



## DIMENSION 8

# Inclusive value chains

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This dimension is part of the  
***'Guide to Promote Gender Equality in  
Latin American and Caribbean Companies'***

Download the full publication [HERE](#) to explore all the dimensions.

**1** Engagement and  
strategy development

**2** Inclusive talent  
attraction and selection

**3** Women's development  
and leadership

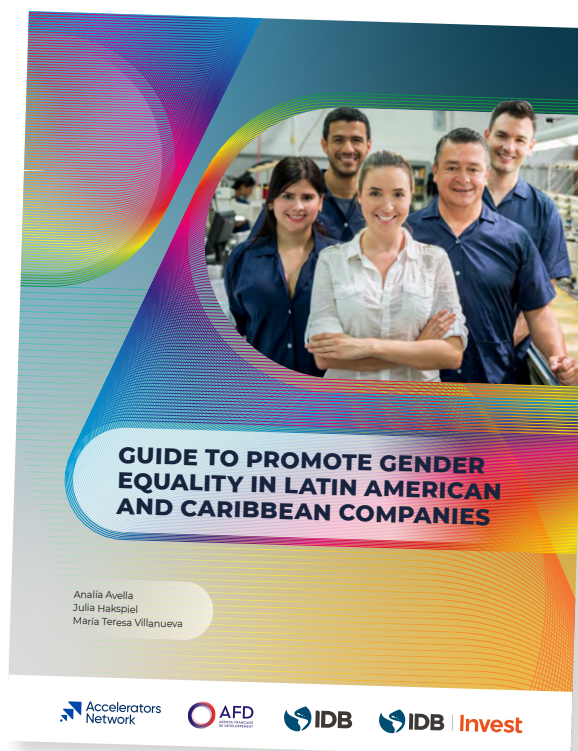
**4** Equality in  
compensation

**5** Conciliation and  
co-responsibility for care

**6** Working environments  
free of violence and  
harassment

**7** Inclusive product  
and service design

**8** Inclusive  
value chains





## Inclusive value chains

***Integrating a gender perspective into value chains not only benefits companies, but also fosters equity in markets, promoting fairer and more sustainable trade.***

### Context and evidence

Despite progress in implementing gender equity policies within companies, **it remains a challenge to expand these practices throughout the organizational ecosystem**. To address this challenge, several strategies can be considered: i) Extending and enforcing gender standards and policies to suppliers, contractors and business partners; ii) Diversifying the pool of supplier firms, including women-owned companies and those with inclusive practices; and iii) Designing products and services with a gender focus, as detailed in sección 4.7.

**Integrating women-owned businesses and those that follow inclusive practices into the value chain can be a differential factor that adds value to the products and services offered.** In addition, developing a diversified supplier base favors the availability of supplies, facilitates the acquisition of specialized products and the introduction of new solutions.

However, despite the potential benefits, there are significant challenges that may hinder the integration of this approach in the commercial world, especially with regard to the inclusion of women-led or owned businesses in the value chain.

**About a quarter of all businesses in the region are run by women.** These firms are about three times smaller than those run by men and are mainly concentrated in less innovative sectors such as retail and services. They also **have a higher propensity to operate informally and to emerge out of necessity** due to limited job opportunities (Cuberes and Teignier, 2017).

According to the 2023-2024 report of the Global Entrepreneurship Monitor (GEM)<sup>1</sup>, which compiles information on entrepreneurship in both the formal and informal sectors, **LAC shows high rates of female entrepreneurship compared to other regions, but in the early stages. Ecuador, Chile, Guatemala, Panama and Colombia stand out for their levels of entrepreneurial activity at this stage.**

This translates into low inclusion in value chains and limited participation in the procurement processes of large companies. **Only 1% of the expenditure associated with the procurement processes of large companies corresponds to firms owned by women (López and Persson, 2023). Among exporting companies in LAC, only 14% are owned by women;** the boards of directors have 15% female participation; and in only 11% of the companies is the position of manager headed by a woman (Basco et al., 2021).

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1. The Global Entrepreneurship Monitor research project is an annual assessment of the national level of entrepreneurial activity in multiple and diverse countries. Today the study involves 115 countries and longitudinal data going back more than 20 years.



Women entrepreneurs and businesswomen face multiple barriers, including gender bias, difficulties in creating business networks, and limited access to financing. These difficulties are exacerbated by the prevalence of informality, the small size of their businesses, and the lower availability of collateral and financial literacy. A study of the Chilean retail credit market found that women were 18% less likely to have their loan applications approved, even when those applications were identical to those of men (Montoya et al., 2020).

