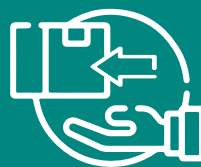
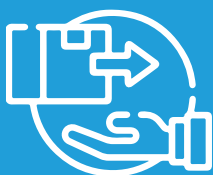


Women own one third of the world’s businesses¹ but women-owned businesses win less than one per cent of the procurement spend of both large corporate buyers² and governments.³ Meanwhile, the private sector spends trillions of dollars on goods and services, with 58 per cent of capital flows spent on supplier payments in private organizations with revenues exceeding US\$1 billion.⁴ This highlights a massive gender gap and market failure. Reducing the gender gap could add up to US\$28 trillion to global gross domestic product (GDP).⁵

Gender-responsive procurement (GRP) is a new tool for advancing women’s economic empowerment and gender equality in global supply chains by making supply chains more gender inclusive, resilient and equitable. Defined as “the sustainable selection of services, goods, or civil works that takes into account the impact on gender equality and women’s empowerment,” GRP is founded on international standards, agreements and principles relevant to improving gender-responsive working conditions and upholding women’s basic rights in the supply chain.⁶ It promotes sourcing from women-owned businesses⁷ as well as gender-responsive enterprises (GREs)⁸ to empower women as business owners, employees and supply chain stakeholders.

On the supply side, GRP creates market opportunities for historically under-represented suppliers, such as women-owned businesses, ultimately spurring inclusive and sustainable economic growth by empowering women in global supply chains. At the same time GRP also promotes that all type of enterprises, independent of their ownership, become more gender-responsive and equitable, in that they build ethical value chains and empower women through company-wide gender-inclusive policies and practices aligned with international norms and standards.



On the demand side, GRP supports buyers to diversify and strengthen their supply chains, embrace innovation, increase their revenue and deliver strategic value to all stakeholders, including shareholders, employees and customers. Supply shocks experienced during the global pandemic have highlighted the need for corporate, government and multilateral buyers to minimize their exposure by diversifying their supplier base. GRP supports this action by expanding opportunities for women-owned and/or gender-responsive suppliers.

1. World Bank Group, Gender Data Portal. Available at <https://genderdata.worldbank.org/>.
2. WEConnect International, 2022, Proprietary Global Member Buyer Research and Analysis.
3. ITC, 2020, Making Public Procurement Work for Women.
4. UN Women, 2022, “Procurement’s Strategic Value: Why Gender-Responsive Procurement Makes Business Sense”.
5. McKinsey Global Institute, 2015, “How advancing women’s equality can add \$12 trillion to global growth”.
6. United Nations Global Marketplace, 2022, UN Women Gender Responsive Procurement.
7. Businesses that are owned, managed and controlled by one or more women. WEConnect International requires that businesses must be at least 51 per cent owned, managed and controlled by one or more women, while the definition of the International Finance Corporation (IFC) focuses on businesses that are at least 20 per cent owned by women; and (i) have ≥ 1 woman as CEO/COO/president/vice president; and (ii) the board of directors, where it exists, is composed of ≥ 30 per cent women.
8. Businesses with gender-inclusive policies and practices both in the workplace and supply chains (safe working conditions, gender-inclusive workforce, women in top management positions, equal pay, equal promotion, education and training opportunities, maternity leave, etc.) that are aligned with international norms and standards, including the Women’s Empowerment Principles (WEPs) and International Labour Organization (ILO) standards.

PURPOSE OF THE ACTION BRIEF

This Action Brief aims to serve as a guide for private sector companies to leverage their purchasing power for women’s economic empowerment and gender equality in global supply chains while advancing corporate strategy and driving inclusive economic growth.

The brief brings together data from different UN Women conducted research, surveys and programme pilots. It has been developed as part of WE RISE Together, a programme supported by the Government of Australia through the Mekong-Australia Partnership and implemented by UN Women.

Strategic value of gender-responsive procurement

GRP ensures that the private sector considers gender equality as a selection criterion, enhancing opportunities for women-owned businesses and/or GREs to acquire procurement contracts. This contributes to advance women’s economic empowerment because the procurement spend, and the business revenue generated by it, goes directly into the hands of women or companies that are supporting gender equality. This can result in job creation for women, for example, and often benefits the local economy. As women influence more than 85 per cent of spending decisions⁹ and control US\$ 43 trillion in global consumer spending,¹⁰ directing more money into the hands of women translates into community development and economic growth.¹¹

UN Women survey results on what drives businesses to embrace gender-responsive procurement¹²



More than **70 per cent** of businesses state that GRP increases supplier availability and reduces supply disruptions.



