micro y pequeñas empresas propiedad de mujeres en ventas al Estado.”

[www.chilecompra.cl/wp-content/uploads/2018/03/CompraspublicasinclusivasenChile.pdf](http://www.chilecompra.cl/wp-content/uploads/2018/03/CompraspublicasinclusivasenChile.pdf)

<sup>34</sup> *ibid.*



Because the standard provides guidance on both what to publish and how to publish it, the standardized data can be compared and analyzed more easily. By using OCDS, countries can collect and analyze data to monitor:

- *competition and gaps*: How many women-led businesses are submitting bids? How many women-led businesses are winning contracts?
- *the quality of implementation*: Are women-led businesses performing the same, better or worse than others?

## Simplify contracting processes

### Apply a gender lens to simplify procedures and requirements

Governments should reduce the need for specific knowledge and time required to assemble tenders by streamlining and standardizing tender documentation and prequalification procedures across procuring entities. Public procurement officers should ask themselves what technical and financial prerequisites are necessary for respective contracts and assess relevance for smaller contracts. Burdensome bureaucracy can make managing contracts more difficult, which is a particular problem for WLBs that have less time available to dedicate to administrative tasks.

Smaller businesses may be more time-constrained and/or have more limited resources than large corporations. In the Dominican Republic, a loan program for SMEs was introduced for businesses that demonstrated the capacity to deliver the bid but needed additional resources to meet the respective requirements.

*“They should relax the restrictions to be a supplier. Not too much but many restrictions don’t have anything to do with the quality of the work or the company. The big companies know the legal processes and have people full time to work on the proposals, procurement processes, forms, and paperwork. There is a lot of red tape and it is hard to have time to do that.”*

*- Paulina Bustos Arellano, Co-Founder at Cívica Digital*

### Reduce the size of tenders and contracts

Procurement agencies, such as the Directorate General of Public Procurement of the Dominican Republic, have found that large contracts awarded to big companies may be less efficient and have started to implement policies that seek to break up contracts and procure from smaller regional vendors, where WLBs are more likely to be present.

### Establish appropriate award criteria and requirements

The nature of some projects may allow adjustments that will better fit WLBs’ capacity to deliver products and services as needed. For example, governments can incorporate non-financial

criteria to evaluate tenders, knowing that mechanisms will have to be put in place to limit discretion when assessing those criteria. However, it is important to manage the complexity that adding non-financial criteria may bring to the tender and award process.

Technical requirements can present a barrier for women-led SMEs, which can be addressed by reducing legal and procedural requirements and ensuring that those included are essential for the delivery of the service and work. In some cases, transparency and anti-corruption may inadvertently restrict or make it more difficult for women-led SMEs to apply or meet the requirements.<sup>35</sup>

## Develop prompt payment guidelines and regulations

Governments should implement and enforce rules regarding prompt payment since micro and small firms, where WLBs are overrepresented, have limited financial resources and thus are less able than larger firms to absorb the impact of delayed payments.

Open contracting data can help governments monitor late payments and unlock savings. [Research by Centro de Desarrollo Sostenible](#) in Paraguay found that delayed payments to suppliers between 2011 and 2017 cost the economy \$143.2 million. This is equal to 0.48% of the 2017 GDP. If the deadline for approving invoices were 15 days, costs could be reduced by 48%.

When invoices are not paid on time, suppliers can face short-term liquidity problems. This might force businesses to turn to the financial market to cover their obligations, use their savings, or go out of business. If money is lent from the financial market, providers incur extra costs due to interest rates, which are then built into the providers' cost structure and passed on to the government. According to the World Bank, if late payments become the norm, suppliers may decline to do business with the government, which reduces competition and makes it harder for purchasing entities to ensure value for money.

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.

## Increase supplier capacity

### Provide business support services for WLBs

GRP initiatives should seek to build the capacity of WLBs so that they have the right tools, capacity, and skills to become suppliers. These initiatives do not necessarily have to be implemented by public procurement agencies, but can be developed in conjunction with wider government programs to support the growth of WLBs, as is the case in Chile and the Dominican Republic. Activities can include: business advisory services and coaching, through business

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<sup>35</sup> R. Kirton, (2013), "Gender, Trade and Public Procurement Policy." Commonwealth Secretariat. Retrieved from: <https://thecommonwealth.org/sites/default/files/news-items/documents/Gender,%20Trade%20and%20Public%20Procurement%20Policy.pdf>

development centres; in-person or virtual training on how to develop public procurement bids, and on specific topics such as accounting and marketing; and supplier credit initiatives. This will not only increase participation of WLBs in public contracts but also ensure that winning contracts are efficiently delivered.

