

ISSUE BRIEF

# RETHINKING GENDER-RESPONSIVE PROCUREMENT: ENABLING AN ECOSYSTEM FOR WOMEN'S ECONOMIC EMPOWERMENT



International  
Labour  
Organization





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# INTRODUCTION

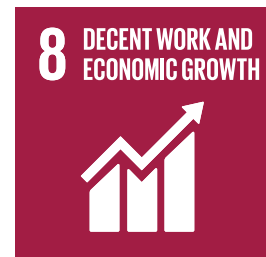
This issue brief, prepared by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the International Labour Organization (ILO), discusses ways to broaden the scope of gender-responsive procurement (GRP) from a focus on only promoting women’s enterprises to also include gender-responsive enterprises. The brief aims to inspire a transformative conceptualization of gender-responsive procurement that supports both equal market opportunities for women’s enterprises and equal outcomes for women in the labour market and the business environment.

The paper proposes an evolved vision of gender-responsive procurement that leaves no one behind and creates outcomes for gender equality and women’s empowerment, not only opportunities. This vision would contribute to achieving the Sustainable Development Goals (SDGs), especially Goals 5 and 8, which focus on gender equality and decent work respectively. Starting from the “buy from women-owned” approach, which seeks to offer equal opportunities for women’s enterprises to access markets, the brief then takes a step forward to consider the potential to leverage gender-responsive procurement for expanded benefits to all women in value chains as a means to address gender inequality. This culminates in an expanded approach to gender-responsive procurement that favours gender-responsive enterprises regardless of ownership, thereby potentially allowing all women and men to benefit from decent business and employment opportunities. The brief further posits a GRP ecosystem as a prerequisite for the transformation, and finally makes a call to action for concrete ways to make this vision a reality. Finally, the paper applies these concepts in the context of COVID-19.

## Definition:

### GENDER-RESPONSIVE ENTERPRISES

For the purpose of this paper, a “gender-responsive enterprise” is one that meets criteria for integrating gender equality and women’s empowerment principles in its policies and practices that are in alignment with international norms and standards. To be considered gender-responsive, comprehensive compliance with the [Women’s Empowerment Principles \(WEPs\)](#) and ILO labour standards would be required.



# I. CONVENTIONAL THINKING ON GENDER-RESPONSIVE PROCUREMENT: EQUAL OPPORTUNITIES THROUGH BUYING FROM WOMEN'S ENTERPRISES

The premise of gender-responsive procurement is that government and private sector sourcing policies and practices can be strategic entry points for shaping markets to promote the development of women's entrepreneurship and women's economic empowerment. Public and private procurement generates trillions of dollars in economic activity and fuels market interactions that span the globe. This is evident in the size of public procurement around the world, which accounts for 12 percent of global Gross Domestic Product (GDP),<sup>1</sup> representing 10 to 15 percent of the GDP in developed countries and up to 30 to 40 percent in least developed countries.<sup>2</sup>

The private sector also relies heavily on purchasing and procurement. For example, 55 percent of sales in the manufacturing sector are attributed to procurement.<sup>3</sup> Most buyers do not comprehensively track how many of their suppliers are women's enterprises. From the little information that is available, it is estimated that sourcing from women's enterprises accounts for only about 1 percent of spending of large businesses.<sup>4</sup>

Illustrative examples of government and private sector policies and practices that focus on women's enterprises are discussed below.

## 1.1. Governments

Since public procurement is a significant proportion of GDP, public procurement laws and policies that promote certain socioeconomic objectives can have a significant effect. Some governments and state-owned enterprises use procurement in a strategic way to support women's enterprises through a "buy from women-owned" approach, focusing on enterprises

certified to be owned or led by women. An evaluation of public procurement policies in Organisation for Economic Co-operation and Development (OECD) member countries found that only 24 percent of them have a policy on women's enterprises.<sup>5</sup>

Countries that integrate the "buy from women-owned" approach into law and policy include:<sup>6</sup>

- Tanzania's 2016 Public Procurement Act allocates 30 percent of government tenders to enterprises led by women, youth, older persons and people with disabilities as a follow-up to the Women's Entrepreneurship Development (WED) assessment.<sup>7</sup>
- Kenya has a policy of reserving 30 percent of procurement spending for women-owned enterprises as well as those owned by youth and people with disabilities.
- The United States has a target of 5 percent of federal procurement spending to be allocated to small women-owned enterprises.

1 Bosio, E. and S. Djannkov. 2020. "How large is public procurement?". World Bank Blogs. 5 February. <https://blogs.worldbank.org/developmenttalk/how-large-public-procuremen>

2 Kirton 2013.

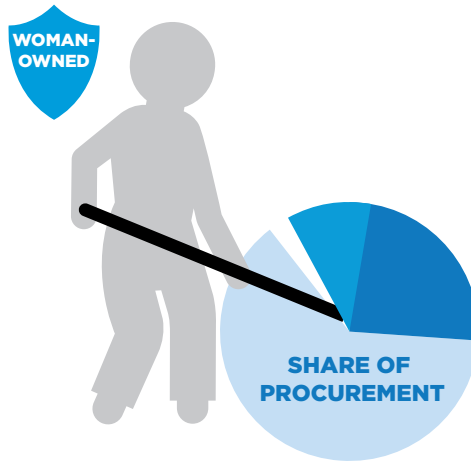
3 Monczka et al. 2015.

