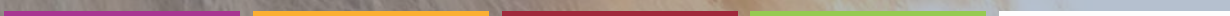




‘Participation of Women Entrepreneurs in Government Procurement- Kenya Perspective’

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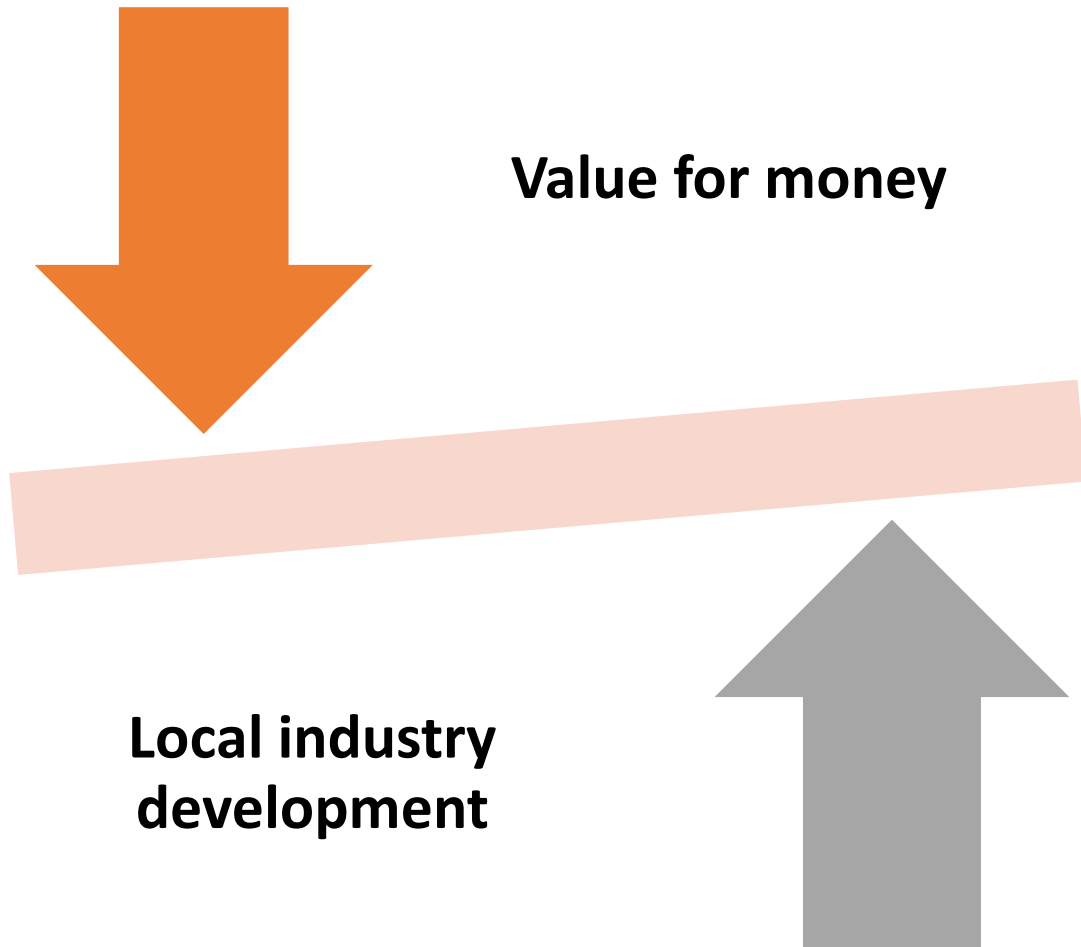
ABOUT KEPSA - KENYA'S PRIVATE SECTOR APEX BODY



Presidential Round Table with H.E Uhuru Kenyatta at Statehouse, Nairobi

1. KEPSA was established in 2003
2. More than 500, 000 members in all sectors.
3. Established Public Private Dialogue Platforms
4. Focus on a enabling business environment

OBJECTIVES OF PUBLIC PROCUREMENT



Objectives of public procurement

1. Value for Money: Public procurement defines an efficient and transparent system to ensure there is value for money (**this is the primary objective**)
2. Develop the local industry: It promotes the development of the local industry and economic development (**this the ancillary objective**)

