

## TRAILBLAZERS CALL TO ACTION

### SÃO PAULO, BRAZIL

### 01 SEPTEMBER 2015

Harnessing the potential of one million women entrepreneurs across the developing world to scale up and access domestic, regional, and international markets will create jobs and unleash economic growth in an increasingly digital and interconnected global economy.

However, whilst women-owned businesses represent between one quarter and one third of enterprises globally, they are prevalent in less productive sectors, and are largely invisible in global value chains and in corporate and government supply chains. Therefore, it is essential that policy makers, institutions, business and thought leaders identify and implement strategies and policies fit for the 21<sup>st</sup> century that leverage technology, foster conducive business environments, and establish supportive institutional frameworks and increase the competitiveness of women-owned businesses.

To overcome these barriers to economic growth and job creation, thought leaders from around the world will gather in São Paulo, Brazil on 1 September 2015 for the Trailblazers Summit and issue a five-year Call to Action to bring the one million women entrepreneurs to market, thus growing the global economy through women's participation in trade.

1. **Data collection, analysis and dissemination** related to women's economic participation remains scarce, particularly with respect to international trade activity. It is essential to marshal data in order to craft policies that harness a valuable but largely untapped resource in procurement and global value chains – women entrepreneurs. Research and analysis can be transformed into an evidence-base that informs the development of meaningful policies and programmes. Political will and the utilisation of a gender lens in evaluating data and programme outcomes are also essential. Highlighting the benefits of this undertaking can assist in securing buy-in from key stakeholders.

➤ **THEREFORE**, Trailblazers call on:

- Governments and institutions to mandate the collection of sex-disaggregated data and baselines related to the economic participation of women in business ownership, including company registers, and to collect key data with regard to sectors, accelerators and obstacles to women's business growth;
- Governments, institutions and the business community to develop a harmonised definition of what a women's business enterprise is, i.e., a business in which a woman or women own a minimum of 51% of the enterprise, which they also manage and control;
- Business to measure and publicly report on progress to achieve gender equality, as for example outlined in Principle 5 of the United Nations Women's Empowerment Principles. This includes collecting and sharing sex-disaggregated data gathered through the corporate procurement process. In addition to informing business progress, doing so will contribute to the development of the business and economic cases for inclusive global value chains;
- Governments, institutions, business and academia to undertake or support ongoing research on both the barriers to entry and the positive economic effects of an inclusive global marketplace, and to facilitate data-driven economic advocacy and advance women's participation in trade. Impact research should also be undertaken on cultural, funding and educational issues that impact women's access to markets, as well as on land ownership in developing economies;
- Governments, trade and investment promotion organisations, institutions and business to ensure that women are identifiable and visible in the economy, including through contributing to global trade databases that capture a significant share of the women-

