

# Sourcing2Equal Kenya

## OVERVIEW

Sourcing2Equal Kenya is a three-year project implemented by IFC with the support of the Women Entrepreneurs Finance Initiative (We-Fi) and Norway to advance gender-inclusive sourcing in Kenya. IFC is committed to ensuring equal opportunities for both men and women by addressing persistent gender gaps as key to achieving sustainable and inclusive growth. One of these gaps is the limited ability of women-owned small to medium-size enterprises (WSMEs) to access new markets via corporate supply chains. Globally, only 1% of procurement spend by large corporates goes to WSMEs.<sup>(i)</sup>

Gender-inclusive sourcing is a proactive business strategy that addresses gender gaps in the procurement operations of corporate supply chains. Sourcing2Equal Kenya will support the growth of Kenyan WSMEs by both increasing their access to corporate procurement opportunities and by building the capacity of corporates to increase their procurement of goods and services from WSMEs.

### Why Kenya?

- Kenya is a unique market with both public and private sector demand, as well as programs to support increased procurement from WSMEs.
- Kenya has a public procurement set aside for women-owned businesses and government certification enabling an ecosystem of WSME training, mentoring, and access to finance services to enable the growth of women-owned businesses.

## PROJECT OVERVIEW

Increasing access to markets for women entrepreneurs through private procurement opportunities

## COUNTRY CONTEXT

- In Kenya, women tend to own smaller firms than men, operate outside of value chains, and be concentrated in sectors with generally low value-added services, such as retail, food and beverage services.<sup>(ii)</sup>
- 98% of all businesses in Kenya are SMEs<sup>(iii)</sup>
- 33% of formal SMEs in Kenya are owned by women<sup>(iv)</sup>
- WSMEs in Kenya contribute 20% to GDP<sup>(v)</sup>
- 41% of WSMEs in Kenya are fully or partially credit constrained<sup>(vi)</sup>

## THE BARRIERS

### Supply-side constraints (WSMEs)

- Limited access to information on what and how corporate buyers purchase
- Limited knowledge of corporate procurement requirements and how to position their businesses to meet the requirements
- Inability to meet certain procurement requirements designed for large suppliers
- Inadequate skills and operational capacity to meet relevant industry, social, or environmental certifications
- Limited access to affordable and effective use of finance to bid on larger procurement contracts

