Kenya’s Efforts to Empower Women, Youth and Persons with Disability through Public Procurement
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4. Abbreviations and Acronyms

AGPO – Access to Government Procurement Opportunities
KNBS – Kenya National Bureau of Statistics
PPRA - Public Procurement Regulatory Authority
TISA – The Institute of Social Accountability
PWD – People with Disability
PPD - Public Procurement and Disposal

Key Words
AGPO, Youth, Women, People with Disabilities, Procurement
5. Introduction

Public procurement as a means to empower marginalized communities and special groups is a growing recognised means to combat poverty and promote inclusive economic growth. It is a substantial market and avenue for fiscal empowerment by securing a space for potential suppliers from marginalised groups.

The Public Procurement and Disposal Preference and Reservations Amendment Regulations, 2013 requires all procuring entities to allocate 30% of their procurement spend for the purposes of procuring goods, works and services from micro and small enterprises owned by youth, women and persons with disability. Procuring entities are required to implement this through their budgets, procurement plans, tender notices and contract awards. The AGPO initiative is implemented through several procuring units in government agencies.

Public contracting on behalf of citizens, particularly with regards vital sectors such as health, education, infrastructure amongst others directly impacts peoples’ lives everywhere. The full cycle of deal making and procurement of goods and services includes participatory needs assessment, the procurement plan, contract negotiation, beneficial ownership, contract implementation, performance, oversight and accountability.

Public contracts on average account for 70% of government expenditures therefore contracting is a crucial step in the delivery of works, goods and services to the public. Despite the crucial nature of public contracting to citizens in relation to essential public goods and services – there is minimal information to the public, auditors, civil society and other stakeholders about the planning, formation, content, performance progress and oversight of public contracts.

Lack of data and information on public contracts makes it difficult for, regulators, auditors, parliaments, civil society and the public to properly assess the integrity of the contracting process, assess fairness of the field to all private sector actors, assess the quality of public participation and feedback from communities, assess whether citizens are getting value for money and; evaluate compliance to contractual obligations by all parties. Further, Government agencies, citizens, private sector and civil society should be able to freely access, use and re-use public contracting data to reinforce efficacy and sustainability of the AGPO initiative, overall procurement reforms in Kenya, and to strengthen citizen participation in oversight of results and performance.

We. The people
The main objective of this research study was to analyse the impact of AGPO to the Youth in Kenya albeit the first few years of implementation of the initiative. As part of this initial study focusing on Youth, some basic comparative analysis was also done on AGPO opportunities to Women and Persons with Disabilities. However, more in depth research will be done on the latter groups as part of a planned research series for each target group under AGPO. The overall aim of this first research is to establish the practical application of AGPO on young men and women.

The research found that currently, 54% of AGPO registered firms are owned by Youth. Those owned by Women account for 41.1%, while only 4.9% are owned by Persons with Disabilities.

Sole proprietors own the largest stake of AGPO registered firms at 47%; this is followed by Companies limited by guarantee with a 31% stake. Lastly, partnerships account for only 7.8% of the firms assessed.

The methodology applied for the research was on literature review, data collection, data analysis, validation and dissemination of findings. Official Reports, other detailed literature and data were reviewed to establish the proportion of tenders allocated to AGPO firms. Qualitative and quantitative data was also collected through computer aided telephone interviews, in depth interviews and focus group discussions.
A sample of tenders worth KES 5M and above, issued between 2013 – 2016, show that only 7.71% of tenders were awarded under AGPO in the period. This proportion is significantly lower than the prescribed 30% specified by law. This finding was established from a comparison of the listed tenders and the listed certified AGPO firms. Out of the possible 2,232 tenders, only 172 were awarded to AGPO registered firms. Additionally, out of a possible KES 183 Billion, only KES 7 million was allocated to AGPO listed firms. This is a mere 4.1% of the total tenders awarded, which is even lower than when compared in absolute values. This was established using the amounts indicated for each tender.

The AGPO initiative is also largely benefitting urban Youth, Women and Persons with Disability disproportionately more than their rural counterparts. Additionally, despite it being a national initiative, it is currently largely serving the capital city, Nairobi. The highest number of AGPO registered firms are in Nairobi county (67%), followed by Mombasa (6%); and Kiambu (5%).

There was large gap between what the registered AGPO firms supply and the services sought in the published tenders. A key finding is that, most tenders awarded under AGPO were for construction related businesses while most AGPO firms are in the service sector, specifically trade.

**Gains**

The AGPO initiative has contributed to an 82% increase in the number of youth-owned enterprises (82%). 80% of those interviewed agree that there has been significant increase in the number of enterprises owned by youth, women and people with disability. 70% reported the creation of more job opportunities. Through this initiative, 36% of a random sample of AGPO registered firms reported to have won a tender, which resulted to an increase in annual revenue for 71% of the firms. The income from these initiatives accounted for 35% of sales and 38% of overall profit.
Critically, 66% of respondents stated that they did not have sufficient capital to engage with the tender opportunities under AGPO. 60% cited challenges getting paid after delivery to procuring entities. Unlike established firms which have the capacity to absorb delays in payments, most AGPO firms are start-ups which operate on borrowed funds. Respondents stated that they incurred accrued interest charges by financial institutions on loans taken to meet the tendering requirements, due to delayed payments by procuring entities. It was stated that payment of accrued interest charges eroded the profits from the AGPO opportunities. Most of the money earned would therefore go back to the financial institutions and other financiers supporting AGPO firms. Respondents further cited the procurement procedures and criteria to be complex, burdensome, costly for new entities, too technical, requiring specialized bidding skills and limiting compliance costs. For most of the AGPO firm staff, these are strong inhibitors due to inadequate capacities on business knowledge and skills to successfully tender for government contracts, comply and grow.

In relation to respondents whose bids were unsuccessful, slightly more than half (56%) were not given the reasons for not winning the tender. Weaknesses in AGPO’s feedback mechanism were perceived exacerbating the lack of transparency in the tendering process. For those who managed to receive feedback, reasons given were over qualification, lack of proper documentation, and wrong pricing. 11% of those who submitted complaints over lost bids noted that no significant actions were taken regarding their complaints.

Customer experience and support from the AGPO secretariat and other support structures such as Huduma Centers were reported to operate with significant delays on respondent inquiries about application approvals, certification and others. Respondents also noted a lack of response from the government offices, allegations of corruption and nepotism regarding the awarding of tenders.

Access to information was another area of concern to respondents. 50% of AGPO applicants got information through newspapers which they stated to be difficult to access consistently, 17% from the AGPO website and 9% through friends.

The Government has put in place several measures to counter these challenges; a Code of Ethics has been created which highlights the core values that define the professional role of the civil service, as well as broad high-level principles such as integrity, accountability, responsibility, and trustworthiness. Others are funding support and training.
According to stakeholders, the initiative still requires increased levels of support from Government, private sector, civil society and development agencies. Cited areas of increased support were regulation, prevention of abuse, efficiency, training, awareness raising in rural areas, supporting AGPO firms to diversify their engagement on AGPO opportunities and coaching and mentorship.

7. Key Recommendations

Agencies such as the Uwezo fund, Youth Enterprise Fund and the Women’s Enterprise Fund should be better coordinated to maximize AGPO benefits and minimize silo operations.

