
Promoting Women's Empowerment through Business Operations Strategy

Gender Responsive Procurement
Practice Note
for BOS 2.0

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1. Background¹

Procurement is an important part of the United Nations’ activities and a major market. The sheer size and volume of corporate purchasing worldwide mean that corporations have the potential to dramatically influence the way suppliers and supply chains operate. Each year, the world spends trillions of dollars acquiring goods and services, yet purchases from women-owned businesses² account for a mere one percent of the total spending. By overlooking women-owned businesses, many corporations are missing an opportunity to expand their global markets, diversify their supply chains, and grow the economy, while simultaneously improving the lives of women and girls around the globe.



In September 2015, the global community adopted a set of seventeen Sustainable Development Goals (SDGs) to end poverty and hunger, protect the planet, ensure prosperity for all people, and foster peaceful, just, and inclusive societies. The purpose of the seventeen goals and the many targets they encompass is to guide the decisions and policies of individual countries and those of the global community more broadly over the next 15 years. One of the primary objectives of the SDGs is to achieve gender equality and empower women and girls. This objective is embodied in SDG 5. While gender equality and the empowerment of women are a stand-alone goal, they are also indispensable to achieving the other sustainable development goals, such as eliminating poverty and hunger and ensuring good health and education for all people.



¹ This practice note uses the analysis published by

(a) UN Women: “2017_UN Women_The-power-of-procurement-How-to-source-from-women-owned-businesses-en” .

(b)The E. K. Sarter (2020) The Development and Implementation of Gender Equality Considerations in Public Procurement in Germany, Feminist Economics, and

(c) The World Bank.

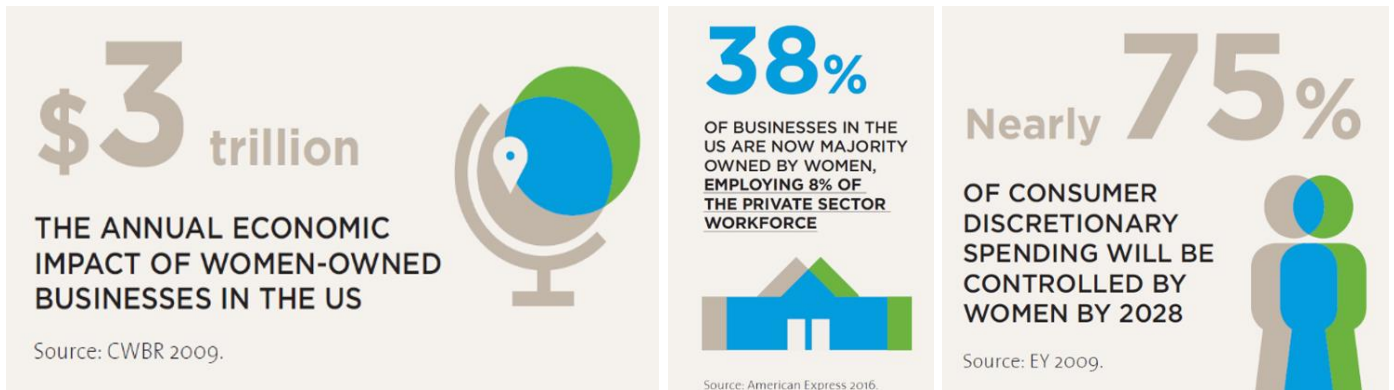
² Woman-Owned Business includes at a minimum:

(a) At least 51 per cent independent ownership by one or more women (or woman sole proprietorship),

(b) Unconditional control by one or more women over both long-term decision-making and the day-to-day management and administration of the business operations, and

(c) Independence from non-women-owned businesses.

Women-owned businesses contribute significantly to the world economy, generating millions of new employment opportunities and spurring local development. But their full economic potential remains largely untapped or underutilized.



Like most businesses, those owned and operated by women are overwhelmingly micro- or small-sized businesses. But unlike their male counterparts, women business owners must contend with a unique and disparate set of challenges in addition to those challenges facing small businesses more broadly. These challenges dissuade some women from starting businesses and prevent others from growing theirs. In other words, these challenges directly contribute to the gender gap.

