

Draft Proposal for an ISO International Workshop Agreement: *Definition of a “Women-Owned Business” and guidance on its use*

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1. Proposer

The following organizations are proposing the development of this ISO International Workshop Agreement:

Swedish Institute for Standards (SIS)
Solnavägen 1E
113 65 Stockholm
Sweden

International Trade Centre (ITC)
Rue de Montbrillant 54, 1202 Geneva
Switzerland

About ITC

The International Trade Centre (ITC) is a joint agency of the United Nations and World Trade Organization based in Geneva. ITC's mission is to enable small business export success in developing and transition-economy countries, by providing, with partners, sustainable and inclusive development solutions to the private sector, trade support institutions (TSIs) and policymakers.

The International Trade Centre launched the SheTrades initiative to create an ecosystem of integrated solutions that empower women economically through greater integration in trade and investment.

- The Goal: Connect 3 million women to market by 2021.
- A Plan: To work with partners including governments, private sector, international organizations, and others to expand opportunities for women entrepreneurs by acting on 7 pillars to catalyze trade.

Link to the web site for more information: <http://www.intracen.org/itc/women-and-trade/SheTrades/Global-Actions-to-Empower-Women-to-Trade/>

2. Title of the proposed deliverable

International Workshop Agreement: Definition of a “Women-owned Business” and guidance on its use

3. Purpose and justification for the proposal

Purpose

The purpose of the International Workshop Agreement (IWA) on a “women-owned business” is to provide a definition of a “women-owned business” and guidance to businesses, governments and international initiatives on how the definition can be used.

Objective of a common definition

Provide guidance to businesses, governments and international initiatives on how to define their beneficiaries within their women's economic empowerment programmes, such as procurement and trade programmes.

Impact

By developing a commonly agreed upon definition of a "women-owned business", the IWA proposal aims to lower entry barriers for women business owners to public and private procurement opportunities, increase their access to capacity-building programmes and incentives schemes, and reduce certification costs for supplier diversity programmes. Governments, corporations and international initiatives will be supported in better targeting and broadening access to their programmes.

In the long term, the development of an IWA on "women-owned businesses" may spur a broader discussion and additional efforts towards further standardisation work on gender equality and related topics. Over time, a standard definition will facilitate the collection of internationally comparable data on women's entrepreneurship and the impact on local and national economies.

Time Frame

7-8 months development time after TMB approval

Context and Justification

The current, most widely adopted definition used by the government and corporations in the United States (U.S.), establishes that a "women's business enterprise," or WBE, must be "51 percent owned, managed and controlled" by one or more women. Several countries and many multinational corporations that are members of Women's Business Enterprise National Council (WBENC) and National Women Business Owners Corporation (NWBOC) in the United States – or WEConnect International outside of the United States – utilise this definition in their corporate procurement programmes. Several national initiatives have developed different definitions, such as Chile, Kenya, Zambia and South Africa.

International organisations including the International Trade Centre (ITC), World Bank/International Finance Corporation (IFC), Global Banking Alliance for Women (GBA) adopt definitions that are more narrow or broader depending on the scope of their programme. For example, according to IFC, "a women-owned enterprise is either a firm with more than 51 percent ownership or stake by a woman/women or more than 20 percent owned by a woman/women and more than one woman as CEO/COO (or President/Vice-President) as well as 30 percent of the board of directors being women where a board exists." GBA considers a women-owned business to be "a registered or unregistered business with a majority of its equity owned by a woman or women, regardless of its size or maturity." Given this absence of a globally agreed upon standard, the public and private sectors in various countries use a range of definitions for women-owned businesses.

Many American-based multinational companies, such as IBM, Microsoft, and AT&T, have been investing in women's supplier diversity programmes over the last two decades. These organizations establish supplier diversity programmes, which encourage the use of any mix of business ownership categories as suppliers, including women-owned business. Their definitions of "women-owned businesses" vary by corporation and country.

