



# **Towards Gender Balance: Understanding the Barriers and Solutions to Include Women-Led Businesses in Rwanda**

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# 1. General characteristics of women-led businesses

## 1.1 Definition of women-led business

**Rwanda has no specific definition of the concept of women-owned enterprises.<sup>1</sup>**

**The Establishment Census Report by the National Institute of Statistics Rwanda (NISR) provides information on economic activities in the country by size and whether formal or informal.**

The subsequent Establishment Census Thematic report<sup>2</sup> on Gender further classifies the establishments by the sex of the managers or owner of the enterprise, their characteristics, potential for growth, and their trends since 2014.

The report has classified businesses by sex of the owners and legal status as: sole proprietorships; limited by shares, limited by guarantee, and unlimited.

This report has done this, without a specific definition of men- and women-led businesses. The thematic report on gender (2020) has identified sole proprietorship (91.4%) as the most prevalent enterprises by legal status distantly followed by limited by shares (2%). By sex of owner, women-led businesses (92.1%) closely mirror that of men

(91%) among the sole proprietorship.

Therefore, the working definition of women-led business or enterprise is a business that is 'solely owned by a woman.

### 1.1.1 Challenges and issues with defining and identifying WLBs

The Rwandan society is characterised by a patriarchal community structure which has translated into men's dominance and women's obedience.

Key Informants from Private Sector Federation (PSF) Women Chamber and the Rwanda Public Procurement Authority (RPPA) reported that a business owned by a woman in terms of registration is a WLB, however, in practice men still interfere/are always consulted in decision making and therefore seem to dominate the decision making and operational process of the business.

This is one of the issues when identifying WLBs, most businesses that are registered and led by women are not fully driven and managed by women.

## 1.2 Percentage of Sampled Businesses Disaggregated by Size and Sector.

**Table 1: Annual Turnover**

Turnover in USD \$	Frequency	Percentage
Under \$10,000	59	87%
\$10,000-\$99,999	8	12%
\$100,000-\$499,999	1	1%
\$500,000 or more	0	0%

The majority (87%) of the WLBs surveyed generated an income of less than 10,000 USD. According to the Thematic report on Gender, a link exists between capital employed and income generated, the higher the capital employed the higher the income generated.

The report further observes that businesses owned and led by women are disproportionately micro-enterprises, employing 1 to 3 workers and requiring a low capital injection of below 500USD (500,000 Francs).

The number of WLBs employing higher capital shrinks compared to that of male owners.

The implication of this is that there is a smaller pool of WLBs to not only participate in large value tenders but also qualify to take part in the bidding process.

**Table 2: Business by industry or sector**

Industry/sector	Frequency	Percentage
Agribusiness & Food	2	3%
Consumer services	18	26%
Education	1	1%
Manufacturing	2	3%
Decoration	4	6%
Professional services	4	6%
Telecoms	2	3%
Trading	2	3%
Wholesale/retail/chain store sales	41	60%

Similar to the Thematic report and a study by UN Women and New Faces New Voices, women-owned businesses have been found in this research to be dominant (60%) in the wholesale and retail trade. It is followed by consumer service (26%). Decoration and Professional services each represent 6% of WLBs surveyed.

**Table 3: Business Location**

Location	Frequency	Percentage
Urban	62	91.18%
Peri-urban	5	7.35%
Rural	1	1.47%

For benefits captured in this report, the majority (91.18%) of the women-owned enterprises were in the urban areas.

The study by UN Women and New Faces New Voices on Gender-Responsive Public Procurement in Rwanda revealed that out of the selected 332 tenders won between the years 2016 and 2019, women-led enterprises won 43 of these.

This represented 13% of the tenders and in terms of monetary value, this represented 5% of the cumulative value of the selected tenders. Women-Led Businesses (WLBs) predominantly won soft tenders like those in the: supply of services; refreshments; event management; event management and supply of office furniture.

On the contrary, men-owned businesses mainly won large value tenders such as those in construction and supply of agricultural inputs.<sup>3</sup>

### 1.3 Percentage of Value of Government Contracts awarded to WLBs

**The recent national gender policy of February 2021<sup>4</sup> highlights that out of 161 randomly selected tenders in 2016-2017, women-owned business won only 11% of bids and that represent only 4% of the monetary value of all bids, this reveals a gender gap in service delivery.**

Also, the New Faces and New Voices study<sup>5</sup> emphasises on the ownership of enterprises by the location where 55% of urban establishments are male-owned compared to 45% women-

owned, while in the rural areas, men own 83.4% of enterprises compared to 17% owned by women.

### 1.4 Description of Relevant Laws, Regulations, Policies Pertaining to Public Procurement

**The main legal framework regulating Public Procurement in Rwanda is (Law No 62/2018)<sup>6</sup> of August 2018.**

The law regulates planning, procurement undertaking, and contract management at all levels of government, and applies to all works, goods or supplies, consultancy, and non-consultancy services except classified items relating to national defense and security. The law modifies and completes the following laws: Law No12 of 2007<sup>7</sup> and Law No 5 of 2013.<sup>8</sup>

The law is supplemented by Ministerial orders No 001/14/10/TC<sup>9</sup> of 19/02/2014 and N° 002/20/10/TC<sup>10</sup> that came into effect on 19/05/2020.