### Demand-side constraints (Corporates)

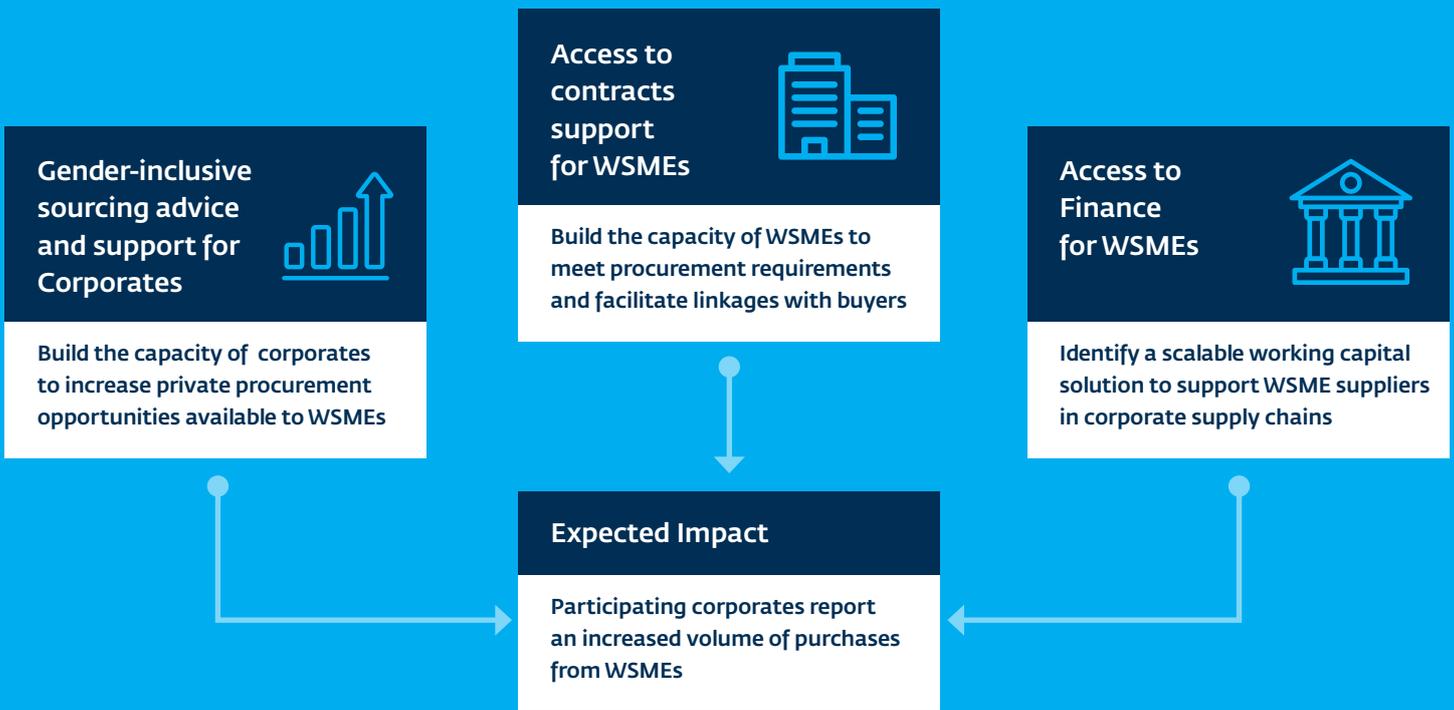
- Limited understanding of the business case to increase procurement spend on WSME suppliers
- Limited information on demonstrated gender-inclusive sourcing best practices and how to implement them (e.g. how to make financial requirements more accessible to WSMEs)
- Limited understanding of the financial and non-financial needs of WSMEs
- Difficulties in identifying eligible WSME suppliers (no public database currently available in Kenya)
- Use of policies and procedures preferential to large suppliers and leaving out WSMEs

IN PARTNERSHIP WITH:



Creating Markets, Creating Opportunities

## PROJECT COMPONENTS



## PROJECT BACKGROUND

IFC has developed a new global program called **Sourcing2Equal** that aims to increase WSME participation in private procurement by:

- Conducting market research and case studies to i) establish the business case for gender-inclusive sourcing and ii) deepen the understanding of the barriers that corporates face and the type of support they need to buy more goods and services from WSMEs
- Supporting private sector companies to adopt policies and innovations that encourage, enable or facilitate WSMEs access to corporate supply chains
- Building the capacity of WSME suppliers to meet corporate procurement requirements and provide networking opportunities with corporate buyers

Sourcing2Equal Kenya is the first country project under IFC's Sourcing2Equal Global Program.

*The World Bank Group has also committed to closing gender gaps within its supply chain. In 2018 the WBG announced a commitment to double its spend with women-owned businesses by 2023. This global initiative is supported by membership in WEConnect International, focused on the development and accreditation of women-owned businesses in WBG client countries.*

(i) WEConnect International, 2017  
(ii) Kenya National Bureau of Statistics, 2017  
(iii) WEConnect International, 2017  
(iv) SME Finance Forum, 2017  
(v) ITC, 2017  
(vi) SME Finance Forum, 2017

## EXPECTED RESULTS

### Impact:

- Participating corporates report an increased volume of purchases from WSMEs

### Outcomes:

- Corporates fulfill at least two commitments on gender-inclusive sourcing
- Corporates improve knowledge and practices on gender-inclusive sourcing
- Linkages established between corporates and WSMEs participating in the program

## CONTACT US

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