

PUBLIC PROCUREMENT

Introduction

Public procurement represents [up to 20 percent](#) of the world economy, yet transparency in this area is weak in many countries (The World Bank, 2020). Governments spend anywhere from tens of billions to trillions of dollars on public contracts each year, but complete information is published openly on [less than three percent](#) of these contract dollars (Open Contracting Partnership & Spend Network, n.d.). A lack of transparent contracting processes hurts businesses by decreasing competition and reducing opportunities for smaller companies and companies owned by women or underrepresented populations. And they are bad for governments as well, given that large portions of procurement budgets are wasted due to corruption and inefficiency.

On the other hand, open contracting processes increase competition, improve the quality of public services, and ensure governments better value for their money. Open contracting consists of transparency and citizen engagement throughout the entire procurement process, from planning to the implementation and monitoring stages. As countries are spending trillions of dollars to rebuild their economies following the COVID-19 pandemic, open contracts are urgently needed to ensure that taxpayers' money is being used fairly, efficiently, and for those who need it most.

This analysis is part of the [Broken Links: Open Data to Advance Accountability and Combat Corruption](#) report, which offers an overview of data frameworks and data availability in OGP countries across eight policy topics using data from the Global Data Barometer.

Key Takeaways

Availability	Nearly all OGP countries publish data on public procurement in some form.
High-Value Information	Most datasets include contract descriptions, values, and dates, but actual contracts are often unavailable and few countries publish data on contract implementation.
Usability	Most datasets are free to access and up to date, but few are bulk downloadable.

96%
of OGP countries have
data available online

A former Turkish television presenter, Sedef Kabas, was recently acquitted by an Istanbul court of charges of targeting a public servant. She was previously arrested in 2015 for posting a tweet suggesting a cover-up in a government corruption scandal. Opening up procurement data allows for greater monitoring and oversight from civil society, journalists, and state auditors. Photo by Jelican9.

Open
Government
Partnership

Policy Justification

Open contracting saves money and increases government efficiency. Countries have saved millions of dollars in procurement after establishing online procurement portals. For example, Ukraine saw over [55 million USD in savings](#) during the pilot phase of its procurement portal, ProZorro (Brown, 2016). Open contracting platforms, such as [Ecuador's emergency buying platform](#) for medical supplies during COVID-19, make the procurement process faster and more efficient, ultimately leading to better value for government money (Colman, 2020).

Open contracting improves the quality of public service delivery. Transparency in contracting enables greater opportunity for public monitoring during contract implementation, which in turn can lead to improved quality of services. For example, the [average shelf life of school textbooks doubled](#) in the Philippines when the public was able to monitor the Department of Education's contracts (Innovations for Successful Societies & Princeton University, 2019).

Open contracting leads to greater and fairer competition. An open procurement process increases opportunities for more suppliers to bid and be awarded contracts. For example, [half of Colombia's suppliers in 2015](#) were awarded their first government contract following the introduction of open contracting reforms (Colombia Compra Eficiente, n.d.). This is especially beneficial for [small businesses](#) and businesses owned by [marginalized groups](#) (Open Contracting Partnership, n.d.). But greater competition is also beneficial for governments, given that more bidders lead to [lower contract costs](#) (Adam, Hernandez Sanchez, & Fazekas, 2021).

Open contracting increases integrity by reducing opportunity for corruption. Opening up procurement data allows for greater monitoring and oversight from civil society, journalists, and state auditors. [Even the potential threat](#) of external monitoring can deter corruption and fraud, ensuring that taxpayer money is used ethically and efficiently (IGC, 2017).

GOOD TO KNOW

Key Terms

- **Public procurement** is the purchase of goods, works, and services by or on behalf of the government.
- **Open contracting** is an approach to reform public procurement policies and processes to increase transparency, participation, and inclusivity (from planning to implementing public contracts) by using open, timely, and accessible data for decision-making, monitoring, and oversight.
- The [Open Contracting Data Standard \(OCDS\)](#) is an international standard and best practice schema for publishing open contracting data, implemented by over 30 governments and endorsed by major international groups such as the OECD, G20, and the G7 (Open Contracting Partnership, n.d.). The OCDS is a common data model that enables disclosure of data and documents throughout all stages of the contracting process.