2. Barriers to Gender Responsive Procurement

The relationship between public procurement and gender equality and the potential of using public procurement to foster gender equality has increasingly come into focus. Gender-Responsive procurement, through equality related policies, has been introduced in some countries and organizations, but very little information is available about the successful implementation of GRP. Through programmatic interventions, a vast amount of resources has been invested in organizing conferences and educational seminars for WOBs. Still, very little is done to close the knowledge gap in the buyer's domain, who are the key players in the implementation of GRP and equality policies. The knowledge gap and the absence of necessary tools contribute to the challenges which affect WoBs to access public procurement tenders and contract.

The European Commission's *Evaluation Report. Impact and Effectiveness of EU Public Procurement Legislation* stated that from 45 percent of the entities, which integrated some kind of social considerations in procurement policies, only 14 percent regularly included such aspects in their tenders. The integration of social GRP provision in the tender document is more of a voluntary nature, which demands more time from procurement officers, and in some cases, requires additional resources -the latter is always a challenge to address. This again highlights the importance of procurement officers in the effective implementation of GRP. Therefore, to effectively apply GRP in public procurement, there is a need for a firm commitment from the participating organizations and the procurers³.

In the suppliers' community, numerous challenges affect the ability of WOB to get access to tenders and contracts. Lack of financing is a major factor limiting the size and growth of women-owned businesses and preventing them from reaching their full potential. Firms that start with higher levels of capital show better performance in terms of assets, revenue, profitability, and survival. Women, however, typically start their businesses with less capital and have less access to financing than men, which limits their ability to start and grow their businesses. There are a variety of structural and socio-cultural factors contributing to this global credit gap. They include but are not limited to, lack of access to collateral, institutional bias, and socio-cultural norms. Women business owners also have limited access to social capital - women tend to have difficulties establishing robust business networks and connections with individuals and organizations that can generate business. They, therefore, tend to rely more heavily on family connections and informal networks for business. Undeniably, women business owners have overcome many historical barriers by building professional networks of businesswomen. Many are not able, however, to extend their networks beyond this group of like-minded individuals. As a result, many women miss out on potential business opportunities that are needed to grow their businesses.

Likewise, women business owners tend to have limited access to human capital. While women have made tremendous gains over the past few decades on the educational front, they still lag behind men in terms of business and managerial experience. Because of this, women have not fully grasped the business and financial skills necessary to operate and profitably grow their businesses.

Indeed, a recent study found two key differences between male and female entrepreneurs that helped explain the relatively lower revenue generated by women-owned businesses. The first was a lack of managerial experience. The second was the amount of time women were able to devote to their businesses.

This latter finding underscores another major challenge with which women business owners must contend, namely, socio-cultural expectations and norms. For example, in most countries, women bear a disproportionate responsibility for housework and family care and, therefore, typically work more hours than men. These expectations do not change even when a woman enters the workforce or starts a business, thus impacting the amount of time women can allocate to their businesses. This is one major reason why women-owned businesses do not grow as large as those owned by men.

³ E. K. Sarter (2020) The Development and Implementation of Gender Equality Considerations in Public Procurement in Germany, Feminist Economics

Another is that women are less confident than men about whether they have the knowledge, skills and experience required to start and run a new business. When they do start a business therefore, they tend to have lower expectations for it, often resulting in lower growth and revenue.

The bottom line is that Women and Men business owners are not similarly situated. Women must contend with additional obstacles above and beyond those encountered by men. Understanding this is fundamental to developing an effective gender-responsive procurement programme.

3. Gender Responsive Procurement and The Business Operations Strategy

Promoting women's entrepreneurship through UN/Business Operations Strategy (BOS) procurement is one way to close or at least narrow the gender gap. At the same time, increased participation by women-owned businesses in UN supply chains will also yield tangible benefits for the UN.

The Business Operations Strategy (BOS) is a mandatory strategic planning framework that facilitates the development, management, monitoring, and reporting of the UN Country Teams' joint support to programme delivery through common business operations⁴. It is a flexible tool that seeks to enhance the quality and cost-effectiveness of joint business operations. The BOS focuses on 6 main operational service lines at the country level: Procurement, Human Resources, ICT, Admin and Facility Management, Logistics, and Finance. Especially with the Procurement service line, the Business Operations Strategy has the potential to make a significant impact on SDG 5: Gender Equality. Since it is a mandatory instrument, over 130 UN Country Teams will have a BOS in place by 2021, which ensures a framework is in place to drive gender-responsive procurement at the country level.