Overall, the legal framework in Rwanda is Gender neutral/ gender blind. The law is guided by the principles of transparency; competition; economy; effective, efficient, and fast work; fairness, and accountability.

Allocation of tenders is merit-based and therefore gender blind. It is incognisant of inequalities that women-owned businesses face. There is no mention of gender in any procurement-linked provisions.



As demonstrated in this report, specific provisions such as one requesting for bid security hinder women's participation in public contracting.

The Rwanda Public Procurement Authority (RPPA) does not collect any gender-disaggregated data, making it difficult for policymakers to understand to what extent the women-led businesses are participating and winning tenders.

This is further complicated by the fact that there is no specific definition that identifies by men and women-owned businesses.

The 2010 SMEs Development policy,<sup>11</sup> on the other hand, acknowledges gender as a cross-cutting area. It posits that many women remain marginalized and recognizes them as an untapped potential as entrepreneurs. One of the pillars of the SME policy is putting in mechanisms for SMEs to access appropriate business financing.

By extension, the SME business guide<sup>12</sup> published by the Rwanda Development Bank (RDB) has provided information on financial products catered to women entrepreneurs.

These include BDF and COPEDU which cater

for lack of collateral such as assets that can be accepted as sufficient to guarantee full repayment of a loan taken out. Notably, the SMEs policy documents are only available in English which further compounds the problem of lack of access to information regarding these financial services that were highlighted by respondents to this study.

In terms of methodology, this study utilized a mixed methods study design combining both quantitative and qualitative approaches. Quantitatively, a survey was conducted using a digitalized structured questionnaire.

Data was collected using tablets using Kobo Toolbox. A total of 68 WLBS took part in this survey across two districts in Rwanda namely: Musanze and Huye. Qualitatively, a desk review was conducted on certain government policies, previous studies conducted in the country and other related themes, and 4 Focus Group Discussions<sup>13</sup> (FGD) and 15 Key Informant Interviews (KII) were held.

Qualitative data captured through KIIs and FGDs were transcribed, cleaned, and coded using ATLAS.ti (version 22) to generate key themes that informed the findings of the study.

## 2. Procurement Process

### 2.1 Stages of Procurement Process

**Rwanda's law governing public procurement is law N°62/2018 of 25/08/2018. This law regulates works, goods or supplies, consultancy, and non-consultancy services. In the words of one of the KII from RPPA:**

*“At RPPA, we follow the Rwanda public procurement law and policy; in these guiding documents, public procurement is open to all public, including men, women, youth, and people with disability. In other words, there are no discriminatory articles or clauses. Nevertheless, apart from a requirement of having 30% women representation in the appeals tender committee, there is no special consideration for women”.*

In line with the law, all public procurement-related activities are done through the Umucyo e-procurement system. This system is free, easily accessible, online, and available to users. Survey respondents and FGD participants emphasized on some of the advantages such as its cost-effectiveness; there is no need to print out bid documents and security of bid documents. Umucyo e-procurement responds to one of the targets of the National Strategy for Transformation (NST1), which is to “Ensure 100% Government services are delivered online by 2024 from 40% in 2017.”<sup>14</sup> NST1 is the key document

that the government of Rwanda communicates its policies on economic transformation, social transformation and transformational governance. Despite considerable progress in capacity building on how to use Umucyo, as expressed by one of the participants during the FGD in Musanze:

*“Before the training provided by the Private Sector Federation-Women Chamber, I did know anything about Umucyo”.*

A total of 15 WLBs surveyed were not aware of Umucyo. The survey results revealed that, out of the 68 WLBs involved in the study, 11% do not access timely and relevant information on opportunities and procedures for public procurement. Open Competitive Bidding is the primary method for procuring goods, services, and works that require tendering. Although this method is the default procedure for contracting, procuring entities are permitted according to certain regulations and conditions set out in the public procurement law to use other competitive procedures.

According to the 2020 RPPA annual activity report, the use of the open competition method made up 54% of the total value of all tender contracts awarded. Other competitive methods represent 46% of the contract value of awarded tenders. The following table indicates the stages of the procurement process and related opportunities and barriers as reported by respondents and participants of this study:

Table 4: Procurement Stages and Related Opportunities and Barriers

Procurement Process Stages	Opportunities/Enabling environment for WLBs	Barriers/ Challenges for WLBs
<p><b>Preparation of bid documents:</b> The bid documents are prepared according to the approved annual procurement plan, which gives details, for example, on quantities, cost estimates, and technical specifications.</p>	<p>There are capacity-building programs dedicated to WLBs in the preparation of the bidding documents.</p> <p>These programs are provided by some institutions such as INKOMOKO (Rwandan affiliate of African Entrepreneur Collective, offering business education, consulting, and access to affordable capital)</p>	<p>Meeting the necessary requirements for the tender, mainly the bid security (as per the survey findings, bid security is too high for 8% of the WLBs).</p> <p>Limited work experience was reported by 76% of the WLBs.</p> <p>There is no call center to support bidders.</p>
<p><b>Notification and Advertisement:</b> the tender is advertised in Umucyo, at least on one newspaper of wide circulation, and the website of procuring entities where it is available.</p>	<p>Timely communication on available opportunities and advertised tender through different platforms, including WhatsApp. In the words of one FGD participant,</p> <p><i>"We have a WhatsApp group where we share additional information about opportunities and seek advice and best practices to overcome experienced challenges."</i></p> <p>The most utilized platform to find out about procurement opportunities are newspapers (39% of respondents) and through friends or personal acquaintances (reported by 38% of respondents).</p>	<p>Bids are advertised on limited platforms; only Umucyo, newspaper, and procuring entities' websites.</p>
<p><b>Bid evaluation:</b> before the review, all bids are opened during the opening process.</p> <p>The tender committee uses criteria provided in the bidding document.</p>	<p>A total of 55 (80.9%) respondents know where to report corruption and misconduct cases.</p>	<p>Respondents perceived nepotism as a bad practice that made them fail at this stage.</p> <p><i>"For some tenders, the winner is known even before the bid advertisement, and you find some items to be delivered are not compatible with other deliverables just to confuse and discourage the bidder."</i></p>
<p><b>Awarding tender contract:</b> according to article 43, law no 12/2007, both successful and unsuccessful bidders shall be informed about the outcome of the bid evaluation.</p> <p>The procuring entity shall publish the tender results as soon as the contract is signed.</p>	<p>The transparency mechanism in awarding contracts to bidders through the Umucyo platform is one of the conducive environments.</p> <p>According to 26 WLBs that supplied goods and services between 2017-2021, 35.2% reported that their business experienced growth, 25.9% improved their company's reputation, 8.5% gained new clients/customers, and 5.6% got additional contracts with the government.</p>	<p>There are no gender-based bid preference mechanisms in awarding contracts.</p> <p>In the case of a tie between two suppliers, a preference could be given to businesses owned by women.</p>
<p><b>Contract management:</b> the contract implementation is regularly verified by the procuring entity. For tender of supplies, the conformity of supplies with technical specifications is verified upon delivery. In the case of work tender, key personnel and equipment availability is well vetted.</p>	<p>The conducive environment is for all businesses participating in public procurement regardless of their profile.</p>	<p>As per the study, more than a third (38%) of interviewed WLBs participating in public procurement reported that the main challenges include: lack of experience, limited access to finance, and capital needed in managing contracts.</p>



## 2.2 Specific Initiatives or Efforts to reach WLBs

Initiatives	Description
<p><b>Business Development Fund (BDF)</b></p> <p>As part of the financial infrastructure to promote SMEs, BDF was established in 2011 as a solely owned subsidiary of the Development Bank of Rwanda (BRD) to assist SMEs in accessing finance, mainly those without sufficient collateral to obtain credit from traditional financial institutions at reasonable rates.</p> <p>BDF gives tailor made financial products for women</p>	<p><b>Credit guarantee:</b> BDF provides supplementary collateral for the borrower to fulfil the lenders require collateral coverage ratio. Eligible women and youth and People living with Disability are provided up to 75% of the required collateral compared to 50% of the rest.</p> <p>Out of 23 WLBs that needed credit or a loan to fulfil the government contract, 87% have been able to access the credit needed through different financial institutions, including BDF (70% of WLBs).</p>
<p><b>COPEDU LTD</b> is a microfinance institution that provides financial services such as credits and savings to women</p>	<p><b>Women solidarity group loan:</b> this loan is given to women entrepreneurs who formed solidarity groups and want to expand their small business, even though they cannot possess unmovable assets that can be given as collateral.</p> <p>This loan is reserved only for the women members of the solidarity group. From the survey findings, 6 WLBs manage to secure finance via this facility.</p> <p><b>Loan for women entrepreneurs “TINYUKA”:</b> this loan is given to women entrepreneurs who want to expand their small business, even though they cannot possess an unmovable asset that can be given as collateral.</p>



### 2.3 Feedback and redress mechanisms

**There is no specific redress mechanism apart from the appeal process which is a standard procedure of the procurement process.**

Since the introduction of the Umucyo platform, the appeal process has been made easier for bidders, it is done online via the platform. A bidder who is not satisfied with the tender committee decision submits a complaint to the independent review panel.

### 2.4 Transparency and open contracting mechanisms

**Before the evaluation, all bids are opened during the bid opening process and to ensure transparency bids are opened in one session and it is prohibited for a bid opening to be ceased or postponed once a bid has been opened.**

In addition, the tender committee cannot access the submitted bids until the deadline has lapsed.

# 3. Barriers to the Participation of Women-Led Businesses in Public Procurement in Rwanda

This section details findings on the different constraints and challenges WLBs encounter while engaging in the public procurement process in Rwanda. The hurdles that WLBs face are broadly categorised into two, namely, structural and operational barriers.

## 3.1 Cultural context and Structural Barriers

### Social-Cultural Factors

Gender norms and gendered roles have a substantial impact on women's participation in entrepreneurship and public procurement. Gender assigned roles in Rwanda include care responsibility that is often unpaid: childcare, domestic work, and care for the sick and the elderly among others.