GOOD TO KNOW

What Does “Public Procurement Data” Mean in this Report?

This module covers findings from the Global Data Barometer on the publication of public procurement data in OGP countries. It includes information on the availability of the following types of data related to public procurement:

- Procurement of goods, services, and public works
- Names and unique identifiers for suppliers
- Start and end dates, values, and description of each contract
- Information on spending against the contract
- Links to accessible contract documentation
- Information on the planning, tender, award, and contract implementation stages
- Identifiers that connect a single contract across stages

State of Progress Through OGP

Public procurement and open contracting commitments have become more popular in recent years. Over OGP's first ten years, 60 members have made 115 commitments related to open contracting. In the early years of OGP, ten percent of members focused on open contracting. Now, nearly half of the members currently have commitments in this area.

Commitments tend to focus on publishing data or increasing opportunities for citizen participation. Within OGP, a majority of open contracting commitments focus on increasing transparency of contracting data. Most of these commitments ensure data is available online and in accordance with open data principles, with some attention given to improving accessibility and usability of the data. Some commitments focus on open contracting in a specific sector, such as extractive industries, while others aim to open data on all public procurement. Thirty commitments specifically

reference implementation of the [OCDS](#), a common model that requires disclosure of contracting data throughout all stages of the contracting process (Open Contracting Partnership, n.d.). One-third of open contracting commitments involve an element of citizen participation, such as developing citizen monitoring mechanisms or increasing participation in open contracting policy-making. Citizen participation is especially a focus area for countries that already publish high-quality, usable procurement data.

Open contracting reforms within OGP have shown particularly strong results. Based on assessments by OGP's Independent Reporting Mechanism (IRM), open contracting commitments tend to be more ambitious and achieve stronger early results than the average OGP commitment. Six in ten open contracting commitments have had high potential impact, or ambition, compared to half of all OGP commitments. Nearly one-third of open contracting commitments have produced strong reforms in government practice, a feat that only one-fifth of all OGP commitments have achieved.

Key Findings from the Global Data Barometer

GOOD TO KNOW

About GDB Data

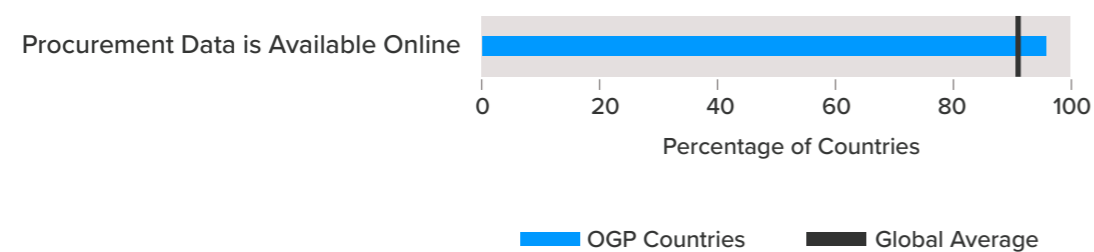
The Global Data Barometer (GDB) is a global expert survey drawing on primary and secondary data that assesses data availability, governance, capability, and use around the world to help shape data infrastructures that limit risks and harms. Together with regional hubs and thematic partners, GDB researchers collected data on 109 countries, including 67 of the 77 OGP participating countries. The GDB captures data developments between May 1, 2019, and May 1, 2021, and includes 39 primary questions and over 500 sub-questions.

Procurement data is widely available in OGP countries. Ninety-six percent of OGP countries publish procurement data online (see Figure 1). Around four in five OGP countries update their

procurement data regularly, which is critical to ensuring greater opportunity for inclusion and accountability in the procurement process.

FIGURE 1. Nearly all OGP countries publish public procurement data online

This figure shows the percentage of OGP countries that publish public procurement data online compared to the global average. The GDB assessed 109 countries, 67 of which are OGP members.



Note: This analysis only considers data that is available as a result of government action. See the About Broken Links section of the full report for more details.