⁴ [UNSDG BOS guidance](#), October 2019

³ UN Women corporate guide to gender responsive procurement

4. Approach to Gender Responsive Procurement under the BOS 2.0

The UN is well positioned to promote gender equality and empower women in their workplaces, in their communities, and through their purchasing policies and practices. The key to the application of gender-responsive procurement is through the scope of the fundamental procurement principle of Best Value For Money (BVFM), which consists of the selection of the offer which meets the organization's needs and presents the best return on investment. BVFM is the result of several factors and parameters that measure how well the goods or services allow the organization to meet its **social, environmental, and overall strategic objectives** in the context of the SDGs.

To effectively increase the number of women-owned businesses (WoB) participating in UN procurement and supply chains under the BOS, and to increase the share of WoB in the UN procurement spend, the UN must ensure that Gender Responsive Procurement (GRP) is mainstreamed throughout the procurement and supply chain macro and micro-processes.

4.1. Supplier Database

Finding WoBs, particularly in new markets, can be challenging. UN must first identify which of its suppliers are women-owned businesses. Thereupon, the UN shall establish its baseline and sourcing goals, and then develop a network of existing and new suppliers that are both owned and controlled by women and capable of providing goods and services in the quantities and of the quality required.

4.2. Procurement Plan

Procurement Practitioners (UN buyers and managers) are encouraged to include gender equality and women's empowerment considerations at the planning stage. This allows identification of priority areas that will guide the entity's approach to gender-responsive procurement at the organizational level and influence the whole procurement process.

For instance, where feasible, competition for local purchases, e.g. Request for Quotation (RFQ), micro-purchasing/spot purchasing, etc. can be limited to women-owned businesses (WoB) -see below for further details.

4.3. Defining Requirements

Requirements definition is a key factor when ensuring the Best Value for Money. Procurement Practitioners (UN buyers and managers) are encouraged to ensure that the products/services they procure are gender-friendly/neutral. This can be achieved by making sure that gender-responsiveness is given due consideration when defining the procurement needs (developing specification/requirements/TOR, etc.), and the same is followed through in other stages, including the evaluation and selection of suppliers.

4.4. Eligibility and Evaluation Criteria

Among other things, carefully constructed definitions and eligibility criteria are important because they reduce the likelihood of tokenism and fraud, both of which undermine the goals of inclusive and diverse sourcing. Tokenism occurs when companies place women in key management positions, but do not grant them duties, responsibilities, and authority which commensurate with those positions. It creates the façade of diversity, but does little, if anything, to empower women. When this is done solely to gain preferential status as a women-owned business, these practices can amount to criminal or civil fraud. To avoid tokenism, the definition and eligibility criteria for women-owned businesses should, at a minimum, include the following elements:

- i. At least 51 percent unconditional ownership by one or more women;
- ii. 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
- iii. Independence from non-women-owned businesses. This definition of women-owned business, whatever form it takes, will serve as the basis for certifying the status of firms as women-owned.

The scorable gender requirements need to be specific and objectively quantifiable. Suggested gender-responsive criteria should be incorporated in the Request for Proposal (RFP), Invitation to Bid (ITB), Request for Quotation (RFQ), and small value purchases templates and made available for users/procurement practitioners to choose and pick, such as:

- iv. Criteria listed under “i-iii” above
- v. Policies in place that contribute to gender equality (e.g., parental leave, anti-discrimination, anti-harassment, equal pay)
- vi. Existence of an already implemented gender parity policy
- vii. Gender balance in the project team/key personnel proposed by the supplier
- viii. Nature of the subcontractors used, details of any women-owned or women-led subcontractors that will be engaged in the project, including at different tiers of their supply chain
- ix. Signatory to the Women’s Empowerment Principles (www.weps.org/join)

When offers are assessed using scoring methods, such as for RFP, specific points can be allocated for one or multiple applicable criteria above (e.g., XX points for a “Policy in place contributing to gender equality”).

