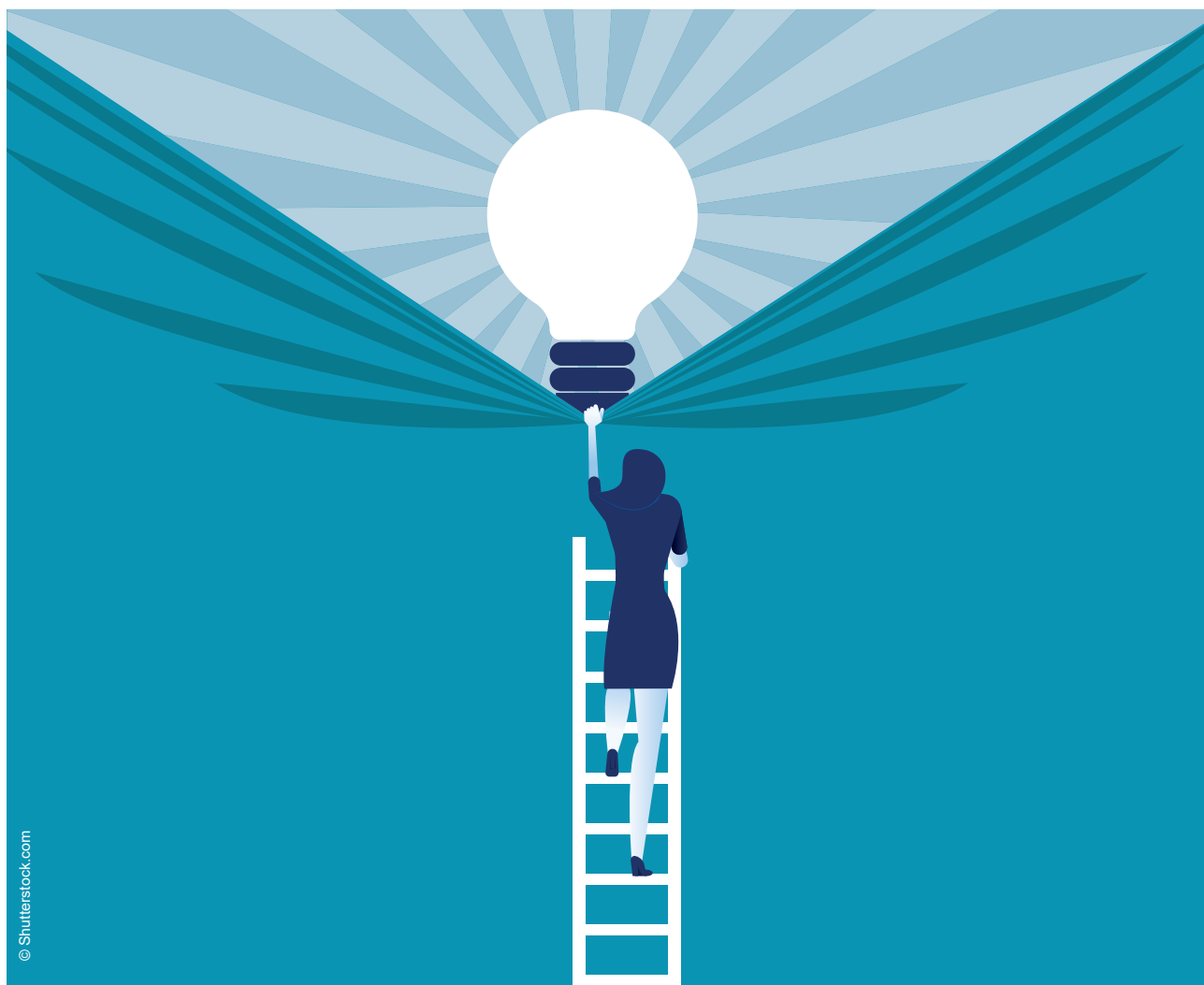


MAKING PUBLIC PROCUREMENT WORK FOR WOMEN



SheTrades

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MAKING PUBLIC PROCUREMENT
WORK FOR WOMEN

ABOUT THE PAPER

Women-owned businesses account for only 1% of public procurement.

This report provides policymakers, statistical offices and procurement officers with tools for reform. It advises on how to design a roadmap, implement preferential policies and other measures, and monitor progress, drawing on case studies for best practices.

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Foreword

The year 2020, in addition to other memorable developments, marks the beginning of the global community's journey through the Decade of Action for the Sustainable Development Goals. To succeed, we must leave no one behind and must create equitable opportunities for all.

At this juncture, we should no longer be debating the economic, social and political benefits of supporting women's economic empowerment. It has been enshrined in international conventions and declarations, including the Beijing Declaration and Platform for Action, and all available evidence confirms that supporting women's entrepreneurship and women-owned businesses helps to increase the pie for all to benefit. More importantly women's economic empowerment is a *sine qua non* for long term sustainable development, the ultimate goal of the SDGs.

In developed countries, public procurement accounts for almost 15% of gross domestic product; in some developing countries, this figure can reach as high as 40%. It is shocking that women-owned businesses account for a mere 1% of this critical sector. Women-owned businesses often cite lack of information about opportunities and requirements, complex procedures, and strict financial and qualification requirements as barriers to winning public tenders.

But governments have a responsibility. They can act as both buyers and advocates in increasing women's participation in public procurement. They can increase the proportion of women in direct and indirect sourcing and create supplier diversity by considering options such as minimum targets, subcontracting plans and focused capacity building initiatives. Equally important, they can lead from the front in showing why investing in women-owned businesses through procurement makes good business sense.

This publication guides policymakers, procurement officers and other stakeholders on ways that they can contribute to improving women's participation in public procurement. It provides a step-by-step guide to assess the state of their inclusion in public procurement, to identify barriers that women face, to understand policy options and procurement opportunities, to design a roadmap, and to monitor progress over time.

It also features case studies from three countries at the forefront of this initiative – Chile, the Gambia and Nigeria – which are all finding solutions to these challenges.

The International Trade Centre's extensive work to promote women in public procurement includes the 2014 guide '*Empowering Women through Public Procurement*', an e-learning course on women and procurement, a Procurement Map that indicates specific legislation for women-owned businesses, as well as in-country advisory work. This provides a foundation for crucial insights and targeted technical support that will enrich the recommendations included in this guide. Our hope is that this publication inspires discussions for policy reform to support women-owned businesses and women entrepreneurs through public procurement.

I would like to thank the Government of the United Kingdom of Great Britain and Northern Ireland for its commitment to this work and to the larger SheTrades Initiative, which aims to connect three million women to markets by 2021.

Together, through shared knowledge and combined action, we can make a difference in supporting women-owned businesses and contributing to economic development outcomes nationally, regionally and globally.

As we celebrate the 25th anniversary of the Beijing Declaration and Platform for Action, and the stark reality that women have been the most negatively impacted by the COVID-19 pandemic, the impetus to act is now more urgent than ever before.



Pamela Coke-Hamilton
Executive Director
International Trade Centre

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ITC extends appreciation to stakeholders from Chile, Gambia and Nigeria, who agreed to share their experiences on increasing the participation of women in public procurement, and in some cases held in-country dialogues to identify the barriers that women face, discuss policy options, and create an action plan.

Judith Fessehaie, Natalie Domeisen, Anne Griffin and Anahita Vasudevan (all ITC) managed the editorial production of the report. Colette Holden edited the publication with Natalie Domeisen. Iva Stastny-Brosig provided design and layout services. Serge Adeagbo (ITC) provided digital printing services.

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Abbreviations

Unless otherwise specified, all references to dollars (\$) are to United States dollars, and all references to tons are to metric tons.

GPPA	Gambia Public Procurement Authority
ITC	International Trade Centre
MSMEs	Micro, small and medium-sized enterprises
NEPC	Nigeria Export Promotion Council
SDGs	Sustainable Development Goals



Executive summary

Including more women-owned businesses in public procurement processes can economically empower women and be beneficial to governments.

This guide includes practical suggestions for policymakers from government institutions and procuring entities to design and implement a women-owned business-friendly procurement programme.

When competing for public tenders, women-owned businesses face six barriers:

- Inadequate national legislation and policies
- Misfit tender design
- Excessive requirements
- Poor government practices
- Lack of information
- Limited capability.

Policymakers and procuring entities can take measures that specifically apply to each barrier. These are part of the steps to empower women-owned businesses through public procurement.



STEP 1: ASSESS THE SITUATION

This publication offers two tools for assessing the current situation. Tool I maps the current situation of the country and procuring entities in terms of facilitating participation of women-owned businesses. Tool II identifies existing barriers. The aim is to assess the current national capacity for public entities to facilitate procurement from women-owned businesses.

The outcome is discovery of what governments are and are not doing, and why. This provides an understanding of the obstacles women-owned businesses face to win public tenders.



STEP 2: DESIGN A ROADMAP

The second step is to design a roadmap, using Tool III to find procurement opportunities. This creates a fit between available opportunities for women-owned businesses and organizational procurement practices. The fit ensures that procurement managers target market and purchasing sectors with interesting, realistic potential.

The outcome of this step is a roadmap that lays the groundwork for procurement practices that address the preconditions to empower women-owned businesses through public procurement.



STEP 3: MAKE IT HAPPEN

The third step is to use Tool IV to tackle barriers and seize opportunities. In this step, all preparatory and planning work come together to execute tenders in a women-owned business-friendly manner, combined with proper stakeholder management, ownership and accountability.



STEP 4: MONITOR PROGRESS

The fourth and final step focuses on monitoring progress by using Tool V to track achievements. Monitoring the impact of programmes for women-owned businesses is necessary to understand their effects.

The three case studies at the end of the guide describe how Chile, the Gambia and Nigeria use gender-inclusive public procurement, illustrating how we can empower women-owned businesses through public procurement, and the difficulties experienced.