Increased supplier competition could result in an average savings of **20 per cent** on procurement spend, and **30 per cent** of companies agree GRP reduces their total costs.



76 per cent of businesses agree that GRP enhances employee satisfaction and promotes retention of impact - driven talent.



68 per cent of businesses leverage GRP to learn more about their Tier 1/ Tier 2 suppliers and uncover potential supply chain risks.



70 per cent adopt GRP to increase innovation, agility and flexibility.



74 per cent state that GRP strengthens their brand and reputation.¹³

9. Forbes, 2019, 20 Facts and Figures to Know When Marketing to Women.

10. Frost and Sullivan, 2020, Global Mega Trends to 2030.

11. IFC, 2013, IFC Jobs Study : Assessing Private Sector Contributions to Job Creation and Poverty Reduction. World Bank, Washington, D.C.

12. UN Women, 2022, “Strategic Value of Gender-responsive Procurement – The Business Case”.

13. The provided statistics are based on various surveys, reports, and studies featured in UN Women’s 2022 Report “Strategic Value of Gender-responsive Procurement – The Business Case”.

A SURVEY WITH PRIVATE SECTOR COMPANIES CONDUCTED BY UN WOMEN PROVIDED INSIGHTS ON THE MAIN CHALLENGES AND OPPORTUNITIES FACED BY COMPANIES FOR ADVANCING GENDER-RESPONSIVE PROCUREMENT:

Top barriers to formally promoting sourcing from women-owned businesses and/or GREs:

- The business case for adopting gender-responsive procurement is unclear/inconclusive
- Identifying growth-oriented women-owned businesses can be challenging
- Existing human resources that have the capacity to advance GRP, as well as supply chain management platforms for taking action, are limited
- Company-wide policies need to be overhauled to consider gender for supplier selection
- Many women-owned businesses have limited capacities to be competitive suppliers to large organizations

Top reasons for increasing procurement from women-owned businesses and/or GREs:

- It is important to employees, business partners and customers/client to advance women's economic empowerment and gender equality
- It is good for business, i.e., diversifying supplier base increases revenue
- It promotes innovation by bringing in fresh perspectives
- It decreases supply chain risks through supplier diversification
- Women's economic empowerment is a key part of corporate social responsibility and diversity and inclusion (D&I) strategy

“ *It is important for companies to focus on women in value chains to create a strong multiplier effect.* ”

Source: UN Women, Global Private Sector Survey.¹⁴

CURRENT STATE OF GENDER-RESPONSIVE PROCUREMENT IN THE ASIA-PACIFIC PRIVATE SECTOR

Women's entrepreneurship makes significant contributions to local, national and regional economic growth across Asia and the Pacific, as approximately 60 per cent of microenterprises and SMEs are owned and/or led by women. Regardless, gender-specific constraints impede women's ability to scale their businesses and access finance and new markets to grow and do business with large buyers. GRP can serve as an entry point for advancing women's economic empowerment in Asia and the Pacific.

14. Internal UN Women Survey, Not published.

Insights from the Women's Empowerment Principles Gender Gap Analysis Tool

GRP is embedded in UN Women's research analysing gender gaps in the private sector. The Asia-Pacific data from the latest UN Women study conducted through the Women's Empowerment Principles (WEPs) Gender Gap Analysis Tool (GAT) across 117 countries and 2,600 private sector enterprises reflects the above mentioned GRP trends in the Asia-Pacific private sector.

- Compared to the global rate of 9 per cent, Asia-Pacific enterprises report slightly higher rates (11 per cent) of proactive procurement steps to expand relationships with women-owned businesses in their value chains and when contracting vendors.
- Asia-Pacific private sector enterprises are slightly more likely to implement outreach initiatives to communicate procurement opportunities to women business owners (16 per cent) than the global average (11 per cent) or have a documented policy on sourcing from women-owned businesses (15 per cent), compared to the global average of (12 per cent), respectively.
- Enterprises in Asia and the Pacific demonstrate the greatest need for improvement in terms of setting goals for procurement spend with women-owned businesses, providing procurement readiness training support to women-owned suppliers and reporting their procurement spend publicly, on average reporting less than 8 per cent against these indicators.