PUBLIC PROCUREMENT IN KENYA: THE LEGAL FRAMEWORK

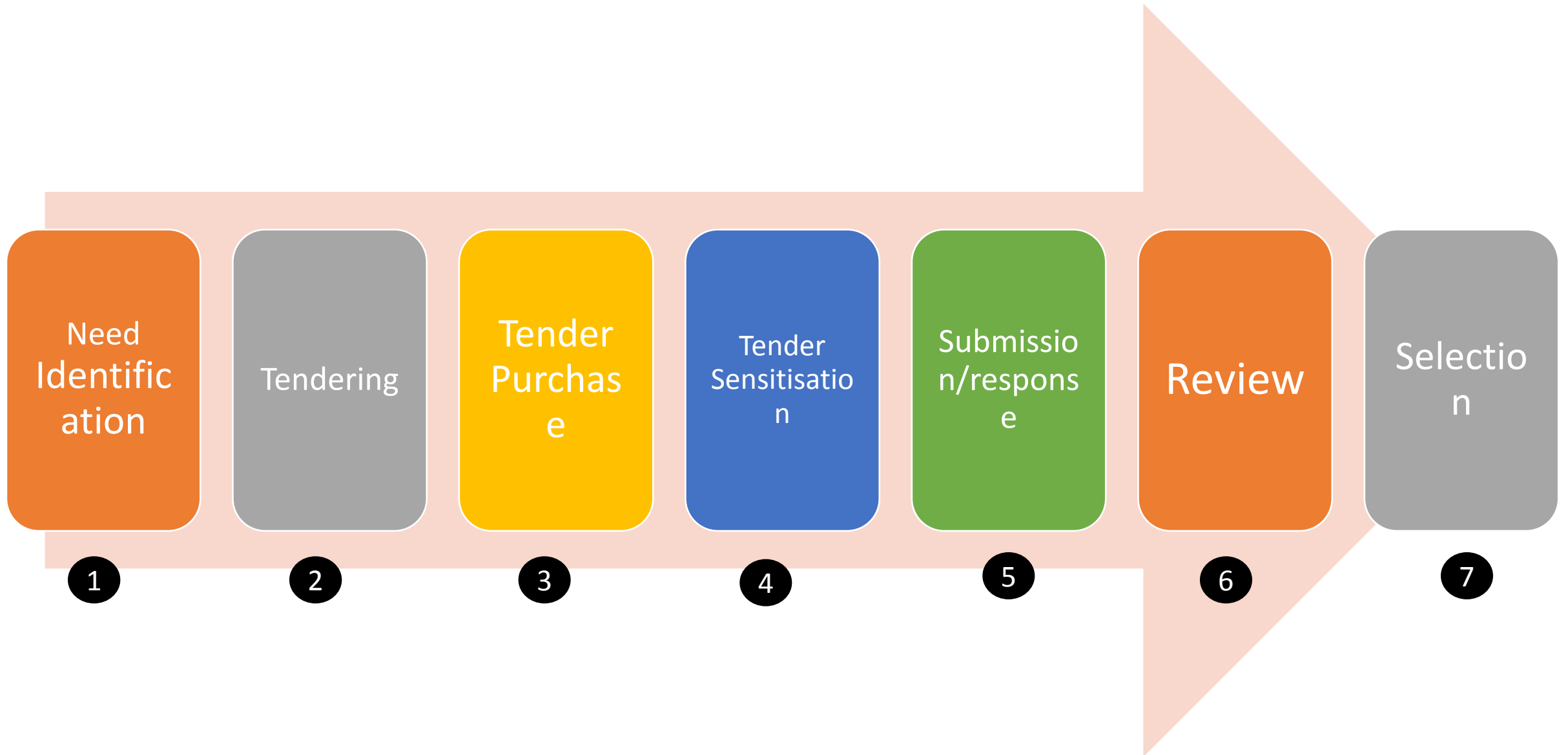
- 1. Constitution of Kenya, 2010**
- 2. Public Procurement and Disposal Act, 2005.**
- 3. Public Procurement and Disposal Regulations 2006**
- 4. Supplies Practitioners Management Act, 2007**
- 5. Public Procurement and Disposal Regulations (Public Private Partnerships) 2009**
- 6. Public Procurement and Disposal Regulations (Preference and Reservations) Regulations 2011.**
- 7. County Governments Procurements Regulations 2013: stipulates the counties conduct in public procurement**
- 8. Public Procurement and Disposal (County Governments) Regulations, 2013.**
- 9. Public Procurement and Disposal (Amendment) Regulations, 2013**

