Since *Empowering Women through Public Procurement* was published in 2014, a number of countries have taken some steps to create public procurement initiatives, as have some international development agencies and development finance institutions.
Building the Evidence Base for Women’s Public Procurement

Timeline: 1970 to 2021

1970
Establishment of Minority Business Enterprise (MBE) Program in the United States. MBEs had to be certified as being 51 percent owned, managed and controlled by one or more ethnic minorities. This designation worked for certification for both corporate and public procurement.

1990s
Establishment of the Women’s Business Enterprise (WBE) Program in the United States, using the same 51 percent criteria used by MBEs, but for women’s corporate procurement.

December 2000
The term Women-Owned Small Business was created in the United States for the purpose of public procurement.

2007–2008
WEConnect International incubated pilots in Canada and the UK, to do internationally what was done with women’s corporate procurement in the United States. Certified firms were again called WBEs.

2009
Formal launch of WEConnect International, which now certifies WBEs in 100 countries.

2010
Launch of the International Trade Centre’s (ITC) Women in Trade program in Geneva, a joint program of the United Nations (UN) and the World Trade Organization. The name was later changed to SheTrades.

2011
Publication by International Finance Corporation, A Guide to Getting Started in Local Procurement, focused primarily on companies in the oil, gas and mining sectors, though also relevant to some public procurement processes.

2014
Publication by International Trade Centre, Empowering Women through Public Procurement — a breakthrough publication that provided a methodology and helped catalyze progress in many other countries, including many initiatives funded by national donor agencies.
2018, 2019 and 2020

W20 recommended to the G20 Leaders’ Summit the urgent need for progress on access to markets, including public procurement. The 2020 Communique called for national year-on-year goals regarding procurement, international trade and ecommerce. Further, it called for setting a target of a minimum 10 percent increase in public procurement by 2030, for each country according to its own baseline. Finally, it called for a report on annual progress on women’s access to these markets. While the two earlier Communiqués called for the increase in public procurement to be achieved by 2025, in 2020 this date was changed to 2030 to align with when the UN’s Sustainable Development Goals were to be achieved. The challenges with gaining traction on this policy recommendation has caused the W20’s Women’s Entrepreneurship Working Group to completely rethink its strategy.

October 21, 2020

W20 Women’s Entrepreneurship Working Group announced at a virtual W20 Summit hosted by Saudi Arabia that it will create a Showcase of Best Practices, a Peer Learning Network, and Action Alliances and advocacy initiatives focused on Public Procurement and several other priority issues.

2016

UN Secretary General announced creation of the High-Level Panel on Women’s Economic Empowerment. One U.S. Women20 (W20) delegate was a member, and another wrote their second report.

2017

Publication by UN Women, The Power of Procurement: How to Source from Women-Owned Businesses — Corporate Guide to Gender-Responsive Procurement. An excellent guide on corporate procurement, by the same author as ITC’s Empowering Women through Public Procurement.

Publication by Chatham House, Gender-smart Procurement Policies for Driving Change, in collaboration with Women20 (W20) of the Group of Twenty (G20) countries, and focusing on Australia, the European Union, the U.S., and Chile.

2018

Publication by International Finance Corporation, Unlocking opportunities for women and business: A toolkit of actions and strategies for oil, gas and mining companies. An excellent publication targeted to companies, but with considerable value regarding supply chains, and some how-to’s that are equally relevant in the public procurement sector.

W20 developed a policy brief on public procurement.

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W20 developed a policy brief on public procurement.
October 27, 2020
United States Agency for International Development (USAID) commissioned a global mapping of the landscape on women’s public procurement and the development of tools and resources for USAID staff engaged in public procurement activities.

February 22, 2021
At the W20 Kickoff meeting during Italy’s Presidency, ITC and W20 agreed to put together a global action alliance and to host a Virtual International Summit on Women’s Public Procurement in the fourth quarter of 2021.

March 8, 2021
The International Standards Organization International Workshop Agreement 34 offered definitions, criteria, and guidelines on the following terms: Women-owned businesses, Women-led businesses, Women-led cooperatives, and Women-led informal enterprises.

November 11, 2020
ITC SheTrades program published a superb how-to manual, Making Public Procurement Work for Women. This is a global roadmap representing a true breakthrough for women’s public procurement, formally launched at the W20’s Kickoff session on February 22, 2021.

October 14-16 & December 14-16, 2020
ITC and the Swedish Institute of Standards hosted a six-day virtual International Workshop Agreement on definitions of women-owned and women-led businesses, to facilitate International Organization for Standardization definitions in 2021.
History Of Key Developments And Pivotal Research

As shown in the timeline above, it was approximately 50 years ago that the United States began certifying minority-owned firms to do business with the federal government. Multinational corporations based in the United States were encouraged to follow the same practice. To qualify as an MBE, firms and suppliers had to be certified as being 51 percent owned, managed, and controlled by one or more ethnic minorities, to access preferential federal contracting opportunities.

