

Summary of findings

IMPACT OF KENYA'S ACCESS TO GOVERNMENT
PROCUREMENT OPPORTUNITIES (AGPO) LAW
ON YOUTH, WOMEN AND PERSONS WITH
DISABILITY



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Access to Government Procurement Opportunities (AGPO) is an affirmative action initiative intended to empower Youth, Women and Persons with Disability by setting aside 30% of all public procurement in Kenya for this group of persons. Hivos East Africa commissioned a research study to establish the ongoing impact of this initiative.

Key findings:

- Between 2013 and 2016, only 7.71% out of 30% of available tenders worth 5M and above were awarded to AGPO firms.
- As at end of 2016 the composition of registered AGPO firms was 54% youth, 41% women and 5% persons with disability.
- The highest number of AGPO registered firms are in Nairobi County (67%) followed by Mombasa County (6%) and Kiambu County (5%).
- AGPO has contributed to an increase in the number of youth, women and persons with disability- owned companies and earnings.

Key AGPO achievements:

- Increase in annual revenue of youth owned enterprises at 71% as well as creation of jobs at 70%.
- 82% increase in number of youth owned enterprises.

Award of Tenders:

- Tenders worth 183.5 billion were listed between 2013 and 2016.
- Out of 2,232 tenders only 172 were awarded to AGPO registered firms. This is only 7.7% of the legally prescribed 30%.
- 36% of applicants were successful in the last tender they applied for, 64% of applicants were unsuccessful.
- Women were awarded 52% of tenders, Youth were awarded 36% of the tenders, Persons with disability were awarded 12% of tenders.

Demographics of AGPO registered firms:

- Youth-owned registered firms are at 54%.
 - Women-owned registered firms are at 41%.
 - Persons with disability-owned firms are at 5%.
-

Main challenges to AGPO applicants and awardees:

- Lack of understanding of the bidding process.
- Lack of invoice financing to fund the tender and late payments after delivery.
- Most contracts are Nairobi-centric with the county having the highest number of registered firms.
- Majority of the tenders are for construction related businesses while most AGPO firms are registered in the service sector, specifically trade.
- Conflicts of interest where established public officials and persons/entities have registered firms exploiting youth and persons with disability to win tenders.

Source of information of AGPO opportunities:

- 50% of AGPO applicants got information through newspapers, 17% from the AGPO website and 9% through friends.
- Newspapers were said to be an inaccessible and ineffective source of information for most Kenyans interested in AGPO opportunities.

Feedback on Openness of AGPO:

- Only 56% of AGPO applicants received a notification of loss with reasons for not being awarded.
- Lack of transparency in the tendering process.

* This is the only available data for this period, procuring entities were not reporting on award of tenders below 5M until January 2017.

Recommendations to strengthen AGPO

- Agencies such as the Uwezo Fund, Youth Enterprise Fund and the Women Fund should be better coordinated to maximize AGPO benefits and minimize silo operations.
- Increase the capacities of potential applicants 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.
- A stand-alone independent agency should be established to monitor, evaluate and report the performance and impact of AGPO opportunities.
- Targeted support towards more inclusion of persons with disability (PWDs) to fully benefit from AGPO.
- Establish mechanisms that entrench gender parity.
- Government adopts proactive online and offline disclosure practices for all documents and data related to planning, awarding, implementation and oversight of AGPO contracts.
- Ensure all AGPO and contract related information is published in understandable, open, reusable formats.
- Government invites public consultation and feedback in the planning, awarding, implementation and oversight of AGPO contracts.
- Government agencies and oversight authorities act promptly on public feedback to hold public officials and contractors to account for any irregularities.
- Government agencies consistently provide timely feedback to all AGPO applicants on success or failure of applications and reasons thereof

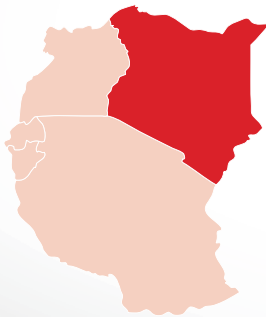
We. The people

What Led to the Access to Government Opportunities Procurement (AGPO) Law?