4 Vazquez and Sherman 2013.

5 OECD 2019.

6 The ITC has a useful database at <https://procurementmap.intracen.org/> to review legislative policies that promote women's businesses. Another source of information is the ILO Committee of Experts on the Application of Conventions and Recommendations. The Committee has reviewed such practices when applying the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111) and under the Equal Remuneration Convention, 1951 (No. 100). Documentation of the process can be found here [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_174846.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_174846.pdf)

7 ILO 2019.



### Gender-Responsive Procurement is a Strategic Lever

- South Africa’s Broad-Based Black Economic Empowerment Act has affirmative procurement provisions that apply to women-owned enterprises.
- Botswana, Chile and India, among other countries, have some type of policy that supports women-owned enterprises in public procurement processes.<sup>8</sup>

#### Tools for supporting gender-responsive procurement

The ILO and UN Women provide practical tools to support governments in reforming procurement policies to be more gender-responsive. For example, through national assessments of Women’s Entrepreneurship Development (WED Assessment), the ILO works with national constituents to assess frameworks and conditions conducive to the empowerment of women entrepreneurs, including access to markets and technology, and makes recommendations, such as encouraging public procurement schemes to be more gender-responsive.<sup>9</sup> UN Women conducts training on gender equality and women’s economic empowerment for procurement professionals in the public and private sectors.

#### 1.2. Private sector

The private sector can take action by leveraging buying power and supply chains to have a positive impact on gender equality. In accordance with Principle 5 of the Women’s Empowerment Principles, promoted by UN Women and the UN Global Compact, enterprises can support gender equality by procuring from women suppliers and distributors and by supporting contractors to promote gender equality in the workplace, marketplace and community.

In 2017, companies, including Accenture, Citi, Ernst & Young and Procter & Gamble, announced a goal to source USD 100 million each through their supply chains from women’s enterprises in developing countries.<sup>10</sup> To contribute to this goal, Procter & Gamble worked with UN Women to pilot strategies to expand business relationships with subdistributors and women’s enterprises in Egypt, Nigeria, Pakistan and South Africa. The results of the pilot project showed that collaboration between the UN and procuring entities can facilitate access to market opportunities for women’s enterprises when companies review their supply chain practices to make them more gender-responsive. While quantifying the direct benefits of working with women suppliers and subdistributors is challenging, the reputational benefits that attract customer loyalty was clear to UN Women’s pilot project partners. Evidence supports these observations because ethical consumption—which is when

<sup>8</sup> Harris Rimmer 2017, Combaz 2018.

<sup>9</sup> To get insight on the WED assessment methodology and read national assessment reports, please visit [https://www.ilo.org/empent/areas/womens-entrepreneurship-development-wed/WCMS\\_504170/lang-en/index.htm](https://www.ilo.org/empent/areas/womens-entrepreneurship-development-wed/WCMS_504170/lang-en/index.htm)

<sup>10</sup> Dallas, K. 2017. “How Global Citizens Just Helped Secure \$1B in Commitments Toward Gender Equality.” Chime for Change. 27 Sept. <https://www.globalcitizen.org/en/content/1b-in-commitments-towards-gender-equality-secured/>



a company's sustainability efforts and ethics become a cornerstone of its buying decisions—can help enhance a company's reputation, with potential positive impact on its performance.<sup>11</sup>

According to the UN Global Compact, which provides the Gender Gap Analysis Tool to help Women's Empowerment Principles signatories to diagnose areas where they excel but also where they can improve, only 6 percent of companies globally who have used the tool actually count their spending on women-owned businesses.<sup>12</sup> Yet supplier diversity programmes are still very common in the United States. Other examples of companies that practise supplier diversity include:

- Citigroup Inc (also known as Citi) have implemented a number of innovative solutions in their supplier diversity, sustainability and inclusion practices, which include methods for strategic sourcing, capacity development and networking.<sup>13</sup>
- IBM's global supplier diversity and inclusion programme creates opportunities for women, lesbian, gay, bisexual and transgender people, veterans and service-disabled veterans, and disabled persons.<sup>14</sup>

- UPS works with organizations such as the Women's Business Enterprise National Council, the National Minority Supplier Development Council, and the U.S. Hispanic Chamber of Commerce to develop training for suppliers.<sup>15</sup>
- Unilever aims to spend EUR 2 billion a year by 2025 with diverse businesses owned and managed by people from underrepresented communities, including women, underrepresented racial and ethnic groups, people with disabilities and lesbian, gay, bisexual, transgender, queer and intersex communities.<sup>16</sup>
- L'Oréal's Solidarity Sourcing Programme, operational since 2010, includes inclusive purchasing projects targeting women in vulnerable communities.<sup>17</sup>

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11 Manyukhina 2018.

12 BSR 2020.

13 UN Women 2017.

14 Ibid.

15 HBR 2020.

16 Unilever. Undated. "Promoting diverse suppliers."

<https://www.unilever.com/planet-and-society/equity-diversity-and-inclusion/promoting-diverse-suppliers/>

17 L'Oréal. Undated. "How L'Oréal Encourages Women's Economic Empowerment Through Sourcing?"

<https://www.loreal.com/en/news/commitments/how-loreal-encourages-womens-economic-empowerment-through-sourcing/>

## II. THINKING BEYOND THE STATUS QUO

A “women-owned business” is commonly defined by many countries, as well as the UN system, as an enterprise that has at least 51 percent ownership by one or more women.<sup>18</sup> A “women-led business” is associated with firms with women in key decision-making positions such as Chief Executive Officer (CEO), President and General Manager.<sup>19</sup> For the purpose of gender-responsive procurement, it makes sense to some that ownership and leadership come together for a business to be considered a women’s enterprise. Some countries have different thresholds and criteria. Egypt, for example, uses a definition that allows for a lower ownership threshold for women’s ownership if a company is also women-led.<sup>20</sup>

