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Great Women Forum

**Government Procurement
and Why Support Women Vendors**

By Ma. Aurora Geotina-Garcia

March 11, 2016

The role of **women** in the global economy **cannot** be ignored.

The real drivers of the economy are women and can yield a benefit called “the gender dividend.”

- The Gender Dividend is a steady benefit that is earned by making wise, balanced investments in developing women as workers and potential leaders as well as understanding women as consumers and their impact on the economy

Source:

WeConnect International (<http://weconnectinternational.org/en/buying-for-impact>); Organisation for Economic Cooperation Development (http://www.oecdobserver.org/news/fullstory.php/aid/3691/The_gender_dividend:_an_urgent_economic_imperative.html#sthash.htjmBFGf.dpuf)

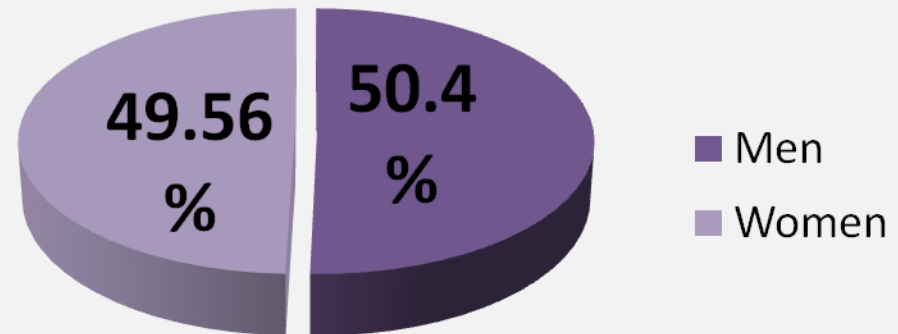


The role of **women** in the global economy **cannot** be ignored.

WOMEN comprise half of the world population—as men.

- Total world population: 7,349,472,099
- Women: 3,642,266,346
- Men: 3,707,205,753

World Population
as of July 2015



Source: United Nations Population Division,
Department of Economic and Social Affairs



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The role of **women** in the global economy **cannot** be ignored.

WOMEN own 12 million of the 40 million SMEs globally

- This represents 1/3 of SMEs globally
- 7M are in the developing world.
- Over 70% of women-led SMEs are unserved or underserved financially
- Women owned SMEs are more than male-owned SMEs in the Philippines

Source: Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries (2015) by the Women's World Banking - Australian Government, Department of Foreign Affairs and Trade



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The role of **women** in the global economy **cannot** be ignored.



WOMEN influence up to 80% of buying decisions from appliances to medical services

- In 2013, women control roughly USD20 trillion of total consumer spending globally and an estimated USD28 trillion in 2014
- As women enter the workforce , they will have more money to spend

Source: www.deloitte.com/genderdividend



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The role of **women** in the global economy **cannot** be ignored.

WOMEN are the largest emerging market the world has ever seen; companies that invest in understanding their buying preferences will reap rewards.

- Companies should fully capitalize on women's purchasing power.
- Getting more women in the workplace, including in senior decision-making roles, who understand the buying preferences of their cohorts makes business sense.

Source: OECD Observer
(http://www.oecdobserver.org/news/fullstory.php/aid/3691/The_gender_dividend:_an_urgent_economic_imperative.html#sthash.htjmBFGf.dpuf)



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The role of **women** in the global economy **cannot** be ignored.

Women perform 66 percent of the world's work, and produce 50% of the food.

On the average 43% of Asian farmers are women.

Source:

<http://weconnectinternational.org/en/buying-for-impact> ;
<http://blogs.adb.org/blog/women-farmers-can-make-asia-more-food-secure> (Feb 2015)



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The role of **women** in the global economy **cannot** be ignored.



WOMEN are creating businesses at a greater rate than men and can equally contribute to the GNP of their economies as they invest their profits in education, their family and their community

Source: International Finance Corporation 2014



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The role of **women** in the global economy **cannot** be ignored.

WOMEN are a growing force in the talent pool.