U.S. TERMINOLOGY: THE ROLE OF WEConnect INTERNATIONAL IN INTERNATIONALIZING U.S. DEFINITIONS

In the 1990s, a similar definition was adopted for certified women-owned businesses: 51 percent owned, managed and controlled by one or more women. For purposes of corporate procurement, these businesses are called Women’s Business Enterprises. The same basic requirements were adopted for public procurement in December of 2000 within the United States, referring to these firms as Women-Owned Small Businesses (WOSBs). A certified WOSB must also be a U.S. citizen. Economically Disadvantaged Women-Owned Small Businesses are known as EDWOSBs.

Because supplier diversity initiatives for women-owned businesses began in the United States at least a decade before most other countries and organizations launched their initiatives, U.S. models, terminology, and methodologies have permeated systems of corporate and public procurement in numerous other countries. The internationalization of the U.S. model was spearheaded by WEConnect International, an organization formally founded in 2009 after two years of being incubated by WBENC and Quantum Leaps. While WEConnect’s focus has been on corporate rather than public procurement, it has also influenced public procurement in numerous ways, given its impact on several UN and World Bank Group initiatives. WEConnect has promoted the concept of supplier diversity, the role of certification, and the globalization of the 51 percent definition required for WEConnect International to certify a company as a WBE.

...supplier diversity initiatives for women-owned businesses began in the United States at least a decade before most other countries and organizations launched their initiatives...
THE INTERNATIONAL TRADE CENTRE: EMPOWERING WOMEN THROUGH PUBLIC PROCUREMENT

Shortly after WEConnect’s launch in 2009, the ITC, a joint agency of the UN and the World Trade Organization based in Geneva, created its Women and Trade program in 2010. At first, the program focused primarily on corporate procurement and international trade. In 2014, however, it launched its first comprehensive female-oriented public procurement publication—Empowering Women through Public Procurement, by Keric Chin. In 2017, Chin produced a high-profile publication about women’s corporate procurement for UN Women—The Power of Procurement: How to Source from Women-Owned Businesses. He also provided inputs on the public procurement section for the second report of the UN Secretary General’s High-Level Panel on Women’s Economic Empowerment—Leave No One Behind: Taking Action for Transformational Change on Women’s Economic Empowerment.

The rich Executive Summary of ITC’s Empowering Women through Public Procurement includes a statement by Robert Zoellick (then President of the World Bank) that promoting gender equality is “smart economics.” It also highlights women’s potential role in boosting national competitiveness, noting that “public procurement is a powerful tool to achieve socioeconomic objectives because it operates at the intersection of the government’s regulatory and buying powers.”

Empowering Women describes three phases of the public procurement process:

» Acquisition planning and market research
» Source selection and contract award
» Contract administration and close-out

“By carefully structuring the rules that govern each of these phases,” the document summarizes, “governments seek to achieve various policy objectives.”


Procurement Policy Objectives

Typically, government objectives in procurement would include “value for money, integrity, equal treatment and efficiency;” these objectives “can and should [also] include increased participation by women entrepreneurs in public procurement and in the economy more broadly.” Procurement policies should be gender-sensitive “because of the unique challenges that women-owned businesses face.”

— Empowering Women through Public Procurement

The document’s Executive Summary points to a number of challenges faced by women-owned businesses, as identified through research:

» Lack of information about tender opportunities
» Overly complex and burdensome tender procedures
» Unreasonable technical and financial qualification requirements
» Large contract sizes as a result of “bundling” (beyond the capacity of most woman-owned businesses)
» Insufficient time to assemble tenders
» Price competition
» Lack of feedback from procuring agencies
» Failure by those agencies to promptly pay invoices
» The need for greater clarity in defining the term “women-owned business”

The document acknowledges that some of these challenges are not unique to women-owned small businesses. It emphasizes, however, that governments must understand that businesses owned by men and women are not similarly situated: “Seemingly gender-neutral rules, policies and programmes can have a disparate impact on women-owned businesses.”

The document also put a spotlight on the challenge created by “fronts”—a form of corruption in which a company that is owned, managed and controlled by one or more men presents itself as female-owned, managed, and controlled, in order to obtain preferential treatment in obtaining corporate and public procurements. Because of this problem, many countries have pushed for third-party certification bodies to validate that a company is in fact 51 percent or more owned, managed, and controlled by one or more women. Third-party certification is considered valuable by both corporations and governments wanting to buy from women-owned firms.

MOMENTUM SLOWLY STARTS TO BUILD

Since *Empowering Women through Public Procurement* was published in 2014, a number of countries have taken some steps to create public procurement initiatives, as have some international development agencies and development finance institutions. Generally speaking, countries and institutions have been more successful in developing gender-inclusive corporate procurement programs than public procurement programs.

Women’s challenges in pursuing public procurement opportunities include: the complexity of the public procurement system, an unfamiliar regulatory environment and terminology, the entrenched ecosystem of suppliers to governments, women’s unfamiliarity with public procurement processes and methodologies, and the problem of fronts and corruption.