- Increase the capacities of potential applicants outside Nairobi City County to accurately interpret procurement requirements and documents.
- Strengthen transparency in the registration of AGPO related firms to curb the exploitation of interested youth and persons with disability.
- Create a standalone independent agency to monitor, evaluate and report the performance and impact of the AGPO initiative.
- Target more support towards more inclusion of Persons with Disability to increase their engagement and benefits from the AGPO initiative.
- Procuring entities should adopt more proactive online and offline disclosure practices (pursuant to Article 35 of the Constitution of Kenya 2010 and the Access to Information Act 2016) for all documents and data related to planning, awarding, implementation and oversight of AGPO contracts.
- Procuring entities should ensure all AGPO contracts and contract related information is published in understandable, open and reusable formats.
- The National Treasury should put in place policy measures which ensure broader public consultation including in the planning, awarding, implementation and oversight of AGPO contracts.
- Procuring entities and oversight authorities should act promptly on public feedback to hold public officials and contractors to account for any irregularities.
- Procuring entities and oversight authorities should consistently provide timely feedback to all AGPO applicants on success or failure of application and reasons thereof.
8. Objectives of the Survey

The main objective of this research study was to establish the impact of the AGPO initiative on young men and women in Kenya.

Specific objectives:

1. To analyse the impact Access to Government Procurement Opportunities (AGPO) law to youth, women and persons with disabilities in Kenya.
2. To evaluate the application of the concept of gender equity in AGPO awards to female and male youth.
3. To determine the impact of AGPO on young women and young men in Kenya.
4. To analyse the challenges encountered in implementing AGPO law to youth and to some extent women and persons with disabilities in Kenya.

9. Research Design

To effectively answer all the objectives, a multi-pronged approach that utilized a combination of research methods was used;

Desk research
To understand impact of the AGPO initiative, a literature review was done on previously published reports, government and youth actors’ strategic plans and youth related policies, in Kenya. Additionally, mapping of the policy landscape relevant to AGPO and enumerating perceptions of youth, women and persons with disability on existing procurement opportunities under this affirmative action initiative was dome.

Analysis of the existing data on implementation and beneficiaries of the AGPO

A quantitative data analysis was carried out on existing information on the application of the law from 2013 – 2016. Three main data sources were used. The three data sets below were integrated into a single data base in order to analyze the proportion of firms which had been awarded contracts and were part of registered beneficiaries, compared to other opportunities.
a) Details on contract awards for the financial years 2013-2016 from the Treasury website (http://supplier.treasury.go.ke/site/tenders.go/index.php/public/contracts)
b) A list of enterprises registered to benefit from public procurement and disposal preference and reservations law from the public procurement oversight authority (PPOA). The most updated list is as at June 9th 2017. http://www.ppoa.go.ke/2015-09-04-11-25-31/registered-firms
c) Primary data collection using computer-aided telephone interviews (CATI) with available AGPO registered entities. Contact details were sourced from the list of enterprises registered by PPOA.

Target respondents were drawn from the list of registered AGPO firms. As part of this research, it was important to review the perceived performance of the AGPO initiative on youth, women, and people with disabilities in Kenya therefore a perception assessment was carried out. To assess perceptions, 1005 persons out of 40,000 from registered AGPO firms were contacted using the random computer generated system. Out of these, 544 interviews were successfully completed using computer-aided telephone interviews. A questionnaire was scripted and loaded on a computer. The interviewer asked questions on phone and entered the answers in the computer script. The script had been scripted in such a way that it automatically skipped questions which were not applicable.

Unsuccessful interviews included incomplete interviews (respondents did not want to share their details); some asked to be interviewed at a later date but did not respond when called, and others had inconsistent data that was unusable.

From the firms selected, 1 in every 10 (10%) firms had never received AGPO tenders.

Qualitative focus groups, in depth interviews and friendship groups on site and group visits

Follow-up discussions were carried out using the focus group discussions approach with different youth, women and persons with disabilities. In addition, in depth interviews were carried out with stakeholders including government and development partners, to explore impact and emerging issues from the analysis of the data. See the summary below;
Qualitative focus groups, in depth interviews and friendship groups on site and group visits

Follow-up discussions were carried out using the focus group discussions approach with different youth, women and persons with disabilities. In addition, in depth interviews were carried out with stakeholders including government and development partners, to explore impact and emerging issues from the analysis of the data. See the summary below:

<table>
<thead>
<tr>
<th>Group</th>
<th>Number of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public officials</td>
<td>3</td>
</tr>
<tr>
<td>Media</td>
<td>3</td>
</tr>
<tr>
<td>Civil society</td>
<td>3</td>
</tr>
<tr>
<td>Youth Groups</td>
<td>3</td>
</tr>
<tr>
<td>AGPO registered firms</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

We, The people
This chapter presents a review of previously published reports, their findings and the gaps in the Access to Government Procurement Opportunities among the youth, women and people with disabilities. Global and major contributors to the development of this discourse are the United Nations (UN) and its agencies. These have developed global programmes, action plans, and parameters to serve as guidelines to youth-related initiatives by both State and non-State actors. Over the years, The UN has continued to draw the attention of the international community to the challenges confronting youth. It has endeavoured to build commitment to address them through the adoption of an international strategy, The World Programme of Action for Youth to the Year 2000 and Beyond (WPAY). This programme provides a policy framework and practical guidelines for national action and international support to improve the economic status of youth (United Nations, 2010).


In July, 2006, the African Union adopted the African Youth Charter (AYC) to serve as a framework to guide and support policies, programmes and actions for youth development in Africa. In addition to the AYC, the Heads of State and Government declared the Year 2008 as the Year of African Youth, and November 1st as African Youth Day. The African Union Commission (AUC) has finalized a Plan of Action to accelerate the ratification, popularization, and implementation of the AYC 2008-2015. It developed a 10-year consolidated and comprehensive Plan of Action for Youth Empowerment and Youth Development in Africa (2009-2018). It is also exploring possibilities of establishment of an African Youth Fund.

In Kenya public procurement has been an area of great attention due to known corruption, patronage, inefficiency, capture by cartels and mismanagement among other malpractices. This has lead to increased scrutiny, reforms and amendments. This in part is reflected in the Presidential Directive, that 30% of government procurement opportunities be set aside specifically for Youth, Women and Persons with Disabilities. The goal of AGPO as stated on the National Treasury website is to facilitate the women, youth, and persons with disability-owned enterprises to be able to participate in government business opportunities via public procurement without competition from established firms.
10. Literature Review

The 2014/2015 financial year recorded more than 15,000 youth, women & persons with disabilities who were competing for government procurement opportunities. In a circular to all public institutions, the Director General of PPRA noted that most procuring entities are mainstreaming the legal requirement at a very slow pace as evidenced by low levels of reporting on compliance with the preference and reservation schemes (Business Daily, 2014). However, public institutions are said to have continued to ignore the provisions of Legal Notice 114 of June 2013. For instance, the Kenya government and other development partners have had an uphill task getting the youth, women and people living with disabilities play in the big-ticket leagues of public procurement owing to financial challenges (www.ijsr.net).

To show commitment towards the empowerment of the special groups, the Government of Kenya set aside KES 531 billion out of its National Budget of KES 1.77 trillion from its 2014/2015 allocation for the special groups (Obiri, 2016). If appropriately channeled and harnessed, its outcomes could include substantial social and economic improvement of the special groups and reduction of unemployment in the country.