- In the digital, knowledge economy, human capital replaces natural resources as the basis for growth.
- There is a need for organizations to capture women's fair share of talent, reduce the costs of attrition, and generate a robust pipeline to leadership
- When opportunities are lacking, workers can more easily migrate to where the good jobs are. And this is true with women.



Source: John Hagel, John Seeley Brown, and Lang Davidson, Measuring the Forces of Long Term Change: The 2009 Shift Index, Deloitte Development, 2009.; www.deloitte.com/genderdividend

The role of **women** in the global economy **cannot** be ignored.



WOMEN like jobs which men do not like

- Women have attention for details.
- Women are employed in the informal economy (i.e. agriculture sector, domestic workers, self-employed, those who work from home, workers in unregistered enterprises)
- The “care economy,” which comprise mainly of women, is ignored

Source:

Echostore Presentation at the Australia-Philippines Policy Forum: Economic Diplomacy and the APEC Agenda ; International Labor Organization (www.ilo.org)



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The role of **women** in the global economy **cannot** be ignored.

“Two different heads are better than two similar ones.”

- Diverse perspectives and experience are critical to solving complex problems and innovating in the midst of rapidly changing conditions.
- In reality, the question is not women or men, it's how to ensure women and men are working together in decision-making roles.



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Why buy from women?

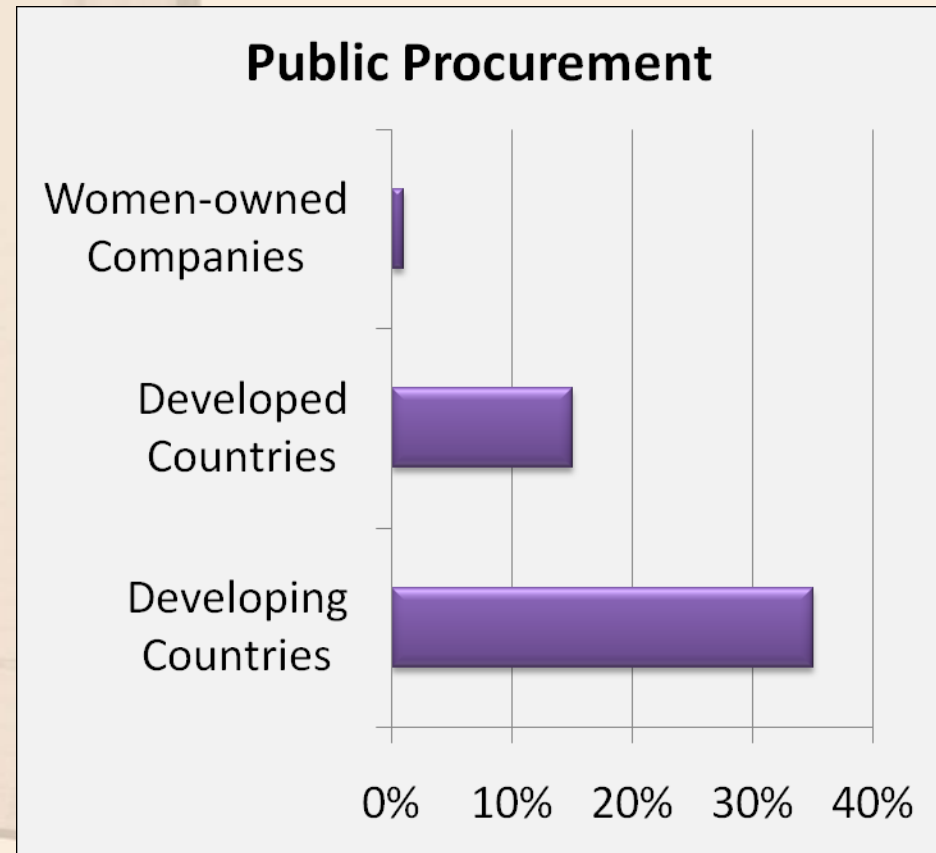


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Public Procurement from **women** vendors is **minimal**

“Public Procurement accounts for more than 30% of GDP of Developing Countries, and 10 to 15% of Developed Countries, or roughly USD10B in Direct Purchases of goods and services.