CHAPTER 1

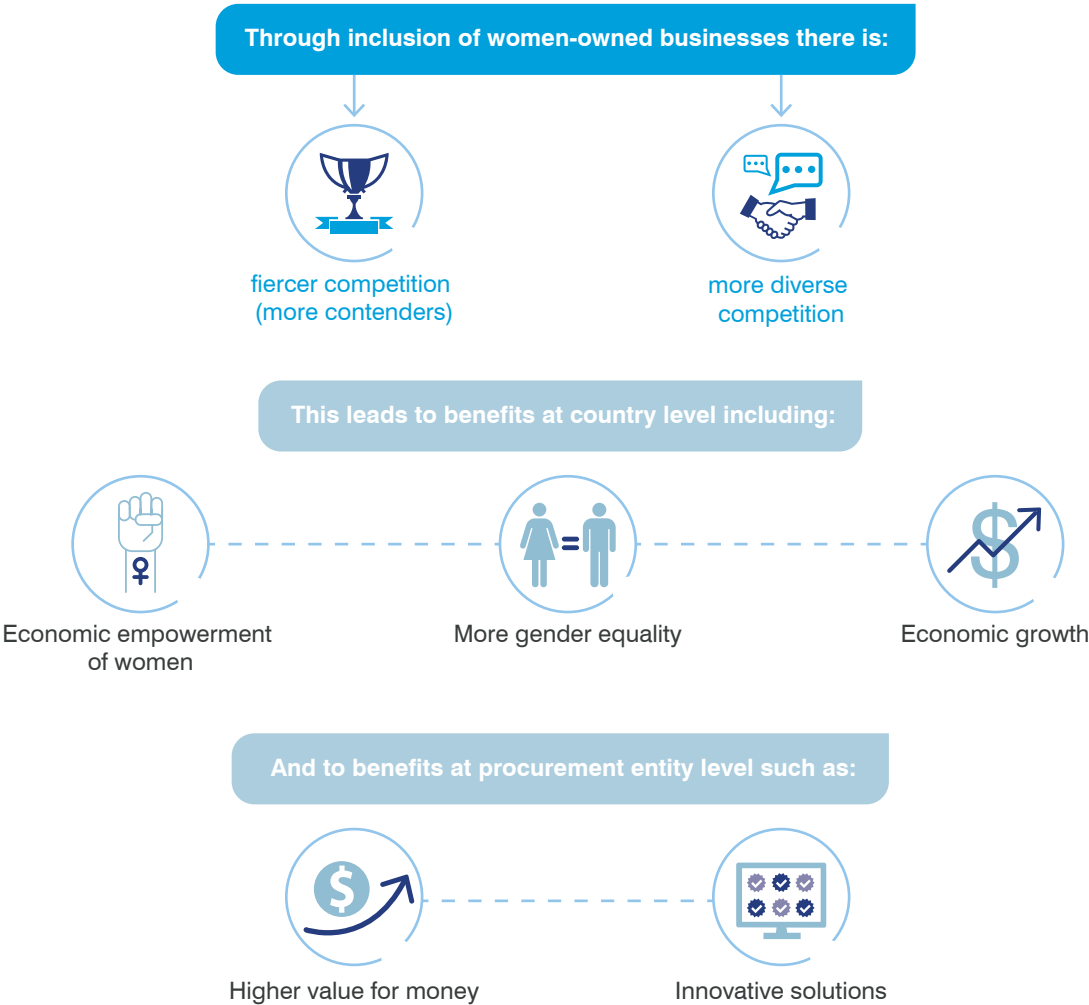
PUBLIC PROCUREMENT FOR WOMEN, TODAY

The percentage of public tenders awarded to women-owned businesses does not reflect the percentage of businesses owned by women.

Addressing this inequity helps achieve gender equality and contributes to several United Nations Sustainable Development Goals (SDGs). For this reason, inclusive public procurement is one of the seven calls to action under the International Trade Centre (ITC)'s SheTrades Initiative.

Women-owned businesses are often small. This gives them agility to adjust to new requirements and innovative solutions that public authorities may need (Figure 1).


Figure 1 Benefits of gender-responsive public procurement




Including women in public procurement can benefit governments, too. When quality is an important criterion for contract award, increased and diverse competition can lead to higher-quality results.

The government as a policymaker, buyer and leading institution has the power to make changes (Box 1).


Box 1 Government’s power for change



As a **policymaker**, the government can design rules that put women on equal footing, rather than at a disadvantage.



As a **buyer**, it can bring women-owned businesses in government procurement processes.



As a **leading societal institution**, the government has the power to set an example.

Barriers faced by women-owned businesses

When competing for public tenders, women-owned businesses face several barriers. The barriers are not necessarily unique to women-owned businesses; however, they are more likely to be affected by them because they are disproportionately concentrated in micro, small, and medium-sized enterprises (MSMEs).

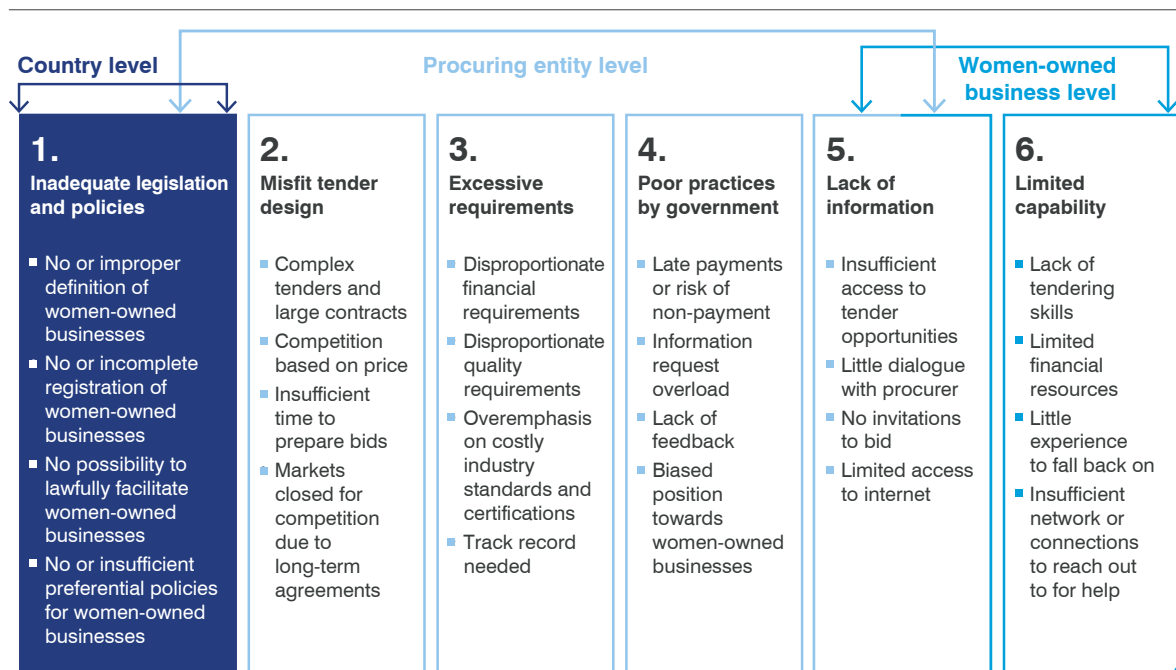
Yet women-owned businesses often have more family and care responsibilities, affecting their available time to compete in public tenders. They tend to operate in less profitable sectors, such as retail and services. This has an impact on the competitive position of women-owned businesses, visible in aggregated performance figures.

Further, women-owned businesses operate in a context that may not offer equal opportunities. Financial institutions are less likely to grant loans to women-owned businesses. Women are underrepresented in public procurement in general and on tender committees in particular.

Women-owned businesses face six categories of barriers, related to legal and policy frameworks, regulations and practices from procuring entities, and their own capabilities (Figure 2).

Not all barriers exist in all countries, and not all women-owned businesses face the same kinds and numbers of challenges. Therefore, when a government facilitates participation of women-owned businesses in public tenders, a country-specific approach is necessary.

Figure 2 Barriers to gender-responsive public procurement



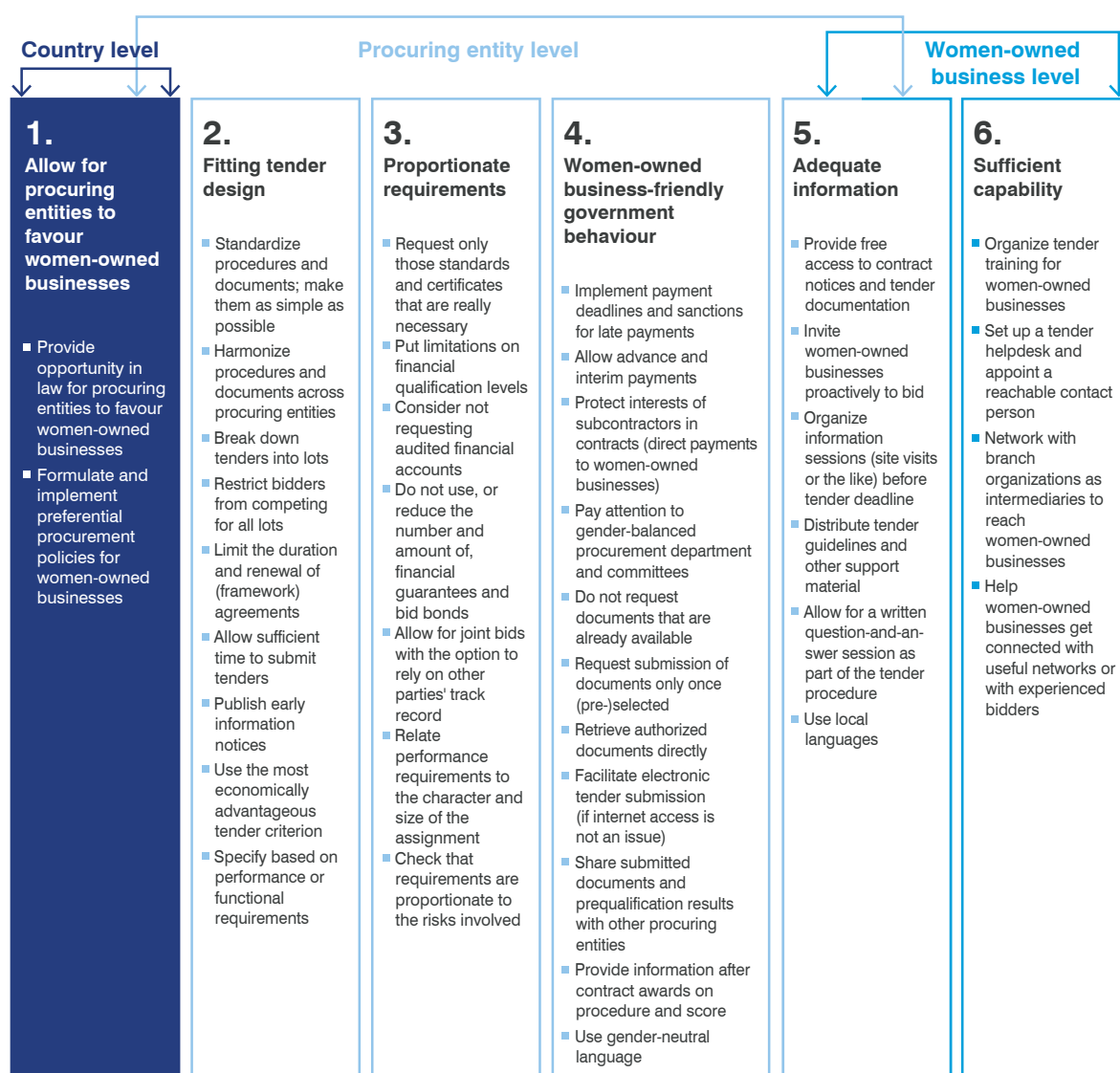
Addressing the barriers

Here are six measures to address the barriers (Figure 3). The measures are addressed to the main target groups of this guide – governments and procuring entities.

Women-owned businesses can also take measures to increase their chances of competing successfully in public tenders, such as:¹

- **Proactively searching** for tender opportunities;
- **Asking for a post-award debriefing**, including score elaboration;
- **Requesting help** from procuring entities by asking for guidelines and other support material;
- **Reaching out** to more experienced tenderers.

Figure 3 Measures towards gender-responsive public procurement



Steps for policymakers

Policymakers can implement an approach tailored to their country. Not all countries and procuring entities have to start from scratch. Answer the questions in Figure 4 to determine where to start.