11. Laws, Policies and Institutions

According to the Public Procurement Regulations (2011), procuring entities are allowed to unbundle goods, works, and services in practicable quantities pursuant to Section 31(7) of the PPDA, (2005) for the purpose of ensuring maximum participation of youth, women, and persons with disabilities, through registered small and micro enterprises.

The AGPO initiative is also supported by a number of laws including: Article 227 the Constitution of Kenya (2010) on the fair equitable, transparent, and cost-effective public procurement of goods and services; and Article 55 on affirmative action; the Public Procurement and Asset Disposal Act (2015); and the Public Procurement and Disposal Regulations (2006), the Preference and Reservations Regulations (2011); and the Public Procurement and Disposal (Preference and Reservations) (Amendment) Regulations (2013);

Consequent to Article 227 of the Constitution of Kenya (2010), the Public Procurement and Asset Disposal Act (2015) was enacted and took effect on 7th January 2016; all procuring entities, including counties, are required to adhere to its provisions. Each procuring entity is required to submit quarterly reports to the Public Procurement and Regulatory Authority, tenders secured by the special groups and the list of those registered and issued with AGPO certificates.
11. Laws, Policies and Institutions

In Sections 157 and 17 of the Public Procurement Act (2016), the National Treasury has a responsibility to operationalize a preference and reservations secretariat to be responsible for the implementation of the preferences and reservations under this Act. The secretariat shall be responsible for various tasks including: registration, prequalification and certification of the persons, categories of persons, or groups, as provided for under Part XII of the Act. Also in Sections 157 and 18, the National Treasury provides for adequate staff and resources for the operations of the secretariat. The procurement plans must clearly specify the goods, works, and services reserved for special groups.

The role of the PPRA in the management of the preference and reservations schemes, as required under Section 9 is to monitor the implementation of the preference and reservation schemes by procuring entities, to monitor and evaluate the preference and reservations provided for under the Act, and to provide quarterly public reports.

A number of policies and institutional frameworks have been put in place to cater for people living with disabilities. For example, The Persons with Disabilities Act (2003) is a comprehensive law covering rights, rehabilitation, and equal opportunities for people with disabilities. The National Council for Persons with Disabilities, a government agency responsible for disability issues, is under the Ministry of Gender, Children and Social Development, while the Ministry of Education provides for children with physical and mental disabilities to be placed in mainstream schools. The National Development Plan (2002-2008), focuses on strengthening vocational rehabilitation centres for people with mental and physical disabilities, and providing affirmative action in areas of employment, vocational training, and education.

With regards to Women, various institutions and initiatives have and continue to work on women’s empowerment and inclusion. These include the National Gender Equality Commission, the Women’s Enterprise Fund, gender desks and officers in Ministries and State corporations, the National Committee for the Abandonment of FGM/C (NaCAF); and the Kenyan Women Parliamentary Association (KEWOPA) amongst others.
The main impact of AGPO opportunities was the establishment of a number of youth-owned enterprises (82%). Thus AGPO propelled the registration of more businesses by Youth and an expanded entrepreneurship landscape. Other respondents stated that the annual revenue generated by their enterprises has increased (71%) as a result of the AGPO initiative. Others cited the creation of more job opportunities (70%). on the implementation of AGPO. Generally, respondents acknowledge that there is a positive impact for those who were awarded tenders. “It has made an impact for the few people who have tried it, it has made an impact it’s definitely a plus.” AGPO Participant in Nairobi.

AGPO firms reported that from their various sources of income, AGPO related revenue accounted for 35% of their total income. This accounted for 38% of their profits. The difference of contribution between business and profit is an indication that these groups do not depend on AGPO opportunities only, and this further shows that the opportunities do not have a return on investment commensurate to the efforts, since the derived value was lower. It is worth noting that, the derived value of AGPO tenders were said to be lower than the expressed income as the efforts to apply and obtain a successful tender under AGPO were much greater cost than the income value.

Through the AGPO initiative, the government has shown commitment towards the empowerment of the special groups, for instance in the 2014 / 2015 out of the KES 1.77 trillion budget, 30% would have been KES 531 billion set aside for these special groups. This is a substantial amount of money which could lead to a significant social and economic improvement of the groups, if this money was properly allocated and fairly utilized, it could have a positive impact in reducing unemployment and its effects in the country.
A report commissioned by UN Women, reveals that although the government has put these structures in place, special groups under AGPO face several challenges at the county level that prevent them from participating effectively in government business opportunities via public procurement. (Obiri, 2016).

Disabling Factors

Based on the findings in this report, there are several challenges noted: empowerment funds namely Uwezo, Women Trust Fund, and Youth Enterprise Trust Funds, are not providing the adequate and requisite targeted assistance to women, youth and people with disability as was anticipated for meaningful economic empowerment. This is because the requirements to obtain funds from those institutions are perceived too rigid and disabling. Other challenges include lack of collateral to assist the groups secure loans from banking institutions and fear of potential applicants of participating in large and lucrative tenders.

Some of these factors are peculiar for different regions; In Turkana for example, none of the potential participants had registered and obtained AGPO certification. However, in other counties a good number had registered and obtained the AGPO certificates.

As noted in the UN Women Report (2016), some of the common challenges faced in AGPO include: the procurement procedures are complex, burdensome and costly for new entities; the public procurement contracts involve higher bid, proposal, and compliance costs; most procurement criteria are very technical and require specialized bidding skills. This inhibits women, youth and People with Disabilities (PWDs) because most of them lack the business knowledge and skills to tender for government contracts. A further review of the programme reveals that, special groups do not have sufficient capital to engage in that type of contracting.

In regard to the counties, it was also noted that the Huduma centers staff were required to forward the application forms to the National Treasury for verification and issuance of certificates. This exercise takes up to nine (9) months to complete. Lately however, the process is being devolved to the counties. The special groups also complained about lack of information on available procurement opportunities at the county level, the complexity of the content in the procurement forms, lack of transparency, and corruption of government officials, among others.
In relation to skills, many are unable to interpret the standard bid documents when they participate in the tender process, or when they visit the Supply Chain Management Services Department to seek information of the available procurement opportunities. As a result, they get disqualified at the outset because they are unable to compile the bid documents as required of bidders.

Further, a rare and startling challenge is that, those in special groups who participate in the tender process and succeed in being awarded the tenders, end up selling them (the tenders) to well established businesswomen or men at a throw-away-fee for lack of funds to service the tenders. In addition, for those who manage to fund the bids, they experience late payments for their services and supplies, ending up cash strapped.

In another study by The Institute of Social Accountability (TISA, 2017) found that there were several challenges that included; 35% faced problems with corruption in trying to access the opportunities, 22% faced delayed payments, while a further 10% had challenges with market fructuations. 9% and 13% respectively had issues with bureacracy and lack of capital respectively.

Financing capital and delayed payments pose very big challenges yet generally government business is perceived to be secure according to Polo (2008) who posited that “The best thing about getting a government contract is that you will get paid. The downside is it could take a while”. The Research found that funding is through bank loans, which sometime require collateral and in cases where collateral unavailable, the applicants are locked out. Another noted form of funding is through family and friends who in turn expect to receive a percentage of payment from the applicant.