Only an estimated 1% are from women-owned or women-operated companies



Source:
ITC Publication—“Empowering Women Through Public Procurement”
(September 2015)



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Public Procurement from **women** vendors is **minimal**

“There is a positive correlation between gender equality and GDP per capita. **WOMENOMICS** makes ‘smart economics’.”

Promoting gender equality is ‘smart economics’- former WB President Robert Zoellick

Source: *The gender dividend: Making the business case for investing in women*, 2011 (www.deloitte.com/genderdividend)



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Advantages of Buying from **women**

Fulfills the 3rd Millenium Development Goal: Promote Gender Equality and Empower Women

Increasing women's economic opportunities and entrepreneurship can:

- ✓ boost gender equality positively
- ✓ strengthen micro, small and medium enterprises
- ✓ contribute to per capita income growth,
- ✓ drive poverty reduction;
- ✓ promote social integration



Source: United Nations Industrial Development Organization
(https://www.unido.org/fileadmin/user_media/MDGs/MDG%203_UNIDO%20contribution_FINAL.pdf)



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Advantages of Buying from **women**

“Empowering women means a more efficient use of a nation’s human capital endowment...”

**-World Economic Forum
Gender Gap Report 2013**

Output per worker jumps from 13–25% when barriers that prevent women from entering occupations are eliminated (World Bank’s World Development Report 2012)

‘When women’s labor is underused due to discrimination, that prevents them from completing their education, entering certain occupations, and earning the same incomes as men – economic losses are the result.’

