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FOURTH SENIOR EXECUTIVE ROUNDTABLE ON SOURCING FROM WOMEN VENDORS

Background

The size of procurement markets is considerable. The average Fortune 500 Company, the majority of which have supplier diversity programmes, spends US\$6m per day on indirect purchasing.¹ In 2002 the total size of the government procurement sector was an estimated 15%-20% of GDP across OECD and non-OECD economies.²

Despite their significant participation in the economy, with over 34% of firms worldwide having female participation in ownership, women-owned companies are not getting their fair share of contracts. Their access to trade and procurement opportunities is constrained by a number of factors including limited information on procurement guidelines and regulations, and limited knowledge about selection and bidding procedures. Women's share of corporate procurement is estimated at less than 1% and even in the United States, where there is a government-wide mandated procurement goal of 5%, only 4.1% of contracts are awarded to women-owned businesses.³

Corporations recognize that sustainable and diverse supply chains lead to improved corporate performance. In a May 2009 McKinsey Quarterly survey of nearly 2,300 senior private sector executives, those whose organizations invest in women indicated that they are benefiting considerably or expect they soon will. In total, 72% of respondents reported increased profits or indicated the expectation that their profits will increase as a result of their organizations' efforts to empower women in developing countries and emerging markets.

Fair and non-discriminatory public procurement processes are key to maximizing value for money in procurement outcomes for all citizens. The increased competition these processes bring holds the potential for enormous benefits for domestic and foreign stakeholders. In addition, providing equitable access to contracts contributes to development priorities such as quality healthcare, education, good public sanitation systems, infrastructure and women's economic empowerment as an engine for growth.

Furthermore, empowering women is a catalyst for achieving gender equality and the internationally agreed goals and commitments, including the Millennium Development Goals. Research shows that women reinvest up to 90% of their earnings in family wellbeing. When women are educated and can earn and control income, there are positive implications for a number of development indicators: infant mortality, child health and nutrition, agricultural productivity, population growth, economic growth, and intergenerational cycles of poverty.

¹ European Commission, E-Procurement

² The Size of Government Procurement Markets, www.oecd.org/dataoecd/34/14/1845927.pdf

³ Women Impacting Public Policy

In September 2010, the International Trade Centre (ITC) and WEConnect International organized the First Senior Executive Roundtable on Sourcing from Women Vendors. This meeting brought together 27 decision makers from Fortune 500 companies, governments and institutions to deliberate a way forward that would better connect women business owners to global value chains.

One of the key findings of the meeting was that as corporations expand their global reach, while they understand the value of integrating women into their supply chains, they find it difficult to identify women business owners.

Speaking on behalf of their membership, heads of women's business organizations re-joined that it is also unclear to their members how to access opportunities. Women business owners are often not privy to pre-selection prior to formal advertising processes, are unfamiliar with bidding procedures and lack awareness of bidding opportunities. This can affect their eligibility and hinder them from accessing procurement contracts, in particular public procurement contracts.

Many women-owned businesses are at the smaller enterprise level, hence the need to help women entrepreneurs understand how to benefit from procurement spend as second or even third tier suppliers is an area of significant importance as is, for the longer term, working with women-owned businesses to move them up the value chain through capacity building initiatives.

The lack of research and data, both on the supply side, relating to women's economic participation in trade and on the demand side validating the business case, seriously undermines the ability to increase women's participation in global supply chains.

As a result of discussions during the First Senior Executive Roundtable on Sourcing from Women Vendors, delegates agreed to launch The Global Platform for Action on Sourcing from Women Vendors with a ten year strategy to link buyers, sellers and institutions in order to build the capacity of suppliers to meet buyers' requirements, with a particular focus on women business owners in developing countries.

Subsequently, two senior executive roundtables and a roundtable on government procurement alongside the 8th WTO ministerial conference have taken place, as well as the inaugural Women Vendors Exhibition and Forum (WVEF) in September 2011. WVEF was the first event in the Platform's ten year strategy to ensure commercial transactions result over time, by building sellers capacity to meet buyers' requirements. Close to \$15m in supply contracts between major multinational corporations and women-owned companies were signed demonstrating clear institutional will and the capacity of women vendors to meet buyers' demands.

Objective and Format

The Fourth Senior Executive Roundtable on Sourcing from Women Vendors convenes decision makers in government and corporations, providing a forum to discuss mechanisms through which procurement can be leveraged for the benefit of women through knowledge and information sharing.

The roundtable will bring together approximately 80 leaders from the public and private sectors, including executives representing corporations with experience in successfully pursuing supplier diversity programmes. The meeting will take the form of an interactive dialogue, with corporations sharing best practices, a discussion of ITC survey results from 15 developing countries on technical assistance and capacity building needs in government procurement, and exploring ways to tackle supply side constraints to women accessing procurement contracts.

The meeting will have a practical focus on implementation and replication of good practices. Delegates participating should have a commitment to the empowerment of women through trade

as a prerequisite. Prior knowledge of supply chain diversity and preferential policies in procurement is not necessary.

Outcomes

As a result of the Roundtable, it is expected that the Global Platform for Action on Sourcing from Women Vendors will be strengthened through leveraging of powerful partnerships and focusing on substantive commitments from delegates including:

- Announcements by participating corporations and government entities of specific commitments aimed at promoting and increasing the share of procurement from women business enterprises. These could include for example, the setting of aspirational targets of year on year percentage increases in the share of sourcing from WBEs and a commitment to report back on progress.
- Creation of a mechanism to increase the engagement of Chief Procurement Officers of participating corporations to raise the profile of the issue, drawing it in to the mainstream of procurement strategy.
- Support and agreement for the creation of a programme to support large corporations to source from women-owned businesses at the global level; including the business case, and the corporate infrastructure and mechanisms required.
- Support for the creation of capacity building programmes for women-owned businesses to enable them to accelerate growth and move up the global value chain; including mentoring initiatives, business training in collaboration with world class universities and direct supplier linkages programmes.
- Support for ground-breaking research and the development of data on sourcing from women vendors including an analysis of the business and economic impact; the performance of large corporations, trade, income and job creation.
- Commitment to increase visibility within the corporate social responsibility mandates of corporations and access to financial resources contributing to the sustainability of the Platform.

The Fourth Senior Executive Roundtable on Sourcing from Women Vendors is jointly organized by the International Trade Centre, the Secretaría de Relaciones Exteriores, ProMéxico and WEConnect International