While the “buy from women-owned” approach has the potential to contribute to economic growth and social progress, assessing the effectiveness of such a strategy on gender equality and women’s empowerment is not an easy task. The “buy from women-owned” approach to gender-responsive procurement has limitations for three key reasons:

Firstly, not all women’s enterprises qualify for the designation of “women-owned” according to some governments and companies because they lack certification as such by a recognized relevant and competent entity. Certifiers of women’s enterprises, such as WeConnect International, have had notable influence on the internationalization of the definition based on the 51 percent threshold of “owned, managed and operated,” which is the standard used in the United States. In 2020, the International Trade Centre (ITC) SheTrades Initiative and the Swedish Institute for Standards (SIS) initiated a series of consultations as part of the International Workshop Agreement (IWA) to standardize the definition of a “woman-owned business,” an exercise that requires questioning the assumption that “women’s ownership” can be easily defined and that it automatically leads to empowerment. Moreover, whereas the logic of buying from women-owned enterprises is to assure that the profits go to women, paper ownership does not necessarily mean actual control of the enterprise’s operations and revenues. Businesses can be nominally registered in the names of women to take advantage of the opportunities offered by the “women-owned”

designation, but are actually controlled and operated by men. The ILO WED Assessment in Montenegro, for example, revealed that most men would register enterprises in the names of their female family members (e.g. sister, wife, daughter and mother) to reap additional benefits associated with the status of women’s businesses.<sup>21</sup>



<sup>18</sup> The 51 percent ownership should be complemented by unconditional control by one or more women over both the long-term decision-making and the day-to-day management and administration of the business operations, and independence from non-women-owned businesses. UN Women 2017: XIII.

<sup>19</sup> Piras et al. 2013.

<sup>20</sup> Central Bank of Egypt. 2018. Circular dated 16 August 2018 regarding Women Owned Business Definition. <https://www.cbe.org.eg/en/Pages/HighlightsPages/Circular-dated-16-August-2018-regarding-Women-Owned-Business-Definition.aspx>

<sup>21</sup> Montenegrin Employers Federation 2013.

Secondly, the gender identity of a firm's owner and leader does not necessarily relate to the working conditions for its female or male employees or mean that gender inequalities are addressed or women employees are economically empowered. For that, gender-responsive policies and practices would be required. There is no clear evidence about the deficits of decent work that do or do not exist in women's enterprises or, conversely, whether enterprises that are not certified as "women-owned" in fact have good practices that support and empower all workers by protecting their rights.

Thirdly, gender-responsive procurement is interpreted by some as a form of "positive discrimination" since it privileges certain categories of business over others. This can be perceived to go against the principles of merit and fair competition, which are foundational for the field of procurement, and non-discrimination in the language of procurement law and in World Trade Organization (WTO) agreements. Exceptions nonetheless do exist, for instance when parties decide to give developing countries special access to certain markets under strict conditions<sup>22</sup> or when governments set specific preferences or quotas to increase the access

of small and medium-sized enterprises (SMEs) to public tenders.<sup>23</sup> Introducing gender-responsive provisions in procurement and trade agreements remains a challenge. Inclusion of social criteria may be limited within the scope of procurement law<sup>24</sup> and procuring entities might not see responsibility for social outcomes as their mission, which in most cases is operational and not normative. Indeed, affirmative action is highly contested and may not be legally possible.

Procurement decisions in public procurement are driven by considerations of value for money, economy and efficiency.<sup>25</sup> The private sector also places significant emphasis on achieving economies of scale and cost reduction. Women-owned enterprises tend to be smaller and grow more slowly due to structural barriers.<sup>26</sup> They may not have the capacity to meet those requirements and are therefore ineligible or unable to compete for tenders. Hence, there is a need for reframing gender-responsive procurement to promote equal outcomes for a wider range of women and not only for a small subset of women entrepreneurs who are able to compete at the levels dictated by procurement practices which are driven by consideration of efficiency and value for money.

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22 See WTO's non-discrimination principle at WTO. Undated. "Principles of the trading system." [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm)

23 See the International Trade Centre (ITC)'s recommendations on improving the access of small and medium-sized enterprises (SMEs) to public procurement: ITC. 2001. "Improving SME Access to Public Procurement". *International Trade Forum*, Issue 1. <http://www.tradeforum.org/Improving-SME-Access-to-Public-Procurement/>

24 Sarter 2015.

25 Keulemans and Van de Walle 2017.

26 Carranza et al. 2018.

# III. (RE)FRAMING GENDER-RESPONSIVE PROCUREMENT TO BUYING FROM GENDER-RESPONSIVE ENTERPRISES

It is noteworthy that current GRP practice focuses primarily on creating opportunities for producers. However, if gender-responsive procurement is to influence equal *outcomes* for women and not just opportunities, practices need to be promoted that enable inclusive development pathways and reduce inequalities for workers and consumers. This is necessary because gender gaps are still pervasive in the labour market and the business environment. In 2019, women’s labour force participation globally stood at 47 percent, 27 percentage points below men’s<sup>27</sup> and women continue to be paid on average 20 percent less than men<sup>28</sup> in terms of both remuneration of wage work and remuneration of capital for women entrepreneurs.