PUBLIC PROCUREMENT IN KENYA: THE LEGAL FRAMEWORK

Public Procurement in Kenya is regulated by the Public Procurement and Disposal Act and Regulations. The Act and Regulations specifies that each Public procuring entities must at least have the following:

- a) A procurement committee**
- b) A procurement unit, A tender opening committee with a minimum of 3 persons**
- c) A tender committee consisting of 5 or more persons, with the procurement officer as Secretary [Regulation, Second Schedule**
- d) A record keeping structure to ensure that procurement records are kept for a specified period of time 6 years**
- e) A finance liaison structure to ensure that sufficient funds are available for procurement.**

SUMMARY PUBLIC PROCUREMENT IN PROCESS IN KENYA: OPEN TENDERING

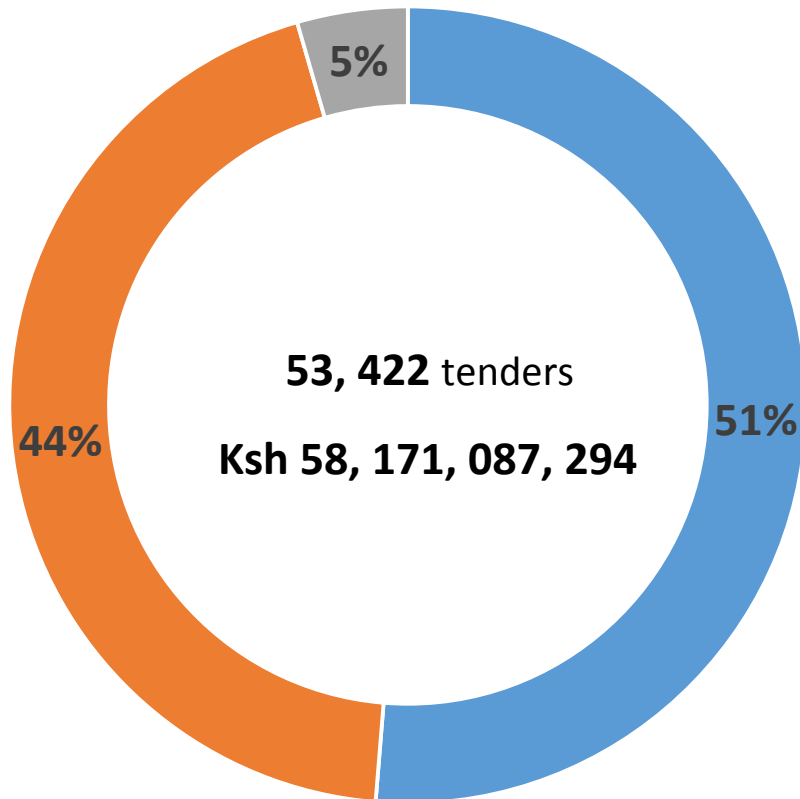


Access to Government Procurement Opportunities (AGPO)

- **AGPO is a law in Kenya that sets aside 30% of all public procurement opportunities for Women, Youth and Persons with Disability.**
- **Initiated in 2013 by a directive from President Uhuru Kenyatta. AGPO is an affirmative action that seeks to empower women, youth and persons with a disability through public procurement business opportunities by giving these groups 30 per cent of all procurement initiatives without competition from established firms.**

STATUS OF PUBLIC PROCUREMENT: A CASE OF AGPO

AGPO Tenders



■ Women ■ Youths ■ DE

- ▶ A total of 53422 tenders awarded under the AGPO, a total of 27401 tenders went to women enterprises
- ▶ The value of the tender awarded to women were estimated at KSh 30,230, 957, 871
- ▶ Youth and Differently Abled persons were awarded 23 626 and 2395 tenders respectively accounting for 45% and 2.97% of the total value.

