

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





Hello!

*We are David Fellows
and **John Leonardo***

You can contact us at team@pfmconnect.com

1

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

They identify weaknesses 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)



Corruption

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 139th equal in 2012 to stand at 145th 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 press?	50	40	10
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/president-uhuru-kenyatta-statement-corruption>
- ◎ Kenyans await the results of the President's anti-corruption drive – the results are all important



Thanks!

We are PFMConnect

Contact us to be advised about future presentations at <http://www.pfmconnect.com>, <http://blog-pfmconnect.com> & <https://www.facebook.com/Improvingpublicfinancialmanagement/>