Also, because so many national public procurement systems operate in silos and are often separated by language from other countries’ systems, there is limited sharing of knowledge and best practices across organizations developing programs in this space. As a result, countries and institutions are continually “reinventing the wheel,” often with little idea of what kinds of public procurement programs work well for women. In addition, governments and institutional actors may not know how to engage effectively with women-owned and women-led businesses, and often lack working relationships with associations representing this constituency.

Unlike many other organizations, the ITC has deepened its engagement with women’s public procurement, as well as with all other aspects of access to markets—corporate procurement, international trade, and ecommerce. All four areas were central components of the ITC’s Call to Action and its SheTrades Programme. Launched in 2015, SheTrades aimed to bring 1 million (later revised to 3 million) women to market by 2021.

THE TIME IS NOW TO ACCELERATE WOMEN’S PUBLIC PROCUREMENT

Building The Evidence Base For Women’s Public Procurement

THE TIME IS NOW TO ACCELERATE WOMEN’S PUBLIC PROCUREMENT

Building The Evidence Base For Women’s Public Procurement
ITC’s SheTrades Outlook initiative was launched in July 2020. That initiative is described at length in the ITC 2020 publication, *Making Public Procurement Work for Women*, and is summarized below:

“[SheTrades Outlook] is the first tool of its kind to make trade possible for women by promoting a more inclusive policy ecosystem. It provides comprehensive data and analysis on trade and women’s economic empowerment, and shares experiences from around the world. SheTrades Outlook helps track how laws, policies, and practices in different countries affect women’s participation in business and trade, covering 83 indicators across 6 policy areas. From trade [and public procurement] policy to the business environment, and from skills development to access to finance, policy-makers and other stakeholders can use this tool to understand where countries are doing well and where there is room for improvement. SheTrades Outlook’s analytical framework makes it possible for users to:

- identify data gaps and areas for potential policy reform
- compare progress with other countries, regions and economic groupings
- discover good practices to inspire exchanges of experiences and lessons learned

SheTrades Outlook currently covers 25 countries, focused on Commonwealth countries, with a view to expanding globally.’’

— *Making Public Procurement Work for Women* (reprinted with permission)

This comprehensive publication is much more, however, than a review of the organization’s own work in this area. *Making Public Procurement Work for Women* provides a roadmap for future initiatives of agencies and governments; accordingly, the Toolbox reproduces (with permission) important sections of that document, including case studies of Chile, The Gambia, and Nigeria as well as excerpts in the Snapshots and the Canadian case study sections (as noted in the relevant text). The quoted passages are shown shaded, as in this section, or are clearly identified in the text.

**THE WOMEN20 BECOMES ENGAGED**

The W20 started thinking deeply about public procurement beginning in 2017. It was already immersed in the issue by 2018, when the heads of G20 delegations from the United States, the United Kingdom and the European Union (EU) collaborated in developing a Policy Brief on Public Procurement for Women, under the presidency of Argentina. The policy brief recommended a target for women-owned businesses in public procurement (businesses that comprised approximately 38 percent of small and medium enterprises globally at the time) of a minimum 10 percent increase by 2025 in each country, according to its own baseline. This became a priority recommendation in the W20 Communique that was sent to the G20 Leaders’ Summit in 2018. Unfortunately, the recommendation was not adopted that year by the heads of state in their Leaders’ Declaration, nor was it adopted

in the following two years. The 2021 version of the W20 Communique changed the recommendation to a minimum of 5 percent and extended the timeline to 2030, to align with the UN’s Sustainable Development Goals targeted for 2030.7

CHATHAM HOUSE IN THE U.K. TAKES THE STAGE

Aligning with the W20’s growing interest in public procurement, Chatham House in the UK published Gender-smart Public Procurement Policies for Driving Change by Dr. Sue Harris Rimmer in December 2017, highlighting case studies from three countries and one region—Australia, Chile, the United States and the EU.8 Together, the four case studies explored different stages of policy reform; again, W20 leaders were deeply involved. The Chatham House publication provides an excellent analysis of key challenges, findings and policy recommendations.

Drawing from the four case studies as well as preexisting research, the Chatham House report identifies a number of suggestions for improving gender-smart procurement. A basic need is to address the clear gap in relevant research and data:

“Addressing this gap can help policymakers and companies to identify and better articulate the policy pathways linking increased female labor participation, support for businesses owned by women, gender-smart procurement, anti-corruption policies, more gender-inclusive trade and inclusive macroeconomic growth.”9

Dr. Rimmer distinguishes between immediate priorities and longer-term efforts: “Some [reforms] can be tackled immediately, while others have short-, medium- or long-term horizons.” Immediate steps include gathering gender data in procurement systems, with transparent reporting. Longer-term initiatives would include the “introduction of robust certification, training and support for enterprises owned by women.” Nevertheless, she points out, experience in the United States and Chile suggests that the reform process could be accelerated, with revision of the procurement laws. The report concludes: “There is no excuse for a ‘business as usual’ approach.”10 That conclusion is especially apt in the wake of the pandemic, and the urgent need to Build Back Better.


The TIME IS NOW for Women’s Public Procurement. Read how the stage is set for action!