An emerging reformulation of the concept of *gender-responsive* procurement is to source from gender-responsive enterprises, regardless of the gender identity of the owners. A gender-responsive enterprise would meet rigorous criteria for integrating gender equality and women’s empowerment principles in policies and practices in the workplace, marketplace and community to have systemic impacts. Examples of such criteria include offering decent work and social protection or applying fair standards for contractors and subcontractors, who often work and live in vulnerable situations. Examples of such vulnerability include informal work arrangements, health and safety concerns, and lack of adherence to employment standards such as minimum wage and working hours.<sup>29</sup> The idea here is that buyers can work together with enterprises in their supply chain to create decent work in gender-equal environments by putting standards in place for gender-responsive policies and practices.

In the absence of established standards and certifications to inform and track gender-responsible business practices, a number of international normative frameworks are helping to define if an enterprise is gender-responsive.

## Decent work and social protection

Decent work is defined by the ILO and endorsed by the international community as productive work for women and men in conditions of freedom, equity, security and human dignity. Decent work involves opportunities for work that is productive and delivers a fair income; provides security in the workplace and social protection for workers and their families; offers prospects for personal development and encourages social integration; gives people the freedom to express their concerns, to organize and to participate in decisions that affect their lives; and guarantees equal opportunities and equal treatment for all.<sup>30</sup>

Social protection is at the centre of the 2030 Agenda for Sustainable Development; SDG indicator 1.3.1 is dedicated to measuring the proportion of the population covered by social protection systems—which currently stands at only 45 percent.<sup>31</sup> Evolving employment patterns and new forms of employment with limited job and income security and without adequate social protection are on the rise.<sup>32</sup>

27 ILO 2020a.

28 ILO 2018a.

29 ILO 2020b.

30 ILO 2008.

31 See ILO. Undated. World Social Protection Data Dashboards. <https://www.social-protection.org/gimi/WSPDB.action?id=32>. Accessed 15 April 2021.

32 ILO 2017b.

## UN promotion of gender-responsive procurement

Leading by example, the United Nations Global Marketplace (UNGM) has integrated a gender indicator in its online procurement platforms to help UN procurement officials report on their sustainable procurement performance. The gender indicator “relates to sustainability considerations that aim at the empowerment of women and girls and the promotion of equal treatment of people irrespective of their gender—for instance through gender mainstreaming, which refers to the practice of assessing the different implications of activities for people of different genders.”

For instance, bidders shall demonstrate their commitment to support gender equality and women’s empowerment through their operations (current or future plans/activities regarding gender diversity in the recruitment process, and/or ensuring equal pay between men and women, and/or opportunities for women to be empowered and promoted internally, and/or prevention of sexual exploitation and abuse or any form of discrimination at work, and/or paid parental leave policies for men and women, and/or provide professional safety training and access to equal protection facilities for all staff without discrimination, etc.).<sup>33</sup>

UN Women Procurement implements gender-responsive procurement internally, incorporating incentives for gender-responsive suppliers in the procurement process. This is in line with the United Nations Procurement Network approach, which integrates gender issues as a social indicator into its online procurement platforms to help UN procurement officials report on their sustainable procurement performance, which is available at the UN Global Marketplace. Additionally, the Gender-Responsive Procurement Task Force was established within the Sustainable Procurement Working Group under the Procurement Network of the United Nations High-Level Committee on Management (HLCM). The GRP Task Force led by UN Women is working on a set of indicators for measurement of GRP implementation at the inter-agency level.

The Women’s Empowerment Principles (WEPs)<sup>34</sup> cover seven domains where a company can work to have a positive impact on gender equality internally and in society.

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration) calls on multinational enterprises to practise principles of non-discrimination and to correct any historical patterns of discrimination in order to promote equality and equal opportunity and treatment in employment.<sup>35</sup> The OECD Recommendations on Public Procurement propose a strategy for inclusive growth and urge governments to employ selection criteria that support small and medium-sized enterprises and promote gender equality and social inclusion.<sup>36</sup> The United Nations Gender Dimensions of the Guiding Principles

on Business and Human Rights<sup>37</sup> emphasize the role of States in procuring from businesses that have policies and mechanisms in place to address sexual harassment, gender-based violence, pregnancy- and maternity/paternity-based discrimination, the gender pay gap, and underrepresentation of women in leadership and management positions.

Emerging evidence indicates that government procurement can influence labour conditions in contracted firms.<sup>38</sup> This vision of gender-responsive procurement helps promote equal job and business opportunities for women by awarding more business to enterprises that foster gender-responsive employment practices, provide better working conditions and decent jobs, and promote equal opportunities

33 United Nations Global Marketplace 2020.

34 For more information about the Women’s Empowerment Principles, see [www.weps.org](http://www.weps.org).

35 ILO 2017a.

36 OECD 2019.

37 UNDP and United Nations Working Group on Business and Human Rights. Undated. Gender Dimensions of the Guiding Principles on Business and Human Rights. [https://www.ohchr.org/Documents/Issues/Business/Gender\\_Booklet\\_Final.pdf](https://www.ohchr.org/Documents/Issues/Business/Gender_Booklet_Final.pdf)

38 Ravenswood and Kaine 2015.

across all employment levels, and not just at the ownership level. This is becoming an important pillar of sustainable public and corporate procurement policies and practices, which has been put forward, for example, by European Union (EU) governments. EU and national public procurement provisions require contractors to ban discrimination and develop work–life balance policies, safety standards and labour guarantees, as well as equal pay measures.<sup>39</sup> The city of Vienna welcomes not only participation to tender from women’s enterprises but also companies that, during the contract, commit to promote women’s employment and furnish proof of doing so during its execution.<sup>40</sup>

Enterprises can, through corporate procurement, encourage their suppliers to align with principles of gender equality, with the private sector collectively shaping markets to have a positive social and economic development impact. This can include supplier development programmes, which can support buyers to integrate gender equality into supplier work practices. Enterprise development programmes, such as the ILO’s Sustaining Competitive and Responsible Enterprises programme, have developed a tool called the Gender Equality Model (MIG SCORE),<sup>41</sup> which provides practical guidelines for enterprises for applying gender-responsive employment and management practices for equal opportunity, treatment and participation.