Regarding inhibitors, factors such as nepotism and corruption by public officials were identified by respondents. “Yes, the government is trying but some of those people in the offices are making it difficult by prioritizing their relatives and friends by giving them these jobs.” “In my opinion, I think they award according to connections and also there are brokers between those in the government offices and those owning companies.” AGPO Participant in Nairobi

“The rich people with big companies, they bribe those who are giving out tenders but we as youths we can’t afford money for bribing them.” There was also a feeling that there is no equity among the targeted groups. “Groups get tenders depending on how big is their capital and company.” AGPO Participant in Kitengela.
12. Gains, Gaps and Challenges of AGPO

Some suggested that tenders should be awarded in equal proportion among the three target groups. "If 10% would go to youths, 10% to the women and the 10% to the disabled, the best thing they could implement this and look if it would work and if it works the percentage to be raised." AGPO Participant in Kangemi

Communication

The following is an extract of a discussion retrieved from the AGPO website and other documents which reveals the inefficiency of communication from AGPO representatives.

Customer: Amie Emy Amy - I finished my application and the approvals are still pending, kindly advise.
AGPO: For AGPO application, approval, and certification, kindly visit your nearest Huduma Center, countrywide.
Customer: Williams Roscoe - Please approve ematechsolutions@gmail.com
AGPO: For application, approval, and certification, kindly visit your nearest Huduma Center, countrywide.
Customer: Carl Brockten Chumba - The bottom line is we don't get our fair share. These opportunities are a preserve for the well-connected sons and daughters of the procurement and management bosses in various agencies. All you're doing is a mere PR! No value
AGPO: No response
Customer: Festus Kinoti - I have fulfilled all requirements but for the last 2 years I have not secured any opportunity. This works only for those with connections with procurement officers...
AGPO: No response
Customer: Nicholas Mutuku- this online registration never works.
AGPO: No response
Customer: Karumi Mutamba - Not secured any opportunity even after meeting all the requirements
AGPO: No response
Customer: Aaron of Karuga - Unfortunately insider-trading is high... the price threshold is revealed to some people... this makes one’s efforts a waste of time and finances. Something must be done to recover the lost confidence with AGPO.
AGPO: No response
12. Gains, Gaps and Challenges of AGPO

From the above engagements, it is clear there are many inquiries about application approval, certification, as well as delays experienced. There is also lack of response from the government and allegations of corruption and nepotism regarding the awarding of tenders. Most significantly, there was no response from AGPO on those allegations and complaints, which leads to a number of applicants losing confidence on the government communication mechanisms.

The extract above is very similar to findings from the UN Women’s Report - Obiri (2016). The officials interviewed and who were involved in processing applications and tenders, noted that special groups lack knowledge on how to obtain tax compliance certificates, prepare a business balance sheet, fill tender documents, and obtain the National Construction Authority Certificates, among others.

The government has therefore a responsibility to intervene to ensure its policy of encouraging the special groups to participate and gain from public procurement opportunities takes is entrenched and effective. This will ensure special groups contribute to economic and social development in Kenya, as well as create jobs and reduce unemployment in the country.

There is a poor perception towards agri-business and labour-intensive investments by the youth that can be attributed to several factors. This coupled with foundational challenges such as minimal access to mentors, inadequate vocational training infrastructure, lower access to capital and underdeveloped county markets translate to lower capacities and support systems for rural youth to translate AGPO into benefits.
Rural youth not only need general education but also skills and training in various investment activities. Training, mentorships and exposure to relevant information and ICT skills, can change the perception of the youth towards undertaking investments and engaging in labour-intensive activities. In most African countries, for example, agriculture has remained unattractive to the youth thus a need for messaging that sustains interest in agri-business.

Further, the current mode of education is geared towards educating white-collar workers, which does not reflect the economic and social context for which Kenyan youth are trained. This is to suggest that although developing countries should plan for economic expansion, those plans should not negate the existing needs of the economy. A robust inclusive domestic market that can drive significant youth employment creation requires broad-based and compulsory, appropriate resource investments that motivate and catalyze thriving youth enterprises. These ought to micro-business, ought to transform into small enterprises, the medium enterprises and over a period of time established firms that only service domestic demand but also international markets.

It is critical to point out that the various initiatives that have so far been put in place through AGPO, other government agencies, Non-Governmental Organizations, and global development partners are quite noble and welcome. What needs to be done is to fully involve the special groups in the entire procurement process by, provision of as much information as possible, training, peer to peer learning, putting structures in place across the country to support their successful bidding for tenders laid aside for them as per the Constitution of Kenya (2010), and enabling the special groups access the much needed funding so as to enable them apply for the tenders successfully.
To address the challenges noted so far, the government has started some initiatives such as the code of ethics, funding support, and the digital training programme.

**The AGPO Code of Ethics**

As noted above, unethical behaviour is one of the major challenges in implementing AGPO. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect, and consistency. According to the United Nations, ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behaviour includes avoiding conflicts of interest as well as not making improper use of an individual’s position.

In order to entrench integrity, credibility and consistency in government services, especially with regard to the creation of procurement opportunities, a Code of Ethics was created. It highlights core values and the professional role of the civil service. The Code of Ethics articulates broad high-level principles such as integrity, accountability, responsibility, and trustworthiness.

This Code of Ethics is designed to help employees of procuring entities to comply with the respective Act, Regulations and to adopt good practices and ethical standards. Employees who violate the law or engage in unethical business are subject to disciplinary proceedings. This Code of Ethics has been issued by the PPOA pursuant to Section 139 of the Public Procurement and Disposal Act (2005). It provides that all procurement and disposal should be carried out in accordance with the code of ethics that may from time-to-time be specified by the Authority. Breach of the Code of Ethics may provide grounds for establishing an offence under Section 135 of the Act, among many other issues.

The code also spells out a number of principles to be adhered to, such as: procuring entities to ensure the use of well-prepared, true, accurate, fair, and clear standard tender documents, with complete information; giving equal opportunity to all interested bidders; avoiding inclusion of conditions which are unfair, discriminatory, or unreasonable. (www.ppoa.go.ke, 2017)

It is clear that AGPO is premised on sound ethical principles and that through it the government has endeavored to put mechanisms in place to benefit the youth, women, and people with disabilities not only through training but also through the allocation of funds.
On the digital platform, the youth are set to benefit from a growing online market through a rolled out comprehensive Digital Training Programme by the government. Speaking during the launch of the Ajira Online Training Programme, the Kenyan Cabinet Secretary in the Ministry of Information and Communications Joe Mucheru talked about the government’s determination to provide about 10,000 youth countrywide the possibility of working online (The Standard, 2017). This was made possible after a one-week online training programme in Nairobi, Nakuru, Meru, Kisumu, Nyeri, and Mombasa. The programme to the 10,000 youth would be at no charge. The training programme will require periodic review in order to remain responsive and supportive to youth employment creation as envisioned in Vision 2030, the Africa Youth Charter and the World Programme of Action for Youth to the Year 2000 and Beyond (WPAY).
14. Findings

Proportion, type and distribution of work given to AGPO Firms

The number of firms registered under AGPO from 2013 to 2016 was 40,860 firms. Slightly more than half (54%) of AGPO firms are owned by youth implying the youth have embraced the program. Those owned by women were 41.1%, while only 4.9% were owned by persons with disabilities.

Analysis on the types of businesses registered under AGPO, the biggest proportion (47%) belonged to sole proprietors followed by registered limited companies (31%). Partnerships businesses only accounted for 7.8% of the businesses assessed.