- owned businesses that exist, including but not limited to the percentage and amount of budget and spend allotted for doing business with companies owned by women;
- Trade and finance media channels to provide coverage of women entrepreneurs, women's entrepreneurship, and relevant research, white papers, and the like produced by women economists and thought leaders;
  - All stakeholders to collect and share data to track progress on the integration of women in the global economy.
2. **Trade policy** is intended to create unbiased positive outcomes for the economy in general, yet more often than not current policies have little or no gender awareness of the embedded disadvantages faced by women entrepreneurs. Research conducted by the United Nations Conference on Trade and Development (UNCTAD) reveals that gender-based inequalities impact on trade policy outcomes and trade performance, and lack of gender awareness in policy has the continued result of impeding women's access to markets. This in turn undercuts job creation and local economic vitality at a time when more women are becoming educated and skilled, and women-owned businesses are needed to bolster the economy.
- **THEREFORE**, Trailblazers call on:
- Governments, institutions and all other trade organisations to integrate gender awareness and consideration of gender into trade policies and agreements in order to proactively include women and women-owned businesses in the global market;
  - Trade promotion organisations, women's business associations and other support institutions to play a leading role in accelerating women's engagement with international markets;
  - Governments to offer mentorship, training and education about local, regional and global trends, legislation, policies, taxation and service/product/solution gaps that generate opportunities for women-owned businesses; and governments to also evaluate, monitor and report on the effectiveness of their efforts and initiatives.
3. **Public procurement**, according to ITC research, constitutes 10% to 15% of the GDP of developed countries and up to 30% to 40% of the economies of least developed countries, but women-owned businesses receive only a tiny (and frequently undocumented) share of that market. In its combined role as buyer and policy maker, government and related public organisations have the opportunity to help shape and increase the participation of women-owned businesses in procurement markets. Inclusive public procurement legislation, regulation, executive orders, policies, practices, institutional resources and training for women-owned businesses on how to sell to governments can support the success of women-owned businesses, especially SMEs, thus generating substantial social benefits without adding costs to taxpayers. Positive government action can also serve as a powerful example to business, thereby increasing the inclusiveness of private sector supply chains.
- **THEREFORE**, Trailblazers call on:
- Governments to promote the participation of women-owned businesses in public procurement markets by adopting transparent and inclusive procurement policies using the full range of such policy measures available in line with international best practices and standards, including preferential policies, with the aim of achieving wide-reaching results and impacting corporate supply chains. This can be done within the framework of the WTO Agreement on Government Procurement (GPA);
  - Governments to consider corporate commitment to gender equality, including supplier diversity, when making decisions about which businesses to procure from or partner with;
  - Governments to set a minimum 10% public procurement target from businesses that are certified to an accepted standard definition of ownership, management and control by one or more women. The minimum target should be reached by 2020, with clear targets in the interim period, with the goal of achieving equality in a non-discriminatory, transparent and fair marketplace;
  - Public procurement and institutional authorities to adopt a standard definition of women-owned business, setting guidelines on ownership, management and control, and to require proof of certification from a third party certifying organisation;
  - Policy makers, public procurement and institutional authorities, and procurement officers to take measures to remove demand side barriers, including those found in tender

design, qualification and requirements, and access to information on tender opportunities and payments;

- Policy makers, trade and investment promotion organisations, and other institutions to take measures to address supply side constraints by facilitating or supporting training, mentoring and capacity building to enable more women-owned businesses to access contracts and sell to governments, including to foreign governments;
- Policy makers, public procurement authorities and procurement offices to support participation in international trade agreements related to government procurement, such as the WTO Agreement on Government Procurement (GPA), to unlock export opportunities provided by procurement markets for women-owned businesses.

4. **Corporate procurement.** Business can create corporate procurement programmes that continue to lead the way in embedding diversity and inclusion in global value chains, and can promote collaborative efforts to advance procurement from WBEs through the formation of institutions to advance corporate procurement from WBEs. But the economic case for having an inclusive supply chain is not well understood globally.

➤ THEREFORE, Trailblazers call on:

- Corporations to conduct a baseline study to understand from where they are procuring their goods and services, and the percentage that is going to women's business enterprises;
- Corporations to expand business relationships with women-owned businesses. Women's Empowerment Principle 5 provides a good framework, and WEConnect International provides helpful support and knowledge-sharing to advance this objective;
- Business to make supply chains inclusive, and set a minimum 10% procurement target from businesses that are certified to a standard definition of ownership, management and control by one or more women. In addition to committing to source an increasing percentage of annual spend with certified women-owned businesses, corporations should commit to increasing their spend of total procurement dollars. The 10% minimum target should be reached by 2020, with clear targets in the interim period;
- Business, chambers of commerce and trade associations to share knowledge and experience of successful policies, processes and tools for women-owned business inclusion in corporate supply chains;
- Business to build capacity of women-owned enterprises as suppliers, through supplier development programmes, corporate mentoring and mentor-protégé programmes, aggregators, and tier 1 and 2 initiatives;
- Business to include diversity spend as part of staff performance and reward evaluations, gauging diversity goals against achievements. Business can also consider offering bonuses for managers who meet or exceed targets for diverse spend and share;
- Governments to formulate incentives for the private sector to source from women suppliers, such as policies relating to subcontracting of public tenders to tier 2 suppliers;
- Institutions and policy makers to build capacity for corporations and trade and investment promotion organisations on how to create national, regional and global supplier diversity and inclusion programmes focused on women-owned businesses.