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39 See the EU presentation during the webinar on Leveraging Inclusive Procurement amid COVID-19. 18 June 2020. <https://www.empowerwomen.org/en/community/events-opportunities/2020/06/leveraging-inclusive-procurement-amid-covid-19>.

40 See the Vienna City website (in German), <https://www.wien.gv.at/wirtschaft/gewerbe/vergabe-frauenfoerderung.html>, which lists the requirements and includes a checklist for suppliers. Section A, Point 1 discusses women’s share of employment.

41 ILO. 2018. MIG Score: Gender Equality Model explained. [https://www.ilo.org/empent/Projects/score/WCMS\\_651895/lang--en/index.htm#:~:text=We%20designed%20a%20new%20SCORE,%2C%20and%20work%2Dlife%20harmony](https://www.ilo.org/empent/Projects/score/WCMS_651895/lang--en/index.htm#:~:text=We%20designed%20a%20new%20SCORE,%2C%20and%20work%2Dlife%20harmony).

## IV. CREATING A GENDER-RESPONSIVE PROCUREMENT ECOSYSTEM

The sections above have presented two visions of gender-responsive procurement. The first is the conventional approach based on supplier diversity that promotes sourcing from certified women-owned enterprises leading to more equal opportunities for women in the market. The second is a newer concept whereby organizations source from gender-responsive enterprises, regardless of ownership, leading to equal outcomes for women more broadly in local, national and global value chains.

Value chains, described as “the full range of activities that are required to bring a product or service from conception, through the intermediary phases of production and delivery to final consumers,”<sup>42</sup> are a key element of the global economy. They shape business ecosystems between and within countries. Procurement is a process then that happens in a wider ecosystem with implications not only for buyers and suppliers, but also for consumers and the support systems and infrastructure that enable different actors to carry out their transactions.

In order to expand gender-responsive procurement beyond opportunities for a small group of suppliers that are certified as women-owned enterprises, to include the potential for equal outcomes for women as producers, workers and consumers, a systems view is required. This means taking into account how sourcing decisions affect the wider interconnected set of actors that play a role in delivering the sourced service or product. Gender-responsive procurement can only flourish in an enabling environment fostered by a number of actors. The bird’s-eye view of procurement in Figure 1 illustrates the interactions and relationships, often overlapping and multidimensional, as well as institutions in a market system, that make gender-responsive procurement possible.

Governments, as duty bearers, are responsible for protecting human rights and for regulating enterprises public and private, big and small. Governments are also responsible for physical and social infrastructure and services that make doing business possible, and through policies and regulations that apply across the public and the private sector, ensuring labour rights and social protection coverage for workers and consumers.

Women use those services and infrastructure, as suppliers of goods and services to the government and

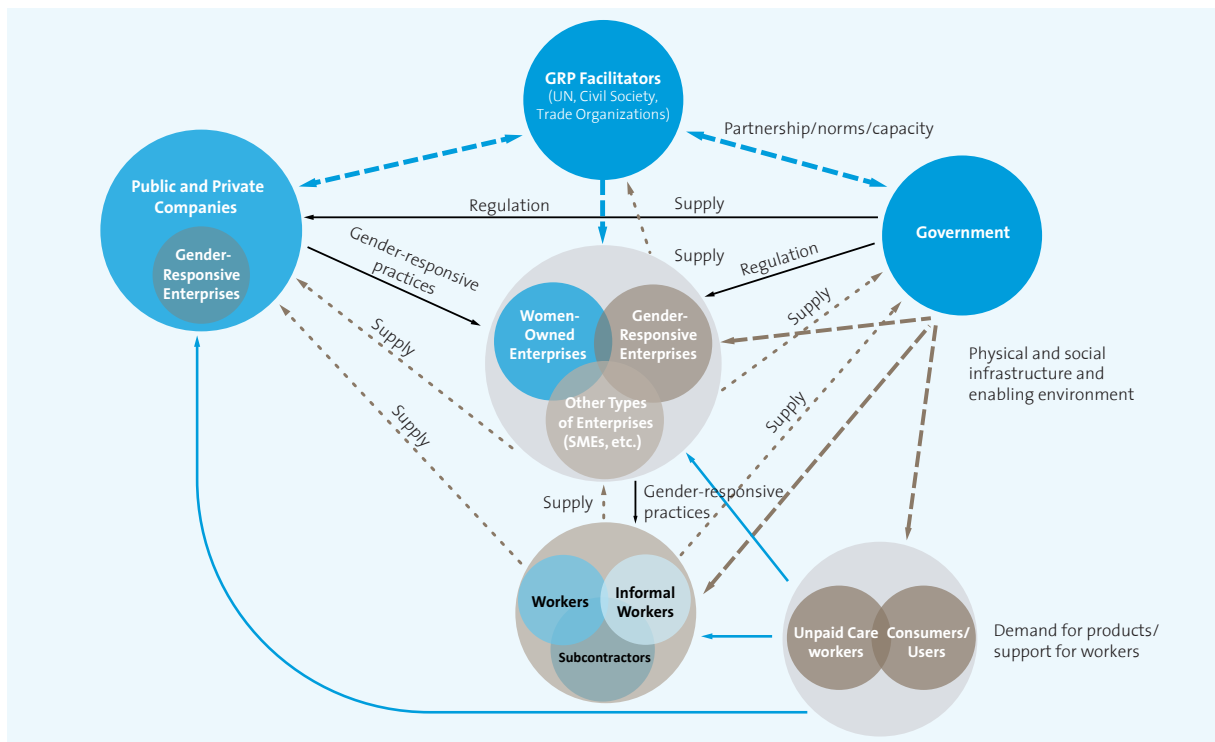
private sector, and as enterprise owners, contractors and workers. Therefore, an analysis and understanding of gender is required to understand the differential impact of the procurement process on women at all stages in the value chain. For example, women may access and benefit from public services, such as education and social care that receive large shares of public investment, in different ways than men.<sup>43</sup> An often-overlooked link in this chain is the unpaid care and domestic work that is essential for families and economies to function, for which women are disproportionately responsible, subsidizing public services at the expense of their ability to participate equally in the paid labour market. Women have a vested interest, not only in who wins a procurement contract, but also how the procured goods, services and public works affect livelihoods and the gender division of labour more broadly.