78.3%
Kenya's current youth population



500,000
Estimated no. of youth released to the job market each year according to World Bank



23%
Unemployment rate for Kenyan youth compared to other EAC countries



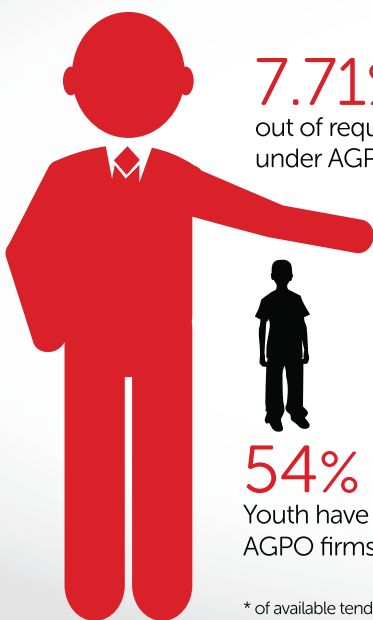
13%
Unemployment rate for Kenyan women compared to other EAC countries

AGPO intends to address unemployment and empowerment of Youth, women and persons with Disability without competition from other firms

Empowering Women, Youth and Persons with Disability through Public Procurement in Kenya

AGPO IS A LAW IN KENYA THAT SETS ASIDE 30% OF ALL PUBLIC PROCUREMENT OPPORTUNITIES FOR WOMEN, YOUTH AND PERSONS WITH DISABILITY

Key Findings from Hivos Research on Impact of AGPO



7.71%
out of required 30% Tenders were awarded under AGPO between 2013 -2016*



54%
Youth have AGPO firms



41%
Women have AGPO firms



5%
Persons with disability have current registered firms

* of available tenders worth 5M and above

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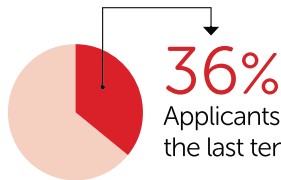
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Status of AGPO Contracts



Sh183.5bn

Amount released for tenders between 2013 and 2016



Applicants were successful in the last tender they applied for



Out of

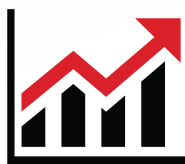
2,232 tenders

only 172 were awarded to AGPO registered firms. This is only 7.7% of the legally prescribed 30%

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Recommendations to strengthen AGPO



- A stand-alone independent agency should be established to monitor, evaluate and report the performance and impact of AGPO opportunities



- Targeted support towards more inclusion of persons with disability (PWDs) to fully benefit from AGPO



- Establish mechanisms that entrench gender parity

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Tenders by women, youth and PWDS



52%
of tenders were
awarded to women
and women registered
firms stand at
41%



36%
of the tenders
were awarded
to youth, Youth
firms stand at
54%



12%
of the tenders procured
were awarded to persons
with disability and their
registered firms stand at
5%

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Bottlenecks to AGPO Effectiveness



- Getting capital to execute the tender
- Gross delays of payment by govt agencies
- Majority of contracts are Nairobi-centric and the county has the highest number of registered firms