Therefore, women experience a 'time poverty'; a time restriction that limits their involvement in the lengthy procurement processes that include attending meetings and taking advantage of networking opportunities.

A female participant in a Focus Group Discussion (FGD) with women in Huye confided that most networking to discuss informal details regarding public tenders happens at night and in bars which makes it difficult for women who often have other

responsibilities and have to go home early. Another female participant in an FGD in Musanze further asserted that public procurement processes may require one to move to another district and spend several nights, especially during implementation which is sometimes perceived by their husband as controversial since women are expected to take care of the children and domestic responsibilities.

Several factors affect women's confidence in taking part in public tenders. Pervasive norms and perceptions relating to women's abilities, priorities, roles, and responsibilities profoundly affect self-belief and confidence.

In addition, historically before the 1994 Genocide against the Tutsi, the culture in Rwanda subjected women to discrimination in terms of school enrollment and ownership of property such as land<sup>15</sup> hence reducing their capacity both technically and financially to not only engage in entrepreneurship but also the complex procurement process<sup>16</sup>.

This has over time culminated in limited self-confidence among women and WLBs. In this study, FGDs and KIIs participants reported that this reduced confidence often translates to WLBs focusing on small tenders presumed less attractive to men.

The participation of women in public procurement in Rwanda is significantly lower compared to their male counterparts. For instance, this study ranks the prevalence of WLBs having supplied goods to the government at 38% which is higher than the 13% reported by the New Voices New Faces study<sup>17</sup>.

Even the few that have attempted public tenders reported multiple unsuccessful bidding attempts resulting from underlying inefficiencies such as limited technical capacity, limited access to finance and corruption among others.

Resultantly, this has caused frustration and lowered trust and the confidence of WLBs in participating in public contracting. Below are a few salient quotes from women who participate in public procurement, that illustrate these challenges:

*“Our husbands do not trust us enough to execute some public tenders, let me give an example. Sometimes you need collateral to raise the required capital so that you can participate in a tender. It’s very difficult for your husband to sign off his house as collateral to a bank. This personally happened to me”*

**- Female FGD Participant Musanze District**

*“There are a lot of risks associated with public procurement such as being paid late, corruption or cancellation of a contract if work is not done*

*well, in order to avoid those risks, we usually prefer small tenders that do not attract a lot of investment. As women, we are very protective of our families”*

**- Female FGD Participant Huye District**

*“You know there is a lot of corruption in public procurement. Yet women are not adept at giving corruption yet there are instances that if you do not give corruption, you will not win the tender. Personally, I do not know how to give bribes. Such things demotivate us”*

**- Female FGD Participant Musanze District**

Although the Government of Rwanda (GoR) has recently enacted a series of laws and policies that have guaranteed women’s equal rights to inherit the land, own matrimonial assets, and make decisions regarding family property, significant hurdles persist.

For example, you cannot use your 50% ownership of a given property as collateral unless your husband consents and authorises it through his signature<sup>18</sup>.

The situation is different when men want to use the same collateral. Women revealed that they easily comply due to pressure from the cultural values that are predominantly masculinity-driven patriarchy.



## Un-favorable procurement environment due to corruption

Women-Led businesses encounter “double bribery” when trying to engage in public procurement compared to their male counterparts who only face monetary bribes.

Not only are they exposed to monetary bribery but also sexual advances in exchange for winning tenders. The bribes are paid in exchange for three key things, 1) key information on the budget line, 2) to tailor a bid to favour the bidder, and lastly 3) to easily accept the delivered products even if they do not meet the specific standards set out in the contract.

The bribes are usually paid after each disbursement of the payments to the successful bidder. This corroborates a study by Transparency International Rwanda that reported high levels of corruption in public procurement in Rwanda at around 63.3%<sup>19</sup>. Consequently, the findings indicate that women have a negative perception of the procurement system as being corrupt and unfair, and cited this as a key demotivator.

WLBs are under the impression that tenders are pre-assigned to well-connected and

networked entrepreneurs and are consequently disincentivized to go through the procurement process that is devoid of fairness and transparency.

On the other hand, government officials have a negative view of WLBs, their capacities, and their potential for doing business. The following discourse highlights women’s frustration with the public procurement process.

*“There is a lot of corruption in the public procurement processes. It’s even worse for women because men not only want money but also sexual intercourse. Recently, I was about to get a tender, but a man suggested we should go to Karongi and discuss the tender over the weekend”*

### - Female Participant in an FGD

*“I have decided not to participate in public tenders because of sexual advances as they can easily break my family. Even our husbands know about it and every time I try to engage in public tenders he refuses discourages me and advises that I desist from public tenders unless I want to be promiscuous.”*

### - Female Participant in an FGD

*“I participate in the public procurement process mostly in supplying foodstuffs to schools. I and my colleagues have come to learn that certain bids are tailor-made for certain individuals/bidders. Let me give an example, they include foodstuffs that are expensive in the market to inflate costs but internally they know very well that these food items are not consumed in schools, and they will never order them. The most common food items are small fish (indagara). Normally a kilogram costs 3000frws but a competitor who has inside information will put 500 Frw and since the bidder with the lowest bid wins, they win and small fish is never ordered after. It’s more like an exclusion criterion to favour one who will give a bribe”*

- **Female Participant in an FGD**

## 3.2 Operational Barriers to Winning Public Procurement Contracts

### Economic Factors

Partly due to limited capital WLBs end up resorting to small-scale tenders which they presume will be easy to execute.