In relation to the nature of businesses engaged in by AGPO awardees, the highest percentage at 44% of awardees was involved in retail/wholesale/trade business category. This was followed by providers of general supplies at 32% and professional/consultancy at 15%.
14. Findings

Type of Business
Base: All respondents, n = 482

- Retail/Wholesale/Trade: 44%
- General Supplies: 32%
- Professional/Consultancy services: 15%
- Construction/Works: 6%
- ICT: 6%
- Agribusiness/Food Supplies: 6%
- Hospitality/Catering Services: 3%
- Security/Cleaning Services: 1%
- Small Works & Engineering: 1%
14. Findings

Business ownership Type of Business Base: All respondents, n = 482

- Retail/Wholesale/Trade: 47%
- Professional/Consultancy services: 26%
- ICT: 15%
- Hospitality/Catering Services: 8%
- Small Works & Engineering: 4%
In relation to data on types of business and ownership, the researcher found out that though firms registered by women account for 41.1% of the total registered firms, they were given 52% of the total number of tenders nationally. Similarly, persons with disabilities accounted for 5% of the firms however they secured 12% of the tenders. AGPO firms successfully procured most tenders (45%). Furthermore, most of the tenders published sought construction related services. Only 6% of AGPO firms undertake construction work.

### Tenders by Scheme

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered</td>
<td>51.7%</td>
<td>36%</td>
</tr>
<tr>
<td>Limited</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Sole Proprietorship</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>No details</td>
<td></td>
<td>4.7%</td>
</tr>
<tr>
<td>Partnership</td>
<td></td>
<td>3.5%</td>
</tr>
</tbody>
</table>

### Tenders by Business Type

- **Registered Company**: 36%
- **Limited Company**: 36%
- **Sole Proprietorship**: 11%
- **No details**: 4.7%
- **Partnership**: 3.5%

### Tenders by Category

- **Construction/Works**: 34.9%
- **Retail/Wholesale/Trade**: 26.2%
- **General Supplies**: 18.0%
- **Professional Consultancy Services**: 8.7%
- **ICT Services**: 5.2%
- **Small Works & Engineering**: 3.5%
- **Agribusiness/ Food Supplies**: 3.17%
- **Security/Cleaning Services**: 3.17%
Regarding regional representation, Nairobi County has the highest number of registered AGPO firms. It accounts for every 2 in 3 of the total firms (67%); followed by Mombasa (6%); and Kiambu (5%). The data implies that the factors behind this concentration possibly include, the process and time initially taken (nine months) by the Huduma centers staff to forward the application forms to the National Treasury for verification and issuance of certificates.

### 14. Findings

**National Reach of AGPO**

<table>
<thead>
<tr>
<th>County</th>
<th>Registered AGPO members</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi</td>
<td>27,374</td>
<td>67%</td>
</tr>
<tr>
<td>Mombasa</td>
<td>2,275</td>
<td>6%</td>
</tr>
<tr>
<td>Kiambu</td>
<td>1,899</td>
<td>5%</td>
</tr>
<tr>
<td>Nakuru</td>
<td>765</td>
<td>2%</td>
</tr>
<tr>
<td>Uasin Gishu</td>
<td>668</td>
<td>2%</td>
</tr>
<tr>
<td>Kisumu</td>
<td>601</td>
<td>1%</td>
</tr>
<tr>
<td>Kajiado</td>
<td>510</td>
<td>1%</td>
</tr>
<tr>
<td>Kitui</td>
<td>510</td>
<td>1%</td>
</tr>
<tr>
<td>Nyeri</td>
<td>488</td>
<td>1%</td>
</tr>
</tbody>
</table>

We, The people
14. Findings

National Reach of AGPO

Tenders worth KES 183.5 billion were listed. The procuring entities were drawn from both National and County Governments. Others were from parastatals and government bodies. The researcher found that 1 in 3 (31%) tenders listed were between 100 million and KES 500 million and 23% between KES 10 and 50 million shillings.

Figure 4: Amount of Tenders

Amount of tenders

Percentage of AGPO Contracts Awarded

A comparison of the list of tenders and that of AGPO certified firms was also undertaken. Out of the possible 2,232 tenders, only 172 were awarded to AGPO registered firms. This is only 7.71% of the tenders awarded. This proportion is quite low than the 30% specified by Kenyan law with 22.29% allocated tenders.

Similarly, using the amount for each tender to check on AGPO proportion, from the total amount of KES 183 billion, only KES 7 million was allocated to AGPO listed firms. This is a mere 4.1% of the total tenders awarded in the whole country, which is even lower than when compared in absolute values.
The majority of the respondents 29% started applying for tenders in 2015, followed by 28% in 2014 and 11% in 2016. 2017 experienced the lowest with 1%. Thus there was an upward trade from 2014 to 2015, then a downward trade from 2016 to currently 2017. 10% of the respondents never applied.

### Number of tenders

<table>
<thead>
<tr>
<th></th>
<th>AGPO tenders: 172</th>
<th>Total amount: 2,232</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGPO institutions</td>
<td>7,525,438,509</td>
<td>Total amount: 183,594,086,603</td>
</tr>
</tbody>
</table>

### Tender amount

<table>
<thead>
<tr>
<th></th>
<th>AGPO: 7,525,438,509</th>
<th>Total amount: 183,594,086,603</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGPO institutions</td>
<td>7.71%</td>
<td>7.71%</td>
</tr>
<tr>
<td>Other institutions</td>
<td>92.29%</td>
<td>95.9%</td>
</tr>
</tbody>
</table>
The majority of the respondents 29% started applying for tenders in 2015, followed by 28% in 2014 and 11% in 2016. 2017 experienced the lowest with 1%. Thus there was an upward trend from 2014 to 2015, then a downward trend from 2016 to currently 2017. 10% of the respondents never applied.
More than half (63%) of the respondents engaged were male and only 37% were female, indicating an overall gender inequity under AGPO. 49% of the AGPO firms are registered as sole proprietorship. Further, women were leading with 54% and men had 46% of businesses under the sole proprietorship category. On the other hand, 15% of the businesses were registered partnerships. Within this category (partnership) women led with 18% of business ownership against men whose ownership was 14%. In companies limited by guarantee which account for 34% male were leading in ownership in these form of companies.

As stated, 10% of the firms sampled expressed that, though they had registered under AGPO, they had never applied for any tender between 2013 and 2016. For those who had applied, when asked the total number of tenders won during the period under review, 1 in 3 (32%) firms had won 1 tender. A similar proportion (29%) said they had won 2 – 3 tenders. There is a need to take measures to equalize the percentage of women and men that win the AGPO tenders.

