



ONLINE

SUSTAINABLE DEVELOPMENT

ENABLING THE FORMALIZATION AND GROWTH OF MSMEs THROUGH PUBLIC PROCUREMENT

VIRTUAL KNOWLEDGE-SHARING FORUM

27 – 28 MARCH 2023

🕒 2 DAYS, 6 HOURS

Information Note



International
Labour
Organization



International Training Centre

INTRODUCTION

MSMEs account for 90 per cent of businesses, 60 to 70 per cent of employment and 50 percent of GDP worldwide¹. As the backbone of societies, they contribute to local and national economies and sustaining livelihoods, in particular among the working poor, women, youth, and disadvantaged groups. The latest ILO estimates indicate that over two-thirds (70 per cent) of total employment globally are provided by small economic units², which often operate informally.

Public procurement, as a public policy tool, has been extended to MSMEs as a way to expand their markets and enhance competitiveness. Government's procurement market is recognized to be the largest single market in most economies and its purchasing power has been used as an incentive to advance economic, social and environmental objectives. Its impact on MSE survival has also been studied during crises.

By providing market opportunities to MSMEs, public procurement can boost MSMEs' growth, encourage business registration and create decent employment. Several Latin American governments promoted access by micro- and small enterprises to public procurement through measures such as SME allocations (also called set-asides), lowering procurement volumes, providing training on how to participate to public tenders, and reserving quotas for MSMEs.

At the same time, public procurement can be a high-impact instrument for governments, promoting inclusive and sustainable development more broadly. By using their purchasing power to choose socially-responsible goods, services and works with a reduced environmental impact, they can make an important contribution towards local, regional, national and international sustainability goals. Procurement awards have been tied up with conditionalities such as fair labour practices, green technologies, inclusion of target groups and business registration.

The Virtual Knowledge-Sharing Forum provides a platform for policy-makers and constituents to engage in guided discussions on the potential of public procurement to encourage MSMEs' growth and support formalization.

¹ United Nations, 2022, accessible at: <https://www.un.org/en/observances/micro-small-medium-businesses-day>

² ILO report, 2019, "Small matters: Global evidence on the contribution to employment by the self-employed, micro-enterprises and SMEs"

OBJECTIVES

- Raise awareness on the role of public procurement in enterprises formalization, crisis recovery and development of small producers and firms
- Share experiences on how public procurement can enhance the impact of formalization policies in different countries and boost MSME's performance;
- Raise awareness and share good practices where public procurement incorporates social and environmental safeguards.

TARGET AUDIENCE

The Virtual Knowledge-Sharing Forum brings together decision-makers, practitioners and key stakeholders, including governments, workers' and employers' organizations, businesses, as well as business development service providers, to share experience on leveraging public procurement towards the formalization of enterprises and MSMEs' development.

CONTENTS

Day 1 – 27 March

Day 1 will set the scene of the Forum. The first session of the day will provide a general overview of the context in which MSMEs operate and the challenges they face, including barriers to formalization. It will also include an introduction to the main principles and approaches to public procurement. The second session of Day 1 will focus on how public procurement can play a role in supporting MSMEs' transition to formality, providing concrete examples and good practices.

Day 2 – 28 March

Recently public procurement has become increasingly in focus as an instrument of public policy in addition to its traditional role as a cornerstone of good governance. By purchasing wisely, public buyers can promote employment opportunities, social inclusion, and a just transition. Day 2 will focus on sustainable public procurement, raising awareness of its potential benefits and highlighting good practices of socially and environmentally responsible approaches to the procurement process.

METHODOLOGY

The Forum will be held online from 27 to 28 March from 9.00 to 12.30am CET. Each day participants will have access to two live online sessions of 90 minutes each.

The Forum will be conducted using a highly participative methodology, through a combination of pre-identified good practices followed by group discussions where participants will be asked to share solutions and experiences that are already in place.

Participants will have access to the ITCILO eCampus where they will be able to interact with other participants and access the recordings of the Forum. Before the beginning of the Forum, participants will have access to an online library with background documents and reference materials.

HOW TO APPLY

Applicants are kindly asked to send us a completed online registration form at the following link: <https://oarf2.itcilo.org/MIN/E9715792/en>

OTHER INFORMATION

Language: The Forum will be held in English

Deadline: 21 March 2023

Course Fees: selected participants will receive a full scholarship

Certificate: an ITCILO Certificate of participation will be awarded

Contact: deinvest@itcilo.org

INFO

**FOR FURTHER INFORMATION
PLEASE CONTACT**

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