Globally, both public and private sector procurement activities and ecosystems are artificially constrained by the commonly used 51 percent standard as they are unable to access and count women-owned businesses that do not comply with this definition. Although both sectors aim to increase the number of women entrepreneurs and to support high growth businesses, they approach the challenge in different ways, with considerable variation across countries.

The current 51 percent definition is restricting in many ways:

- Many countries, culturally and for tax reasons, have husbands and wives who split the business ownership 50/50, or have strong traditions of family-owned businesses that are owned by other configurations of family relationships.
- The 51 percent ownership requirement restricts women from growing their business by limiting investment opportunities in their business by male investors, including male angel investors and male venture capitalists.

Thus, the current one-size-fits-all popular definition of a “women-owned business” inhibits the very outcome it is in place to support, i.e., the establishment and growth of women-owned businesses.

ITC and SIS have consulted with women entrepreneurs and associations, and with thought leaders working in the area of women's economic empowerment to better understand the issues. These consultations have confirmed the need and demand for this work.

Contribution to Sustainable Development Goals (SDGs):

Creating a definition of “women-owned businesses” and guidance on its use will allow for clear and targeted efforts in advancing women's economic empowerment and will contribute to the overall achievement of the 2030 Global Goals for Sustainable Development, including several gender-specific targets under SDG 5 on Gender Equality. More broadly, across the 17 Sustainable Development Goals, there are over 50 indicators that are gender-related and 20 that specifically focus on economic empowerment, such as the sub-indicator of Goal 17 focused on an “open, non-discriminatory, and equitable multilateral trading system” (UNCTAD, 2017) and others related to No Poverty (Goal 1) and Decent Work and Economic Growth (Goal 8).

3.1 Scope of the proposed deliverable

The proposed IWA will provide guidance on the definition of a “women-owned business,” based on a broader, agreed-upon definition at the global level that is relevant to businesswomen in both developing and developed countries.

This IWA is intended for use by national standards organizations, private sector companies, and governments that might need to apply such a definition to their work. Although the IWA will not replace any national standards or self-declaration schemes, the proposed IWA can assist in the revision of such national standards. It is important to note that this IWA will also not provide specific guidance on implementing such a definition but suggestions on its potential use.

3.2 Relation to existing ISO/IEC work

This IWA will not duplicate or negatively affect any ongoing work within ISO. Rather, the result of the IWA can be useful to all ISO committees addressing sustainability or procurement as those committees may not always include experts on women-owned businesses.

This work relates to social responsibility (i.e. ISO 26000, IWA 26), ISO 20400 on Sustainable procurement and the work done under ISO/TC 309 Governance of organizations. In the longer term, there might also be some possible relations to the work that will be carried out in ISO/TC 322 Sustainable finance. However, there is to date no such specific clarification as the one this IWA intends to produce. No overlap with existing standards is thus foreseen. If the IWA is approved, invitations to the workshop will of course be sent to those committees mentioned (and to others if they are identified during the ballot).

4. Relevant documents

Relevant documents that can be used for the development of this IWA include background on the various standards that institutions and organizations are using for definitions of “women-owned businesses”.

ISO 26000 Guidance on social responsibility

ISO 20400 Sustainable procurement – guidance

Ruta Aidis, R. Sandra Schillo, (2017) "Gender, leadership and venture capital: measuring women's leadership in VC firm portfolios", International Journal of Gender and Entrepreneurship, Vol. 9 Issue: 2, pp.110-135,<https://doi.org/10.1108/IJGE-08-2016-0027>

WEConnect International Women's Business Enterprise (WBE)

<https://weconnectinternational.org/en/womens-business-enterprises/certification>

WB Enterprise Surveys

<http://www.enterprisesurveys.org/data/exploretopics/gender>

Women's Business Enterprise National Council

<http://www.wbenc.org/>

IFC

<https://www.ifc.org/wps/wcm/connect/044010804c3a0782b260b6d8bd2c3114/Financial+Services-External.pdf?MOD=AJPERES>

