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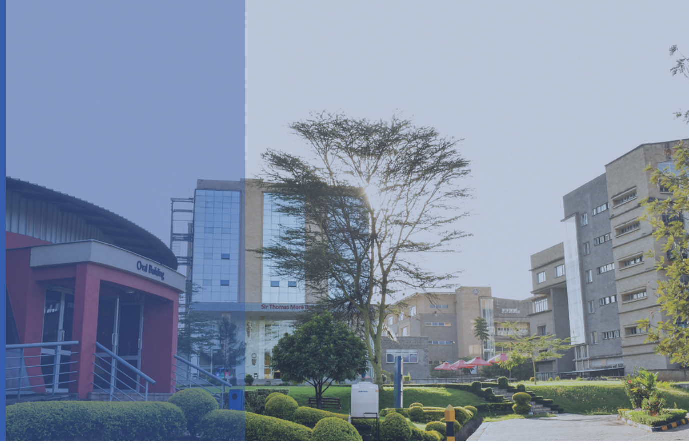

KEY CHALLENGES FACING WOMEN SEEKING GOVERNMENT TENDERS IN KENYA: STRENGTHENING PROCUREMENT OPPORTUNITIES

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Executive Summary

A decade after the introduction of the Access to Government Procurement Opportunities (AGPO) programme, women entrepreneurs in Kenya continue to encounter systemic barriers that limit their effective participation in public procurement. AGPO was conceived as a transformative affirmative action mechanism to address historical exclusion in access to state contracting opportunities and to promote inclusive economic growth. While the programme has expanded visibility and opportunity for women-owned enterprises, significant implementation gaps persist.

This policy brief draws from a research project examining the effectiveness of the Access to Government Procurement Opportunities initiative in enhancing women's participation in public procurement and promoting their empowerment. The study was based on evidence from 25 counties, using a sequential mixed-method approach. It involved 1,591 women entrepreneurs across different participation categories, 370 focus group participants, and interviews with national regulatory stakeholders.

A key finding is that while the AGPO initiative contributes to women's empowerment, participation remains constrained by interrelated challenges: limited technical and financial capacity, high transaction costs, procedural complexity, weak information and feedback systems, governance and integrity concerns, and delayed payments. These barriers collectively create a gap between the constitutional and statutory intent of affirmative procurement and the lived realities of women entrepreneurs.

To address these constraints, this policy brief outlines three strategic policy options and proposes a coordinated reform agenda centred on strengthening procurement governance, enforcing payment discipline, expanding structured capacity-building initiatives, enhancing sensitisation infrastructure, and improving access to affordable and flexible financing mechanisms.

Background

The Government of Kenya launched AGPO in 2013 as an affirmative action initiative aimed at promoting economic empowerment for women, youth, and persons with disabilities. The programme is anchored in Articles 227 and 55 of the Constitution of Kenya (2010) and operationalised through the Public Procurement and Asset Disposal Act (2015), which requires public procuring entities to allocate at least 30% of their procurement budgets to these target groups.

Public procurement constitutes a significant proportion of national and county-level expenditure. As such, AGPO represents a powerful redistributive policy instrument capable of advancing inclusive economic participation. However, legislative allocation targets alone are insufficient to guarantee equitable outcomes. Effective implementation depends on administrative efficiency, institutional integrity, financial inclusion, and the capacity of enterprises to meet procurement requirements.

The Kenya country study that this policy brief covers sought to examine the lived experiences of women entrepreneurs engaging with AGPO processes. Quantitative survey data were complemented by focus group discussions and key informant interviews, enabling triangulation of findings. The results reveal persistent structural barriers that require targeted policy attention.

Problem Statement

Despite a robust legal and regulatory framework, procurement awards to women-owned enterprises remain inconsistent and below transformative expectations. The study identifies several barriers that prevent women from fully participating in Kenya's public procurement system and collectively weaken AGPO implementation. These barriers are conceptualised as capacity, cost, complexity, communication, corruption, and cash delays (6-Cs).

Capacity

Capacity constraints are both technical and financial. On the technical side, entrepreneurs lack the expertise required to interpret tender documents and meet compliance requirements. Training opportunities on AGPO are inadequate or inaccessible due to location, scheduling, or limited outreach. Many enterprises also lack access to the technical staff required for certain categories of contracts, particularly in sectors such as construction.