*“Women are very interested in attending training programs – women have high participation rates. In Chile, we held workshops in regions and we tried to get closer and break this barrier.”*  
– Trinidad Inostroza, Public Procurement and Public Management Consultant, Ex-Director ChileCompra

*“You have to look beyond the purchasing system. This means different agencies and areas involved in public procurement. The coordination and leadership by the office of the president has helped to endure the success of the reforms as there is a system in place to track indicators when problems arise, decisions are made, and change is implemented.”* – Yokasta Guzman, Director of Public Procurement in the Dominican Republic

## **Link procurement policies with social and gender policy objectives**

Governments can leverage public spending and GRP as an opportunity to invest in complementary public policy priorities, including gender equality, MSME sector development, and financial inclusion. GRP processes take place within existing gender constructs in society; therefore, governments must couch GRP initiatives within the context of wider gendered barriers in public and private sector institutions. In all the countries included in the review for this report, governments had made efforts towards harmonizing procurement policy with public policy objectives for greater women’s economic participation.

Lastly, it is important to understand the potential for mutually reinforcing alignment between GRP and other policies and initiatives intended to improve gender equality. This may help governments to reframe the “efficiency only” argument to demonstrate how investing – through public procurement – in groups that are neglected by the market can improve outcomes for citizens.

*“We need resources, and if the only money available to meet development objectives is from public spending, our challenge is to invest [those funds effectively] through the procurement system, so we can have as much impact as possible. This is not utopian, we have to make those objectives operational by adding indicators to measure the impact.”* – Yokasta Guzman, Director of Public Procurement Directorate of the Dominican Republic

*“The government can reassign and incentivize buyers. Through its actions, the government can trigger a very powerful process. Beyond laws, the government must put incentives for economic actors that want to adopt inclusive practices.”* – Andrea Lizaraburu, Regional Director for Latin America and the Caribbean, WEConnect International

*“It is useful to look at vulnerability as a universal condition and as potential harm to the government and the suppliers. If we shift from this idea that one party is more efficient than the other, we should also focus on mutual reform as an end goal; the potential that a*

*relationship can bring to both parties. Starting with vulnerability as a shared experience in a contract relationship gives us permission to treat all parties with respect.” – Professor S. N. Nyeck, PhD, Emory School of Law - Vulnerability and the Human Condition Initiative & Feminism and Legal Theory Project*

## **In Focus: Synergy between government gender strategies and gender-responsive procurement**

The City of Buenos Aires recognizes the need to act at different levels to enable a cultural change in the beliefs of the government and society. Thus, they are implementing a gender strategy built on 25 years of learning and experience from gender equality work and initiatives. This strategy provides a holistic approach to the implementation of the *Sello Mujer (Women Seal)* as it presents actions that respond to women’s strategic and practical needs. Within a comprehensive set of projects that are articulated by this strategy, the implementation of *Sello Mujer* enables a conversation across different areas of the government on gender equality by linking women’s economic participation in the public market with empowerment at different levels. This is intended to facilitate a shift in beliefs about women as business leaders and institutionalize a new perception of women’s participation.

*“There is not so much regulation that guarantees institutionalization of the gender strategy over time. Sello Mujer favors institutionalization of the gender strategy. By incorporating Sello Mujer in procurement practices all ministries apply a gender lens when they buy. This allows us to work with other layers of public employees who are not familiar with the gender perspective. We are going to train the entire network of government buyers.” – Marisa Miodosky, responsible for implementing the Gender Strategy, General Secretariat and International Relations Department, Government of the City of Buenos Aires*

Further, the implementation of the gender strategy has been aligned with the UN Sustainable Development Goals, namely Goal 5 (Gender inclusion), Goal 8 (Decent work and economic growth) and Goal 12 (Sustainable production and consumption), using the following indicators:

- Percentage of new certified WLBs in the supplier base;
- Development and communication of a set of criteria to guide sustainability with a gender perspective in public procurement;
- The number of public officials in charge of public contracting and decision-makers who have been trained in gender issues.