For ITB and RFQ, the evaluation is often not a score-based method. However, under these methods, in addition to other considerations, women's ownership can be used as a tiebreaker. For example, when two technically compliant vendors submit bids with identical prices (same price while technically compliant), the women-ownership status can be used to award a contract to a women-owned business.

In addition, for RFQ and shopping/micro-purchasing (small value purchases), if the policy of an organization requires/permits users to invite a limited number of suppliers to bid (e.g., 2-5), the buyer can invite the required number of suppliers from WoBs community. This protocol will increase the business share of WoBs in the UN procurement spend, while ensuring effective competition among a pool of WoBs, justified by the limited shares of WoBs in an organization's overall procurement spend (except for those who achieved equality in their procurement spending between men and women-owned business).

4.5. Best Practices

There are, however, great opportunities to increase the business share of WoBs in the UN procurement portfolio. Below is a summary of selective best practices that officials can apply to promote competitive participation of WoBs in UN procurement tenders:

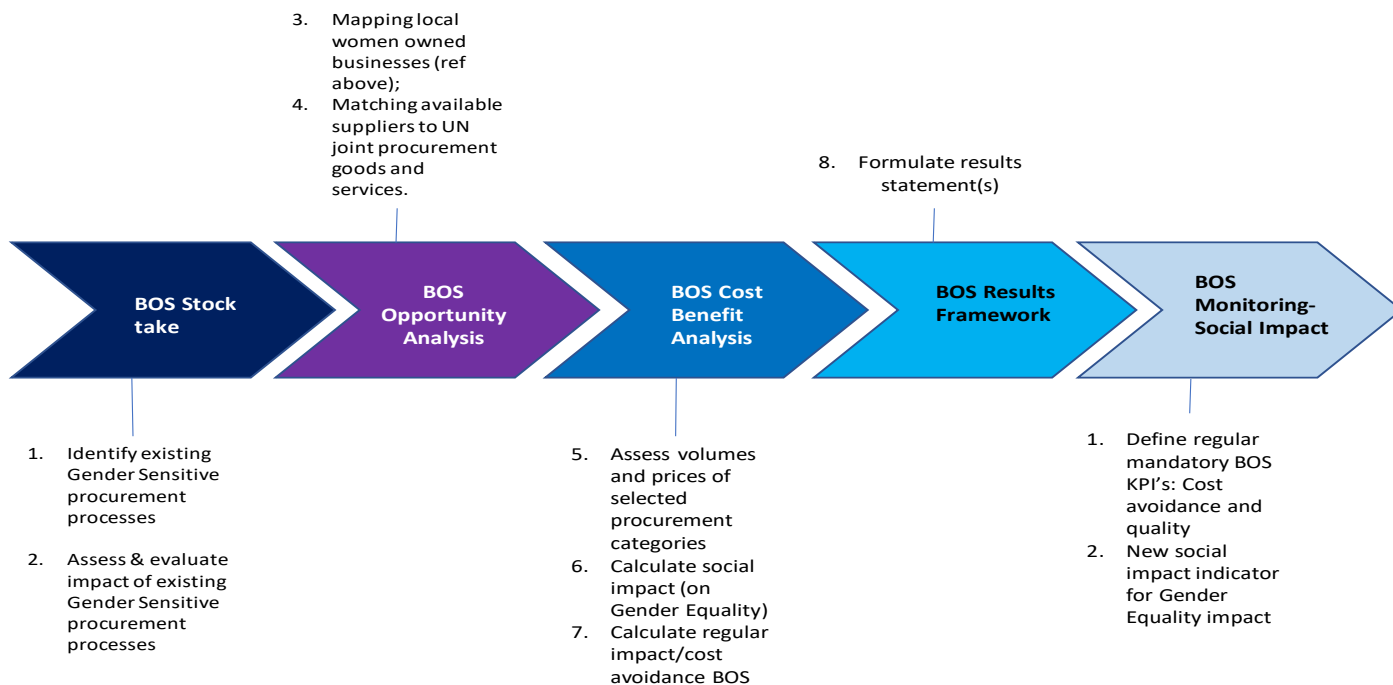
- Integrate GRP considerations in Procurement Planning. It will guide and influence the whole procurement process.
- Make the procurement opportunities available on different platforms to increase access to information and women's participation (women networks, social media, etc.).
- Proactively look for WoBs in local and international markets to enrich vendor lists. Use the Women Supplier Database, UNGM, other UN vendor databases, vendors already awarded contracts, rosters of business associations, and local business rosters as a tool to identify and invite more WoBs to participate in UN tenders, especially for commonly procured items.
- Prepare a list of pre-qualified women vendors in the most common sectors that can be easily used for RFQs and small value purchases.
- Ensure the technical requirements are in proportion to the estimated size, scope and value of the contract. Do not limit the competition by over-specifying the requirements.
- Introduce gender-responsive evaluation criteria in joint LTA exercises and give priority to invite local women-owned businesses to participate in LTA Solicitations.
- Liaise with programme colleagues in your office/region to learn from their experience and expertise on working with WoBs, understand typical challenges of WoBs, and jointly come up with strategies of targeting WoBs.
- Work on OMT level to build capacities of WoBs on public procurement with a focus on the joint UN procurement processes (e.g., UN Business Seminars). This will help to identify WoBs in the region and build their capacity in UN Procurement.
- Share best practices with your Country Operations Management Team (OMT), Procurement Harmonization working groups, and work through Delivering as One.