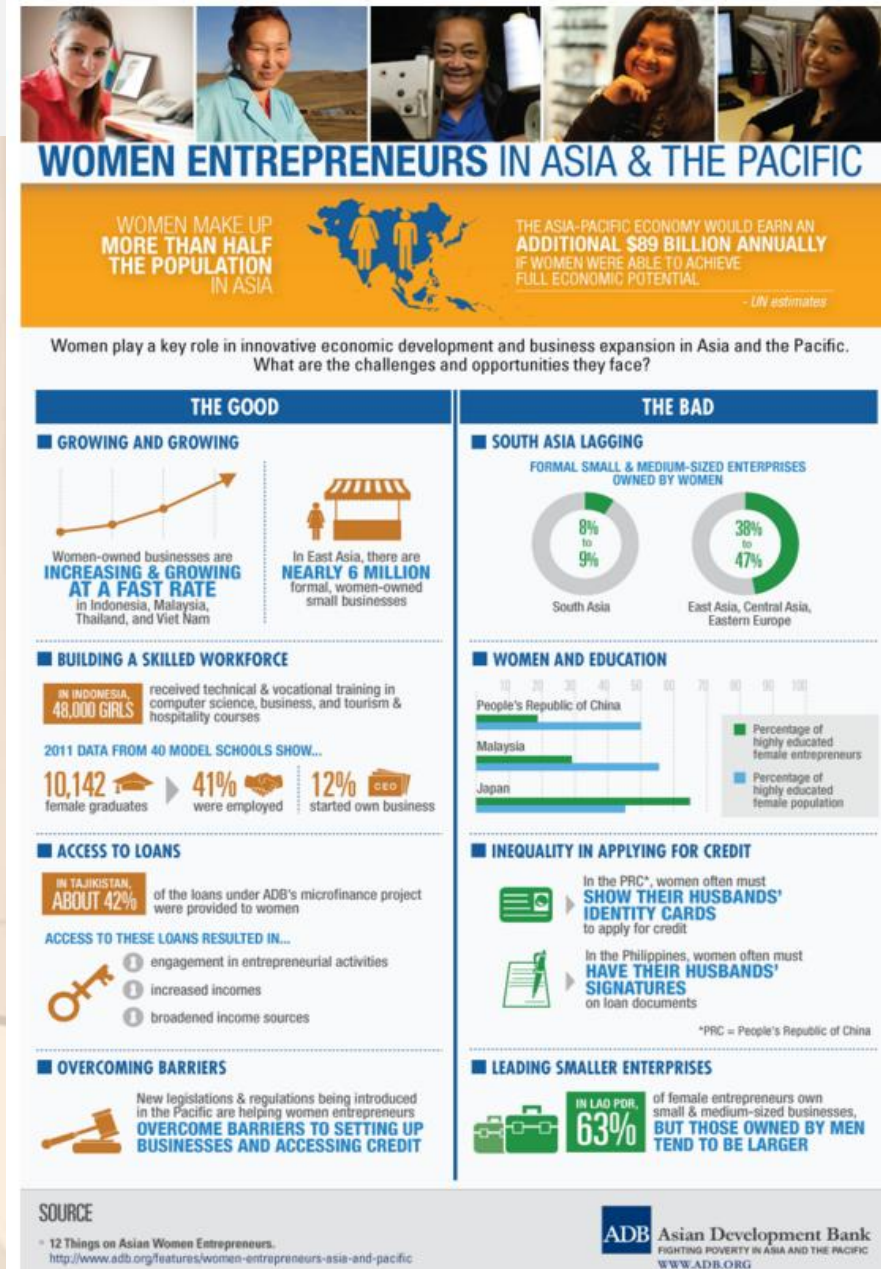


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Advantages of Buying from women

There are approximately 187M women entrepreneurs worldwide who own at least some of 32-39% of all private businesses in the formal economy.

- Source: Global Entrepreneurship Monitor (GEM) 2010 Report; http://www1.ifc.org/wps/wcm/connect/a4774a004a3f66539f0f9f8969adcc27/G20_Women_Report.pdf?MOD=AJPERES; Asian Development Bank



Advantages of Buying from **women**



**Expanding the supply pool
increases competition and
makes good business sense.**

Source: <http://www.intracen.org/itc/events/wedf/2014session-report/plenary-session-5-why-buy-from-women-owned-enterprises/>



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Advantages of Buying from **Women**

More women than men entrepreneurs introduce innovations in developed economies.

Source: Global Entrepreneurship Monitor (GEM) 2010 Report



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Advantages of Buying from **Women**

“Women-owned businesses offer good quality products; services are innovative, with high transparency and honesty in the transaction. The commitment to service is high as well, and costs are competitive,”

- Ms. Archana Bhatnagar, Director, Haylide Chemicals and President, Madhya Association of Women Entrepreneurs, India

Source: <http://www.intracen.org/itc/events/wedf/2014session-report/plenary-session-5-why-buy-from-women-owned-enterprises/#sthash.v1wjLPHi.dpuf>



Advantages of Buying from **Women**



Women-owned SMEs are profitable potential client group of financing institutions

There is no notable difference between the purposes for borrowing of male and female-owned SMEs.

When viewed against their financial abilities, there is no observable difference in the amount women-owned SMEs borrow vis-à-vis their annual sales



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Advantages of Buying from **women**



WOMEN who are
economically
empowered are
not a burden to
anyone



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Advantages of Buying from **women**



**Economically-empowered WOMEN
mean no domestic violence**



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Global best practices in govt procurement

UNITED STATES	Small business act sets a goal for participation by small businesses owned and controlled by women of not less than 5% of the value of subcontracts awarded annually, subject to penalties for noncompliance.
SOUTH AFRICA/ KENYA/ NAMIBIA/ ZAMBIA	Grant of Price Preference or Preferential Treatment to Women-owned small businesses where they are provided a competitive edge.
KENYA	Allocation of 30% of procurement from micro and small enterprises owned by youth, women and PWDs
	Regulations require procurement entities to authenticate contract awards to youth, PWDs, and women and enter into agreements with financial institutions where payments will be made from supplier accounts with the institutions.