### Gender Lens on AGPO awards

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age of the respondents</th>
<th>Type of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>(n=482)</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>(n=303)</td>
<td>Group</td>
</tr>
<tr>
<td>Female</td>
<td>(n=179)</td>
<td>Sole Proprietorship</td>
</tr>
<tr>
<td>18 – 24</td>
<td>6% 6% 5%</td>
<td>2% 2% 2%</td>
</tr>
<tr>
<td>25 - 29</td>
<td>29% 34% 19%</td>
<td>49% 46% 54%</td>
</tr>
<tr>
<td>30 – 34</td>
<td>30% 37% 20%</td>
<td>Partnership</td>
</tr>
<tr>
<td>15%</td>
<td>15% 14% 18%</td>
<td>15% 14% 18%</td>
</tr>
<tr>
<td>35 - 39+</td>
<td>15% 13% 17%</td>
<td>Limited Company</td>
</tr>
<tr>
<td>34%</td>
<td>38% 27%</td>
<td>34% 38% 27%</td>
</tr>
<tr>
<td>40 - 45+</td>
<td>9% 4% 17%</td>
<td></td>
</tr>
<tr>
<td>15%</td>
<td>13% 17%</td>
<td></td>
</tr>
<tr>
<td>45+</td>
<td>15% 13% 17%</td>
<td></td>
</tr>
</tbody>
</table>
In the past 3 years (2013-2016) how many government tenders under AGPO have you/your group won?
Base: All respondents who applied, n = 482

- Total (n=482):
  - None: 54%
  - Refused to answer: 5%
  - More than 10: 16%
  - 6 - 10: 14%
  - 2 - 5: 15%
  - Only 1: 13%

- Male (n=482):
  - None: 52%
  - Refused to answer: 5%
  - More than 10: 18%
  - 6 - 10: 15%
  - 2 - 5: 13%
  - Only 1: 13%

- Female (n=482):
  - None: 56%
  - Refused to answer: 5%
  - More than 10: 16%
  - 6 - 10: 13%
  - 2 - 5: 13%
  - Only 1: 13%
Half of the applicants (51%) got information on AGPO tenders through newspapers, 17% from the AGPO website and 9% through friends. The research findings indicated that getting information about the tender was a challenge (59%). This was also confirmed by qualitative data as is next discussed.

16. Findings on Sources of Information on AGPO Tenders

Where did you get information on the last tender you applied for?
Base: All respondents who had applied; n = 482

- Newspaper
- AGPO Website
- Through a friend of family
- The Government institution website
- A brochure
- Other source (specify)

How did you find the process of application for the last tender no the following?
Base: All respondents who had applied; n = 482

- Newspaper
- AGPO Website
- Through a friend of family
- The Government institution website
- A brochure
- Other source (specify)
16. Findings on Sources of Information on AGPO Tenders

From the focus group discussions, most respondents felt that there was limited access to information regarding AGPO tenders especially in the rural areas. “I don’t think the information reaches those in rural areas due to lack of internet connectivity. One way of informing them is by sending groups to educate them.” AGPO Participant

“Very few people know about it and those who know have not benefited hence they are not spreading the message.” AGPO Participant

“Many youths don’t know about the tenders because they lack education, they can’t know about this thing.” AGPO Participant

Although respondents acknowledge efforts to advertise tenders, the frequency was questioned. “The government always advertise the tenders the problem is the advertisement comes only once and when they advertise its not advertised again, I think there could be a part in a newspaper where the government advertises the tenders for the target groups daily and if the tender is taken it should be removed to the list.” AGPO Participant in CBD

It was felt that the best way to create awareness of these opportunities is to go beyond Internet based media to print media and community engagement platforms “I still think through the newspapers and if possible through some of the radio stations like KBC, CITIZEN. They can use the chief barazas to advertise” AGPO Participant in Kitengela

Rural communities are at a disadvantage as far as awareness is concerned. “There is so much awareness e.g. Nairobi there is more awareness than in Kisumu.” AGPO participant from Kisumu

I can’t say there are better way, the current dissemination of information is okay because at the end of the day is you who is looking for the information. We can’t be spoon-fed everything. When advertising let every category know their opportunities, if its youth let it be youth and so on. AGPO participant from Kisumu
Specifically talking of their last tender applied for, 36% said they were successful. Of those who were unsuccessful, slightly more than half (56%) were not given the reasons for not getting the tender and raised concerns about lack of feedback from AGPO. This is evident from qualitative data as indicated in the following conversation.

Some respondents who have applied for tenders and did not get them, have raised concerns about lack of feedback from AGPO. “I would want them to explain where we went wrong and what ought to be done. “AGPO participant in Nairobi

I need to be able to apply, to see who else is applying, I need to see if I don’t get it, what did the other company do in order to get it that we didn’t do, so that next time I learn from my own mistakes. Instead of applying and you don’t know where you are going wrong and yet they don’t communicate.” AGPO participant in Nairobi

This means that they cannot improve on their tendering skills and for the remainder of the applicants, the main reason was due to lack of transparency with the tendering process. Other reasons given to the 44% that did receive feedback on their unsuccessful bids included: over qualification, lack of proper documentation, and wrong pricing. Out of all unsuccessful bids, only 11& registered a formal complaint. They reported that no significant actions were taken on their complaints.
1 out of 3 respondents reported having completed training on the AGPO process. Most of them were trained by Public Procurement Board (43%). Several organizations which were mentioned as having gone through these trainings did so as part of the Corporate Social Responsibility (CSR) activities from various government entities. These organizations are different government entities and parastatals.

Lack of support in education and training and access to capital has been mentioned as major challenges for small companies to compete favorably in the tender process, lack of education and money are major challenges.” “Because they lack training which should be organized by people like our MCA who should represent them there and lack of knowledge and exposure.” AGPO participant in Nairobi
11. Laws, Policies and Institutions

Figure 13: Proportion of Business and Revenue from AGPO Opportunities

Of all the business you are currently doing, what proportion would you say is AGPO?
Base: All respondents who have won a tender; n=482

- I don’t know: 10%
- Less than 25%: 23%
- Between 25% and 50%: 26%
- Between 50% and 75%: 16%
- More than 75%: 8%
19. Perceptions on Implementation of AGPO

One youth leader in Nairobi said, “There have been some gains made through mass awareness and education especially on social media. However, this is on the surface, I do not think most people know how to access them, they just know they can access them.” Challenges in accessing these opportunities include late payment for supplies and services. Unlike established firms which have the capacity to absorb delays in payments, most of AGPO firms are start-ups which operate on borrowed funds. Delayed payments lead to increase in interest on loans taken by small firms, and this ultimately erodes the profits gained from the tendering opportunities. Most of the money earned therefore goes back to financial institutions which are owned by established firms.

A civil servant in Nairobi said, “Majority of people lack finances to facilitate them undertake the work, and it also takes a long period before the government pays. They lack information when such opportunities arise”.

A lot of sensitization on the opportunities has been through media, especially social media, as a result of increased access to smart phones. This is an appropriate communication channel for youth in urban areas. However, this communication medium is not accessible in most rural areas. One civil servant in Nairobi had this to say, “There’s need to use public participation in awarding tenders. For example, the AGPO officials can inform the leaders of youth and persons with disability groups to disseminate the information to their followers because not all will have access to newspapers, or Internet access, or can be able to walk into government offices for the same”.

Another challenge mentioned is unethical behaviour with regards to the allocation of tendering opportunities.

A youth leader in one parastatal stated that, “There are reports of unethical practices in allocating the tenders and such corrupt people reduce the chances for others to benefit. There is also lack of information that encourages the groups to go forward, more information is not availability”

Unethical behaviour reported include the establishment of firms as ‘youth’ entities when in fact they were not. This ultimately led to the exploitation for youth firms and persons with disability. The disabled person applies for the job, and it’s executed by the other firm, hence the proceedings go to the established firm
19. Perceptions on Implementation of AGPO

As one procurement officer in one parastatal put it, “Disabled persons are exploited by those they trust. Some mainstream suppliers have registered many companies under AGPO and can give good technical proposals, which end up being considered”.

