
17.12.2011
GENEVA, SWITZERLAND

ROUNDTABLE ON GOVERNMENT PROCUREMENT ON SOURCING FROM WOMEN VENDORS

Background

Women entrepreneurs are a growing economic force - over 34% of firms worldwide have female participation in ownership. Yet their access to trade more broadly and to opportunities in government purchasing are constrained by a number of factors. For instance, women-owned businesses are much less likely to be found at a larger enterprise level due to lack of control of assets, barriers to accessing contracts and other gender related constraints.¹

Governments and international organizations recognize that 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 they are educated and can earn and control income, a number of good results follow: infant mortality declines, child health and nutrition improve, agricultural productivity rises, population growth slows, economies expand, and cycles of poverty are broken.²

Despite the progress made in recent years, women-owned companies (many of which are SMEs) are still not getting their fair share of government contracts. In the US for example, in 2010, women business owners received less than the allocated 5% of federal contract dollars which would have meant approximately \$30 billion in contracts in 2010. Women business owners often have a poor understanding of the guidelines and regulations pertaining to government procurement contracts, are often not privy to pre-selection prior to formal advertising processes, are unfamiliar with bidding procedures and lack of awareness of bidding opportunities which affects their eligibility and hinders them from accessing government procurement contracts. Helping women entrepreneurs understand how to benefit from procurement spend as second or even third tier suppliers is also an area of significant importance.

In September 2010, the International Trade Centre (ITC) and its partners convened 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 rejoined that it is also unclear to their members how to access opportunities. As a result, both groups agreed to launch The Global Platform for Action on Sourcing from Women Vendors with a ten year strategy to link buyers, sellers and institutions to build capacity of suppliers to meet buyers' requirements, with a particular focus on to women business owners in developing countries.

Subsequently, two Senior Executive Roundtables 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

¹ World Bank Enterprise Surveys, Survey data collected between 2006 and 2010 covering 125 of the 187 IBRD member countries

² Coleman, I. (2010). 'The global glass ceiling: Why empowering women is good for business', Foreign Affairs, Council on Foreign Relations, USA

capacity to meet buyers' requirements. In addition to the signing of several supply contracts between major multinational corporations and women owned companies, close to \$15m of contracts were signed demonstrating clear institutional will and the capacity of women vendors to meet buyers' demands.

The event proposed here, the inaugural **Roundtable on Government Procurement on Sourcing from Women Vendors**, is a fundamental aspect of the Platform, helping build a bridge between government procurement departments and women vendors through knowledge and information sharing and capacity building.

The Role of Government Procurement

Under the Plurilateral Agreement on Government Procurement (GPA), and the planned revisions under negotiation, WTO Members that are party to the treaty have rights and obligations. The GPA is based on the principles of openness, transparency and non-discrimination, which apply to Parties' procurement covered by the Agreement, and which are entirely in accord with the concept of diversity in procurement. Indeed, the GPA creates an environment that allows women suppliers and others, to compete for and win contracts on merit. Governments seeking to increase the share of their expenditure with women owned businesses can do so in compliance with the GPA so long as rules preventing discrimination on the basis of nationality and other requirements of the GPA are respected.

Government procurement is an important aspect of international trade, given the considerable size of the procurement market, often 10-15 percent of GDP. Fair and non-discriminatory procurement processes are key to maximising 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.³ 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. There are some nascent examples of good procurement policies and practices that benefit a broader cross section of suppliers. In 1996 for example, in addition to the city's extensive equal economic opportunities plan, the Atlanta committee for the Olympic Games instituted pioneering practices to ensure that minorities (ethnic minorities and women) secured lucrative contracts; roughly one third of discretionary expenditure was contracted to minority owned firms.⁴

Opportunities to include a gender dimension to government procurement exist on a multitude of levels. Quick gains can be made by ensuring better access to women vendors in accessing contracting processes for goods and services at the level of individual government departments, whilst longer term objectives can be pursued through the implementation of national strategies and policies that create a more level playing field and entry opportunities for women owned enterprises.

Through greater participation in government procurement (preferential procurement policies and practices), women entrepreneurs can achieve greater success; contributing to economic growth, attain human and social development and contribute concretely to the realisation of the Millennium Development Goals.

Format and Outcome of the Meeting

The government roundtable will bring together approximately 15 high level government officials and procurement experts drawn from the public sector. The meeting will take the form of an interactive dialogue, led by Mayor Shirley Franklin who in her capacity as Senior Vice-President for external relations for the 1996 Atlanta committee for the Olympic Games was instrumental in successfully instituting pioneering policies to ensure that minority owned firms (women and ethnic minorities) secured lucrative Olympic Games related contracts. She was the Mayor of Atlanta USA between 2002 and 2009, and has received numerous accolades including the Time Magazine top five mayor in the United States (2005) and the 2005 John F. Kennedy Profile in Courage award.

The meeting will draw on the rich knowledge of experts who will share critical information on the GPA framework and good practices with a practical focus on replication. As an outcome of the meeting, an action plan will be drawn to identify ways to secure opportunities for women to benefit from

³ World Trade Organisation, http://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm

⁴ Black Enterprise Magazine, April 1996

government expenditure on procurement as part of the Global Platform for Action on Sourcing from Women Vendors' ten year strategy.

Governments participating should have a commitment to the empowerment of women through trade as a prerequisite. Prior knowledge of preferential policies in procurement is not necessary.

Issues for Consideration

1. Why buy from women vendors; the business and development case for supplier diversity
2. Review of the basic elements of a targeted government procurement practice drawing on the experience of Atlanta City
3. Discussion of experiences at the national, state and local government levels
4. Identifying the entry points; where and how to start