Financial capacity constraints are equally significant. Many enterprises lack the capital necessary to service tenders, while some contract sizes are beyond their financial reach and require substantial upfront investment.

Cost

Participation in AGPO often entails significant transaction costs, including documentation, certification, compliance requirements, and repeated follow-ups with procuring entities. Reported costs could run up to Shs.50,000 due to documentation requirements, submission of multiple copies, and administrative follow-ups. After contract delivery, additional follow-ups are often necessary to ensure payment processing.

Complexity

The procurement process is widely perceived as administratively complex and time-intensive. Lengthy tender documents, rigid compliance conditions, and procedural opacity discourage participation, particularly among first-time bidders and smaller enterprises. Larger contracts are associated with more demanding technical and financial requirements, prompting some women entrepreneurs to opt for lower-value tenders.

Communication

Awareness gaps persist across counties, with many eligible entrepreneurs insufficiently informed about AGPO registration procedures and tender opportunities. Approximately 80% of non-AGPO-registered women entrepreneurs cite lack of information as the primary reason for not registering. Some are discouraged by negative experiences shared by peers, while others report frustration due to the absence of structured feedback on submitted tenders.

Communication channels remain fragmented, and formal feedback mechanisms for unsuccessful bidders are limited. This undermines transparency, enterprise learning, and sustained participation.

Corruption

Corruption is one of the most frequently cited challenges. Manifestations include perceived unfair tendering processes, repeated awards to the same enterprises, demands for bribes, sexual harassment, and expectations of personal connections within government structures as a prerequisite for tender awards.

Cash Delays

Delayed payments by procuring entities remain a major constraint. Extended payment timelines disrupt cash flow, increase borrowing costs, and expose entrepreneurs to financial distress. Inconsistent enforcement of payment regulations further weakens the enabling environment for women-owned enterprises.

Some respondents reported being asked for kickbacks before payments could be processed, leading many to withdraw from further participation. Payment delays also affect the ability of women entrepreneurs to service other tenders, repay loans, and meet tax obligations. At the county level, changes in administration are associated with prolonged or unpaid pending bills for suppliers contracted under previous regimes.

Collectively, these constraints create a persistent implementation gap between constitutional commitments to affirmative procurement and tangible economic inclusion outcomes.

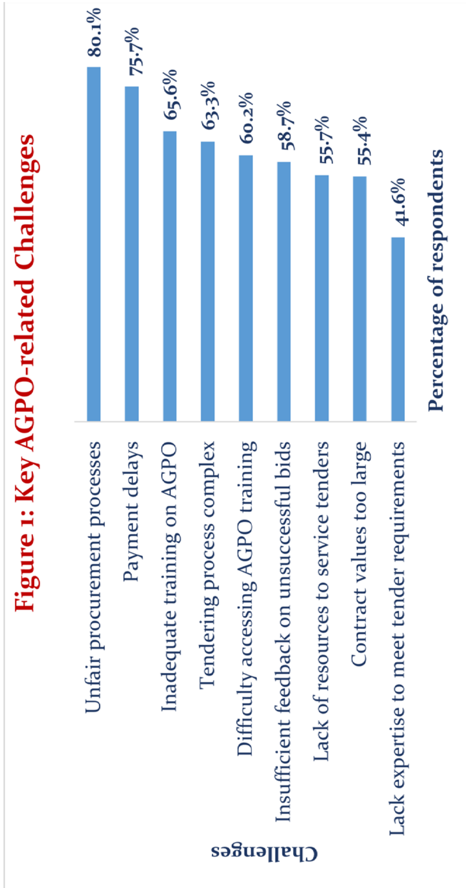

Figure 1: Key AGPO-related Challenges

Policy Options

Addressing the barriers facing women entrepreneurs under AGPO requires policy responses that strengthen both the institutional environment and the operational capacity of women-owned enterprises. The following policy options present complementary pathways for improving participation, accountability, and inclusion within public procurement systems.

Option 1: Strengthening procurement governance and transparency

This option prioritises reforms aimed at enhancing fairness, accountability, and structured feedback within procurement processes. Key measures may include standardised evaluation frameworks, mandatory feedback to unsuccessful bidders, strengthened oversight by regulatory authorities, and digital tracking systems to improve transparency. Stronger enforcement mechanisms would help address integrity concerns and restore confidence in AGPO implementation.