Insights from UN Women's GRP Assessment Tool

As part of the WeEmpowerAsia programme, funded by the European Union, UN Women has developed a first-ever GRP Assessment Tool for private sector companies to assess their current state of GRP and plan for action steps.

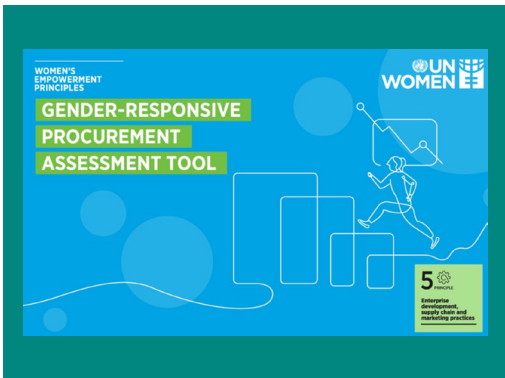
The **GRP Assessment Tool** was piloted as part of the GRP Training Programme implemented in partnership with amfori, the Confederation of Indian Industry and WEConnect International, targeting two cohorts of private sector companies based in 13 European and Asia-Pacific countries.

The GRP Assessment Tool assessed enterprises in **five key areas**:- gender equality commitments; internal procurement/supply chain management; procurement policy and strategy; supplier database and data reporting; and supplier engagement and diversification.

The enterprises were categorized as beginners (0-40 points), improvers (40-60 points), achievers (60-80 points) and leaders (80-100 points).

- The aggregate results of the GRP Assessment showed that most of the enterprises were at a beginner level in terms of their GRP efforts.
- The average **overall score received by the enterprises stood at 26.4 [beginner]**, while the individual scores ranged between 10 (beginner) and 54 (improver).
- Most enterprises **performed better in their gender equality commitments and internal procurement/supply chain management** efforts compared to other areas more strongly focused on sourcing from gender-responsive and/or women-owned suppliers [Average score 39 and 53 respectively].
- **The lowest average scores were in procurement policy and strategy**, indicating that most enterprises still need to develop or refine gender-responsive procurement policies [Average score 9].

The GRP Assessment Tool is now digitally available here to all companies signed to the WEPs .



CASE STUDY: *GRP Assessment Tool piloted in the jewelry industry*

The GRP Assessment Tool allows companies to assess progress on their GRP policies and practices. This self-assessment tool is available to all WEPS signatories.

Consisting of 31 questions, the analysis identifies gaps and areas for improvement based on inputs provided by the

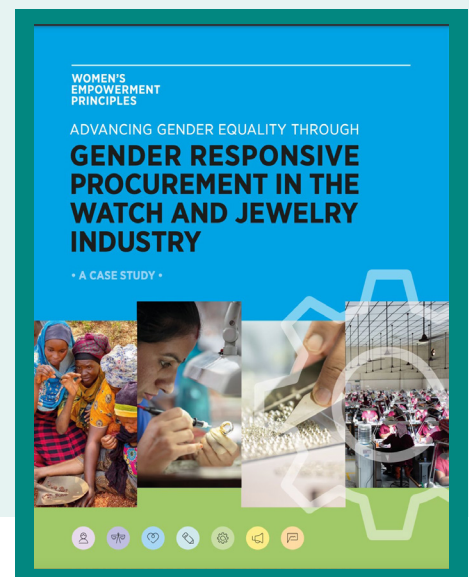
enterprise. The tool guides them to work towards implementing Principle 5 of the WEPS: Enterprise development, supply chain and marketing practices. The tool was developed in consultation with companies from Asia and the Pacific and the European Union to ensure that the questions reflect real-life practice and adhere to international standards and indicators.

Upon completion of the analysis, the enterprise will receive an individual score card and resources to consider next steps for advancing GRP internally and in its supply chain.

UN Women partnered with the Watch & Jewellery Initiative 2030 (WJI 2030) to launch a pilot programme to evaluate GRP in the jewelry industry. Nine members of WJI 2030 took part in this pioneering global initiative, marking the first-ever endeavour to assess a specific industry context and enhance gender equality practices. Companies participating in the pilot included Cartier, Dimexon, Gucci, Itaipreziosi, Julie Sandlau Vietnam, Monica Vinader, Rosy Blue, Rubel and Menasché and Swarovski.