5. **Certification.** Globally recognised certification is required to validate the ownership and confirm eligibility of women-owned businesses.

➤ THEREFORE, Trailblazers call on:

- Governments and trade and investment support institutions to establish or work with existing certifying bodies that can conduct assessments with annual reviews, to validate the ownership, management and control of women-owned businesses around the world;
- Public and private buying organisations to apply a standard definition of a women-owned business in industry seminars, mentoring sessions and procurement documents, and ask for proof of eligibility/certification;

6. **Address supply side constraints.** There is increasing evidence that women face obstacles in setting up their businesses, and fewer women-owned businesses than male-owned businesses participate in the formal economy, in corporate and public procurement, and in international trade. In addition, women's businesses tend to be smaller and concentrated in less productive sectors. While most small and medium enterprises (SMEs) face constraints in accessing

markets, the barriers are disproportionately higher for women-owned SMEs. Women-owned businesses need to scale, focus on more productive sectors and move up the value chain, in order to more successfully compete in the increasingly complex trade landscape.

- THEREFORE, Trailblazers call on:
  - Governments, and trade and investment promotion organisations to develop strategies and deliver tailored capacity and skills development for strengthening entrepreneurial and leadership skills to enhance women's participation in trade and public procurement, and to measure and report on the efficacy of these interventions;
  - Governments, trade and investment promotion organisations, business and other institutions to identify key entry points for women in target value chains, to ensure woman entrepreneurs' integration and market readiness;
  - Governments and trade and investment promotion organisations to apply a gender lens to addressing non-tariff measures that affect, often disproportionately, the ability of women-owned businesses to benefit from full participation in trade;
  - All stakeholders to embrace innovation as well as information and communication technologies to increase the competitiveness of women-owned businesses, and to fuel growth.

7. **Financial Services.** Women entrepreneurs face a range of financial and nonfinancial challenges in realising their growth potential, and are more likely than their male counterparts to cite access to finance as a major or severe constraint on their business operations. In addition, financial institutions have not yet fully realised the business opportunities of meeting the specific financing needs of women entrepreneurs as a distinct customer group. In addition, sometimes women are held back by lack of information and financial literacy. Yet women control more than US\$20 trillion in global consumer spending. Bold steps need to be taken to close the access to financial service gap between men and women, including bank accounts, saving, housing finance, SME loans, equity, insurance products and digital payments. Mobile technology plays a significant role in helping to achieve Universal Financial Access by 2020.

- THEREFORE, Trailblazers call on:
  - Policy makers and institutions to provide enabling infrastructure and connectivity, and to craft a legal and regulatory environment where access to and control of financial services can be delivered effectively to women, including through the use of technology;
  - Governments, international finance institutions and development banks to demonstrate the business case to financial institutions to develop targeted offerings for women-owned businesses from micro enterprises to high growth entrepreneurs; and to join networks such as the Global Banking Alliance for Women, to foster knowledge and experience sharing;
  - Financial institutions to invest in non-financial services such as mentorships, financial literacy classes and business coaching on financial planning and business management;
  - Financial institutions to gather sex-disaggregated data and analyse consumer profiles based on gender, income, etc.;
  - Governments and financial institutions to offer short term trade finance, which would benefit both men and women, but can specifically lower capital barriers for women;
  - Financial institutions to develop innovative sources of information to establish credit worthiness beyond just collateral, such as social network analysis, psychometric testing, etc.

8. **Ownership Rights** are fundamental to women's business capacity. These rights make it possible for women to start businesses, and to provide the collateral necessary to finance growth and internationalisation.

- THEREFORE, Trailblazers call on:
  - Policy makers and institutions to undertake legislative and administrative reforms to guarantee women's and girls' rights to full and equal access to ownership and control over resources, including the right to inheritance and land titling, credit, financial services, and the right to enter into contracts.