Successful implementation of this option will require strong political and institutional commitment, particularly in enforcing accountability mechanisms across procuring entities. Digital tracking systems and structured feedback mechanisms may also require additional investment in procurement infrastructure and staff capacity.

Option 2: Enhancing financial access and structural inclusion

This option focuses on reducing capital-related barriers that limit participation. Measures may include expanding access to LPO financing products tailored to women-owned enterprises, unbundling large contracts into smaller lots to increase uptake, strengthening consortium bidding frameworks to enable pooling of capacity, and exploring the establishment of a dedicated AGPO Fund to provide affordable and reliable credit.

Expanding financial access mechanisms will require collaboration between government, financial institutions, and development partners to ensure affordability and sustainability. Establishing an AGPO Fund and scaling LPO financing may involve significant administrative and financial commitments.

Option 3: Expanding capacity building and information infrastructure

This option emphasises institutionalised and continuous training programmes delivered through both physical and digital platforms. Dedicated AGPO support desks within Huduma Centres could provide advisory and technical assistance services. Coordinated national and county-level sensitisation campaigns would address awareness gaps and improve registration and participation rates.

Sustained implementation of this option will depend on adequate coordination between national and county governments, training institutions, and Huduma Centres. Reaching women entrepreneurs in remote and underserved areas may require substantial logistical and financial investment.

While each option addresses specific dimensions of the implementation gap, a coordinated and phased approach combining governance reform, financial inclusion, and capacity development is likely to yield the most sustainable impact.

Recommendations

Based on the empirical findings, this study recommends a coordinated reform agenda anchored on five priorities:

1. Ensuring the procurement process is fair and transparent, including providing meaningful feedback to unsuccessful bidders and allowing sufficient time between a call for bids and the closing date.
2. Paying suppliers on time and imposing penalties on procuring entities for late payments. Automated tracking and reporting systems should be deployed to strengthen payment discipline and transparency.
3. Creating more sensitisation campaigns on AGPO. National and county governments should intensify targeted awareness initiatives to close persistent information gaps and ensure eligible women entrepreneurs are informed about AGPO opportunities and requirements.
4. Developing several capacity-building initiatives. Regular training on AGPO should be provided across multiple platforms. Huduma Centres should establish dedicated desks to address AGPO-related needs.
5. Providing multiple financing options for AGPO tenders. LPO financing should be readily accessible. Large contracts should be unbundled into smaller lots to increase uptake. Consortium bidding should be enabled through appropriate legal frameworks to allow enterprises to bid jointly. An AGPO Fund should be established to provide affordable and accessible credit.

Conclusion

AGPO remains one of Kenya's most significant affirmative action initiatives for promoting inclusive economic participation and advancing women's economic empowerment. By reserving procurement opportunities for disadvantaged groups, the programme created an important policy foundation for addressing historical inequalities in access to public contracting opportunities. However, more than a decade after its introduction, the findings of this study demonstrate that legal and policy commitments alone are insufficient without strong implementation systems and institutional accountability.

The challenges identified in this study — including limited technical and financial capacity, high participation costs, procedural complexity, weak communication systems, governance concerns, and delayed payments — continue to constrain meaningful participation by women-owned enterprises. These barriers not only undermine the effectiveness of AGPO but also weaken broader national goals relating to inclusive growth, gender equality, enterprise development, and social justice.

The policy options and recommendations presented in this brief provide practical pathways for strengthening AGPO implementation. Improving procurement governance and transparency, expanding access to financing, strengthening capacity-building systems, and improving information infrastructure can collectively contribute to a more inclusive and responsive procurement ecosystem. Equally important is the need for stronger coordination between national and county governments, regulatory agencies, financial institutions, and procurement entities to ensure that reforms are implemented consistently and sustainably.

Strengthening AGPO should therefore not be viewed merely as a procurement reform agenda, but as a broader economic inclusion strategy with implications for women's livelihoods, enterprise growth, and equitable national development. With sustained political commitment, institutional reform, and targeted investment, AGPO has the potential to move beyond symbolic compliance and become a more transformative instrument for women's economic empowerment in Kenya.

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