Global best practices in govt procurement

ETHIOPIA	Creation of ENAT Bank with a special focus on women to help them access credit and other products.
CHINA	Establishment of Micro Startup Plan to encourage woment to set up businesses by providing services for financing, consulting, marketing and training.
GHANA	Capacity building by mainstreaming procurement training into the tertiary education system.
WTO GPA (World Trade Organization-Agreement to Procure)	Women Owned businesses gain the opportunity to bid on contracts in the markets of other countries



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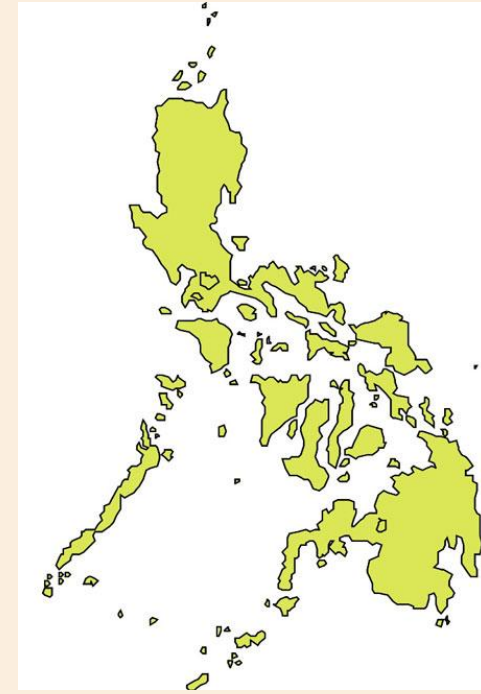
A Look at “Juana”



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The Philippines : Global Gender Gap Index

Since 2006, the Philippines is the only Asian country that has consistently ranked in the top 10 of the World Economic Forum's Global Gender Gap Index, ranking at number 9 in 2014.



Source: Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries (2015) by the Women's World Banking - Australian Government, Department of Foreign Affairs and Trade

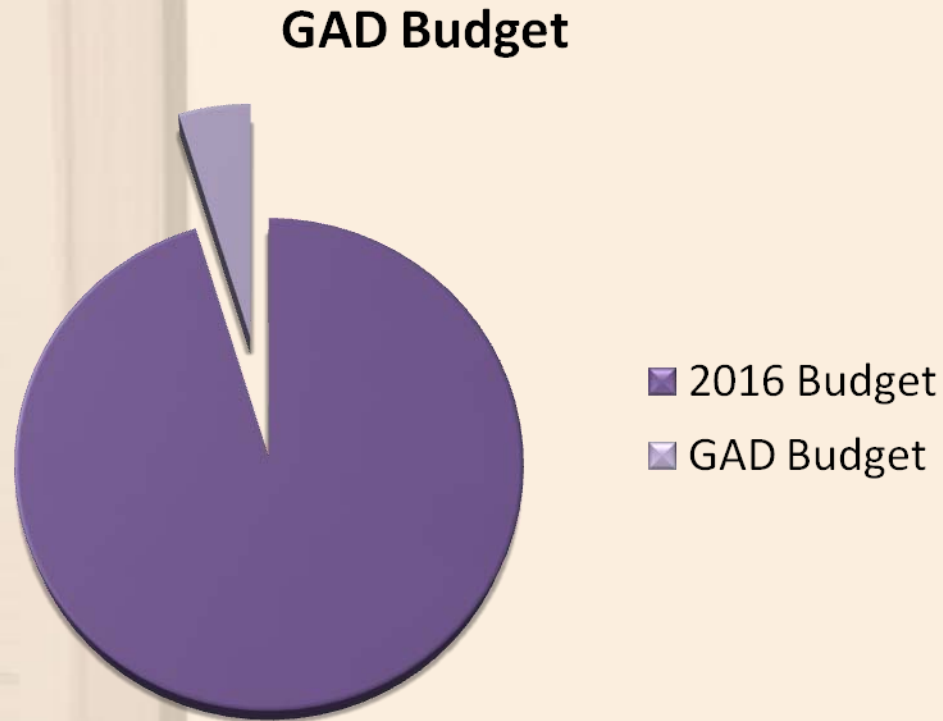
- Women's World Banking identified the Philippines as having the most conducive business and regulatory environment for women-owned SMEs
- It is also the only country among Indonesia, Vietnam, and Cambodia, that has available data on medium-sized women-owned enterprises.
- In addition, the proportion of women-owned SMEs is much higher than men-owned in the Philippines. This may be attributable to the relative equality that men and women enjoy.



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What does the Magna Carta of **Women** say?