Well-functioning GRP ecosystems rely on strong public policies and enforcement measures, especially when the provision of public goods or services is outsourced to private entities, which may not have the same labour and employment standards as the government. Government and companies alike are obligated to respect international human rights frameworks and conventions and standards to which countries have committed. The 2030 Agenda for Sustainable Development, the Sustainable Development Goals and the other frameworks discussed above provide guidance on the strategies that can have a positive impact on business operations and gender equality and women’s economic empowerment, as well as other social and environmental issues. Transformative measures are needed to cultivate ecosystems that resist and eliminate discriminatory social norms and stereotypes and structural barriers that hold women back from equal participation in the labour market and the business environment. To be gender-responsive, government and

42 Kaplinsky 2004.

43 UN Women 2018

**FIGURE 1**  
**GENDER-RESPONSIVE PROCUREMENT ECOSYSTEM**



### A gender-responsive procurement ecosystem

Figure 1 illustrates six clusters of actors in a gender-responsive procurement ecosystem, showing the multiple roles and relationships that actors have in procurement. Gray dashed lines refer to relationships between suppliers and buyers. The main large buyers are governments, enterprises and organizations that play a dual role as buyers and facilitators of gender-responsive procurement, like the UN. The cluster in the centre—women-owned enterprises, gender-responsive enterprises and other types of enterprises—can supply directly to these buyers. Workers, informal workers and subcontractors supply to these businesses, but they also sometimes supply directly to the large buyers. Of course, nothing would be possible without the contribution of care work. Consumers, who include the many women that bear the disproportional brunt of care work and domestic reproduction that supports workers, drive demand (shown in grey with the turquoise lines). Blue lines in different shades represent relationships that aren't necessarily transactional, but are still related to procurement.

enterprises should enable the meaningful participation, voice and representation of gender experts and women entrepreneurs and workers and their associations in the advancement of procurement policies and practices that will support inclusive and sustainable growth of the local, national and global economy.

Putting in place transformative measures is not easy. The norms that govern procurement laws and policies are driven by financial considerations. Reforms, such as e-procurement, focus on savings and efficiency gains by improving value for money and lowering prices.<sup>44</sup>

Since gender-responsive procurement prioritizes social outcomes in addition to financial returns, procurement practitioners may consider it to be outside the scope of their mandate, or they may only want to practise it when there are direct cost-saving returns. The diffusion of gender norms may, therefore, be at odds with the values that drive these reforms.<sup>45</sup> For this reason, a business case and a rights case for gender-responsive procurement will always go hand and hand. The following concluding section offers guidance on practical steps to move forward.

44 OECD 2017.

45 Nyeck 2015.



## V. CALL TO ACTION

Procurement is a process that reflects the values of the procuring entity. In most organizations, the core of the procurement department's mission is to secure costs savings and value for money. Prioritizing social outcomes requires changes in institutional culture as well as the policies and practices of all actors in procurement ecosystems.

How can gender-responsive procurement serve not only as a tool that creates opportunities for some women's enterprises but also as a transformative lever that, under the right conditions and by giving preference to gender-responsive enterprises, can create decent jobs and better economic outcomes for women?

Three pathways are critical to achieve this vision:

1. Building the capacity of buyers and suppliers to stay accountable to gender equality standards.
2. Collecting supplier data on women's enterprises and gender-responsive enterprises.
3. Working with partners to articulate both the business case and the human rights case for gender-responsive procurement.