U.S. Small Business Administration

<https://www.sba.gov/federal-contracting/contracting-assistance-programs/women-owned-small-business-federal-contracting-program#section-header-2>

UK Department for Business, Energy & Industrial Strategy

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/204184/bis-13-886-small-business-survey-2012-businesses-led-by-women-and-ethnic-minorities.pdf

Canada Business Women in International Trade (BWIT)

<http://tradecommissioner.gc.ca/businesswomen-femmesaffaires/aboutusaproposdenous.aspx?lang=eng>

ChileCompra

<https://www.chilecompra.cl/eres-empresaria-accede-a-miles-de-oportunidades-de-negocio-2/sello-empresa-mujer/>

Kenya Access to Government Procurement Opportunities Programme

<https://agpo.go.ke/pages/agpo-registration-requirements>

5. Relevant affected stakeholders

National standards bodies will be invited to participate with relevant experts from the seven defined stakeholder categories in the ISO Global Directory:

1. Industry and commerce;
2. Government;
3. Consumers;
4. Labour;
5. Academic and research bodies;
6. Standards application;
7. Non-governmental organizations (NGO); And
8. Financial Institutions

Examples of some of the organizations to be invited include the following, separated by region and type of organization or initiative:

National Standards Bodies

- Global representation from ISO members

EU

- EuroChambres
- DG TRADE/GROW
- Enterprise Ireland
- Women's Business Initiative International
- Enterprise Europe Network Sector Group Women's Entrepreneurship
- Female Europeans of Medium and Small Enterprises
- Women's 20 (W20) Chair for European Union
- W20 Chair for UK, Chatham House
- VdU women's business association, Germany

Latin America

- ChileCompra
- Brazilian Support Service for Small Enterprises
- Apex-Brasil
- PromPeru
- Inversion Comercio
- Dominican Republic Direccion General de Compras y Contrataciones Publicas

North America

- Women's Business Enterprise National Council
- U.S. Small Business Administration
- Canada Business Women in International Trade (BWIT)
- Women Impacting Public Policy
- Gender Metrics

Africa and Middle East

- Federation of National Associations of Women in Business in Eastern and Southern Africa
- National Chambers of Commerce / Women's Business Associations
- Department of Trade and Industry, South Africa
- Nigeria Export Promotion Council
- Kagider Women's Business Association, Turkey

Asia

- Pakistan WeNet
- Malaysia MaTrade
- Sri Lanka Export Development Board
- India Catalyst for Women Entrepreneurship
- Bangladesh Women's Chamber of Commerce and Industry

International Initiatives and Financial Institutions

- Global Entrepreneurship Monitor
- Organisation for Economic Co-operation and Development
- Global Banking Alliance
- WEConnect International
- World Bank
- Business for Social Responsibility
- UN Women
- IWEC Foundation
- UN Global Compact
- Vital Voices
- Organization of Women in International Trade
- Quantum Leaps, Inc.
- Global Impact Investing Network
- Inter-American Development Bank
- African Development Bank
- Asian Development Bank
- Islamic Development Bank
- Impact Investment funds (e.g. Bridges Ventures, LeapFrog Investments, and Bamboo Finance)

Firms (examples)

- Cargill
- Nestle
- IBM
- SDI International
- Martrade
- PG&E

6. Secretariat and Chair

The Swedish Institute for Standards, SIS is willing to act as secretariat for this work. As Chair, the International Trade Centre (ITC) nominates Vanessa Erogbogbo, Chief, Sustainable and Inclusive Value Chains Section, ITC.

7. Plan for development of IWA

Given an approval from TMB the following steps form the tentative plan to develop the IWA:

1) Introductory advisory meetings: Upon TMB approval, the SIS and ITC team will review existing definitions of a "women-owned business" and consult with a limited number of primary stakeholders to identify key issues and challenges for developing a globally agreed definition. Introductory web meetings will be organized in order to inform key stakeholders and discuss ahead of the workshop meeting.

