## Kenya's public procurement policy: A women's perspective





# Hello!

## We are David Fellows and John Leonardo

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Kenyan women entrepreneurs' perceptions of Kenya's public procurement policy

They identify weaknessses in the regulatory environment for Kenya's current public procurement policy and suggest improvements

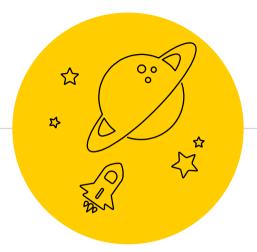
"Corruption holds back every aspect of economic and civil life. It's an anchor that weighs you down and prevents you from achieving what you could.": President Obama, Nairobi, Kenya, 26 July 2015



Why good procurement practices are required

• They are necessary to:

- Obtain effective service delivery
- Ensure that public money goes as far as possible
- Encourage a strong and competitive business sector
- Defeat the debilitating effects of corruption
- Promote good public financial management (PFM)





### Undermines confidence in public procurement activities

# Kenya's unacceptable corruption ranking

Kenya's ranking in Transparency International's
 Corruption Perceptions Index has deteriorated over the last
 two years

Its ranking in the world has declined from 139<sup>th</sup> equal in
 2012 to stand at 145<sup>th</sup> equal in 2014

Women's participation in Kenyan public procurement

 In 2013 the Kenyan government allocated a proportion of its purchases to micro & small businesses owned by women, youth and disabled
 This system also applies to county governments and public entities

• 30% preference given to these groups with a maximum of 15% to any one of the three groups

Women's participation in Kenyan public procurement

• Governments worldwide are beginning to see the full engagement of women in business activity as being of vital economic significance as well as being an essential component of gender equality

• Small businesses in themselves are important incubators for business diversification, economic growth and the cultivation of emerging talent

Development of Kenyan women's public procurement perspective

 Kenya's Federation of Women Entrepreneurs Associations (FEWA) invited its members to participate in PFMConnect's recent global online procurement survey programme
 Our findings are based on FEWA members' responses

# FEWA questions and answers: Part 1

	Yes %	No %	Not Sure %
Do the laws and court system support fair competition?	10	90	-
Are the laws on purchasing readily available on the internet?	70	20	10
Are invitations to bid readily available on the internet or in the press?	60	20	20
Are contract awards adequately announced on the internet or in the	50	40	10
press?			
Is the bidding process handled competently?	30	70	-
Does Government get value for money from procurement?	10	80	10
Is there fairness in the selection of successful tenderers?	10	90	-

# FEWA questions and answers: Part 2

	Yes %	No %	Not Sure %
Do businesses engage in collusion and bribery?	90	10	
Do you know of criticisms of procurement process in audit reports or public enquiries?	90	10	-
Do you know of complaints by tenderers about the administration of procurement?	100	-	-
Do you consider that tenderers are satisfied with how complaints about the awarding of contracts are handled?	10	80	10
Do you consider that SMEs get reasonable opportunities to win contracts?	30	70	-
Are additional measure required to support women owned businesses despite recent legislation for this purpose?	70	30	-

FEWA members also suggested the following improvements to – current public procurement practices

Better access to credit
Company vetting to weed out collusion
Fairness in administration
Transparency including support from a centralised online computer system

Additional FEWA member recommendations

 Simplify tender documentation requirements, at least for smaller contracts

• Formally recognise the role of women's representative bodies in an engagement process with Government during the introductory phase of the new procurement arrangements

Issues arising from FEWA responses

 Women entrepreneurs have serious concerns about the integrity and complexity of Kenyan public procurement processes

 It is not surprising that actual preferential public procurement is reported at 3% of public sector procurement expenditure compared to the legal requirement of a 30% ceiling Other impediments to Kenyan small businesses participating in public procurement

Reported failures to pay suppliers within thirty days

• Poor internet access in some areas

#### Conclusions

 The government must urgently tackle corruption
 Kenyan government needs to more actively encourage small business to participate in public procurement

 Kenyan government must seek engagement with women entrepreneurs and they must ensure that they are heard

• The procurement reform process is incomplete

#### Postscript

• President Uhuru Kenyatta issued a major statement on 23 November 2015 outlining a series of proposals to curb corruption You can download the statement at http://www.the-star.co.ke/news/presidentuhuru-kenyatta-statement-corruption • Kenyans await the results of the President's anti-corruption drive – the results are all important



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