Figure 4 Decision tree to determine a starting point

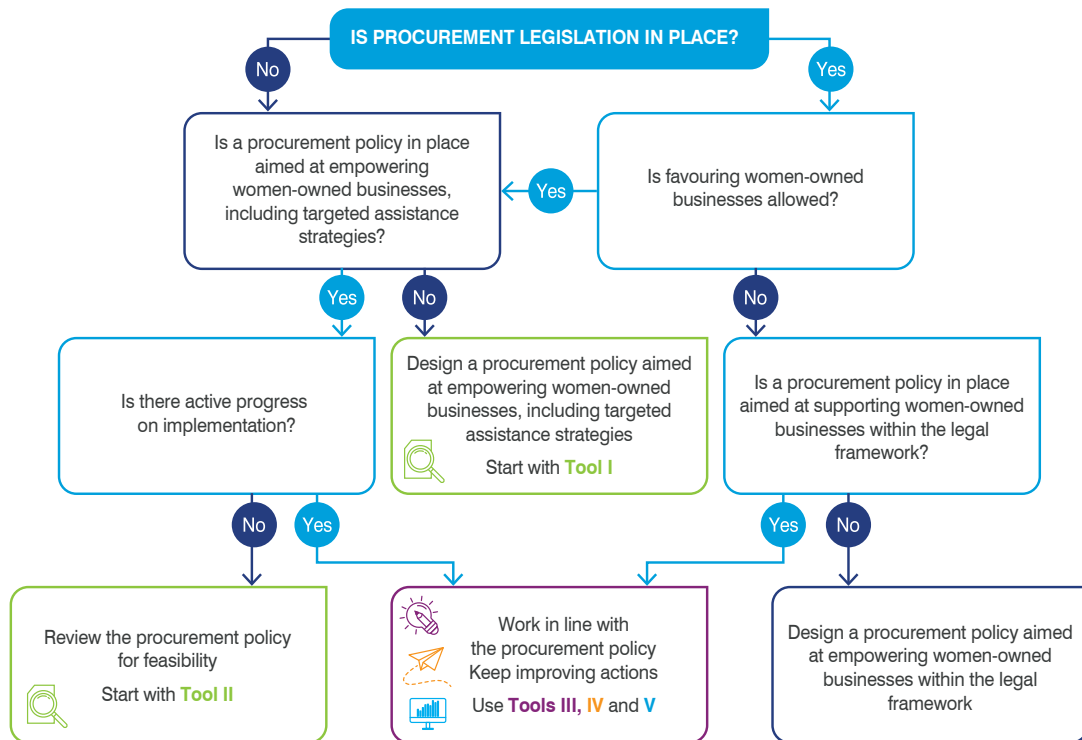


Figure 5 Steps and tools used in this guide



CHAPTER 2

FOUR STEPS TO RESHAPE PUBLIC PROCUREMENT



STEP 1: ASSESS THE SITUATION

The first step involves looking at the situation of the country and public procurement entities to facilitate participation of women-owned businesses. It requires a critical assessment to identify what measures are or are not in place and why, as well as barriers that women-owned businesses face to participate in and win public tenders.

Tool I: Map women-owned businesses in public procurement

This tool assesses public procurement at three levels: country, procuring entity, and women-owned businesses.²

- **Country assessment:** plot the score in Figure 6.
- **Entity assessment:** plot the score in Figure 7.
- **Data on women-owned businesses:** answer Questions 30-40 and consider the follow-up actions listed.

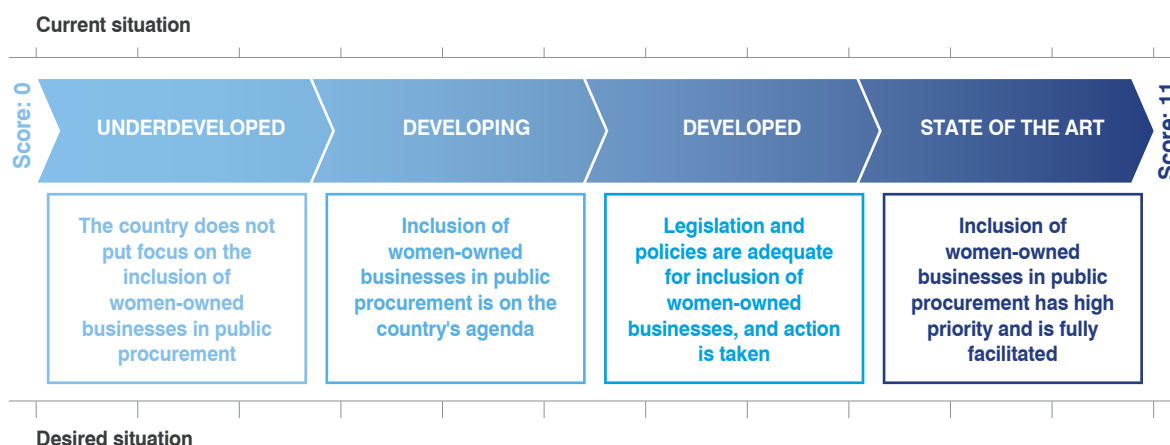
Country assessment

- Review and properly answer all questions.
- Fill in the empty column with explanations of answers.
- Circle the score (0 or 1) that corresponds to the answers.
- Add up the numbers to calculate the score at country level.
- In Figure 6, estimate the maturity level of inclusion of women-owned businesses in public procurement for the country by marking the state of the current and desired situations on the spectrum. Note the extreme scores on the left and right.

Country-level questions	Answer	Explanation or answer to follow-up questions	Score (circle one)
1. Does the country have a (formal) definition of women-owned businesses, women-led enterprises, or similar?	<input type="checkbox"/> Yes: write it here		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: research to find the answer		0
2. Is there any mention of 'gender', 'women', 'women-owned businesses', etc. in public procurement law?	<input type="checkbox"/> Yes: write it here		1
	<input type="checkbox"/> No: if there is any remark on (other) minority groups, copy it here		0
	<input type="checkbox"/> Unknown: research to find the answer		0
3. Does the law provide for measures that favour or encourage women-owned businesses to participate in or win public tenders?	<input type="checkbox"/> Yes: note whether there are any limitations		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: consult a legal expert		0

Country-level questions	Answer	Explanation or answer to follow-up questions	Score (circle one)
4. Is there any preferential procurement policy at country level for particular groups of tenderers, such as MSMEs or local businesses?	<input type="checkbox"/> Yes: provide information here		1
	<input type="checkbox"/> No or not aware		0
	<input type="checkbox"/> Unknown: scan all policies for terms 'minority', 'MSME', 'youth', 'historically disadvantaged groups', 'local', etc.		0
5. Is there any preferential procurement policy specifically aimed at women-owned businesses?	<input type="checkbox"/> Yes: what does it say?		1
	<input type="checkbox"/> No or not aware		0
	<input type="checkbox"/> Unknown: scan all policies for 'women', 'woman', 'gender', etc.		0
6. Is there any other procurement commitment that specifically mentions increasing the number of women-owned businesses in the economy?	<input type="checkbox"/> Yes: what does it say?		1
	<input type="checkbox"/> No		0
	<input type="checkbox"/> Unknown		0
7. Is the government demonstrating any leadership in terms of prioritizing engagement of women-owned businesses in the economy?	<input type="checkbox"/> It has already taken action: provide information		1
	<input type="checkbox"/> It is talking about it, but no action has been taken		0
	<input type="checkbox"/> It has not talked about or taken any action on this		0
	<input type="checkbox"/> Unknown: check the news, government websites, etc.		0
8. Can businesses register as women-owned businesses in a database?	<input type="checkbox"/> Yes: access the database if possible; if not, find out how		1
	<input type="checkbox"/> No: why not? Is there anything that can be done about this? If not, skip Questions 9-11.		0
	<input type="checkbox"/> Unknown: ask chambers of commerce or branch organizations for information		0
9. Do businesses receive a formal confirmation such as a certificate when they qualify as women-owned businesses?	<input type="checkbox"/> Yes		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: ask chambers of commerce or branch organizations for information		0
10. Is the database of women-owned businesses updated at least once a year?	<input type="checkbox"/> Yes: how are businesses verified as women-owned businesses?		1
	<input type="checkbox"/> No: why not? Is it still usable?		0
	<input type="checkbox"/> Unknown: ask registration office		0
11. Does the database identify the sectors in which women-owned businesses are active?	<input type="checkbox"/> Yes		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: ask registration office		0
TOTAL SCORE AT COUNTRY LEVEL			

Figure 6 Self-assessment at the country level



Entity assessment

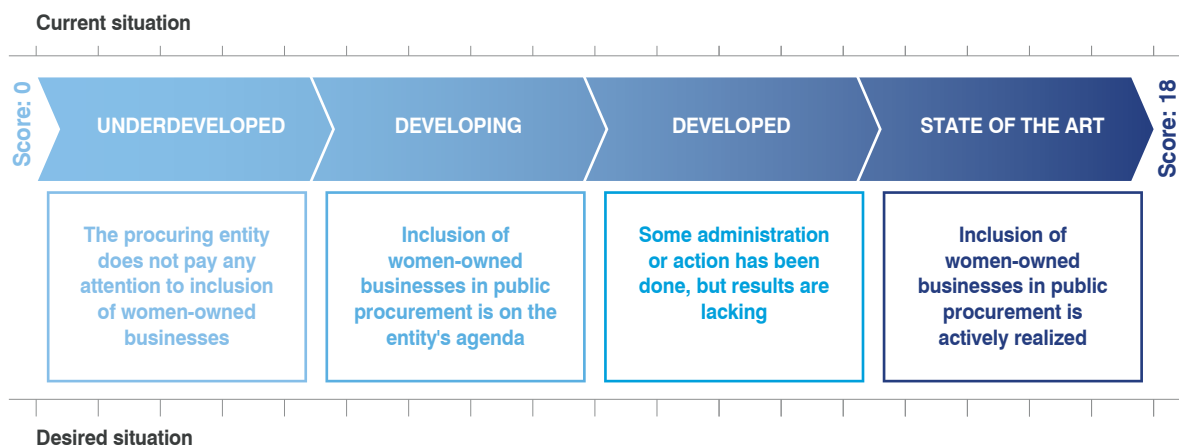
Note the following:

- Review and answer all questions.
- Fill in the empty column with additional information or explanations of answers.
- For each question, circle the score (0 or 1) that corresponds with the answer choice.
- Add up the numbers to calculate the score at the procuring entity level.
- In Figure 7, estimate the maturity level of inclusion of women-owned businesses in public procurement for organizations by marking the state of the current and desired situations on the spectrum. Note the extreme scores on the left and right.