**In addition to financial challenges, women entrepreneurs face security risks.** A study in Honduras revealed that women entrepreneurs experience various forms of violence and discrimination. **This includes stigma within their families and communities for working outside the home, as well as vulnerability to sexual harassment by professional contacts and colleagues.** These barriers operate at the institutional, community, family and individual levels, hindering both their personal development and the growth of their businesses (De Filippo et al., 2022).

Overcoming these limitations and **strengthening the productive capacities of women entrepreneurs would not only facilitate their inclusion in trade but would also improve the quality of the products and services offered in local, regional or global chains.**<sup>2</sup> The inclusion of companies led or owned by women in value chains not only diversifies the pool of suppliers, but also strengthens organizational resilience in the face of market challenges.

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2. The IDB has developed the *Mujeres ConnectAmericas* platform to promote the export capacity of women entrepreneurs in LAC and their inclusion in global markets. <https://connectamericas.com/es/mujeres>.





BOX 13

**TAXONOMY OF COMPANIES OWNED OR MANAGED BY WOMEN**

The classification of firms owned or managed by women is the first step in improving internal records and assessing the possibility of offering specific treatment to these companies in supply chains. Although there are different definitions, the most commonly used criteria focus on aspects of ownership, control, management and independence of the company.

The International Organization for Standardization (ISO) highlights the following definitions:

- **Women-owned enterprise:** more than 50% is owned by one or more women, its management and control is vested in one or more women, and a woman is a signatory to the enterprise's legal documents and financial accounts. The organization is operated independently of businesses that are not owned by women.
- **Women-led enterprise:** at least 25% is owned by one or more women, it is managed and controlled by one or more women, at least one-third of the board of directors is composed of women (if such a body exists), and a woman is a signatory to the company's legal documents and financial accounts. The organization is operated independently of companies that are not owned or managed by women.

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On the other hand, it is important to highlight the criteria that IDB Invest applies in its operations with the business sector, as well as in tools designed to measure and quantify gender bias. A company is considered to be led by women when at least 51% of its ownership is in the hands of women (majority shareholder control), or when it has a woman in a position of maximum responsibility, such as Chief Executive Officer (CEO), Chief Operating Officer (COO), General Manager, President or other similar position.

Source: own elaboration.



## Potential actions

### Enhancing gender equality efforts with interested parties or stakeholders

Below are some flexible guidelines for integrating a gender approach into value chains. These recommendations can be adapted by companies according to their specific context and reality:

#### A Standards for suppliers, contractors and business partners

Companies can multiply the impact of their gender equality efforts by encouraging the adoption of this perspective in their value chain. In this way, companies can extend and enforce their gender standards and policies to suppliers, contractors and business partners. Among these actions, the following are suggested:

- **Request adherence to the company's code of ethics and gender equality policy.**
- **Encourage the adoption of a comprehensive gender equality strategy or program in the value chain,** that includes the relevant dimensions of this agenda.
- **Extend the commitment of zero tolerance** to any type of violence and harassment in the workplace to suppliers, contractors and business partners.
- **Evaluate suppliers, contractors and business partners to understand their organizational culture.** Audit products, services and facilities to ensure that they are not being used for labor or sexual exploitation.
- **Recognize and value seals and certifications** that demonstrate that suppliers, contractors and business partners follow inclusive practices.

#### B Diversify the supply chain with women-owned businesses and businesses with inclusive practices

Facilitating the inclusion of women-owned businesses and businesses with inclusive practices in the supply chain can strengthen the resilience of these processes by diversifying the supplier pool and adding new perspectives and skills to supply management. Some suggested measures include:

- **Establish gender-sensitive procurement programs and expand business relationships with women-owned businesses.** Support the development of their productive capacities and improvements, providing technical and financial assistance and business counseling.
- **Know the composition of the supplier base.** Classify and categorize companies by ownership, develop records and measure progress. Identify and recognize suppliers that follow inclusive practices.
- **Consider including targets that include a percentage of purchases from women-owned or women-led businesses.**
- **Simplify application procedures and requirements,** without compromising quality standards. Streamline, standardize and consolidate application and contracting procedures to facilitate management.
- **Limit, as much as possible, the size of contracts** to avoid bundling multiple requirements that make access difficult for women-owned businesses.
- **Establish award criteria that are governed not only by price, but also by the overall value provided by the proposals.**



- **Train the procurement area and make the necessary adjustments to the systems and processes involved.** Consider the use of systems to identify women-owned businesses.
- **Communicate and disseminate established procurement and contracting strategies, programs and objectives.**
- **Support strategies to improve information channels for women-owned businesses** (participation in supplier fairs, public dissemination of procurement policies and procedures, etc.).
- **Consult international information sources and databases,** such as those provided by WEConnect, on women-owned businesses (see section 4.8.3).
- **Support the formalization of enterprises led by women.** Facilitate training and advisory services for informal enterprises and businesses linked to the value chain. These instances may include: a) Training in accounting, tax and legal processes, according to the specific regulations of each country; b) Training on procurement and purchasing processes; c) Workshops on experiences and examples of good practices in business management; and d) Information on the most up-to-date technological tools for business management and administration.