Datasets typically do not cover all procurement stages. While publishing data on the award stage is critical to achieving greater competition, open contracting consists of disclosure throughout all stages of the procurement process, without information on planning and implementation, the public cannot influence project goals and budgets or

monitor progress toward completion. OGP countries tend to disclose more on the bidding processes, with three-quarters of countries publishing data on award and tender stages (see Figure 2). Half of OGP countries disclose information on the planning phase, and one-fifth publish information on contract implementation.

FIGURE 2. Most countries' datasets do not include information on contract implementation

This figure shows the percentage of OGP countries that publish data on each stage of the procurement process. The sample includes only the 64 OGP countries that publish public procurement data online.

Stage of Procurement Process	Percentage of OGP Countries that Publish Data on the Stage
Planning	52%
Tender	80%
Award	81%
Implementation	23%

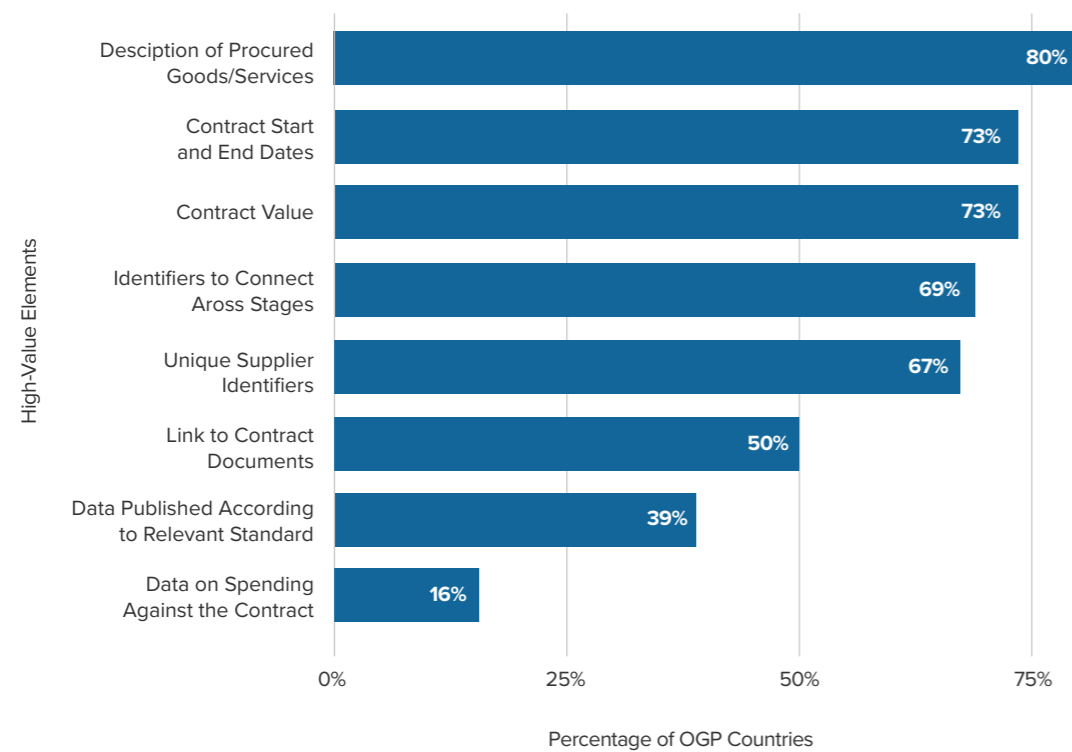
Note: For this analysis, countries with "partial" disclosure are considered cases of "no" disclosure. See the About Broken Links section of the full report for details.

Some datasets do not include information on contract specifics. Nearly all OGP countries publish data on procurement of goods, services, and public works. Around one-quarter of OGP countries do not publish specific information regarding the description of each contract, contract values, or start and end dates. One-third of OGP countries do not use unique identifiers for each supplier or unique identifiers

that connect a single contract across all stages of procurement, making it difficult for users to monitor implementation or connect businesses across multiple datasets (such as beneficial ownership data). Finally, a majority of OGP countries do not publish links to full contract documentation or information on spending against the contract (see Figure 3).

FIGURE 3. Some countries do not publish high-value information on contract specifics

This figure shows the percentage of OGP countries that publish key elements of public procurement data. The sample includes only the 64 OGP countries that publish public procurement data online.