Procuring entity questions	Answer	Explanation or answer to follow-up questions	Score (circle one)
12. Has the organization defined what is meant by 'women-owned businesses'?	<input type="checkbox"/> Yes: is it the same definition as at the country level?		1
	<input type="checkbox"/> No: consider doing this now!		0
	<input type="checkbox"/> Unknown: find out		0
13. Have any discussions taken place about women-owned businesses (e.g. during formal internal meetings or stakeholder dialogues)?	<input type="checkbox"/> Yes: what was discussed?		1
	<input type="checkbox"/> No: start from scratch		0
	<input type="checkbox"/> Unknown: find out		0
14. To what extent is the organization aware of the existence of women-owned businesses?	<input type="checkbox"/> They are registered, and there is a full picture		1
	<input type="checkbox"/> Women-owned businesses are registered somewhere, but there is no full picture		0
	<input type="checkbox"/> There is a rough idea of which women-owned businesses exist and where they are		1
	<input type="checkbox"/> Not much information is known about women-owned businesses		0
	<input type="checkbox"/> No information		0
15. To what extent is the organization concerned about the inclusion of women-owned businesses in tenders?	<input type="checkbox"/> The organization has already taken action: provide information		1
	<input type="checkbox"/> There have been discussions, but no action has been taken		0
	<input type="checkbox"/> No discussion or action has taken place		0
	<input type="checkbox"/> Unknown: ask around or do a short survey to check		0
16. Who would take the lead on including women-owned businesses in the organization?	<input type="checkbox"/> What is their position?		1
	<input type="checkbox"/> Unknown: find out		0
17. Does the person in this position have the proper mandate to make changes within the organization regarding rules and actions about women-owned businesses?	<input type="checkbox"/> Yes		1
	<input type="checkbox"/> No: this may indicate that the responsibility has to move to a higher level		0
	<input type="checkbox"/> Unknown: talk to the person in this position and discuss some scenarios to check		0
18. To what extent does the organization monitor whether it deals with women-owned businesses?	<input type="checkbox"/> The women-owned businesses are well-known		1
	<input type="checkbox"/> The women-owned businesses are not well-known		0
	<input type="checkbox"/> Unknown: find out		0
19. Has the organization conducted any assessment or analysis to identify viable women-owned businesses as suppliers?	<input type="checkbox"/> Yes: note the actions taken and results		1
	<input type="checkbox"/> No		0
	<input type="checkbox"/> Unknown: find out		0
20. Has the organization made any effort to reach out to women-owned businesses (e.g. through community workshops, seminars, or trade fairs)?	<input type="checkbox"/> Yes: note the actions taken and organizations present		1
	<input type="checkbox"/> No		0
	<input type="checkbox"/> Unknown: find out		0

Procuring entity questions	Answer	Explanation or answer to follow-up questions	Score (circle one)
21. Does the website encourage women-owned businesses to respond to tender calls?	<input type="checkbox"/> Yes: have there been any changes since this started?		1
	<input type="checkbox"/> No		0
	<input type="checkbox"/> Unknown: look on organization's website		0
22. Does the tender information include gender-inclusive language?	<input type="checkbox"/> Yes: provide examples		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: look through the tenders		0
23. Do procurement criteria needlessly make it harder for women-owned businesses to qualify or win?	<input type="checkbox"/> Yes: why?		1
	<input type="checkbox"/> No		0
	<input type="checkbox"/> Unknown: check criteria of previous three tenders and consider critically whether this is the case		0
24. Are any incentives in place to encourage engagement with women-owned businesses as subcontractors or suppliers?	<input type="checkbox"/> Yes: which?		1
	<input type="checkbox"/> No: are there any?		0
	<input type="checkbox"/> Unknown: ask the person responsible		0
25. Have procurement plans and targets been reviewed to identify where women-owned businesses could be encouraged to engage?	<input type="checkbox"/> Yes: which actions were taken subsequently?		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: ask around		0
26. Has the organization explored how women-owned businesses can add value to the supplier base?	<input type="checkbox"/> Yes: which actions were taken subsequently?		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: ask around		0
27. Is engagement with women-owned businesses emphasized during orientation and training for procurement staff?	<input type="checkbox"/> Yes: what is done?		1
	<input type="checkbox"/> No: why not?		0
	<input type="checkbox"/> Unknown: is this mentioned during training or onboarding of staff?		0
28. Is there a budget available to support increased engagement of specific groups of businesses in public procurement?	<input type="checkbox"/> Yes, for women-owned businesses: which?		1
	<input type="checkbox"/> Yes, for businesses other than women-owned businesses: which?		1
	<input type="checkbox"/> No: can some of next year's budget be reserved for this?		0
	<input type="checkbox"/> Unknown: check budget lines of the organization or department over the past two years		0
29. What does a gender-diverse supplier base mean for the organization?	<input type="checkbox"/> There are clear ideas on this: state them		1
	<input type="checkbox"/> Internal discussions are ongoing		1
	<input type="checkbox"/> No information		0
TOTAL SCORE AT PROCURING ENTITY LEVEL			

Figure 7 Self-assessment at the procuring entity level



Data on women-owned businesses

If it is difficult to answer these questions straight away, ask appropriate governmental organizations, such as the cabinet office or ministries, and do some online research.

Country-level questions	Answer					Remarks
30. Has a business survey been conducted in the past three years that disaggregates women and men-owned businesses?						
31. How many registered businesses exist in the country?						
32. How many of these are women-owned businesses?						
33. What percentage is this?						
34. How many employees do businesses have on average?						
35. How many employees do women-owned businesses have on average?						
36. What is the average turnover of businesses?						
37. What is the average turnover of women-owned businesses?						
38. Which five sectors have the highest percentages of women-owned businesses?	1					
	2					
	3					
	4					
	5					
39. Make a separate list of market sectors and identify the following per sector:	1	2	3	4	5	
How many businesses are registered?						
How many women-owned businesses are registered?						
What is the percentage of women-owned businesses as part of the total number of businesses?						
What is the average number of employees for women-owned businesses?						
What is the average turnover of women-owned businesses?						
40. Which organizations represent, support, or protect the interests of women-owned businesses?						
What goals do these organizations have?						
How are these goals reached?						
Which market sectors do they target or represent?						
Do women-owned businesses unite themselves in any other way? If yes, how?						

According to the answers in the table above:

- Discuss what the answers mean at the country level and for women-owned businesses trying to compete in and win public procurement tenders.
- Make a list of the differences between women-owned businesses and other businesses.
- Brainstorm what the procuring entity could do (differently) to reach out to women-owned businesses.

Tool II: Identify existing barriers

This tool aims to identify barriers at the country and procuring entity level for women-owned businesses trying to compete in public tenders. Work through the table below, making sure the answers represent the country and organization rather than the responder's opinion. Afterwards, assess the number of questions per barrier that received a "yes" answer.

Barrier	Considerations	Answers (Check yes/no)	
		YES	NO
Inadequate legislation and policies	Are women-owned businesses defined?		
	Are women-owned businesses registered?		
	Does the law allow for active inclusion of women-owned businesses?		
	Are there any preferential policies for women-owned businesses?		
Misfit tender design	Are tenders complex? Do they include large contracts?		
	Are offers mainly compared based on price?		
	Do tenderers get sufficient time to prepare their bids?		
	Are there many long-running agreements?		
Excessive tender requirements	Are financial requirements linked to the size of the contract?		
	Is it verified if the requested industry standards and certifications are reasonable?		
	Are quality requirements linked to the contract performance?		
	Are requested track records in line with what the supplier will be doing under the contract?		
Poor government practices	Are there any repercussions to late payments of suppliers?		
	Are registered bidders requested to re-submit information (e.g. forms)?		
	Are non-winning tender participants provided with feedback?		
	Are women-owned businesses considered less competitive suppliers than other businesses?		
Lack of Information	Do women-owned businesses have access to tenders? Is this sure?		
	Is an effort made to interact regularly with women-owned businesses about tenders?		
	Are invitations to bid sent directly to women-owned businesses?		
	Do women-owned businesses have internet access (in case online information is used)?		
Limited Capability of Women-owned Businesses	Do women-owned businesses have a similar level of tendering skills compared to other businesses?		
	Do women-owned businesses have similar changes to access financial resources as other businesses?		
	Do women-owned businesses have a similar level of experience with competing for public tenders as other businesses?		
	Are women-owned businesses embedded in enabling and supporting networks?		



STEP 2: DESIGN A ROADMAP

The purpose of this step is to create a fit between opportunities for women-owned businesses and procurement practices at the organization-level. This fit ensures all efforts to empower women-owned businesses focus on market sectors and purchasing categories that have both interesting and realistic potential.

The roadmap lays the groundwork for women-owned business-friendly procurement practices. It is about filling in the preconditions to empower women-owned businesses through public procurement. Do this at the country level to provide clear and consistent starting points for all procuring entities. Step 2 consists of the following elements:

- Define the legal and policy framework:
 - Choose a suitable and workable definition of women-owned businesses.
 - Decide on targeted assistance strategies.
 - Set thresholds for selection of tender procedures.
- Work on organizational readiness.
- Assess the purchasing spend and current contract portfolio.
- Create an action plan.

Individual procuring entities can then design their own roadmaps for executing tenders in a women-owned business-friendly manner.

Define the legal and policy framework

Based on the country assessment, it should be clear whether a legislation or policy allows targeted assistance strategies and measures favouring women-owned businesses in public tenders.

If favouring legislation is not in place, design a procurement policy that defines options to empower women-owned businesses.

Designing and implementing legislation is also an option, but this can take several years. To start empowering women-owned businesses immediately, choose a preferential procurement policy while pursuing a longer legal route simultaneously.

Note that legislation or policies may not refer specifically to women-owned businesses. For example, preferential treatment may be aimed at minority groups, historically disadvantaged groups, or MSMEs. In such cases, preferential treatment for these groups does not need to single out women-owned businesses.

Use the decision tree in Figure 4 to lay the groundwork. An important difference between legislation and policies is that you can define and implement policies within a shorter timeframe and for a certain period. This may be just what is needed to get a women-owned businesses empowerment programme going.

Formally define women-owned businesses

Setting the definition of women-owned businesses at the country-level is critical. The answer to Question 1 in the country assessment of Tool I shows whether a formal definition is already in place. If not, decide on one. If there is a definition, make sure it complies with the requirements in this guide – if not, adjust it. See these commonly used definitions of women-owned businesses for reference.

Table 1 Existing definitions of a women-owned business

Source	Definition
United Nations Global Marketplace	In short: a legal entity in any field that is more than 51% owned, managed and controlled by one or more women A women-owned business or vendor should at a minimum include: <ul style="list-style-type: none"> at least 51% independent ownership by one or more women; and unconditional control by one or more women over both long-term decision-making and day-to-day management and administration of the business operations; and independence from non-women-owned businesses¹
Women's Business Enterprise National Council, United States of America	A women's business enterprise is an independent business concern that is: <ul style="list-style-type: none"> at least 51% owned and controlled by one or more women who are US citizens or legal resident aliens; whose business formation and principal place of business are in the US or its territories; and whose management and daily operation is controlled by a woman with industry expertise Note a women's business enterprise is the business, not the individual²
International Finance Corporation	An enterprise qualifies as a women-owned enterprise if it meets the following criteria: <ul style="list-style-type: none"> it is at least 51% owned by a woman or women; or it is at least ≥20% owned by a woman or women; and has at least 1 woman as chief executive officer, chief operating officer, president or vice-president; and where a board exists, at least 30% of the board of directors are women³
Others reports and projects	Other definitions include: <ul style="list-style-type: none"> Firms with either more than 51% women's ownership, or with 26–50% women's ownership in a business that has a woman chief executive officer or chief operating officer⁴ At least 30% women ownership⁵ Firms that have at least one woman owner or a female sole proprietor⁶ Businesses that are solely female-owned, majority female-owned and female–male co-owned⁷

¹ *United Nations Global Marketplace (2020). UN Women gender responsive procurement. https://www.ungm.org/Shared/KnowledgeCenter/Pages/PT_GRP*

² *Women's Business Enterprise National Council (2020). Certification. <https://www.wbenc.org/certification>*

³ *International Finance Corporation (2020). IFC's definitions of targeted sectors. https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors*

⁴ *International Finance Corporation (2014). Women-owned SMEs: A business opportunity for financial institutions. <https://www.ifc.org/wps/wcm/connect/44b004b2-ed46-48fc-8ade-aa0f485069a1/WomenOwnedSMes+Report-Final.pdf?MOD=AJPERES&CVID=kiiZZDZ>*

⁵ *International Trade Centre (2018). SheTrades Commonwealth project. <https://www.shetrades.com/en/projects/shetrades-commonwealth>*

⁶ *Hallward-Driemeier, M. (2013). Enterprising women: Expanding economic opportunities in Africa. International Bank of Reconstruction and Development and World Bank. <http://documents.worldbank.org/curated/en/509981468193131963/pdf/Enterprising-women-expanding-economic-opportunities-in-Africa.pdf>*

⁷ *Everson, M., Mazur, M., Petska, T., McCubbin, J., & Kliss, B. (2005). Statistics of income. SOI Bulletin, 24(4)*

The definition of a women-owned business is very important. Consistent use of a clear definition by all stakeholders ensures everyone knows which businesses can be targeted and are eligible to any rights resulting from the policy; it is also fundamental to gather statistics. The definition also determines how, and how well, governments and procuring entities can verify that a business actually qualifies as a women-owned business. This is a prerequisite to preventing and fighting 'fronting', whereby organizations claim to be women-owned businesses when they are not.