## Tools and resources

GUIDES AND GUIDANCE DOCUMENTS	
<b>The power of acquisitions: How to buy products and services from women-owned businesses</b>	<ul style="list-style-type: none"> <li>• Guide on gender-sensitive procurement for companies. Includes practical recommendations on the purchase and sale of products, contracting and selection of supplier companies led or owned by women.</li> </ul> <p>Entity: UN Women / <a href="#">+ Explore</a></p>
<b>WEPs Gender-Responsive Procurement Assessment Tool</b>	<ul style="list-style-type: none"> <li>• Self-assessment tool for WEPs signatory companies, consisting of 31 questions, which allows the analysis of progress in gender-responsive procurement policies and practices. This tool is designed to guide companies in implementing WEPs Principle 5: Enterprise development, supply chain, and marketing practices.</li> </ul> <p>Entity: UN Women / <a href="#">+ Explora</a></p>
<b>Gender-sensitive procurement</b>	<ul style="list-style-type: none"> <li>• Guidance note on gender-responsive procurement. Provides guidelines on different factors to consider when transforming the procurement process: people, policies, practices, communication, knowledge and stakeholder management.</li> </ul> <p>Entity: UN Women / <a href="#">+ Explore</a></p>
<b>Principle 5: Business development, supply chain and marketing practices</b>	<ul style="list-style-type: none"> <li>• Webinar on how to implement inclusive practices in the supply chain, and also work on marketing and communication aspects to change perceptions and beliefs. Includes case studies.</li> </ul> <p>Entity: UN Women / <a href="#">+ Explore</a> (Available in Spanish)</p>
<b>Provision of services with a gender perspective</b>	<ul style="list-style-type: none"> <li>• Guide for financial and business development service providers.</li> </ul> <p>Entity: ILO / <a href="#">+ Explore</a> (Available in Spanish).</p>
<b>Engineering Inclusivity: Infrastructure for everyone</b>	<ul style="list-style-type: none"> <li>• Toolkit for gender equality and inclusion in the infrastructure sector. Tools, strategies and case studies for different aspects of operations. Includes resources and guidance notes for developing business relationships with women-owned businesses and suppliers with inclusive practices.</li> </ul> <p>Entity: IFC / <a href="#">+ Explore</a></p>
PLATFORMS, NETWORKS AND DIRECTORIES	
<b>WEConnect International</b>	<ul style="list-style-type: none"> <li>• Global business network dedicated to connecting women-owned businesses with buyers worldwide. Identifies, trains, registers and certifies women-owned businesses.</li> </ul> <p>Entity: WEConnect International / <a href="#">+ Explore</a></p>
<b>Connect Americas</b>	<ul style="list-style-type: none"> <li>• Business network for LAC created by the IDB, dedicated to promoting foreign trade and the international inclusion of companies. Facilitates access to information on activities, business programs, specialized services, purchase announcements, etc.</li> </ul> <p>Entity: IDB / <a href="#">+ Explore</a></p>





<b>Women Connect Americas</b>	<ul style="list-style-type: none"><li>• Linkage platform created by the IDB to promote the export capacity of women entrepreneurs in LAC and their inclusion in global markets.</li></ul> <p>Entity: IDB / <a href="#">+ Explore</a> (Available in Spanish).</p>
<b>Inclusive Trade A new possible agenda</b>	<ul style="list-style-type: none"><li>• Website focused on international trade and gender in Latin America and the Caribbean. Includes publications, events and outstanding testimonials, among other materials of interest.</li></ul> <p>Entity: INTAL IDB / <a href="#">+ Explore</a> (Available in Spanish).</p>
<b>Women's Entrepreneurship Finance Initiative (We-Fi)</b>	<ul style="list-style-type: none"><li>• Partnership to promote and unlock finance and market access for women-owned or led businesses. We-Fi is an international program with 14 governments and 6 multilateral development banks as implementing partners: IDB, World Bank, Asian Development Bank, Asian Development Bank, Islamic Development Bank, European Bank and African Development Bank.</li><li>• Within the framework of this initiative, the Financing Code for Women Entrepreneurs (WeCode) is being implemented, with the aim of expanding funding for MS-MEs led by women globally. IDB Invest is supporting its implementation in Latin America and the Caribbean.</li></ul> <p>Entity: We-Fi / <a href="#">+ Explore</a> / <a href="#">+ WeCode</a></p>

Source: own elaboration.