For instance, a senior government official confided that currently he is managing 31 tenders and only 3 are by women, and all these include the supply of refreshments, cleaning and transport services.

*“Women go for very small tenders mainly involving refreshments and cleaning services. For example,*

*currently, we have 31 tender contracts that we are managing and only three are women. And the three are cleaning services, providing refreshment and transport services. For the past five years, only four women have won tenders and only small ones. I have not seen a lady win a construction tender to give an example”*

- **KII with a senior Government Official  
(Division Manager at a ministry)**

He went on to confess that in his five years at the institution, no WLB has engaged in bigger tenders such as construction and provision of sophisticated equipment<sup>20</sup>.

On their part, the WLBs attributed their limited participation in big tenders to inadequate capital, limited self-confidence and lack of technical capacity among others.

This finding corroborates the study by New Faces New Voices Rwanda in 2017 which also reported limited participation of WLBs in tenders that involves huge amounts of money<sup>21</sup>.

Owing to lack of collateral, WLBs experience barriers in accessing finance hence limiting their acquisition ability of suitable working capital needed to apply for government contracting opportunities.

With limited access to finance, not only is the growth in size and capacity of women-owned enterprises hindered but also their possibility to tender large value government contracts. Considering the lengthy and tedious public procurement process, WLBs have resorted to avoiding public tenders and focusing on private tenders.

In addition, WLBs confessed that in some cases they approach informal money lenders for easy access to finance and this often comes with high-interest rates and a short repayment period. The informal money lending/ 'loan sharks' system is also illegal in Rwanda. To compound the situation, even in instances where WLBs engage and win public tenders, they reported encountering a huddle of late payments or delayed settlement. In the end, WLBs incur losses and debt, this was reported as one of the key demotivators for WLBs' participation in public procurement.

## Legal and policy Factors

This study has identified that the public procurement legal and policy framework is gender blind. In Rwanda, as mentioned prior, the public procurement process is digitized through the site Umucyo.

While digitising the procurement contributes significantly to maintaining transparency, creating value for money, improving efficiency, and reducing administrative burden<sup>22</sup>, it looks out some women who lack technical capacity

from the public procurement process. The 2017 Gender Monitoring Office (GMO) report entitled "Gender Profile and ICT" revealed that a gender digital divide persists in the country<sup>23</sup>. Women lag behind their male counterparts in ownership of ICT devices and access to the internet due to differences in income, literacy, and exposure<sup>24</sup>. During key informant interviews with WLBs, some women reported encountering the challenge of maneuvering the digitalized platform especially those with limited capacity.

However, some revealed that they hired young people who are more adept with ICT to use the platform and did not consider this a challenge.

Article 37 of the public procurement law subjects tenders to bid security. In Rwanda, bid security is approximately 2% of the overall value of the tender and is deposited for a period of 120 days<sup>25</sup>.

Given the small-scale nature of WLBs, female entrepreneurs are deterred from taking part in public contracting due to hefty bid securities especially if one is applying for multiple tenders simultaneously.

The Constitution of the Republic of Rwanda ratified in 2003 (amended in 2015), affirms the equality of men and women by allocating at least 30% of positions in decision-making organs to women<sup>26</sup>. In coherence with this affirmative action provision, Article 13(5) of the Public Procurement Law asserts that at least 30% of members of

the Independent Review Panel must be women. Nevertheless, this provision has not been extended to the Tender Committee/purchasing unit that is responsible for the preparation, evaluation, and selection of bids.

In a key informant interview with RPPA, a senior official confessed that their operational mandate is dictated by the public procurement law in Rwanda which is currently silent on gender, and hence they could not do much. In certain instances, women were not part of the tender committee, and this could potentially cause bias during the review of bids.

### Technical factors

Qualitative data revealed that Rwanda Public Procurement Authority (RPPA) does not collect sex-disaggregated data on enterprises that participate in public procurement.

Data collected register information such as the number of businesses that have participated in the public procurement process, those that won, and the overall amount of money involved. Indeed, this is a cause for concern since sex-disaggregated data is imperative for policy reforms and to discern what impacts of any policies adopted.

The GoR has made tremendous progress in promoting gender equality and equity. For example, in 2001 gender parity in primary education was achieved in Rwanda<sup>27</sup>. However, some owners of the women-led business have

limited knowledge/technical capacity which can be traced to historical barriers in access to education prior to the 1994 genocide against the Tutsi.

Owing to this, women are still trailing behind men in business experience and financial skills necessary to operate and profitably grow their businesses. Experience is a key determining factor for one to qualify for different tenders. For tenders in construction and consultancy, procurement entities are even categorized from class E to A with E being the smallest and A the largest<sup>28</sup>.