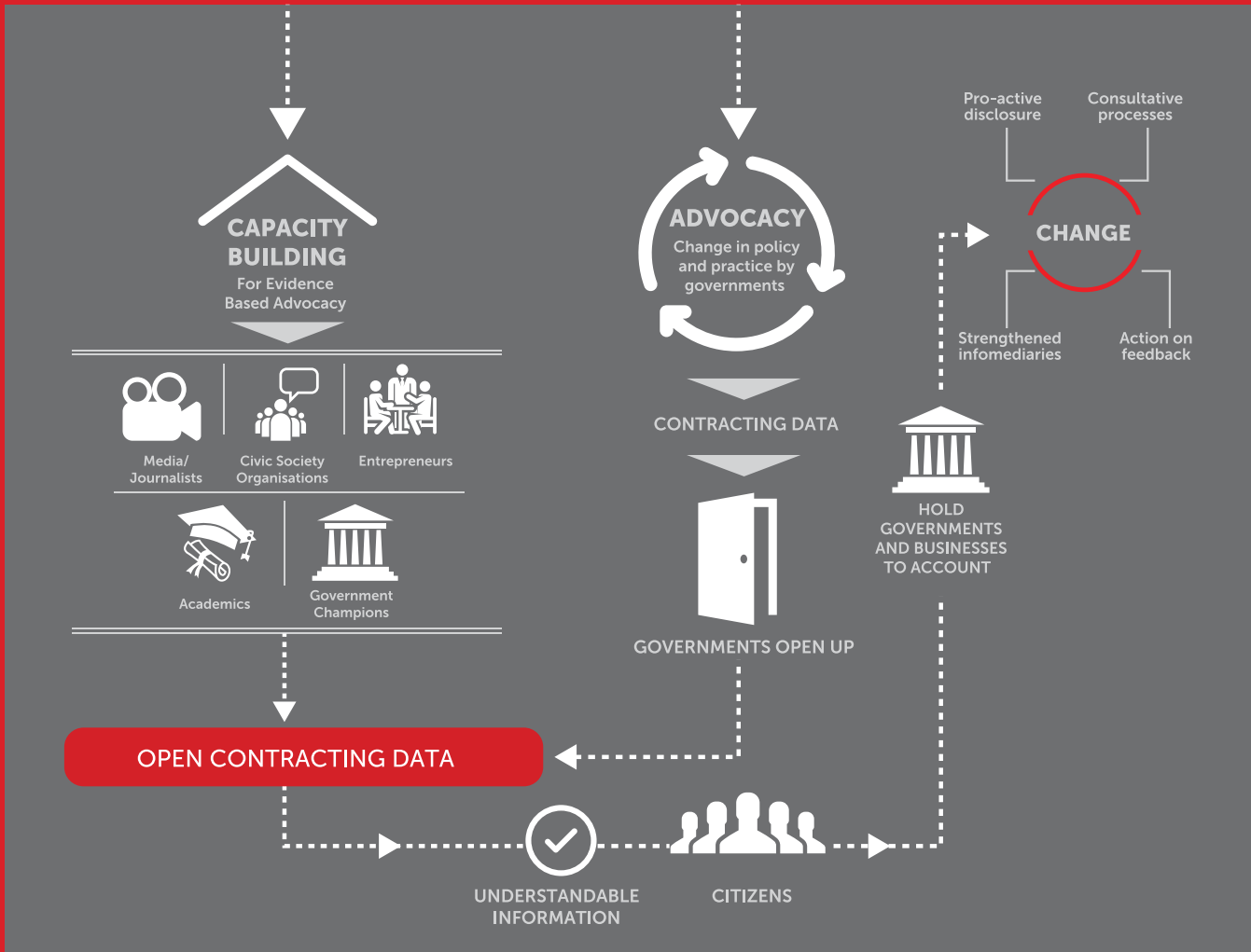
- Majority of the tenders advertised are construction-related excluding other sectors
- Public officials and ineligible persons have registered their own firms and are exploiting gullible youths and persons with disability to win tenders

- Most applicants cannot interpret the bidding procedure and documents
- Youth-owned firms are winning tenders and selling them to established ineligible firms to execute tenders

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and Persons
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The Open Contracting Approach



Hivos East Africa

For further information or queries please contact:

Stephanie Muchai

Country Engagement Developer

Open Contracting Programme

smuchai@hivos.org

Visit www.openupcontracting.org

for more information about the research