To decide on a suitable and workable definition of women-owned businesses:

- Use the output of Step 1 to see which definition is used at the country level. If this has not been done, verify which definition, if any, is used by key stakeholders such as the ministry of economic affairs, chambers of commerce, trade support institutions, legislators or the national bureau of statistics.
- Compare these definitions with the definitions generally used in programmes for empowerment of women-owned businesses (Table 1).
- Decide which definitions will be adopted. Keep in mind that it has to be relatively easy and cheap for businesses to prove they qualify as women-owned businesses and to verify such claims.

- Share the definition with key stakeholders and make them implement it. This ensures effective cooperation and proper statistics.
- The definition should include a combination of the following elements:
 - Percentage of independent ownership by one or more women;
 - Unconditional control by one or more women over day-to-day operations;
 - Unconditional control by one or more women over long-term decision-making;

If there are ways to verify, the definition could also include the following:

- A woman holds the highest officer position;
- Independence from non-women-owned businesses.

The ability to verify whether a business qualifies as a women-owned business is very important. Businesses that are not women-owned may try to benefit from women-owned business-friendly procurement policy by finding creative ways to present themselves as women-owned businesses. Make sure there are sources of verified information for each element of the definition of a women-owned business.

Ideally, the unlawful claim of qualifying as a women-owned business constitutes a criminal offence. When introducing or adapting a procurement law, make sure a clause is included with this purpose. This provides a powerful tool to stand up against fronting and other ways that businesses may find to pretend they qualify as women-owned businesses.

The definition is set at the country level, and procuring entities should adhere to the definition.

Decide on targeted assistance strategies

- **Target**³: a predetermined percentage of the entire purchasing spend is realized at women-owned businesses. This forces procuring entities to tender in a women-owned business-friendly manner, but other businesses still have equal chances to win.
- **Subcontracting**: in high-value contracts, choosing a women-owned business subcontractor is obligatory.
- **Price preferences**: women-owned businesses get a competitive advantage through adjusted price evaluation scores.⁴
- **Reservations**: only women-owned businesses can participate in tenders in a certain category, such as the market sector.

Table 2 shows which targeted assistance strategies are possible given the legislation in the country.

Table 2 Targeted assistance strategies allowed under legislation

What does national legislation say?	Target	Subcontracting plans	Price preferences	Reservations
Favouring of women-owned businesses allowed	Yes	Yes	Yes	Yes
Favouring of women-owned businesses not allowed	Yes	No	No	No
No legislation	Incorporate in policy	Incorporate in policy	Incorporate in policy	Incorporate in policy

Use the following rules of thumb to select a targeted assistance strategy:

- **Target**: no real restrictions, as long as it is clear to what the target relates. Should it apply to the country or procuring entity level? A target applies to the entire purchasing spend rather than selected market sectors. Monitoring progress takes time and effort, which is demanding when information from different procuring entities has to be recorded, retrieved and combined.
- **Subcontracting**: can be applied to any tender with a financial value above a certain threshold. Subcontracting is a straightforward requirement, as any business can find women-owned businesses with which to liaise. There is an incentive for women-owned businesses to perform well, so they become preferred subcontractors.

It may be cumbersome to verify that subcontracted women-owned businesses are actually performing their parts of the contract, as opposed to the main contractor doing the work. The procuring entity can circumvent this challenge by paying those women-owned businesses directly. This also prevents issues with main contractors postponing payment to subcontracted women-owned businesses. Monitoring is required, but it's easier for the procuring entity.

- **Price preferences:** can be applied to any tender in which price is a criterion. This strategy is easy to apply as it depends on adjusting certain scores in the evaluation process. It takes little to no time or effort on the part of the procuring entity.

Make sure the preference is high enough to be discriminating, while non-women-owned businesses compensate their financial score with a high score on quality. This avoids the pitfall of selecting an inferior offer due to a highly set price preference.

- **Reservations:** can be applied to tenders in market sectors in which the presence of women-owned businesses is strong. The main advantage is this ensures contracts are awarded to women-owned businesses. To avoid randomness, it should be very clear to which tenders this strategy applies.

When defining a procurement policy, be clear whether the goal is to increase participation of women-owned businesses in public tenders or increase the percentage of public tenders won by women-owned businesses.

The ultimate goal is to increase the percentage of public tenders won by women-owned businesses. Law permitting, the procurement policy should include targeted assistance strategies. If legislation does not allow favouritism, consider adopting a target strategy. This strategy does not directly put women-owned businesses at an advantage, because they still have to compete on a level playing field with other businesses. Nevertheless, it is a powerful way to focus efforts on women-owned business-friendly tendering.

If the targeted assistance strategy “Target” is adopted, make sure to measure performance. This may require action to generate performance data.

Set thresholds for selection of tender procedures

Selection rules for tender procedures are important elements in a procurement policy. Procedures can be open or closed. In an open procedure, a call for tenders is published and any interested supplier can participate. In a closed procedure, the procuring entity invites suppliers to participate. This difference is important: in closed procedures, it is easier to influence women-owned businesses to participate. If it is in line with the policy, it is possible to exclusively invite women-owned businesses to tender.

Usually a procurement policy defines rules on when to use a closed tender procedure with one supplier, a closed tender procedure with several suppliers, or an open procedure. Table 3 provides an example; however, note that the thresholds may vary depending on the situation.

When setting thresholds, take two things into account. First, lower thresholds enable more women-owned businesses to compete in open procedures. All businesses can bid in open procedures, and women-owned businesses are more likely to opt for smaller contracts. An open procedure, however, does not guarantee women-owned businesses will win. Second, higher thresholds may enable women-owned businesses to win tenders, if procuring entities invite women-owned businesses as bidders in closed tenders.

Table 3 Financial value thresholds for tender procedures

Financial value of contract	Tender procedure
< \$ 10 000	Closed tender, invite one supplier
\$ 10 000–100 000	Closed tender, invite three to five suppliers
> \$ 100 000–international threshold ¹	Open tender, national public notice
> international threshold	Open tender, international public notice

¹ This applies only the country in question is a participant in an international procurement agreement, such as the Agreement on Government Procurement.

Work on organizational readiness

Organizational readiness is done at the procuring entity level. It consists of four aspects: improving organizational capacity and capability, encouraging stakeholder involvement, providing internal training, and implementing women-owned business-friendly tender designs.

Improve organizational capacity and capability

Consider the results of the entity assessment.

The maturity level of women-owned businesses in public procurement should at least be in the ‘developed’ range. If the organization scored ‘underdeveloped’ or ‘developing’, check which answers scored zero. To get started with women-owned business-friendly procurement, these questions need positive answers. The definition of women-owned businesses in Question 12 should be in line with the formal definition used at the country level. This can be used as a to-do list.

Encourage stakeholder involvement

Consider the results of Question 40 relating to data on women-owned businesses.

The answers to this question show the external stakeholders that play a role in empowering women-owned businesses. Their involvement depends on the envisaged tender; trade support institutions, unions and other organizations that support the interest of women-owned businesses are usually organized per market sector. Reach out to stakeholders and come up with a plan to encourage their involvement and support.

Provide internal training

The answers to Questions 12–15 and 29 in the entity assessment to show awareness at the organization level. Awareness is required to increase support for empowering women-owned businesses.

The answers to Questions 19–27 in the entity assessment provide information on the degree to which procurement staff are already aware of or even empowering women-owned businesses.

The answer to Question 27 must be ‘yes’ to lay the groundwork for empowering women-owned businesses. If any of the other questions score zero, use Tool III in the context of specific tenders. Identifying gaps and challenges should be part of the to-do list.

Implement women-owned business-friendly tender designs.

Take the outcome on existing barriers and consider the results for the second category of barrier on ‘misfit tender design’. If there are a lot of ‘no’ answers, make sure the following measures are in place before women-owned business-friendly tendering starts:

- **Standardize and simplify** procedures and documents.
- **Harmonize procedures and documents** across procuring entities.
- **Allow sufficient time** to submit tenders.
- **Use the most economically advantageous** tender criterion.
- **Specify based on performance or functional** requirements.

To implement the first three of these measures, reissue a procurement handbook with adjusted templates, procedures, and guidelines. Procurement staff must be trained in working with the handbook, in using the most economically advantageous tender criterion, and in specifying based on performance or functional requirements.

These are the most basic requirements that must be in place to make an effective start with women-owned business-friendly tendering.

Assess the purchasing spend and current contract portfolio

Assess purchasing spend and current contract portfolio at the procuring entity level. This results in a selection of purchasing requirements eligible for tendering in a women-owned business-friendly manner, including a timeline for tender execution.

Tool III: Find procurement opportunities

This tool aims to select purchasing categories in market sectors that provide opportunities for women-owned businesses. A purchasing category is a group of goods, services or works that can be combined in one tender, such as cleaning services, legal advice and consultancy, lease cars, sewage maintenance or software licences.

Work through Activities 1–6 to create a timeline of prioritized purchasing categories.

Activity 1: Classify purchasing categories based on annual expenditure

- Download the accounts payable administration for the past three years. Exclude all creditors that are not external suppliers or do not otherwise represent purchasing spend.
- Define the purchasing categories.
- Assign all expenditures to one matching purchasing category.
- For each year, rank the purchasing categories from large to small.
- Create one final ranking of the purchasing categories from large to small. If there are differences in the ranking between years, consider future purchasing demands.
- Divide the list into four parts based on purchasing expenditure: very large, large, medium and small (Table 4).

Table 4 Examples of purchasing categories based on annual expenditure

	Size of purchasing category			
	Very large	Large	Medium	Small
Description	Largest purchasing categories representing \pm 50% of purchasing expenditure	Next largest purchasing categories representing \pm 30% of purchasing expenditure	Smaller purchasing categories representing \pm 15% of purchasing expenditure	Remaining purchasing categories representing \pm 5% of purchasing expenditure
Examples	Information technology hardware Road maintenance	Facility services Vaccination services Temporary staff Infrastructural works on land Customized software solutions Fiscal consultancy	Stationery Laundry, clothing repair Medical support services Cyber security solutions Interim managers Electrical engineering	Teambuilding events Gifts

Activity 2: Classify sectors with presence of women-owned businesses

Take the results from Tool I, related to statistics collected on women-owned businesses.⁵

- Consider the percentages per market sector and classify each sector as follows (note there are no benchmarks regarding when presence qualifies as weak, medium or strong; these terms are relative and depend on the country context):
 - Strong presence of women-owned businesses.
 - Medium presence of women-owned businesses.
 - Weak presence of women-owned businesses.
 - No presence of women-owned businesses.
- If there is no statistical information on the presence of women-owned businesses per market sector, research the market sectors to aim for by interviewing representatives from stakeholders (e.g. branch organizations, trade support institutions, chambers of commerce). Research the sectors in which purchasing expenditure is highest, and classify the presence of women-owned businesses in the latter.

Activity 3: Match purchasing categories with sector classes

- Plot the purchasing categories (internal) in the market sector classes (external) (see examples in Table 5).