## **Nurture an inclusive public procurement market**

*“Banco Ciudad launched a credit line for women, and we presented the existence of this possibility. We seek to have a direct channel with women so that they see all their possibilities.” – Marisa Tojo, Public Procurement Director, Government of the City of Buenos Aires*

Public procurement agencies should seek to engage the entrepreneurship ecosystem, both to understand the needs of WLBs better and build synergies with stakeholders that are supporting WLB growth. Entrepreneurial ecosystem actors that can be engaged include: banks and financial institutions, business development service providers, non-governmental organizations

(NGO), business networks, and professional associations and corporations. Figure 5 outlines how governments can engage with these actors around GRP and women’s entrepreneurship. With these actors, governments have the opportunity to generate spaces for the joint development of initiatives that strengthen the women’s entrepreneurship ecosystem and support GRP programs.

**Figure 6: Entrepreneurial ecosystem actors that can support GRP**

| Actors that governments can engage with         | Type of initiatives they can collaboratively plan and implement   |
|---|---|
| Corporations                                    | <ul style="list-style-type: none"> <li>- Share methodology, strategies, and learning from developing a GRP system and implementing supplier diversity programs.</li> <li>- Agree on shared GRP criteria and frameworks.</li> </ul>  |
| Banks   | <ul style="list-style-type: none"> <li>- Support the development of products and services specially designed for women entrepreneurs.</li> <li>- Provide government guarantees for lines of credit for WLBs.</li> <li>- Collaborate on identifying WLBs and building a database.</li> </ul>   |
| Business networks, professional associations    | <ul style="list-style-type: none"> <li>- Identify challenges for women entrepreneurs and WLBs.</li> <li>- Disseminate information on procurement and capacity building opportunities.</li> <li>- Organise events, trade fairs, and business roundtables with the government where women entrepreneurs can engage with potential public and private buyers.</li> <li>- Collaborate on identifying WLBs and building a database.</li> </ul> |
| NGOs and business development service providers | <ul style="list-style-type: none"> <li>- Engagement for the design of WLB supplier databases.</li> <li>- Co-design and implementation of capacity building initiatives, such as specific training, mentoring, and coaching programmes for WLB.</li> <li>- Collaborate on identifying WLBs and building a database.</li> </ul>   |

## Should ‘affirmative actions’ be used to increase procurement from WLBs?

Governments have developed the following types of affirmative actions that seek to increase the number or value of contracts awarded to WLBs:

- Announcing upcoming opportunities for bids and targeting WLBs for outreach;
- Quotas, targets, or set-asides for the amount spent with WLBs;
- Additional points for WLB at the selection phase;
- Exclusive bids for WLBs;
- Gender-responsive procurement requirements for subcontractors.

It should be noted that the use of quotas remains controversial, as critics argue they will not, on their own, address barriers faced by WLBs (and may in fact reinforce bias in some cases). Additional research is required to understand how such quota and preferential treatment programs work in practice and to evaluate effective complementary measures before recommending them as best practice.

While the vast majority of emerging market countries have yet to implement nationwide actions or legislation like those outlined above, there are some relevant examples from the United States and South Africa. For example, the United States government has established, through legislation, a government-wide yearly contracting goal of awarding 5% of all prime contract dollars each year to women-owned small businesses.<sup>36</sup>

## Conclusion

Public procurement represents a significant opportunity to build a more inclusive economy, increase the participation of women-led businesses, and promote gender equality. While data is scarce, studies show that women-led businesses are underrepresented among government suppliers around the world.

There is no universally agreed definition of a women-led business, which makes comparative analysis of women's participation in public procurement a challenge. From expert interviews and a desk review of existing literature, this report identifies a series of obstacles to engaging women-led suppliers, from entrepreneurs' lack of access to finance to a lack of trust between women bidders and procurement buyers. Nevertheless, the gender-responsive procurement strategies adopted by governments in Latin America, namely the City of Buenos Aires, Chile and the Dominican Republic, offer valuable case studies for potential policies and approaches for empowering women-led suppliers to be replicated elsewhere.

In its recommendations, this report identifies six categories of initiatives that governments may undertake in adopting a gender-responsive procurement system, defined by the effort typically required to implement them. Finally, as gender-responsive procurement processes take place within existing gender constructs in society, governments should harmonize their procurement policy with public policy objectives for greater women's economic participation.

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<sup>36</sup> S. H. Rimmer, A. T. Wiel, L. McSorley, J. Bisceglie, C. L. Johnson, V. Littlejohn, V. Erogbogbo, (2017), "Gender-smart Procurement: Policies for Driving Change." Chatham House, The Royal Institute of International Affairs. Retrieved from: [www.chathamhouse.org/sites/default/files/publications/research/Gender-smart%20Procurement%20-%202020.12.2017.pdf](http://www.chathamhouse.org/sites/default/files/publications/research/Gender-smart%20Procurement%20-%202020.12.2017.pdf)

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