Some common gaps and challenges surfaced among pilot participants:

- Much more work is needed to put GRP at the core of business strategies alongside ongoing efforts to advance gender equality in the workplace.
- While all participating companies had supplier databases, not all captured data on the owner's gender or the supplier's gender-responsiveness.
- Most companies had not set annual targets for procurement spend with women-owned or gender responsive companies, despite this being key for tracking of progress.





CASE STUDY: ***WE RISE TOGETHER (WRT) in Thailand and Viet Nam***

WE RISE Together is a three year project funded by the Australian Department of Foreign Affairs and Trade (DFAT) that aims to create equal opportunities for women by advancing Supplier Diversity through Gender-Responsive Procurement in Thailand and Viet Nam. By introducing and advancing increased market access through supplier diversity and

GRP, WE RISE Together has the overall objective to empower more women to lead, equally access and benefit from expanded market opportunities in the Mekong subregion. The project works in Thailand and Viet Nam, where the concept of supplier diversity through GRP is in nascent stages of development. Focusing on the retail and tourism sectors, the project works with a variety of actors, including with public and private buyers in these sectors, to increase their capacity to better advocate for, promote and implement supplier diversity through GRP. Running from 2022 until 2025, the project has already trained 214 suppliers (all women-owned businesses) and 236 buyer organizations (including corporate buyers, business associations, ministries and provincial government authorities) for advancing GRP.

A Woman Entrepreneur's Experience: Promoting supplier diversity through gender-responsive procurement in retail and tourism sectors in Thailand and Viet Nam

Driven by the image of a plastic straw stuck in the nose of a turtle and the beaches filled with trash, Green Joy was founded in 2018 by Ms. Vo Quoc Thao Nguyen. She had eight years' experience in the banking industry, but she had the ambition to contribute to a greener and cleaner planet. Her goal was to become a leading and reliable supplier of sustainable grass straws globally and to inspire customers to lead a green lifestyle. Five years after establishing Green Joy, Ms. Nguyen proudly mentions its impressive achievements: 80 per cent of total production is exported to countries with strict quality standards, such as Belgium, France, Germany, Japan, the Republic of Korea, Poland and the United States, and participating in the supply chain for international luxury hotels and resorts in Viet Nam. Like many businesses supplying the tourism industry, Green Joy was affected by the global economic downturn in particular, due to the pandemic. Small businesses owned by women, such as Green Joy, face distinct challenges in reaching out to new customers. Buyers representing small and medium-sized enterprises (SMEs) often have longstanding relationships with suppliers, or they only consider working with new suppliers if they are introduced by acquaintances, while large-scale restaurant and hotel chains with international standards have strict technical requirements and procurement processes. This makes it difficult for women-owned and under-resourced SMEs, such as Green Joy, to access these buyers. A major challenge that women business leaders often face, as Ms. Nguyen shared, is the lack of business relationships, which leads to reduced access to senior management and purchasing departments of big hotel and restaurant chains. Women owners of SMEs may also experience difficulty in having the right capacity, networks and resources to expand their customer base, which is why Green Joy faced challenges to sustainably develop as a supplier for large chains in the tourism industry.

WRT has conducted rapid assessments in Thailand¹⁵ and Viet Nam¹⁶ which revealed a lack of policies and action for the practice of supplier diversity and GRP. In Thailand, more than 70 per cent of microenterprises and SMEs profiled never participated in government and large enterprise procurement bids. In Viet Nam, women-owned businesses face difficulties in participating in the supply chain and the market, including access to technology, capital and a skilled workforce.

AWARENESS OF GRP AND GENDER EQUALITY IS LOW IN THAILAND AND VIET NAM

The assessments also revealed that in Thailand, for larger enterprises (buyers), only 12 of 169 had a diversified supplier database (containing data disaggregated for disability, minority, ethnic and other vulnerable groups, but not necessarily sex disaggregated). Only one of five Thai enterprises interviewed had GRP policies. In Viet Nam, suppliers are often chosen in line with business requirements as buyers are not fully aware of the benefits of GRP policies and practices. In both Thailand and Viet Nam, GRP policies and practices can be found among multinational companies operating in the country, especially in the consumer goods sector. National companies do not report having GRP policies, but there is some awareness of the need to diversify their supplier groups with more focus towards including SMEs, smallholder farmers and other excluded groups.