Table 5 Combining purchasing categories with sector classification

Presence of women-owned businesses	Size of purchasing category			
	Very large	Large	Medium	Small
Strong		Customized software solutions Vaccination services	Stationery Laundry, clothing repairs	Teambuilding events
Medium		Facility services Fiscal consultancy Temporary staff	Medical support services Cyber security solutions	Gifts
Weak	Information technology hardware	Infrastructural works on land	Interim managers Electrical engineering	
None	Road maintenance			

Activity 4: Research purchasing categories where women-owned businesses are present

This determines how the presence of women-owned businesses in purchasing spend compares with their presence in the related market sector. First, research purchasing categories with presence of women-owned businesses.

Then:

- Select the purchasing categories in which purchasing expenditure is medium to very large.
- Determine what percentage of the purchasing spend in each selected category is purchased from women-owned businesses. Take the average percentage of the past two years.
- Compare this percentage with the percentage of women-owned businesses present in the related market sector.
- Select the purchasing categories for which the percentage of purchasing spend realized at women-owned businesses is lower than the percentage of women-owned businesses present in the respective market sector; these categories should stay on the list. The other categories can be reviewed again next year to verify that the spend of women-owned businesses remains in line with the market presence of women-owned businesses.

Activity 5: Apply contract information to create a tender timeline

- Select combinations of purchasing categories and market sectors using the results of Activity 4 that seem most interesting in terms of women-owned business-friendly procurement. Start with small to medium-sized contracts to get acquainted with the principles and then move on to large and very large categories. This results in a priority matrix for procurement of women-owned businesses (Table 6).
- For each cell, find out whether purchasing contracts are in place. For each purchasing requirement under contract, determine which date the contract ends or can be ended without penalties.

Table 6 Example of a priority matrix for procurement from women-owned businesses

Presence of women-owned businesses	Size of purchasing category			
	Very large	Large	Medium	Small
Strong	3	1 Customized software solutions Vaccination services	1 Stationery Laundry and clothing repair	3 Teambuilding events
Medium	3	2 Facility services Fiscal consultancy Temporary staff	2 Medical support services Cyber security solutions	4 Gifts
Weak	4 Information technology hardware	4 Infrastructural works on land	4 Interim managers Electrical engineering	5
None	5 Road maintenance	5	5	5

Activity 6: Create a tender timeline for women-owned businesses

- List purchasing requirements, starting with those without a contract, followed by those ending soonest. This shows where to start with women-owned business-friendly procurement and takes into account that some purchasing requirements can only be taken on in a later stage due to contractual obligations (Table 7).
- In consultation with the procurement department, create a timeline and plan the tenders to be conducted to contract suppliers for the identified purchasing requirements. This tender timeline is determined largely by the moment the new contract has to start (Table 7). These tenders must be done in a women-owned business-friendly fashion.

Table 7 Example of a tender timeline for women-owned businesses, combining information on market, expenditure and contracts

Year 1				Year 2		Year 3
Q1	Q2	Q3	Q4	H1	H2	TBD
Laundry services in state hospitals	Software development for citizen administration	Execution of autumn vaccination programme	Holiday season gift packages	Receptionist services	Temporary administrative staff	Child daycare for state employees
	Fiscal expertise for state department			Stationery for ministry of legal affairs	Security testing programme	Construction works of new offices for ministry of home affairs
					Roll out new laptops	Framework agreement for interim management
						Maintenance electrical installations for office buildings

Create an action plan

To implement, manage and monitor the roadmap, create a plan of action with feasible timelines. This plan needs to list the actions to take, the owner of each action, the expected results and the accompanying deadlines. This overview may look something like Table 8.

Table 8 Example Action Plan

Activity			Timeline		
Action	Owner	Result	Month 1	Month 2	Etc.
Make decision on targeted assistance strategies	Top management	Barriers in legislation and policies are lifted			
Define thresholds for selection of tender procedures	Top management				
Decide on formal definition of women-owned businesses	Top management				
Bring organizational capability and capacity at required level	Programme manager	Organizational readiness realized			
Identify external stakeholders and encourage their involvement	Programme manager				
Provide training to internal stakeholders	Programme manager				
Implement women-owned business-friendly procurement handbook	Procurement manager				
Ensure procurement staff members are trained	Procurement manager				
Consider applicable costs of women-owned business-friendly procurement practices	Programme manager		Quantified performance indicators that can be measured; process of measuring and reporting in place		
Determine key performance indicators to monitor success and show accountability	Programme manager				
Define data to be collected to monitor key performance indicators	Programme manager				
Implement data collection, reporting and accountability process	Programme manager				
Start tendering in women-owned business-friendly manner	Procurement staff	Realizing results			



STEP 3: MAKE IT HAPPEN

In the implementation phase, the preparatory and planning work yield results. This step revolves around executing tenders in a women-owned business-friendly manner combined with proper stakeholder management, ownership and accountability.

Execute tenders in a women-owned business friendly manner

Now that the groundwork is done, procuring entities can execute tenders in a women-owned business-friendly manner. This follows the selection of tenders and timelines that resulted from Tool III. For each tender, select the measures to address the existing barriers.

Table 9 shows the categories of measures available, given the right legislation. Make sure you know whether or not the categories 'lack of information' and 'limited capability of women-owned businesses' are permitted.

Table 9 Categories of measures allowed under legislation

What does national legislation say?	Barrier				
	Tender design	Requirements	Government behaviour	Information	Capability
Favouring of women-owned businesses allowed	Yes	Yes	Yes	Yes	Yes
Favouring of women-owned businesses not allowed	Yes	Yes	Yes	No	No
No legislation	Yes	Yes	Yes	Yes	Yes

A distinction can be made between measures that are always available, regardless of the tender, and measures that depend on the tender. Follow the guidance in Tool IV for more information.

Take the outcome of Tool II. Tool II included the barrier 'inadequate legislation and policies'. Now, look at the other five barriers and check which of the following categories show 'no' results.

- **Procuring entity level:** misfit tender design.
- **Procuring entity level:** excessive requirements.
- **Procuring entity level:** poor practices by government.
- **Women-owned business level:** lack of information.
- **Women-owned business level:** limited capability.

If Tool II shows entirely 'yes' results for a barrier, then the procurement practice is already women-owned business-friendly in that area. For barriers that do not show entirely 'yes' results, Tool IV helps choose measures to help remove the barriers.

Tool IV: Tackle barriers and seize opportunities

This tool covers the last five measures to empower women-owned businesses. Each measure is aligned with the type of barrier it aims to address.

When preparing a tender, decide on which measures to take. Check the results of Tool II to see the existing barriers. Use Table 10 to identify any measures that can remove these barriers. This provides a draft to-do list and the measures to put in place, including which measures may be used at all times and which measures are not always suitable and should be considered for each tender.

Table 10 Barriers and the measures to address them

Barriers	Measures to always apply	Measures to consider applying per tender	Considerations for per tender measures
Category: Misfit tender design			
Complex tenders and large contracts	Standardize and simplify procedures and documents as much as possible Standardize procedures and documents across procuring entities	Break down tenders into lots	Suitable when different products or services are required that can be obtained from different suppliers without getting into compatibility issues Also suitable when high volumes of similar products or services are required
		Restrict bidders from competing for all lots	Suitable only when tender is broken down into lots
Competition based on price	Use the most economically advantageous tender criterion Specify based on performance or functional requirements	–	–
Insufficient time to prepare bids	Allow sufficient time to submit tenders	Publish early information notices	Relevant only for open procedures
Markets closed for competition due to long-term agreements	–	Limit duration and renewal of (framework) agreements	When high investments are required by supplier, the contract should be long enough to earn these back
Category: Excessive requirements			
Disproportionate financial requirements	Put limitations on financial qualification levels Consider not requesting audited financial accounts Do not use, or reduce the number or amount of, financial guarantees and bid bonds Check requirements are proportionate to the risks involved	–	–
Disproportionate quality requirements	Relate performance requirements to the character and size of assignment	–	–
Overemphasis on costly industry standards and certifications	Request only the standards and certificates that are necessary	–	–
Track record needed	Allow for joint bids with option to rely on other parties' track records	–	–
Category: Poor government practices			
Late payments or risk of non-payment	Implement payment deadlines and sanctions for late payments	Allow advance and interim payments	Suitable when milestones can be identified or partial deliveries are agreed
		Protect interests of subcontractors in contracts (direct payment to women-owned businesses)	Suitable when a main contractor subcontracts part of the purchasing requirement
Information request overload	Do not request documents that are already available Retrieve authorized documents directly Facilitate electronic tender submission (if internet access is not a problem)	Request submission of documents only once (pre-) selected	Suitable in case of restricted procedures
		Share submitted documents and prequalification results with other procuring entities	Suitable in relation to tenders that deliver commonly required goods, services, or works

Barriers	Measures to always apply	Measures to consider applying per tender	Considerations for per tender measures
Lack of feedback	Provide information after contract awards on procedure and scores	–	–
Biased position towards women-owned businesses	Pay attention to gender-balanced procurement departments and committees Use gender-neutral language	–	–
Category: Lack of information			
Insufficient access to tender opportunities	Provide free access to contract notices and tender documentation Use local languages	Invite women-owned businesses to bid	These measures should be standard, but it does require that women-owned businesses have been identified for the purchasing requirement.
Little dialogue with procuring entity	Organize information sessions (e.g. site visits) before tender deadline Allow for written questions and answers as part of tender procedure Provide information after contract awards on procedure and scores	–	–
No invitations to bid	–	Invite women-owned businesses to bid	These measures should be standard, but it does require that women-owned businesses have been identified for the purchasing requirement in the tender
Limited access to internet	–	Distribute tender guidelines and other support material Invite women-owned businesses to bid	These measures should be standard, but it does require that women-owned businesses have been identified for the purchasing requirement
Category: Limited capability			
Lack of tendering skills	Set up a tender help desk; appoint a reachable contact person	Organize tender training for women-owned businesses	Suitable for purchasing categories in which women-owned businesses have been identified
Limited financial resources	The measures to lift the barrier of 'disproportionate financial requirements' are applicable, but otherwise this barrier should be tackled via routes other than women-owned business-friendly procurement		
Little experience to fall back on	–	Network with branch organizations as intermediaries to reach women-owned businesses	Suitable when branch organizations exist Particularly useful when register of women-owned businesses is not available
Insufficient networks or connections to seek help from		Help women-owned businesses to connect within useful networks or experienced bidders	Suitable when a useful network exists Particularly interesting when targeted assistance strategy 'subcontracting plans' is adopted

Follow pointers for successful roadmap implementation

Beware of the following issues that may arise during implementation of the roadmap.

Consider applicable costs

Empowering women-owned businesses comes with many benefits. Most of the positive effects are quite abstract, achieved in the long term rather than the short term, and are difficult or even impossible to measure. This is a downside of undertaking action to empower women-owned businesses – how can the benefits be attributed to actions by the country and procuring entities?

The sense, logic and fairness of working towards gender equality should already be enough to realize that not acting is not an option. As a policymaker or a purchaser, the public procurement system provides an important tool at hand to act. Look back to Figure 1 to see the link between inclusion of women-owned businesses and generated benefits.

Taking action to empower women-owned businesses comes at a cost. These costs may be concrete expenses (e.g. organizing a meeting for women-owned businesses) or less visible (e.g. time put in by staff members). Although the benefits may be intangible or reaped only in the long term, the costs are very real and incurred now (Table 11).