### Building the capacity of buyers and suppliers

It is important to recognize the power of top-down leadership in the corporate environment and the private sector, which tend to be hierarchical. Procurement managers and executives can foster a culture of social impact and gender equality by publicly affirming their commitment to gender equality, as well as helping to build institutional accountability for gender-responsive procurement. This can include creating organization-wide targets for sourcing from gender-responsive enterprises, and holding managers accountable for delivering these targets, for example with concrete milestones in performance reviews. Gender-responsive procurement requires working across the whole organization, taking into account supplier diversity as well as risk management. For example, when conducting due diligence, companies and governments can carry it out in a gender-responsive manner and use gender-responsive procurement as a mitigation strategy to reduce the organization's potential adverse impact on human rights. What's more, gender-responsive due diligence may reveal risks in the upstream and downstream supply chain. An example of a tool that can help is

Business for Social Responsibility (BSR)'s Gender Data and Impact (GDI) Tool, which helps companies track their impact at all levels of the supply chain.<sup>46</sup>

In terms of capacity—the capacity of the buying entity—it is essential that procurement organizations are empowered to see how their actions and practices can have a positive impact on the world. If they can see themselves as agents of social change in a system that is not gender-neutral, they can build practical solutions. Procurement professionals need to know how to apply a gender lens to their work to recognize the structural barriers that women's businesses in value chains face in negotiating and developing sustainable business relationships. They also need to know how to put programmes in place for supplier development, tailored specifically towards women's enterprises, especially those owned and run by women who face multiple and intersecting forms of discrimination due to factors such as poverty, ethnicity, religion, race, disability, sexual orientation, gender identity and nationality. They also need the resources and training to conduct gender-responsive due diligence and to institute requirements that advance gender equality among their supplier base.

The capacity of suppliers is similarly important. Many buyers find it hard in practice to find qualified women's enterprises that can compete at the same cost and quality as other businesses. This is precisely because of the various well-known gender-specific barriers women's enterprises face. Furthermore, enterprises—regardless of ownership—need to demonstrate commitment towards fostering gender-responsive practices by training staff and ensuring different units do their part in working towards gender equity. Many organizations, including UN Women and the ILO, offer enterprise and supplier development programmes that can help women's enterprises compete at the necessary level and that can help all enterprises foster gender-responsive practices. At the broader level, governments and policymakers should support women entrepreneurs by facilitating their access to capital and financial services, information and networks, and markets.

46 BSR 2019.

## Collecting supplier data

The evidence and data needed to make the business case and show the benefits of gender-responsive procurement are still relatively scarce. A UN Women and Fundação Getulio Vargas study in Brazil found that very few enterprises collect data on their suppliers that would make it possible to understand and monitor gender-responsive procurement. Also needed, as a prerequisite to making data available, are the dissemination and adoption of standards that would clearly identify gender-responsive enterprises and women's enterprises. Limited coordination, capacity and regulations are also of concern. Coordination among actors collecting data would be required along with public dissemination of these data to facilitate accountability. Serious attention should also be devoted to improving the quality and quantity of publicly available procurement data. Organizations like Open Contracting that collect and publish sex-disaggregated procurement data have a key role to play here. UN Women can also help: their Women Count flagship programme helps governments across the world to improve gender-data collection and analysis.

## Working with partners to articulate the business case and rights case

A major point of action is to articulate and disseminate a persuasive "business case" that shows the incentives and benefits of putting gender-responsive procurement into practice and how it fits within legal and rights frameworks. This would help dispel concerns that gender-responsive procurement is a form of "positive discrimination" that favours some enterprises over others.

Indeed, there is consumer demand for goods and services that are produced in compliance with international norms and standards of human rights. Enterprises that have a positive social image with respect to gender equality and women's empowerment can accrue reputational benefits. The *Corporate Guide to Gender-Responsive Procurement* details evidence and examples of companies that have seen benefits due to their procurement programmes.<sup>47</sup> Furthermore, when the private sector procures for social good, they reinforce positive values and strengthen public policies that are designed to address inequality.



No gender-responsive procurement programme can exist without the full participation of and consultation with women and women's business organizations as well as organizations working on advancing gender equality. There is help for companies and governments to advance gender-responsive procurement within their organizations. As discussed in this paper, UN Women and the ILO, among other UN agencies and partners, create resources, knowledge and tools to carry out gender-responsive procurement. The UN stands ready to support companies and governments to embed gender-responsive procurement in their mandates to have a collective positive impact on the world, achieve gender equality and meet the Sustainable Development Goals by 2030.

47 UN Women 2017.

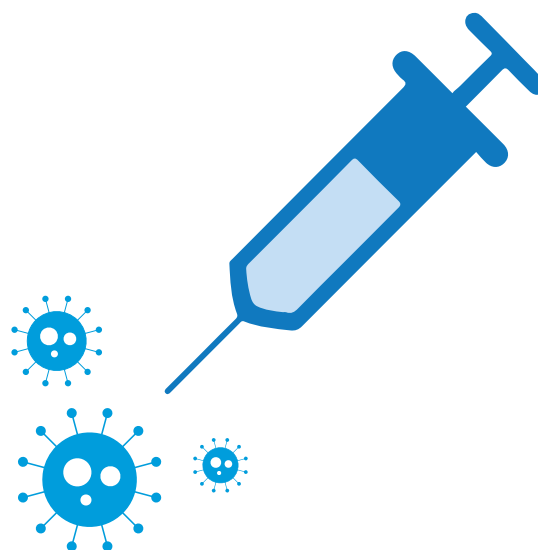
## VI. GENDER RESPONSIVE PROCUREMENT AND COVID-19

Procurement carried out in response to the pandemic can make or break the equitable distribution of necessary items such as essential health equipment, personal protective equipment (PPE) and vaccines. Women's enterprises are extremely underrepresented among those competing as suppliers for the myriad business opportunities the pandemic has generated. Enabling them access to these markets carries with it the double dividend of supporting women entrepreneurs and contributing to the COVID-19 response and recovery.