Public policy context in Thailand and Viet Nam

In Thailand, governmental¹⁷ agencies generally agree that gender equality is an important topic to push forward. However, currently, there is no legislation or public procurement policy that prioritizes the support of women-owned businesses or GRP. A lack of data, no official definition of women-owned business and the lack of sex-disaggregated databases are obstacles to the formulation of relevant policies.

In Viet Nam, although the national public procurement law includes a provision for preferential treatment of certain target groups in public procurement, such as businesses with 25 per cent or more female employees, it has not been explicitly incorporated into specific evaluation criteria for bids. Commercial laws that govern private procurement among businesses do not have any gender related provisions. As in Thailand, there is a lack of regular and official data on women-owned businesses.

15. The assessment profiled 30 government agencies, 169 large enterprises and 526 microenterprises and SMEs in three industry sectors: consumer goods, tourism and others. In-depth interviews were conducted with five government agencies, five large enterprises and 17 microenterprises, SMEs and women-owned businesses.
16. The assessment profiled 212 enterprises, including large enterprises and SMEs in three industry sectors: consumer goods, tourism and others. In-depth interviews were conducted with 12 government agencies, 15 SMEs and women-owned businesses, and five associations of SMEs.
17. [Forthcoming] Rapid assessment report UN Women has conducted. The informants were Bangkok Metropolitan Administration (BMA), Provincial Administrative Organization (PAO) of Prachuap Khiri Khan, The Securities and Exchange Commission, Thailand (SEC), The Office of SMEs Promotion (OSMEP), and Office of Social Enterprise Promotion (OSEP).

CONCLUSION AND RECOMMENDATIONS

What does the data suggest about the state of GRP in Asia-Pacific?

1. GRP is a relatively new concept that is increasingly gaining momentum to drive diversity and inclusion in the private sector by applying a gender lens to procurement and operations while providing gender equality dividends and making societies more socially and economically inclusive.
2. Once informed and trained about the business case for GRP, companies demonstrate significant improvements in applying gender as a criterion for assessing suppliers as well as tracking, measuring and reporting on their procurement spend goals and metrics as they relate to GRES and women-owned businesses. This demonstrates the need to double efforts for increasing private sector awareness about the benefits of GRP.
3. Asia-Pacific companies perform slightly better than companies at a global level as demonstrated by UN Women's research, which could have promising implications. As multinational corporations doing business in the Asia-Pacific region are increasing their gender-inclusive sourcing efforts, a multiplier effect is expected on the private sector, further promoting local companies to advance their corporate strategy and sustainability agenda and join the global movement for gender-inclusive sourcing.

Recommendations for the business sector in Asia and the Pacific to advance Gender-Responsive Procurement

Based on the above-mentioned insights, some of the key recommendations for Asia-Pacific private sector companies are:

01

Embed gender considerations in corporate strategy



Private sector companies can sign up to the Women's Empowerment Principles (WEPs), an initiative established by UN Global Compact and UN Women, advancing gender-inclusive enterprises and encouraging the private sector to commit to and implement gender-inclusive policies, practices and cultures. Furthermore, private sector enterprises should map various parameters of their value chains (e.g. geographies, procurement models, production models, sectors, etc.) to conduct gender-responsive due diligence and consider adverse systemic effects on women throughout their value chain.

02

Establish the business case for GRP and develop a GRP policy



The business case for GRP must detail why and how it benefits corporate strategies and operations, specifically the bottom line. Private sector enterprises should perform a company-wide assessment of the business benefits they would receive by advancing GRP efforts. UN Women's 2022 research "Procurement's Strategic Value: Why Gender-Responsive Procurement Makes Business Sense" provides supporting evidence, including large buyer case studies, on the benefits of GRP. In addition, private sector enterprises should embed the corporate policy for GRP into their management systems and incorporate women's economic empowerment and gender equality (such as referring to Women's Empowerment Principles (WEPs) Principle 5 as guidance) into all external outreach and business relationships.