In other tenders, experience doing similar work or business is a prerequisite to being successful in the tendering processes. WLBs have expressed that this is a stumbling block as most of their enterprises are start-ups or low-tier businesses.

Regarding small-scale WLBs who are trying to penetrate the public procurement market, they lamented and claimed that the procurement process is complex, costly and bureaucratic. They acknowledged receiving training on the public procurement process but admitted that when they practically tried to bid it was quite difficult.

This is majorly attributed to the limited experience and technical ability which therefore dissuades women from participating in the process.



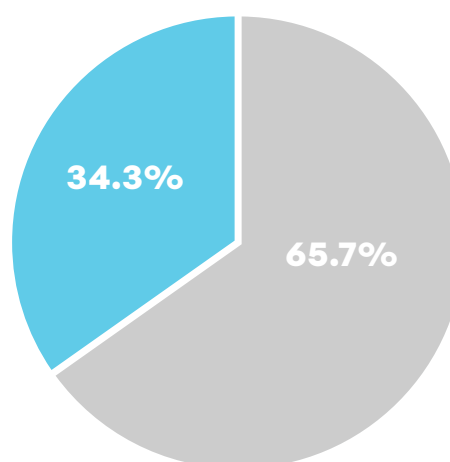
Women-owned firms are also excluded from the procurement process due to limited access to information on public tenders, the tendering process and the public procurement guidelines and regulations. This is further aggravated by the gender digital divide that is wider among WLBs in the informal sector. Less access to information translates to less participation in the public procurement process.

### 3.3 Analysis of these barriers by other characteristics

**The findings from the quantitative part of the research corroborate those of the qualitative part.**

The majority of barriers (65.7%) experienced by WLBs are operational. However, a significant proportion of barriers encountered are structural. The fact that operational barriers are the majority open up an opportunity for stakeholders to devise solutions since they may be relatively easier to solve when compared to structural barriers.

**Figure 1: Distribution between Structural and Operational**



- Operational Barriers
- Structural and Cultural Barriers

When the barriers are considered individually, findings attest that corruption (28%) and nepotism are the leading barrier to WLBs' participation in public procurement.

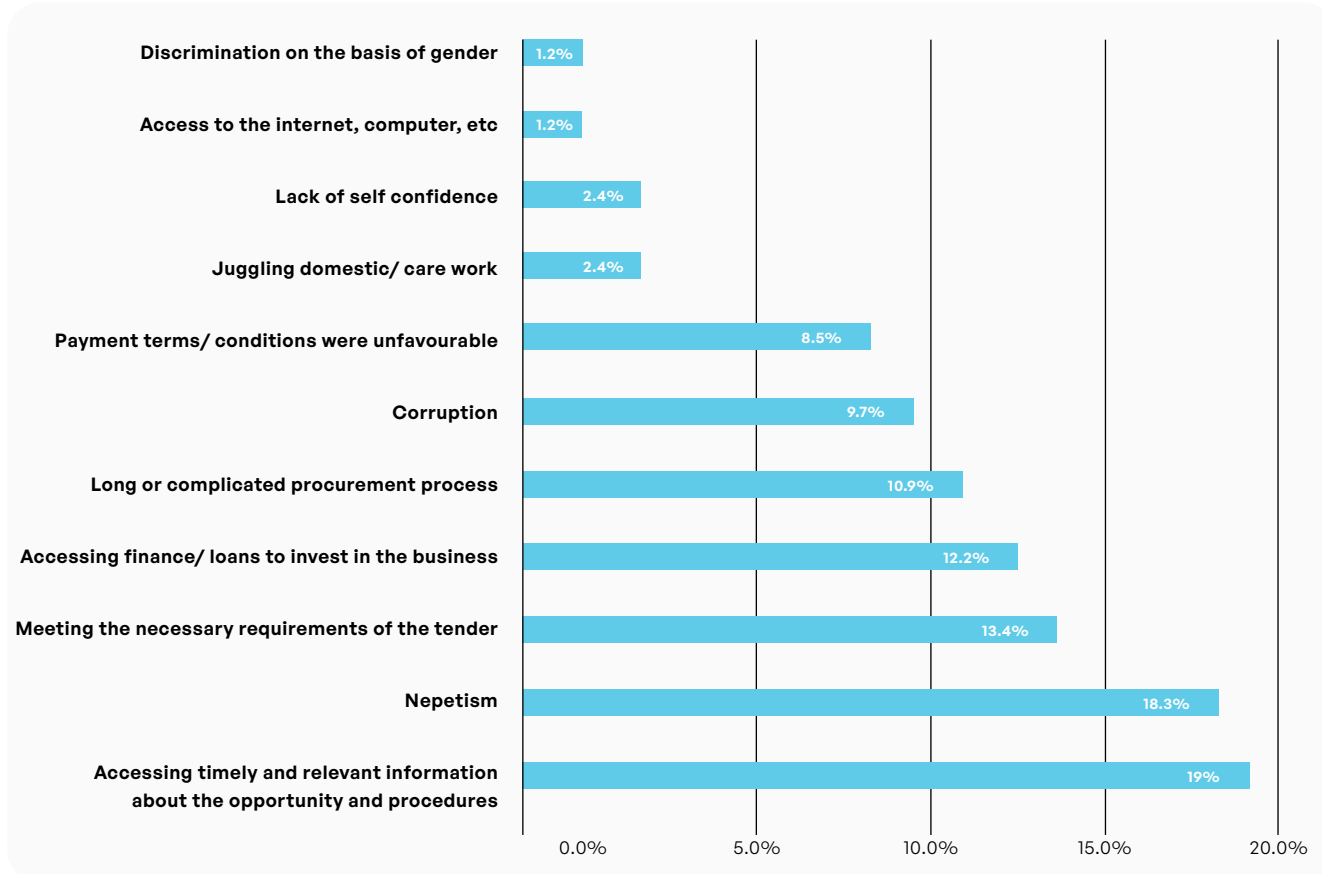
This is closely followed by limited access to information (19.5%), stringent requirements (13.4%), and inadequate access to finance (12.2%) among others.