There are cases of people using their children’s names, government officials with vested interests, and able people to register firms, and such people and groups then con the disabled after using them to access the tenders.

As a civil servant stated, “Cartels have registered companies using their children names, corrupt government procurement and tender committee officers, who have vested interests”.

Capacity to deliver within specified timelines and standards is another shortcoming especially for the AGPO firms. One procurement manager in Nairobi said, “Youth have no capacity to deliver some of the goods and services within 30 days as required by the tender criteria and quality and standards are wanting from youths”.

This challenge is more pronounced among women groups and persons with disabilities in rural areas. One procurement manager in Nairobi confirms this and says, “The challenge is not more of giving these tenders, but the number of women, youths and PWD who can meet the standards required to supply goods and services”.

There are negative perceptions among the AGPO target group that have had a bad experience with the AGPO tendering processes. One civil servant in Nairobi stated that, “youth and women do not believe it works since they have not been considered, so they cannot be good ambassadors of AGPO out there”.

On the side of procurement officers, they say there are other problems such as fake AGPO certificates, and other issues such a qualification of the AGPO firms to provide certain technical jobs and adherence to bidding procedure.
19. Perceptions on Implementation of AGPO

Due to lack of experience, most of these firms are not keen on documentation, which is key in regulations on tendering processes. This would be both a capacity issue on bidding process, and partly assumption that once prequalified, it is almost equal to winning the bids. (Procurement officer in a parastatal)

On gender mainstreaming, there is a general view that women shy away from opportunities which are thought of as challenging, hence most of the opportunities go to men, even where equal opportunities are granted. Men also are perceived to be doing better in networking and business development. The same applies to raising capital, which has been seen as a huge challenge in delivering on these opportunities.

Culture is seen as a contributing factor in women accessing the AGPO tenders. It was claimed by some that for married women, they have to seek permission from husbands to apply for AGPO tenders. In other cases, women reported being asked for sexual and other favours before being granted the opportunities.

One civil servant said, “Culture: women are perceived not to take risks when their husbands have not authorized them to thus some married women are restricted to certain government opportunities. There is also abuse during tender awards where a lady must fulfill some demands from male government officers”.

A procurement manager in Nairobi adds, “Treasury does not have all the time to confirm if AGPO Certificate applicants are the bona fide owners. This means we have proxy AGPO suppliers”.

Some respondents called for the sensitization of women and women groups on the AGPO tendering processes so as to enable them to take advantage of the opportunities. They also called for the empowering of youth in accessing finance as well as to understand biding and quotation pricing.

One civil servant in Nairobi said, “Sensitize these groups on the process of winning bids as some think under quoting guarantees them a win yet which is not the case and educate target groups and sensitize them to apply, work with financial institutions to loan suppliers who do not have capital, and County Governments should devolve tenders.”

One procurement manager in Nairobi added that, “Access to capital, some institutions take time processing LPO financing delaying supply of goods and services. This makes the implementation of the law tedious.”
21. Conclusion

The findings of this research detailed challenges and challenges with implementation of AGPO, however also finds that the initiative has a generally positive impact on the Youth. It was noted that out of 82% youth-owned enterprises, 71% had an increased annual income and 70% created additional job opportunities, thereby contributing to youth employment creation.

The challenges encountered in implementing the AGPO law include late payments for delivered goods, services and works. Unlike established firms that have the capacity to absorb delays in payments, most of AGPO firms are start-ups and operate on borrowed funds. Delayed payments disrupt their cash flow, drive to debt and erode the benefits gained.

Communication was identified as another key challenge. Those who do not win tenders receive little or no feedback to help them understand the issues that resulted in their bids being declared unsuccessful. They are therefore unable to address such issues in their future bids. This has led to disillusionment amongst some and perceptions that the bidding processes are comprised from the onset, eroding confidence in AGPO.

It is important for government and other stakeholders to increase the capacities of public officials and AGPO related redress mechanisms in order to harness its full potential and benefits gained by beneficiaries. According to the findings of this study, only about a quarter of the intended allocation to Youth, Women and Persons with Disability has been utilized.

Further, the quality of tenders won by these groups was largely aligned to manual work and minimal technical capacities, therefore rewarded with low wages and profit margins. Where significant contracts are awarded, the winning bidders passed them on to more established firms due to funding challenges.

It is important to ensure the other complementary initiatives such as Uwezo fund, Youth Enterprise Fund and the Women Fund are enhance coordination with the AGPO initiative for higher impact to be realized.

There is need for deliberate and strategic support towards gender equity among beneficiaries of the AGPO initiative. This calls for increased capacity building and harnessing of talents amongst both male and female youth, thereby empowering them to be informed, proactive and successful bidders. Further, there is need for broaden the support to attract both male and female youth to high value bids in sectors such as construction.
We. The people
21. Conclusion

To complement the legal and institutional framework related to AGPO implementation, it is recommended that a dedicated secretariat or agency be established and tasked with oversight. This institution should also collect and publish disaggregated data on all reservations made in procurement plans by procurement entities for AGPO purposes, proactively disclose the actual contracts awarded, contract management reports, beneficial owners and other related documents concerning AGPO. Further, it is recommended that the agency have an AGPO related oversight mandate that covers each stage of the public contracting cycle. In addition, its scope of work should cover both in the national and county governments in order to secure value for money and standardization in the oversight of AGPO.

22. Recommendations to actors supporting AGPO

The following are areas of improvement, which based on the findings of this study are thought to go a long way in making the initiative a success. These recommendations are applicable to different stakeholders - Government, the private sector (including AGPO registered firms), civil society and regional/international development partners.

**Government**

- To cushion AGPO applicants against losses due to late payments, procuring agencies should ensure that the invoices should start attracting interest after a specific time – for example after 30 days.
- Strengthen the financing mechanisms for existing potential AGPO applicants
- Designate a government agency to oversee all aspects of implementation of the AGPO initiative to ensure a more cohesive approach.
- Increase inter-agency cooperation between relevant agencies such as the Ethics and Anti-Corruption Commission (EACC).
- Provide feedback for all tender applicants and the general public on all aspects of the public contracting cycle under the AGPO initiative including the planning, awarding and oversight of contracts under AGPO.
22. Recommendations to actors supporting AGPO

- Effect proper redress and accountability against public officials and contractors based on feedback from public, companies and civil society within a reasonable period.
- Adopt full automation of registration and reduce registration waiting times
- Provide option of online issuance of AGPO certificated
- Investigate conflict of interests and exploitation on ownership of AGPO registered firms.
- Publicize quarterly reports of all allocations under AGPO including those under KES 5 million

23. Business Community

- Hold capacity building, coaching or mentorship forums on supporting young entrepreneurs, women and persons with disability to grow their business skills and compete better in the government business environment.
- Larger corporate companies should support small and medium enterprises to diversify their business engagements.
- AGPO registered firms aspire and take advantage of any present and future opportunities to scale up their level of tenders applied for.