03

Proactively promote supplier engagement and diversification



The private sector should implement proactive efforts to identify women-owned businesses as well as GREs. Enterprises can begin by running annual vendor/supplier surveys to identify existing women-owned suppliers and expand their efforts by attending trade fairs, engaging with corporate peers for recommendations, collaborating with advocacy organizations, and implementing other relevant measures.

04

Increase company-wide awareness about GRP



Private sector enterprises should identify internal champions who will promote GRP and increase awareness through internal communications, memos, newsletters, new hire training, or other internal staff training and workshops. They can develop capacity-building programmes for GREs and women-owned businesses to introduce them to their GRP efforts and train them to promote their readiness to enter the supply chains of large buyers. This can also include business enrolling themselves into external trainings on GRP and Supplier Diversity Trainings.



UN WOMEN'S GRP AND SUPPLIER DIVERSITY TRAINING PROGRAMME: PROMOTING GENDER EQUALITY IN GLOBAL SUPPLY CHAINS

The GRP Training Programme was an initiative under the WeEmpowerAsia (WEA) programme, implemented by UN Women and funded by the European Union (EU). The training was implemented in collaboration with amfori and the Confederation of Indian Industry (CII) with support from WEConnect International. From March – August 2022, two training cohorts of private sector companies were completed, including EU corporations and their suppliers in the Asia-Pacific and corporations in India, engaging 32 companies, 98 participants and 6 training modules for India and EU companies based in Asia Pacific.

The GRP Training programme aimed to:

Enhance the GRP knowledge and understanding of participants to implement gender-responsive approaches and practices, specifically with gender-inclusive sourcing

Enable participants to complete a GRP Assessment (informed by UN Women's GRP Assessment Tool) to better understand their current progress related to GRP and develop GRP Action Plans

Promote enhancement of GRP practices in targeted companies through follow-up Action Plans

Participants came from a variety of sectors, including textiles, garments and general merchandise and representing different departments such as sustainability, CSR, and HR departments.

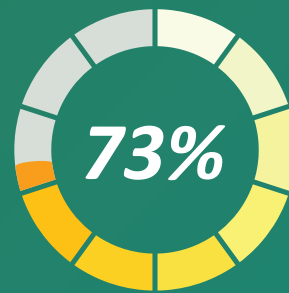
The training participants reported an increase of approximately 50 per cent in their understanding of GRP and an increase of 40 per cent in their knowledge of the GRP business case. Furthermore, 73 per cent reported having accessed new opportunities to advance GRP in their enterprise, while 76 per cent stated that they had completed or were in the process of completing GRP action plans following the completion of the GRP Assessment Tool.



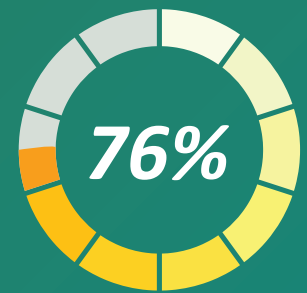
Increase in understanding of GRP among participating companies



Increase in understanding of knowledge of GRP business case among participating companies



Companies accessed new opportunities to advance GRP in their organizations



Companies completed or are in the process of completing their GRP action plans

05

Advance gender-inclusive entrepreneurship



GRP provides economic opportunities not only for women but also business and society in general, creating an enabling environment for women business owners to grow and scale their enterprises and enter the supply chains of large buyers. The private sector can create an enabling environment by engaging with women's support organizations, networks, advocacy organizations, governments and other relevant institutions for collaboration, and supporting knowledge and experience-sharing to empower women in the workplace as well as in the marketplace.

06

Collaborate with advocacy organizations



Private sector enterprises should engage with advocacy organizations, business associations and other entities that may provide them with databases of GREs or women-owned businesses or support them in other areas such as tracking and measuring performance and reporting. The private sector should leverage existing capacity-building programmes offered by organizations such as UN Women, as well as by local organizations promoting supplier diversity and inclusion and gender-inclusive sourcing, to learn more about GRP, women's business networks and good practices in the region. The recent GRP Training Programme led by UN Women and implemented with support from WEConnect International serves as an example of how large buyers can enhance their GRP knowledge and skills.

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office



Australian Government

Department of Foreign Affairs and Trade



The **WE RISE Together** project is funded by the Mekong-Australian Partnership. Australia is committed to supporting the recovery of the Greater Mekong Subregion from COVID-19. This includes strengthening economic resilience, integration and development.