Table 11 Costs of undertaking action to empower women-owned businesses

Step in which costs are incurred	Costs characteristics			Example costs
	Term	Time investment	Out-of-pocket expenses	
STEP 1: Assess the current situation				
Complete Tool I	Short	Low	Low	Meetings, document review, data collection
Complete Tool II	Short	Low	Low	Meetings
STEP 2: Design a roadmap				
Define legislation and policy framework	Short	Medium	Low	Discussions, consultation stakeholders
Work on organizational readiness	Medium	High	Medium to high	Meetings, training, preparing documents, travel costs
Assess purchasing spend and current contract portfolio: use Tool III	Short	High	Low	Collecting market information, expert input
Create action plan	Medium	Low	Low	Discussions
STEP 3: Make it happen				
Execute tenders in a women-owned business-friendly manner: use Tool IV	Continuous	High	Medium	Reviewing documents, organizing women-owned business meetings, free information access
Follow pointers for roadmap implementation	Continuous	Low	Low to high	Register women-owned businesses
STEP 4: Monitor progress				
Use Tool V	Continuous	Medium	Low	Collecting data, maintaining stakeholder contact

Before implementing a programme to empower women-owned businesses, it is important to discuss the costs involved. For most activities, costs are mainly the result of time investment from staff; consider whether the responsible people have enough time to take on these additional tasks or whether to recruit extra help.

Trade-off between costs and benefits

Most of the positive effects of empowering women-owned businesses are abstract and achieved in the long term. Contributions to the ultimate goals – economic empowerment of women, increase in gender equality, economic growth – are difficult or impossible to measure. This will likely result in recurring discussions about the costs of the programme for empowerment of women-owned businesses.

It is important to invest time and effort in stakeholder management, not only during preparation but also during execution of the reasons behind this programme and the need to incur short-term costs to realize long-term goals.

Fronting

Some non-women-owned businesses may seek ways to benefit from targeted assistance strategies. To counter this, make sure to implement a clear and verifiable definition of women-owned businesses. Consider using a register of women-owned businesses after a verification procedure is run successfully; only women-owned businesses that are officially registered on this database can benefit from targeted assistance.

Take into account the following:

- The database must be owned and managed by a neutral institution, such as a department of a ministry or a chamber of commerce.
- The registration requirement should not constitute a barrier to participation in public tenders. Registration should be relatively easy and cheap (or ideally free of charge).
- The register must be kept up to date. Periodic checks should be done to remove businesses that no longer qualify as women-owned businesses or no longer exist.



STEP 4: MONITOR PROGRESS

Monitoring the effects of such a programme for empowerment of women-owned businesses is necessary. Concrete results will help to understand whether the selected strategies and measures are effective, to evaluate them, and to make adjustments if necessary. Results are also necessary to ensure stakeholder buy-in, capacity, and programme funding.

The selection of key performance indicators may be impacted by the availability, reliability and actuality of data. Tool I shows the extent to which data are available.

Note the following:

- Carry out checks to determine whether data are reliable and actual. Reliability is most relevant for information specific to women-owned businesses.⁶
- The result of Question 39 in Tool I (list of market sectors and their characteristics concerning women-owned businesses) gives the baseline against which to evaluate progress periodically.
- Check the results of Questions 1, 8, 10 and 11 in the country assessment of Tool I, and Questions 15, 16 and 18 in the entity assessment of Tool I. These should all score 1 before moving on to monitoring.
- If the targeted assistance strategy ‘target’ was adopted at the country level, the designated officer must collect data from all procuring entities that together make up ‘the country’, and periodically calculate the baseline and progress on the performance indicator ‘percentage of total spend realized at women-owned businesses’.

Tool V: Track achievements

Tool V aims to track the results of efforts to steer the action plan and key performance indicators. Consider the following related to the action plan:

- Appoint the person responsible for steering.
- Every month, check what has been done.
- Identify the areas where the organization lags behind and focus on these issues.
- If needed, adjust the action plan so it is up to date and remains realistic.

Try to measure the key performance indicators at least once a year. Appoint a responsible person and use the format in Table 12.

Table 12 Following key performance indicators

Key performance indicators at procuring entity level	0	Year 1		Year 2		Year 3	
	Baseline ¹	Target	Realization	Target	Realization	Target	Realization
Number of tenders executed							
Number of tenders executed in a women-owned business-friendly manner							
Percentage of women-owned business-friendly tenders							
Number of tenders won by women-owned businesses							
Percentage of tenders won by women-owned businesses							
Total purchasing spend ²							
Total purchasing spend realized at women-owned businesses							
Percentage of women-owned businesses purchasing spend							
Purchasing spend per purchasing category							
Purchasing spend per purchasing category realized at women-owned businesses							
Percentage of women-owned businesses spend per purchasing category							
Per women-owned business-friendly tender: applied targeted assistance strategies and measures							

¹ *Baseline*: the most recent full year before working on the inclusion of women-owned businesses.

² *Use appropriate (local) currency.*

It is important to regularly, ideally once a year, collect the data in Table 13 to contextualize results. If large changes occur, such as the number of registrations of women-owned businesses increasing considerably, reconsider targets.

Table 13 Contextual data on women-owned businesses

Key performance indicator	In the country	Comments
Level: Country		
Number of registered women-owned businesses		Apply the agreed-upon definition of a 'women-owned business'
Number of registered businesses		
Percentage of women-owned businesses of registered businesses		
Average number of employees of women-owned businesses		Use these key performance indicators only if the required information is registered, accessible and reliable
Average turnover of women-owned businesses		
Level: Market sector		
Number of registered women-owned businesses		Select the market sectors in which the public sector does most of its purchasing; apply the agreed definition of women-owned businesses
Number of registered businesses		
Percentage of registered businesses that are women-owned businesses		
Average number of employees of women-owned businesses		Select the market sectors in which the public sector does most of its purchasing; use these key performance indicators only if the required information is registered, accessible and reliable

Measure the key performance indicators accurately and on time. To make this happen, it may be necessary to mobilize different sources or key institutions.

Depending on reporting structures and responsibilities at the organization level, try to share the results at least with key stakeholders such as funders of programmes for women-owned businesses, central government and branch organizations of women-owned businesses.

Based on the tools in this guide, countries and procuring entities are now equipped to keep empowering women-owned businesses through public procurement.

Keep reading to see how three countries interpreted and implemented inclusion of women-owned businesses.

CHAPTER 3

COUNTRY CASE STUDIES

These case studies show how Chile, the Gambia and Nigeria have worked on gender-inclusive public procurement. It also shares their future plans to empower women-owned businesses through existing procurement systems.



GOVERNMENT COMMITMENT DELIVERS RESULTS

Political commitment at the highest level has opened doors to women-owned businesses. With an action plan in place since 2015, backed by training programmes and proper data, Chile is a global frontrunner in bringing women-owned businesses into public procurement processes.⁷

Who manages public procurement?

Public procurement in Chile is governed by Law 19,866 of July 2003 (the Law on Procurement), regulating public supply of goods and services. The Procurement Regulation complements this law, with details of public procurement processes.

This led to the establishment of the procurement entity ChileCompra, also known as the *Dirección de Compras y Contratación Pública*. Its internet portal (www.chilecompras.cl), centralizes public procurement, and to a large extent, digitizes it.

In the e-marketplace *Mercado Público* (www.mercadopublico.cl), 90% of companies selling their products and services are micro or small-sized enterprises. Women-owned businesses can benefit from *Mercado Público* as they are often MSMEs.

How are women-owned businesses involved in public procurement?

Roughly a quarter of public procurement involves women-owned businesses, much higher than the average. Research by Comunidad Mujer⁸, a prestigious non-governmental organization championing women's equality, revealed that 26% of total procurement transactions involved women-owned businesses between 2007 and 2013.

In 2015, ChileCompra implemented an action plan to enable women to access the same opportunities as men when doing business with the state. Its spots and tackles gender-specific difficulties when becoming state suppliers. As a result, the quota of women participating in the public procurement system in 2016 reached 36.5%. This corresponds to more than 21,345 women quoting, offering or receiving purchase orders.

ChileCompra assumed leadership of the initiative, coordinating public and private actors. The Ministry of Women supported the work with funding from the Inter-American Development Bank/Multilateral Investment Fund. Michelle Bachelet, President of Chile at the time, was committed to gender equality and promoted the incorporation of women-owned businesses in public purchasing. ChileCompra also worked closely with Comunidad Mujer.

What do laws and policies say?

For a long time, Chilean legislation did not have special preferences or quotas in public procurement processes. In 2015, the country amended its regulations so that women-owned businesses could be hired directly for procurement under \$600.

ChileCompra issued Directive no. 20, stating recommendations directed to public agencies to incorporate the gender perspective into public contracts, public tenders, competitive procedures and direct contracting. This provides the guidelines to incorporate positive evaluation criteria for bidders that are women-owned businesses or have gender-equality policies.

ChileCompra has its own certification process, *Sello Mujer* ('Women's Seal'), for women-owned businesses. In the case of individuals, identification is carried out through the suppliers registration system. Accreditation is automatic; for suppliers not previously registered, it suggests that accreditation be carried out directly before the contracting agency, with a copy of their identity card.

It is understood that the company is owned by a woman if, in the constitution of the company (or subsequent modification thereof), company ownership is held by one or more women in 51% or more of the social rights, and that these women hold control and administration of the business. Copies of relevant legal documents need to be shown to be granted the 'Women's Seal'.

According to ChileCompra data from May 2018, *Sello Mujer* had registered 41,000 individuals and 650 companies.

Which barriers remain?

Procuring entities

Incorporating gender perspectives in public procurement requires hard work. In Chile, they raised awareness by providing information, training and coordination of public and private actors.

Key stakeholders, including the Ministry of Finance (on which ChileCompra depends), have been made aware of the advantages of involving more women in the economy and public procurement.

Lack of knowledge of gender inequality issues among government officials remains a barrier. Time and funds are needed to train authorities and system operators on gender issues, and to train public buyers and suppliers.

Women-owned businesses indicate that tender procedures are often too complex and include unreasonable technical and financial eligibility requirements. The evaluation criteria are sometimes too strict, with a heavy focus on the cheapest bid. Women-owned businesses also claim that contracts are excessively large and that payments often are late.

Women-owned businesses

Making sure women-owned businesses have proper internet access, especially because *Mercado Público* is an important forum for them, remains a key point for attention. Public offices are available at different locations with free internet access.

ChileCompra has implemented training programmes in regional offices throughout the country.

Women-owned businesses indicate that they get no, little or weak feedback on submitted bids. Often they are unable to submit a suitable offer within the timeframe. The size and experience of women-owned businesses may hold them back from submitting public procurement bids when requirements (such as track record) are set high compared with the contract size.

What steps are being taken?

Chile continues to work in line with its action plan. ChileCompra facilitates online registration of women-owned businesses through its supplier registry, which issues the 'Women's Seal'.

ChileCompra's commitment is expressed in a management improvement programme, which contains a chapter on gender. It addresses monitoring, quantity and amounts to be supplied by women-owned businesses, and a commitment to train public bodies to implement Directive no. 20, with recommendations for participation of women in public procurement.



MOBILIZING COMMITMENT, BUILDING AN ACTION PLAN

The Gambia is working towards gender-inclusive public procurement. Key stakeholders are involved, and regulating authorities are considering incorporating specific targets in the existing procurement act.

Who regulates public procurement?

The Gambia spends around \$100 million a year through public procurement.

The Gambia Public Procurement Authority has the task of assisting public procuring entities to fulfil their responsibilities. It ensures procuring entities comply with legislation and help the public get value for money.

How are women-owned businesses involved in public procurement?

The Gambia spends an estimated 1% of its public procurement budget on women-owned businesses.

There is no central registry of registered women-owned businesses. Women entrepreneurs are found mainly in the informal economy (distributive trades, gardening, handicrafts, artisanal trades), and they constitute a large majority of the country's micro-enterprises.