AGPO Performance from 2013 to 2017 by Category of Procuring Entity

(Source: The National Treasury)

Financial Year	Category of Procuring Entity	No. of Tenders awarded to women	Value of Tenders awarded to women	% of tenders awarded to women
2013-2014	Ministries	2,518	4,374,809,698	75.77
	Parastatals/SAGAs*			
2014-2015	Ministries	3,372	8,807,468,342	52.81
	Parastatals/SAGAs	689	420,037,404	41.57
2015-2016	Ministries	2,694	5,201,061,451	49.54
	Parastatals/SAGAs	6,101	2,291,222,470	44.26
2016-2017	Ministries	4,209	5,256,750,204	48.41
	Parastatals/SAGAs	7,274	3,093,507,948	47.75
	Commissions**	441	231,678,547	60.41
	Counties***	283	554,421,807	42.17
	TOTAL	27,401	30,230,957,871	51.97

AGPO Performance from 2013 to 2017 by Category of Procuring Entity

***Parastatals/SAGAs reports were not received in 2013/2014 financial year**

****Commissions reports were segregated from Parastatals/SAGAs report in 4th quarter**

*****Only 4 Counties submitted their 2016/2017 financial year reports information on the identity of these counties was not forthcoming**

No. Of Registered MARGINALIZED GROUPS Business groups

- Total No. of registered business were 57,085 out of which 20,413 are women owned**

KEPSA/ITC INTERVENTION TO INCREASE PARTICIPATION OF WOMEN LED BUSINESSES IN GOVERNMENT PROCUREMENT IN KENYA

Ministries, state Departments and Agencies at national and county level have not fully adhered to the Access to Government Procurement Opportunities (AGPO) directive which requires 30% of all government procurement opportunities be set aside for businesses owned by women, youth and people with disabilities.

- 1) KEPSA has partnered with ITC to address non tariff trade barriers which include promotion of womens participation in procurement by
 - 1) Addressing technical capacity constraints that limit MSMEs ability to meet desired standards and quality
 - 2) Addressing Capacity constraints – most women owned businesses are MSMEs which in most cases lack sufficient capacity to service tenders when they get them, are also sometimes unable to secure the required financial support,
 - 3) Lobby government to extend affirmative action on LPO Financing. This will enable women to access and participate in Mega government procurement

- 2) ADDRESS affordable financing – there is a perception that MSMEs are risky and therefore banks are reluctant to lend to them. Tender financing with guarantees from government agencies will go along way in ensuring women and MSMES in Kenya meet the allocated quota.

FACTORS PROMOTING WOMENS PARTICIPATION OF WOMEN LED BUSINESSES IN GOVERNMENT PROCUREMENT IN KENYA

- 3. KEPSA has been taking the issue of delayed payments to the presidential desk. Delayed payments have been a major issue in Kenya affecting the cash flow, and likely to hurt continuity of women businesses, a committee has been directed to ensure that all pending and genuine bills are paid by 30th JUNE**

- 4. KEPSA has been facilitating awareness and sensitization meetings on the 30% AGPO, where women in business meet with procurement officers and heads of government agencies, this was created to address the following;**
 - a) Limited access to public procurement and disposal information e.g., websites ,newspapers ,notice-boards**
 - b) Limited market information for some goods e.g. information technology which can be highly complex to women with limited education.**
 - c) Government offices are centralized in Nairobi**
 - d) Some Women and Youth are ill prepared for the current opportunities in public procurement.**
 - e) Fear to appeal. i.e., mandatory Kshs.2000 and the cost if one looses the case**
 - f) Demystify the cumbersome application processes (booklet of forms to be filled..)**

STRATEGY TO PROMOTE WOMEN PARTICIPATION IN GOVERNMENT PROCUREMENT (ASKS)

- **Strict implementation of affirmative actions by the government in all public procurement.** This will increase opportunities for women owned enterprises.
- **Track Prompt payment of suppliers** to enhance their cash flow.
- **Support Creation of linkages between women owned MSMEs and large enterprises** to enhance access to capacity development opportunities, financing, market opportunities, business partnerships, joint ventures, etc.
- **More support for Capacity development programmes** e.g. sensitization seminars on government procurement, processes, requirements, and desired standards.
- **Enhance access to affordable financing opportunities for women owned businesses:** Kenya is in the process of establishing a “Biashara Bank” (Business Bank) that will be a one stop shop for business financing including offering credit guarantees to SMEs. KEPSA is also engaging different partners to offer affordable credit facilities to SMEs in the country; while pushing for review of the Banking Act to improve private sector credit access.
- **Improve transparency on government procurement processes, Simplify the application process** e.g. through digitization and provide information on criteria for **awarding tenders through local FM Stations to reach more women** .
- **Ensure women have access to timely information on tenders notices** e.g. by leveraging on online/mobile based platforms to update businesses.
- **Support women owned enterprises formalize their businesses** in order to enable them access formal business opportunities such as government procurement, formal financing and insurance, export markets.