24. Civil society and Development Partners

- Support government capacity building efforts where gaps exist in funding, technical capacity and national reach.
- Produce information, education and communication material to simplify AGPO in both English and Kiswahili. Utilize grassroots networks to disseminate materials
- Advocate for greater transparency, accountability and redress in the public contracting under AGPO
- Support the inclusion in AGPO opportunities of Youth, Women and Persons with Disability living in rural areas.
- Develop a multi-sectoral strategy of sensitizing and awareness to different groups and communities on registering and tendering under AGPO.
25. References


We. The people
Globally there is a huge gap in women’s economic empowerment as evidenced by the global wage gender gap which stands at 23% and World Bank’s study that found in 155 out of 173 economies there is at least one gender based law with restriction on women, only 1% or less of global procurement contracts goes to women owned enterprises.

Women Economic Empowerment is indispensable to the achievement of Sustainable Development Goals. With the right support public procurement has a huge potential to foster job creation and develop the economy. To improve procurement opportunities, address barriers in supply side and demand side of production as well as financial institutions.

As stakeholders seek to be competitive and seek opportunities in the private market, not to only focus all attention on public procurement, civil society has a role to hold duty bearers accountable. Civil society has a responsibility to put into action recommendations of this study and other similar studies.

Questions:

- For the 4.9% tenders won by persons with disability, is there a disaggregation for women, men and youth? Registration schemes on AGPO portal are mutually exclusive hindering the disaggregation of people with disability into other groups. First of a series of research, the next series will include such factors.

- Could the 15,000 repetitively registered companies be because of directive by Government to reregister CR12 Certificates for directors to include women? Is it the owners that are repetitive or is it companies? African stats lack data on previously registered firms that changed to AGPO.

- For those firms that won tender, did African Stats ask under what circumstances these firms won the tenders – did they have to pay bribes? Difficult to establish because such a question will not be answered honestly hence misleading data.

- Are there regional quotas for AGPO firms that won tenders? Which firms from what region won the contracts? First of a series of research, the next series will include such factors.

Number of persons attending:
Key note speakers for the meeting:

4. African Stats Ltd - Consultants

Objectives of the meeting:

• To present findings and recommendations from the impact research on Access to Government Procurement Opportunities.
• To critique findings and recommendations from the report by key stakeholders and attendees of the meeting.
• To strategize on ways to make the private and government sector open up to procure services from youth, women and people with disability.

Key points from presentations:

Discussion of frameworks of accountability mechanisms on public spending as established in the Kenyan constitution.

Importance of objective and generational accountability in public finance management, push for practicality of democratic values entrenched in the constitution to reflect reality and emphasis on objective interpretation and application of these values entrenched without shifting standards.
26. Annex

- Are there any integrity and dignity factors hindering young women from pursuing AGPO tenders? Cases of exploitation of women to give sexual favors in order to win tenders have been sighted.

- Based on interaction with the different institutions how easy/difficult was it for African Stats to get data? – The data used is publicly available in respective organizations websites. Only that information of tenders less than 5m have not been previously reported. Since Jan 2017, that data is being reported therefore in future surveys, it would be possible to get the correct statistics.

- Did the research consider a tracking system for application of tenders? What are possible fall back institutions in the event of challenges such as delayed payments experienced while applying for tenders? First of a series of research, the next series will include such factors.

- During the research period how many persons with disability were interviewed? What factors influence such low percentages of person with disability winning tenders? 4 people with disability were interviewed. “Tender-preneurship” and abuse/misrepresentation are the two main reasons why PWD fail to get more opportunities. LPO financing from National Council for persons with disability to curb “tender-preneurship.”

- Is it that women are not aggressive to take up their space? Men are better at networking and business development, cultural issues surrounding women empowerment.

- Who did Africa Stats ask about gender barriers – This information was asked o both stakeholders and actual respondents especially in the qualitative interviews.

- Why is it that 63% of tenders go to men? Where does the 27% go? Data shows that most AGPO firms are registered under men, highest numbers of opportunities are aligned to male dominated industries such as construction which accounts for 32% of tender opportunities, which women tend to shy away from, men are better in networking and business development.

- What is the role of PPRA in overseeing AGPO Programs? There is no specific body to oversee activities of AGPO implementation.
Proposals:
Public and Stakeholders

- Mentorship and awareness of existing opportunities/procedures of application. Stakeholders to come up with a coaching and mentorship program to assist potential beneficiaries and hand hold them to have similar skills to those who are already benefiting from such opportunities across all counties.

- To develop a strategy for dissemination of this and other similar information in a devolved manner to reach as many people as possible.

- Monitoring and oversight approaches should be adopted to safeguard and ensure authenticity of the types of organizations. Advocacy organizations to advocate on this issue to increase accessibility of market share. Government monitoring to recognize the disaggregated nature of these groups.

- To improve inter agency cooperation between various oversight mechanisms, such as auditor general’s report, ethics and anti-corruption commission to adopt transparency and accountability recommendations and findings from these organizations.

- To strengthen beneficial ownership laws and implementation to strengthen AGPO implementation.

- To campaign for equal procurement opportunities to all persons with disability under AGPO.

- To simplify findings and recommendation from research into info graphics and Swahili for better understanding to the youth and those in the rural.

- Highlight areas where women/youth/PWD are over represented or under represented, campaign for supplementary areas where there are more opportunities to take up tenders and equip them to take up these tenders.

- More successes to be documented to encourage better uptake of opportunities and also publish more government opportunities in order to create awareness.
26. Annex

- For procurement entities to start leveraging on cell phone penetration.

- To focus next research on financial institutions.

- Seek partners to finance PPRA publishing of public procurement manuals to increase dissemination of procurement information to the public.

- Advocate for social marketing.

- Campaign for AGPO certificate holders to be mandated to bid for any category of tenders to reduce multiple registrations of companies.

- To champion for partnership with financial institutions to finance tenders to avoid tenderpreneurship practice.

- Advocate for use of online avenues to improve fast accessibility of AGPO certificates.

- To legislate timeframes for delayed payments and push for prompt payment legislation/compliance.

Government

- Intentional and equal targeting of all groups in procurement opportunities: 10% to each group i.e. youth, women and men.

- African Stats needs to strengthen gender analysis section by highlighting systemic gender based issues with evidence based research.

- Resolve to reduce time periods of accessing AGPO certificates from Huduma centres especially for those people in rural areas.

- Lobby for amendment of section 35 of constitution to permit prompt disclosure and publishing of AGPO quarterly Procurement reports to the public.
Private sector

- Recommend private sector chambers, associations and alliances to create sensitization and awareness creation of AGPO to their members as part of CSR Program.
- Advocacy of issues that are affected by Government such as AGPO.
- Review current government and private sector financing options to reflect realities of youth/women and PWD to make financing more accessible to such groups.

ANNEX 2: List of Participants for Qualitative in-depth interviews and focus groups

1) Senior programmer at Article 19
2) Chief executive officer of Youth Enterprise funds
3) 3 representatives of youth registered AGPO registered firms in Nairobi, Kitengela and Kisumu
4) 2 youth groups representing films registered under AGPO
5) 1 person with disability representing a AGPO registered firm
6) 2 women groups in Nairobi registered under AGPO
7) Procurement officer at Kenya Films Commission
8) A youth leader in Nairobi
9) A Procurement officer at Kenya national Examination Council
10) A Senior officer at Treasury Ministry
11) OProcurement manager at Judiciary
About African Stats

African stats is an integrated research and analytics firm which specializes in mining value and insights from data and information. We use innovative research methods and delivery to generate more value from survey data by designing custom research and analysis methodologies that would support strategy, actionable and sustainable solutions, which can be easily understood, implemented and scaled.

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