As part of its commitment to empower women-owned businesses, the Gambia recently worked with ITC in a two-day policy dialogue to determine priorities to address barriers with targeted assistance strategies and measures. This provided valuable insights into the envisaged way forward and the outline of an action plan.

Among government entities in the country dialogue were the Gambia Public Procurement Authority; the Ministry of Finance; the Ministry of Trade, Industry, Regional Integration and Employment; and the Ministry of Women's Affairs, Children and Social Welfare. Representing the private sector were the Gambia Chamber of Commerce and Industry, the Gambia Women's Chamber of Commerce, the National Women Council, and several associations of women entrepreneurs. Also present were the National Assembly and representatives of the Economic Community of West African States and UN Women.

What do laws and policies say?

The Gambia has taken steps to empower women, as a signatory to the Beijing Declaration and Platform for Action. Yet, these initiatives do not include measures aimed at gender-inclusive public procurement.

The Gambia Public Procurement Act of 2014 is under review at the time of writing. It does not address gender-inclusive procurement or provide for preferential treatment of any disadvantaged group. The Gambian Public Procurement Authority is using this review to consider provisions for gender-inclusive procurement.

The country has implemented the Gambia Public Procurement Regulations, which prescribe how the procurement function has to be organized and executed. The Regulations provide for preferential treatment, limited to granting a margin of preference when evaluating offers from domestic contractors. The intention is to move this provision from the Regulations to the Act, as part of the review, and to extend it to include options for preferential treatment of among others, women-owned businesses.

The Gambia acknowledges it is necessary to work with a single unambiguous definition of 'women-owned businesses' for use by all relevant stakeholders. Such a definition does not yet exist. The country is considering establishing a target percentage of all purchasing for women-owned businesses. A discussion is ongoing over whether the percentage should be included in the revised Public Procurement Act or in the revised Regulations. The advantage of including it in the Act is speed as the Act is currently under revision.

Which barriers remain?

During the policy dialogue, participants discussed existing barriers.

Procuring entities

Women-owned businesses in the Gambia experience barriers when tendering for public contracts. They find tender documents and procedures to be complex and difficult to understand, and the offers often involve large contracts for which they do not have a sufficient track record or capacity. Long-running contracts keep out competition.

Women-owned businesses believe requirements, especially financial, are often disproportionate. They indicate that bid securities withhold them from competing. They consider government behaviour to be a barrier in terms of late payments, although entrepreneurs and bank systems also play a role. Opening a bank account can be complicated. Lack of interaction between procuring entities and entrepreneurs is a barrier, as it leaves women-owned businesses uninformed as to why contracts they are not awarded contracts.

Women-owned business

Reported barriers are lack of tendering skills, limited financial resources, little experience to fall back on, and an insufficient network of other businesses from whom they can learn or with whom they can collaborate.

What steps are being taken?

A women's business advocacy group is spearheading work to influence policy and decisions on public procurement, supported the Gambia Chamber of Commerce and Industry, and sponsored by the United Nations Development Programme. This is expanding opportunities for Gambian women.

Since 2020, SheTrades in the Gambia, a member of the women's business advocacy group, has worked with stakeholders to develop an action plan.

Their priorities are to establish a specific procurement target, restrict use of single sourcing, and oblige procuring entities to invite women-owned businesses when using a closed tender procedure.

The Gambia intends to include an ambitious target to buy from MSMEs in the revised Public Procurement Act. It could develop this target further, to include a specific percentage for women-owned businesses.

Also important are ways to identify parts of large contracts that they can award separately, limiting duration of contracts and stimulating joint bidding.

Joint bidding has two advantages: women-owned businesses can learn from the bidding experience of other companies; and after winning contracts, women-owned businesses can strengthen their own track records.

Some provisions in the Procurement Act enable aspects of women-owned business-friendly procurement, but these need to be enforced – for example, obliging procuring entities to provide feedback to bidders after completing a tender procedure.



SETTING THE STAGE FOR WOMEN-OWNED BUSINESSES

Nigeria recognizes the urgency to involve more women-owned businesses in the economy. The country intends to set up a programme with concrete goals to implement gender-inclusive public procurement.

Who regulates public procurement?

Public procurement in Nigeria accounts for about \$5.5 billion each year.

The Nigerian Public Procurement Act from 2007 established the Bureau of Public Procurement as the regulatory authority for the monitoring and oversight of public procurement.

How are women-owned businesses involved in public procurement?

No statistics show how much the country spends with women-owned businesses. The consensus is that this does not reflect the representation of women-owned businesses in the Nigerian supplier market.

The Nigerian government pursues gender equality in a wide range of programmes. The Federal Ministry of Women Affairs and Social Development plays an important role in this, at both the federal and the state level, with its network of state commissioners. An official programme or policy to establish gender-inclusive procurement has yet to be developed.

The Nigeria Export Promotion Council runs several projects to match women entrepreneurs with potential buyers in specific market sectors, such as textiles and apparel, agriculture (e.g. spices, cashews, shea), and packaging and labelling. It is also a key partner of ITC's SheTrades Initiative, which includes an online matching platform, events and webinars for networking and skills development.

The Nigeria Export Promotion Council and ITC hosted a two-day policy dialogue in January 2020 to develop a framework to support the women-owned businesses in public procurement.

Among those present were the Federal Ministry of Women Affairs and Social Development; the Ministry of Finance; the Ministry of Industry, Trade and Investment; the Bureau of Public Procurement, and several women's business associations. Also contributing were the National Centre for Women Development, the United Nations Committee on the Elimination of Discrimination against Women, and UN Women. They shared their experiences, lessons and insights for improvement.

What do laws and policies say?

The Nigeria Public Procurement Act 2007 and two public procurement regulations are in place. The Act established two regulatory authorities, the National Procurement Council and the Bureau of Public Procurement, situated in the federal government.

The National Procurement Council is in charge of the monetary and prior review threshold to apply the Act. The Bureau of Public Procurement provides a legal and institutional framework and professional capacity for public procurement to the whole of Nigeria. 'Transparency' is a keyword in its objectives.

The Act determines that procuring entities may grant a preference margin to domestic contractors and suppliers of goods manufactured in Nigeria, in the case of international bidding contracts. Neither the Act nor the Regulations provide preferential treatment for women. In the opinion of the Bureau of Public Procurement, procuring entities have the possibility to implement a preferential policy, such as for MSMEs, though the Act and Regulations do not state it explicitly. They are not currently considering clauses to enforce gender-inclusive procurement.

Which barriers remain?

Businesses find procurement requirements to be excessive. Communication and training is required, and internet access is insufficient.

Procuring entities

The main barrier experienced by women-owned businesses relates to excessive requirements. Businesses consider the request for audited accounts often to be unreasonable. They are not allowed to submit joint bids in which the track record of one party qualifies for a combination or consortium of bidders. This stands in the way of gaining experience by teaming up with a more experienced partner.

In the category ‘misfit tender design’, closing markets for competition due to long-term agreements was deemed the most urgent barrier to address. Procuring entities should refrain from using long-running contracts that close the market for competition for an unreasonably long duration.

Tender documents and procedures are considered bulky and cumbersome. Women-owned businesses believe they should be simplified and explained better: how does the procedure work and how does scoring work? The government should play a role in communication and training on this subject, and entrepreneurs could support each other. Women entrepreneurs will benefit greatly from learning from more experienced businesses, such as in a mentoring programme or through joint bidding.

Governments need to address late payment and gender bias. A suggested quick win is to use gender-neutral language in tender documents. Unfortunately, participants also reported poor practices, including sexual harassment.

Women-owned businesses

Communication with procuring entities needs great improvement. Access to information about upcoming tenders, the chance to ask questions that arise while drafting submissions, and receiving an explanation about why a tender was not won should be part of standard procedures. Although such aspects are part of public procurement regulations, women-owned businesses note that practice differs from theory.

Limited internet access is a concern, as most women-owned businesses are not digitally advanced. At the state level, women’s business networks can play a role in dispersing information. Participants of the policy dialogue agreed that women’s business associations should connect because they are currently scattered.

Women-owned businesses could be trained in tender procedures. Many female entrepreneurs find tender procedures inaccessible and complicated. Consequently, they never complete a full procedure, or they give up after their first bid is rejected without explanation.

Nigeria does not have a central register of women-owned businesses. This makes it hard for procuring entities to reach them and for women-owned businesses to connect and collaborate. The Bureau of Public Procurement explained that businesses can register for participation in government tenders. Many women-owned businesses are not listed in this register, but by doing so, they can be visible to procuring entities. Participants agreed that the government and its procuring entities should be more proactive in their approach to bridge the gender gap; relying on business registration through self-enrolment and on automatic enforcement of legislation is not sufficient.

What steps are being taken?

Nigeria is keen to pursue gender inclusive procurement with the support of the SheTrades Initiative. At the government level, several steps are required.

Determine which institutions will take the lead. One or a combination of government institutions must take ownership. Based on the January 2020 dialogue, participants agreed that a programme has to be put together at the federal level and applied to the whole of Nigeria.

Draft an action plan. Once lead institutions are appointed, an action plan can be drafted. NEPC and ITC are committed to contribute.

Formalize the obligation for government procuring entities to purchase in a women-owned business friendly manner. This obligation would ideally be laid down in the Public Procurement Act or the Regulations. Changing legislation will take a relatively long time, however, and is currently not being considered. Policy dialogue participants suggested using a presidential executive order as an effective instrument.

Decide whether a target will be adopted and what percentage this should be.

Adopt a definition of ‘women-owned businesses’ and implement this for all stakeholders.

An advocacy group to represent Nigerian women entrepreneurs to push gender-inclusive procurement would be valuable. Women’s associations are scattered throughout Nigeria and do not all know each other.

Endnotes

- 1 The ITC SME Trade Academy (<https://learning.intracen.org>), offers more than 60 free-to-use online courses, including one on government procurement opportunities for women-owned businesses. The course supports public procurement officers with strategies and solutions to support women in their countries.
- 2 Most questions are by the authors. Some are adapted from International Finance Corporation (2018). *Unlocking opportunities for women and business: A toolkit of actions and strategies for oil, gas, and mining companies*. https://www.commdev.org/pdf/publications/Unlocking_Opportunities_for_Women_and_Business_IFC-2.pdf
- 3 The targeted assistance strategy 'Target' may be combined with one of the other targeted assistance strategies. The other three strategies cannot be combined with each other.
- 4 Price preference means you are willing to pay extra to a women-owned business for a similar level of quality as that offered by a non-women-owned business. A preference can also be expressed as an adjusted evaluation score on quality, but this brings the risk that a contract is awarded to a women-owned business that does not meet the minimum quality level required. It is important to ensure adjusted scores can never lead to acceptance of a bid that would otherwise be rejected; therefore, the use of price preferences is recommended.
- 5 These statistics can provide percentages of registered businesses that qualify as women-owned businesses, or percentages of gross domestic product realized by businesses that qualify as women-owned businesses. These percentages are likely to be quite low for most business sectors, possibly with some extremities (see Question 39 in Tool I).
- 6 Check which definition of women-owned businesses is used. If this is not compliant with the definition defined for the programme, a new data registration must be set up.
- 7 Special thanks to Trinidad Inostroza Castro, who provided most of the content for this section on women-owned businesses in public procurement in Chile.
- 8 Estudio diagnóstico de género proveedoras naturales ChileCompra (Diagnosis of the gender of suppliers in ChileCompra), Plan de acción para la disminución de brechas de género en el mercado de compras públicas, ComunidadMujer, 2015.

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