## Case studies

Outstanding global and regional business practices.



### GLOBAL

#### Baker Hughes

Committed to supporting women-led businesses and diverse groups in the supplier network.

- **Industry:** Energy.
- **Country:** Global, based in the United States.

In 2019, Baker Hughes implemented a global supplier-focused diversity program aimed at supporting local and global companies that are owned and/or controlled and operated by women and diverse groups. The program focuses on two main components: expanding diversity within the supplier network and providing support to companies to implement or improve their internal diversity and inclusion practices. In addition, in a complementary effort, Baker Hughes committed \$50 million to support Minority Depository Institutions (MDIs), and to promote the growth of small businesses owned by African Americans, Hispanics, and Latinos. Since 2023, the company has increased opportunities for small and diverse businesses in its supplier network from 1% to 3% and has recorded 181% growth in direct spending with these businesses, from \$83 million in 2021 to \$233 million in 2022.

The full case study for this company is available in the World Economic Forum's [DEI Lighthouse 2024 Report](#).



### REGIONAL

#### Cervecería Nacional

Alliance between leading companies in the mass consumer industrial sector in LAC, to promote the employability and inclusion of women in operations.

- **Industry:** Processing, distribution and sale of beverages.
- **Country:** Dominican Republic.
- IPG member company in the Dominican Republic.

The **Inclusion in Action Alliance** was promoted in March 2023 by Cervecería Nacional, together with 11 other leading organizations in the mass consumption sector in LAC. It is a high-level commitment that seeks to improve the employability of Dominican women in operational areas, in addition to promoting safe work environments and gender equity in access to development opportunities. It focuses on four objectives: 1) increase female participation at different levels of the organization, 2) guarantee salary equity, 3) prevent violence and harassment at work, and 4) create allies of inclusion through awareness-raising and training.



Cervecería Nacional offers allied companies video capsules with material on the inclusion of women, non-restrictive masculinities, people with disabilities, and the LGBTQ+ community. In 2023, the company increased the hiring of women in operations by 11 percentage points, from 14% to 25% of new hires.

*See the complete case study of this company in Annex 5.1.*

## Elcatex

**Strengthening the capacities of women-owned or led supplier companies to promote their inclusion in the textile industry value chain.**

- **Industry:** Textile.
- **Country:** Honduras.
- Member company of the IPG Leadership Group in Honduras.

With the support of IDB Invest and the Women Entrepreneurs Finance Initiative (We-Fi) program, Elcatex has implemented a gender strategy since 2019 to increase the participation of women-led or women-owned businesses in its supply chain. This involved a detailed supplier analysis to identify and map women-led SMEs, as well as the improvement of technological tools and data parameterization in procurement. In 2020, two consultancies were carried out with Fundex and WeConnect to sensitize the purchasing team and strengthen the skills of women entrepreneurs as suppliers, with the active engagement of senior management and technical employees. The selection of suppliers is monitored according to criteria such as women's ownership in the company, the gender composition of the workforce, and the presence of women in management positions and on the board of directors.

The company has succeeded in including 79 women-led or women-owned SMEs in its supply chain, surpassing the 2023 target of 56 firms. The company increased the number of operations, purchasing volume and invoicing with these organizations.

*See the complete case study of this company in Annex 5.1.*

## Ecopetrol

**Supplier Diversity, Equity and Inclusion Strategy**

- **Industry:** Energy.
- **Country:** Global, based in Colombia.
- Member company of the IPG Leadership Group in Colombia.

Ecopetrol promotes performance improvement in Diversity, Equity and Inclusion among suppliers and contractors through:



- Adherence to the company's DEI policy.
- Promotion of inclusive employment, with gender and diversity objectives.
- Support for businesses run by women and other vulnerable populations.
- Creation of DEI schools for suppliers and entrepreneurs.
- Recognition of DEI practices and sustainability through awards such as the *Iconic Supplier and Sos-Tecnible*.
- Promoting inclusive rural development and supporting business incubation.

*See the complete case study of this company in Annex 5.1.*

**Source:** Prepared by the authors, based on the DEI Lighthouse 2024 Report of the World Economic Forum and information provided by the companies.



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