More information on GRP:

UN Women's procurement [website](#)

UNGM's [Knowledge Center](#) (in-depth)

To include GRP practices under the BOS, and measure the social impact of this initiative, the regular BOS methodology is followed, although with a few adjustments, as reflected below:



Step 1: BOS Stock take

- Identify existing Gender-Sensitive Procurement processes under the BOS/Procurement service line (as per usual BOS guidelines)
- Assess & evaluate the impact of existing Gender-Sensitive procurement processes under the BOS/Procurement service line (as per usual BOS guidelines)

Step 2: BOS Opportunity Analysis

- Mapping local women-owned businesses, and inclusion of GRP criteria in standard procurement templates (ref above section 4 items i&ii);
- Matching available suppliers to UN joint procurement goods and services.

Step 3: BOS Cost Benefit Analysis

- Assess volumes and prices of selected procurement categories (goods and services) resulting from the matching (from step 1)
- Calculate the social impact on Gender Equality = price x volumes as a measure of impact on women-owned businesses
- Calculate the regular impact/cost avoidance = current price x volumes – future price x volumes (as per usual BOS CBA methodology)

Step 4: BOS Reflect in the results framework

- Formulate results statement(s) under the BOS/Procurement service line (as per usual BOS Results Framework guidelines)

Step 5: BOS Measure

- Define regular mandatory BOS Key Performance Indicators (KPIs): Cost avoidance and quality (as per usual BOS Results Framework guidelines)
- New social impact indicator is drawn from social impact calculation under step 2 above.

1. Sounding Board

This approach is supported by agencies engaged in BOS under the principle of the mutual recognition, the sounding board for the practice will be UNSDG BOS task team members supported by UN Women, UNFPA and select UN agencies.

Implementation of the practice note is subject to agreement of the BOS task team as a recommended approach for OMTs to contribute to the SDG 5 and improving the gender responsive procurement at the country level.

2. Feedback and contacts

UNCTs/OMTs shall contact the UN DCO regional BOS coordinators for comments, feedback and if they face challenges in implementing this recommended practice. UN DCO will take forward the challenges to UNSDG BOS task team for consultation and solutions.

5. ANNEX 1. GRP application checklist

Gender-Responsive Procurement Considerations Checklist (Pre-Solicitation Stage)	
1	Gender equality and women's empowerment considerations included at the planning stage (including the method of solicitation, approach to the application of GRP during the evaluation, etc.)?
2	Women-owned businesses identified/mapped for a procurement category(-ies) or procurement exercise(-s)?
3	Requirements reviewed from the GRP perspective to ensure that the products/services to be procured are gender-friendly/neutral and requirements and not over-specified?
4	For RFQ or micro/spot purchases - list of pre-qualified women vendors prepared to allow for informal limited competition between WoBs, where feasible?
5	Scorable criteria or minimum requirements related to gender-responsive aspects of the solicitation (e.g., Gender balance in the project team/key personnel) included in the evaluation methodology?
6	Procurement notice(s) advertised on different platforms, including through women networks, UN/external WoB databases, and local business rosters?