- The MCW and the GAA requires government to allocate 5% of annual budget for GAD
- Equivalent to P150B of P3T, 2016 national budget
- Sadly, budget is underutilized in the entire gov't bureaucracy



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IN BCDA: Activities for 2016



2016 National Women's Month Celebration
**Theme: Kapakanan ni Juana,
Isama sa Agenda!**

2016 National Women's Month Celebration



**Kapakanan ni Juana,
Isama sa Agenda!**



#AgendaNiJuana

www.pcw.gov.ph

March 04, 11, 18 and 21, 2016
Film Showing

March 11, 2016, Yuchengco Museum
Great Women Forum

March 16, 2016, Quirino Grandstand
"Sama-samang Pagsulong sa mga Agenda ni Juana"

March 17, 2016, Thursday, 2:00 p.m. to 5:00 p.m., Dusit Hotel
Raising Women's Issues : A discussion among
Filipino Male Candidates on their Platforms for Women on

March 29, 2016, Treston College
BCDA-GAD Symposium on at the

March 30, 2016
TRB Caravan



**Kapakanan ni Juana,
Isama sa Agenda!**



#AgendaNiJuana

www.pcw.gov.ph

Announcement

March 11, 2016, 2pm (Lobby)
FILM SHOWING
Barber's Tales

Starring
Eugene Domingo
Eddie Garcia
Iza Calzado
with a cameo appearance
by Nora Aunor



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Challenges & Constraints in procurement



- ✓ Lack of Information About Tender Opportunities
- ✓ Complex and burdensome tender procedures
- ✓ Unreasonable technical and financial qualification requirements



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Challenges & Constraints in procurement



- ✓ Large contract sizes
- ✓ Insufficient time to prepare bids
- ✓ Failure of procurement agencies to pay



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Let us
“walk the
talk”



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What can we do in the Philippines ?

- ✓ Create a disaggregated database
- ✓ Establish supportive financial infrastructure

Ways of establishing supportive financial infrastructure	Example
1. Know your market and customer	<i>Royal Bank of Canada (RBC): Canada conducted research to better understand demographic trends in the Canadian economy. It discovered that women had both an increasing role in household decisions and increasing purchasing power.</i>
2. View women-led SMEs as a distinct group	
3. Build internal capacity	
4. Adapt your credit process, lending methodology and delivery models	<i>BLC Bank: Lebanon recognized that women in the region are often asset-poor, due to property rights and inheritance rules, and designed a collateral-free loan to address this barrier.</i> <i>Garanti Bank: Turkey designed the Gold Secured Loan, which allows women to use gold as collateral.</i>



What can we do in the Philippines ?

✓ Establish supportive financial infrastructure

Ways of establishing supportive financial infrastructure	Example
5. Offer women a comprehensive mix of financial and non-financial products and services	
6. Invest in proving the business case through disaggregated data	<i>BLC Bank: Lebanon started disaggregating data by gender at the launch of its “WE Initiative.” The bank had to redesign its IT systems in order to extract baseline gender data to measure performance. These metrics are now reflected in the bank’s key performance indicators and according to the management of the program, “this was the most important decision the bank made with regards to this program.”</i>



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What can we do in the Philippines ?

Allocate a portion of the GAD Budget for procurement from women vendors and thus create greater economic impact



COFFEE

Princess Lalah of Sulu

What can we do in the Philippines ?

- ✓ Increase access to information on procurement opportunities electronically and disseminate the information to women's organizations who will disseminate to women with no Internet Access
- ✓ Simplify the documentation and prequalification procedures for women who have less experience and resources
- ✓ Standardization of the bid procedures and requirements



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What can we do in the Philippines ?

- ✓ Tailor the prequalification process to the size and complexity of the contract requirements.
- ✓ Allow teaming arrangements such as partnerships, subcontracting, joint ventures.
- ✓ Establish an accreditation process; create an accreditation agency.
- ✓ Adjust contract size to allow small suppliers to participate
- ✓ Adopting a “best value criteria” vs. “lowest price criteria”



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What can we do in the Philippines ?



Qualified vendors be given bonus points if they:

- ✓ are owned by women
- ✓ If they employ women, or
- ✓ provide products and services purchased by women



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Thank you.



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