The COVID-19 pandemic has brought far-reaching economic shocks, felt most by those who were already the most vulnerable in society. The pandemic has exacerbated pre-existing gender inequality in the economy. The labour market was already segmented, with women more prevalent in precarious, part-time and informal work and in sectors that have lower pay, yet they have been at the front lines of the COVID-19 response and essential services. In the healthcare sector globally, 70 percent of workers are women.<sup>48</sup> Mass closures in the retail industry have impacted women disproportionately because they make up a disproportionately high share of employment; 42 percent work in this sector compared to 32 percent of men.<sup>49</sup>

Women are 24 percent more likely to lose their job compared to men while also expecting their labour income to fall 50 percent more than men, according to a study in six countries representing a variety of income levels.<sup>50</sup> According to ILO data, globally and across all regions and country income groups, women have been affected by employment loss to a greater extent than men. At the global level, the employment loss for women was 5 percent in 2020 versus 3.9 percent for men. Moreover, across all regions, women have been more likely to drop out of the labour force during this crisis.<sup>51</sup>

Major funds are being invested all over the world in small businesses as part of national fiscal strategies to address the economic fallout of the pandemic. With the total spending on economic stimulus worldwide set to soar past US\$20 trillion,<sup>52</sup> high-income economies are dedicating 40 percent to firms, and low-income



economies are dedicating 25 percent to firms.<sup>53</sup> Yet bigger firms are not only more likely to access the funds, but they access more of it.<sup>54</sup> Women's enterprises are usually smaller firms, and these disparities reinforce major gender gaps. Given that only 177 of more than 2,500 reported gender-responsive COVID-19 policy measures worldwide focus on women's economic security,<sup>55</sup> it is clear that women entrepreneurs and workers are not getting the targeted support they need.

Quick and substantial government procurement and the lifting of trade barriers have been identified by a number of countries as part of their fiscal response. Many economic recovery public policy responses mention

48 WHO 2019b.

49 ILO 2020a.

50 Dang and Nguyen 2020.

51 ILO. 2021. ILO Monitor: COVID-19 and the world of work. Seventh edition. Updated estimates and analysis. 25 January 2021. [https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms\\_767028.pdf](https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_767028.pdf)

52 IMF 2020.

53 Cirera et al. 2021: 33

54 Ibid.

55 UNDP. Undated. COVID-19 Global Gender Response Tracker. <https://data.undp.org/gendertracker/>. Accessed 15 April 2021.

procurement in terms of leveraging it to support both SME growth and inclusion.<sup>56</sup>

Moreover, there is a need to ensure that the large contracts and new investments for economic recovery are distributed equally and that women benefit from the government's buying power. According to Pulse,<sup>57</sup> as of March 2021, about 6 percent of COVID-19-related procurement contracts in the United States have been awarded to women-owned enterprises, totalling only US\$2.978 billion of the total of about \$US46.9 billion tagged as COVID-19 related. For reference in 2019, reported federal government procurement from women-owned enterprises was about US\$25 billion and just over 5 percent of the total.<sup>58</sup>

According to publicly available data analysed by Open Contracting, which houses data standards to guide procurement reporting, several countries stand out in terms of tracking COVID-19-related spending on women's enterprises. In the Dominican Republic, 31 percent of the COVID-19-related contracts and 27 percent of the total value were awarded to women-owned businesses. In Colombia, 46 percent of the COVID-19-related contracts and 42 percent of the total value were

awarded to female suppliers, or firms with a female as a contact point. This suggests that emergency-related procurement could be a stimulus for women's enterprises, though further research would have to be conducted for verification. However, the problem remains that many governments do not track the percentage of their procurement spending on women's enterprises, so it is difficult to see how contracts are distributed.

In terms of the linkages between gender-responsive procurement and fair and inclusive employment practices, governments could prioritize supporting enterprises that make efforts to respond to the needs of their female and male workers during the crisis, such as the increased burden of care many face due to the closure of day-care centres and schools and an increase in the sick. Moreover, due to the segmentation of the labour market and women's overrepresentation in the care economy, investments in occupational safety and health as well as social protection could have an impact on business resilience and gender-responsive employment practices. These assumptions suggest that practising gender-responsive procurement in a crisis could generate or sustain full and productive employment.

56 IMF. 2021. Policy Responses to COVID-19. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>. Accessed 15 April 2021.

57 See the Pulse of Government Contracting. <https://thepulse.govcon.com/>

58 See SAM.gov (USA). <https://sam.gov/reports/awards/static>

## KEY RESOURCES

### ILO

- MIG SCORE: [https://ilo.org/empent/Projects/score/WCMS\\_651895/lang--en/index.htm](https://ilo.org/empent/Projects/score/WCMS_651895/lang--en/index.htm)
- ILO MNE Declaration portal: [www.ilo.org/mnedeclaration](http://www.ilo.org/mnedeclaration)
- ILO Helpdesk for business: [www.ilo.org/business](http://www.ilo.org/business)
- ILO Women's Entrepreneurship Development Programme: [www.ilo.org/wed](http://www.ilo.org/wed)
- Gender Equality, Diversity and Inclusion Branch (GEDI): <https://www.ilo.org/gender/lang--en/index.htm>

### UN Women

- UN Women. 2017. The power of procurement: How to source from women-owned businesses. Corporate Guide to Gender Responsive Procurement: <https://www.unwomen.org/en/digital-library/publications/2017/3/the-power-of-procurement>.
- Women's Empowerment Principles: [www.weeps.org](http://www.weeps.org)

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UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.

The International Labour Organization (ILO) is the United Nations agency for the world of work. It brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men. Its unique tripartite structure gives an equal voice to workers, employers and governments to ensure that the views of the social partners are closely reflected in labour standards and in shaping policies and programmes. The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.



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