2) Initial Consultation Meeting: There will be two consultation meetings that will aim to build consensus for the text of an IWA. These meetings will be open to all stakeholders nominated by their respective NSB or, alternatively, by an international organization that would fulfil the criteria of an international liaison set out in the ISO Directives for technical committee, steering committees, or working groups. An invitation will be sent to all relevant liaisons in ISO. There will be no participation

fees for this IWA but participants will be expected to cover their own expenses. One of the meetings will be held in Stockholm and the other in Geneva. The workshop language will be English. Should participants not be able to attend, the organizer will aim to provide a connection for a web meeting, even if it may be difficult to participate fully this way.

During the first workshop in Stockholm/Geneva, delegates will build on the findings of the inception phase to:

- examine currently existing standards and definitions
- review current data on the growth of women's entrepreneurship and impact on local and national economies
- discuss amendments to refine the definition

3) Drafting of initial IWA: Drawing on the results of the initial workshop, SIS and ITC will create a draft proposal with one consolidated agreement. The draft will be circulated among participants of the initial consultation meeting to seek their comments via correspondence. Feedback will then be compiled in preparation for a second workshop to address major comments, concerns, and objections, if any.

4) Second Consultation Meeting (validation): During the second workshop in Stockholm/Geneva, participants will:

- analyse and validate the updated definition
- come to consensus on the content of the IWA
- provide feedback on the previous workshop
- identify issues and opportunities for the IWA
- develop commitments and action plans for implementing the IWA and accurate data collection

5) Finalization and Submission of Agreement: The SIS and ITC team will finalise the IWA based on the outcomes of the second workshop. They will present a final proposal to the International Organization for Standardization (ISO) for publication.

6) Follow-up web meetings: After the IWA has been published, follow-up web meetings can be organized to discuss the promotion of the deliverable. If demanded, information web meetings can also be held ahead of the publication.

7) Publication and Distribution: The final product of the workshop will be sent to ISO for publication. ISO members may market and promote the document through their regular channels. ITC will also promote the document via their channels. ISO will hold the copyright to the document.

8) Future activities: Analysis of the potential to move forward towards an ISO standard and the resources needed for that. This future work may also include further topics related to this issue which have come up during the workshops.

Table 2: Timetable

Topic	Description/Details	Estimated Dates
Submission of Proposal	Formal proposal to ISO	July 2019
TMB approval	Likely via correspondence	Aug/Sept 2019 (M0)
Introductory information meetings	First meeting within 1 month after TMB approval to inform potential stakeholders of the proposal	M1-M3
Initial Consultation meeting	The first meeting is to be held around 3 months after TMB approval	M3
Drafting of initial IWA	After first meeting, the secretariat will circulate a draft IWA among participants for comments	M4
Web meeting (if needed)	Meeting to discuss unresolved issues from the first meeting and inform more stakeholders of outcomes of the first meeting	M4
Second Consultation Meeting (validation)	The second meeting is to be held around 2 months after the first consultation meeting	M5/M6
Finalization and Submission of Draft Agreement	Approximately 1 month after the second consultation meeting	M6/M7
Follow-up web meetings	Follow-up meetings can be held ahead of publication to engage in analysis of discussions.	M7
Publication and Distribution	Approximately 1 month after finalization and submission of draft agreement	M8

Annex A

Draft outline of IWA

Introduction

1. Scope

This document establishes a common definition of a “Women-Owned Business” for use in e.g. women’s economic empowerment programmes (such as procurement and trade programmes) and for the collection of internationally comparable data on women’s entrepreneurship (including the impact on local and national economies). This document also provides guidance to business, governments and international initiatives on how the definition can be used.

This document does not provide recommendations on how to operationalise programmes based on this definition, for example on public procurement. This document does not address issues such as how to promote compliance and certification.

2. Normative references

3. Terms and definitions

Where additional terminology is needed, ISO definitions from other standards (such as ISO 26000 and ISO 20400) will be used whenever these are suitable.

4. Definition of Women owned business

5. How to use the definition

6. Examples on use of definition