**Figure 2: Ranking Barriers to WLB's  
Participation in Public Procurement Processes**

The study findings suggest that an overwhelming majority (91.2% of WLBs reside in urban areas. Women-led businesses may prefer urban areas due to different reasons such as better infrastructure, services, and more clientele when

compared to rural areas. Similarly, turnover from public procurement for women-led businesses is still below 10,000USD for the majority (87 %) of the enterprises. This calls for concerted efforts to make public procurement more attractive and realistic for WLBs. Most women-led businesses are still in retail and wholesale services (60%) which attract less capital.





**Table six: Selected Key Characteristics of WLBs**

Variable	Response Options	Frequency and Percentage (%) N=68
Location of WLB	Urban Peri-urban Rural	62(91.2%) 5(7.3%) 1(1.5%)
Turnover in USDs	Under \$10,000 \$10,000-\$99,999 \$100,000-\$499,999 \$500,000 or more	59(87%) 8(12%) 1(1%) 0(0%)
Business Sector	Agribusiness & Food Consumer services Education Manufacturing Decoration Professional services Telecoms Trading Wholesale/retail/chain store sales	2 (3%) 18 (26%) 1 (1%) 2 (3%) 4 (6%) 4 (6%) 2 (3%) 2 (3%) 41 (60%)

## 4. The supporting ecosystem

### 4.1 Networks and Associations of WLBs

**Rwanda Chamber of Women Entrepreneurs (RCWE), an umbrella organization under the auspices of the Private Sector Federation (PSF) is the major forum that serves to improve the socio-economic status of women entrepreneurs in urban and rural areas by creating opportunities for their development through enhanced economic participation**

Currently, RCWE provides services to its members that are spread across eight business sectors: tourism, liberal professionals, arts and crafts, ICT, agriculture, industry, commerce and services, and finance. For instance, RCWE has domesticated SheTrades Hub in Rwanda.

Currently, SheTrades is one of the key achievements of RCWE and its partners by assisting Rwandan WLBs to access the market, hence bolstering their competitiveness.

A total of 12,334 active members of RCWE have been empowered through several capacity-building programs and knowledge-sharing sessions.

During the workshop, participants had the chance to learn about Bank of Kigali (BK) and Inkomoko

financing opportunities and all the prerequisite procedures and requirements to acquire a loan or a grant for women and youth entrepreneurs.

### 4.2 Business Development Services Providers and Women Oriented Capacity Building Programmes

**Findings suggest that Inkomoko and RCWE through the private sector federation have been offering capacity-building sessions to WLBs across the country.**

However, these sessions are done on an ad-hoc basis and are not programmatic. The sessions have mainly focused on the use of the “UMUCYO” the e-procurement system, taxation, financial literacy, and access to finance through BDF, and developing business plans.



## 5. Examples of Good Practices in Enhancing Gender Responsive Public Procurement

This section highlights several innovative initiatives that increase or facilitate the participation of women-led businesses not only in public procurement but also in other private procurement processes. Good practices, sometimes referred to as best practices, are methods or techniques attributed with optimum results if adopted in the execution of a certain task<sup>29</sup>. The study at hand identified two initiatives that have proved to increase the participation of women in public procurement by removing certain barriers.

### 5.1 Description of the Good Practices

#### Self-organised women Groups

In the southern province and specifically in Huye district, a group of six women came together and jointly applied for different public tenders mainly in providing services to the district. They have so far completed the first tender and reported having won a second one.

The coming together of women and the formation of this partnership facilitated the women to overcome some of the key hindrances they face while trying to access public tenders such as limited access to finance as well as limited technical capacity in preparation and cost bids.

In so doing, the women leveraged their group strengths while negating their weaknesses. For example, they managed to overcome the huge capital requirement by dividing it equally into manageable installments that they could afford. In addition, they also managed to learn from each other throughout the bid preparation process.

During a focus group discussion, a participant confessed that jointly working together had enabled them to apply and win a tender at the district which otherwise none of them would have won individually:

*“There is a public tender we are currently executing; it required a huge capital that we as WLBs could not afford but we came together as a group and contributed manageable amounts and we were able to win the tender”*

**- Female Participant, FGD, Huye District**

*“This also helped us to gain experience and learn from one another. This is very important in the future. I learned a lot from some of my colleagues and this knowledge will help me when applying for other tenders”*

**- Female Participant, FGD, Huye District**

*“There is a tender, we won in the district, we are six women and I am the representative of the group. We put our capacities and resources together; we contributed equal amounts of money. When we started, our husbands were not supportive, but we were successful and now we have won another tender using the same arrangement. When you work together as a group it's good and increases the profits”*

- Female Participant, FGD, Huye District

## Tailor-Made Financial Services for Women

There are a number of financial institutions offering special services to women aimed at strengthening and empowering women-led businesses. For example, Business Development Fund (BDF) founded in 2011, is a subsidiary of the Development Bank of Rwanda.

Among its objectives, is to ease access to finance for women through the provision of a collateral guarantee. Indeed, BDF can guarantee collateral of between 50% to 75% of the total amount.

BDF can now provide loan guarantees of up to 500,000 USD (500 million francs) in the agricultural sector and 300,000USD (300 million francs) in other sectors<sup>30</sup>. For example, findings from the quantitative survey in this research reported that 70% of WLBs that accessed loans used BDF for collateral guarantee.

Apart from BDF, there are other financial institutions that focus primarily on the promotion of women-led businesses like “Duterimbere IMF PLC”. Duterimbere IMF PLC’s mission is to provide financial and non-financial services tailored to low-income entrepreneurs, primarily women, to help them improve their socio-economic conditions<sup>31</sup>.

Furthermore, there are other financial institutions that have tailor-made financial services for women. For instance, the Bank of Kigali has a product called Zamuka Mugore which provides collateral-free loans of up to 1000USD (1,000,000 Francs) to women<sup>32</sup>. Equally, COOPEDU PLC also provides a commercial loan product, particularly for women called Tinyuka to enable them to grow and expand their businesses<sup>33</sup>.

Unfortunately, findings suggest the knowledge and awareness of these existing opportunities and good practices are relatively low, hence affecting their uptake. In the same vein, most of the tailor-made financial services offered to women apart from BDF are intended for small-scale women-led businesses and only avail limited amounts of money.

Therefore, apart from BDF, women-led businesses of a sizeable nature may not find these services useful especially for public procurement they intend to access the finances for. There is also a need to raise awareness of the existing opportunities and support women to access these opportunities more.



## 5.2 Viability for Replication

**This good practice of women jointly applying for public tenders shows potential for replication in other areas and sectors.**

Firstly, this initiative is solely run by women and initiated by WLBs to mitigate challenges they

were individually encountering. Most importantly, this good practice has the capacity to reduce both structural and operational barriers already presented above.

In fact, it would be interesting to further document this practice and potentially invite one of the innovators of this good practice as a peer educator during the capacity building for WLB owners.

## 6. Recommendations

#	Observed Gap	Proposed Recommendation	Target Institution
1	The existing legal and policy framework guiding the public procurement process is silent on gender or can be considered gender blind/neutral.	<p>1. Revise the existing legal and policy framework to make it gender-sensitive. One way of achieving this is to consider taking affirmative action such as the introduction of a quota system in the allocation of public tenders with at least 30% going to women-led businesses.</p> <p>2. Conduct advocacy sessions aimed at influencing the GoR to take a bold step and introduce a quota system in the allocation of public tenders with at least 30% going to women-led businesses.</p>	Government of Rwanda Civil Society Organizations
2	Women reported encountering rampant corruption both in terms of money but also sexual advances when trying to access public tenders.	3. Regularly monitor public tenders to identify possible cases of corruption and if identified, investigate and prosecute as a deterrence to such vices.	Rwanda Investigation Bureau Rwanda National Police
3	Participants confessed to facing a challenge of limited access to finance and therefore ending up in tenders with limited rewards (low-value tenders).	4. Raise awareness about existing financial services and encourage women-led businesses to apply by providing them with extra support to facilitate their participation in public contracting.	Commercial Banks BDF INKOMOKO
4	The existing data collection system on public tenders does not disaggregate data by gender leading to a lack of data on women's participation in public procurement.	5. Revise the existing data collection system to ensure disaggregation of data by gender and other vulnerable groups are captured.	RPPA
5	Women reported facing a challenge of cultural barriers including stereotypes such as that women cannot manage big tenders.	6. Systematically raise awareness about the concept of gender targeting staff that work along the public procurement process and encouraging WLBs to apply.	RPPA RCWE

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5	A gap of limited technical capacity to prepare tender documents and maneuver the e-procurement platform (umucyo) was raised.	6. Design a comprehensive capacity-building program (The program should use both coaching and mentorship methods) to strengthen women-led business capacities in bid documentation and use of the digital platform.	CSOs, RPPA and RCWE

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5	The application process for public tender has stringent requirements such as bid security and experience among others. These requirements make it difficult for women to participate in some tenders.	6. Encourage and facilitate women-led businesses to jointly apply for some public tenders.	Women-led businesses RCWE

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5	A challenge of limited access to information for WLBs on available public procurement opportunities.	8. Advocate for public procurement opportunities to be circulated in women friendly platforms such as women networks	RCWE CSOs

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