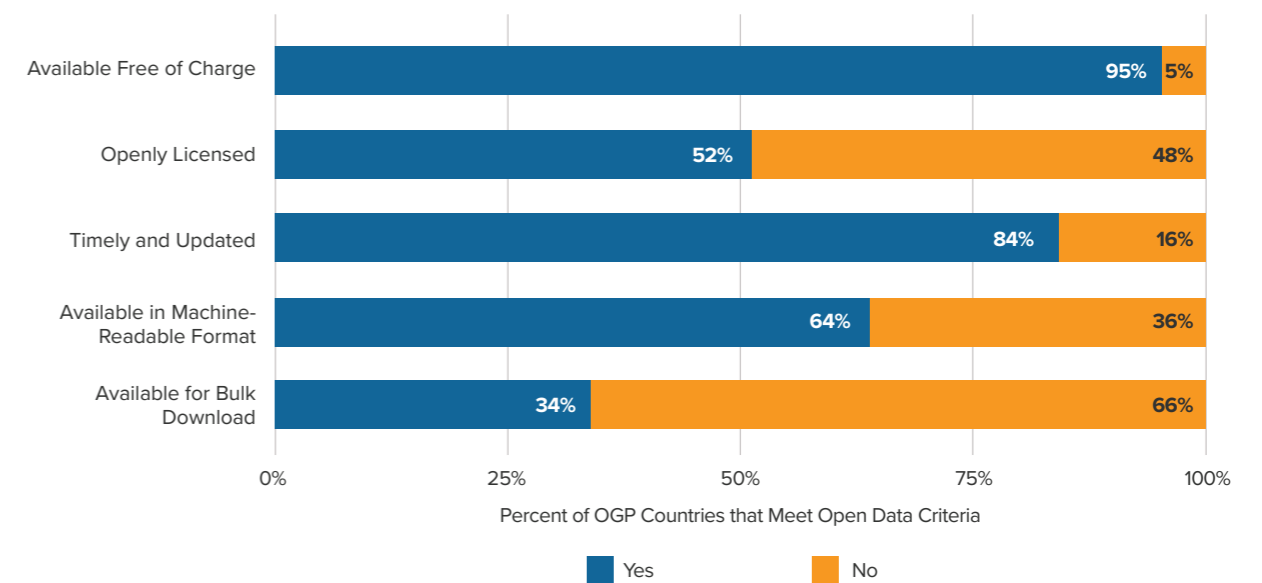
Note: For this analysis, countries with “partial” disclosure are considered cases of “no” disclosure. See the About Broken Links section for details.

Data usability remains an area for improvement. While almost all OGP countries publish procurement data online, a third of those do not provide data in a machine-readable format, and half do not have openly licensed procurement data, which prevents the public from reusing the data for analysis (see

Figure 4). Two-thirds of OGP countries do not allow for bulk downloading of data, which prevents users from downloading full sets of the data to use for various purposes, including monitoring and oversight or business intelligence.

FIGURE 4. Usability remains an area for improvement for countries with available data

This figure shows the percentage of OGP countries whose public procurement datasets meet open data criteria. The sample includes only the 64 OGP countries that publish public procurement data online.



Note: For this analysis, countries with “partial” disclosure are considered cases of “no” disclosure. See the About Broken Links section of the full report for details.

Maturity Model for Future Actions

Below is a set of steps, from foundational to advanced, that members across the spectrum of policy implementation can take to improve the collection and disclosure of high-quality public procurement data. Open data alone, however, is not enough (see the *Beyond Open Data* section for a discussion of other steps that must complement data collection and disclosure).

- **Establish or strengthen the legal environment for open procurement:** Create rules for procurement transparency and accountability, preferably in one central piece of legislation or regulation for clarity and consistent application. Legislation should:
 - o Ensure requirements to publish data in an open format and establish deadlines to ensure data stays timely and updated.
 - o Establish an oversight authority and create a feedback and complaints mechanism to address issues during the procurement process.
 - o Mandate disclosure of all stages of the procurement process, from the planning phase to implementation. Use unique business identification numbers and a common identifier, like an [Open Contracting ID prefix](#), to link the various stages of a single contract (Open Contracting Partnership, n.d.).
 - o Require publication of contract details and amendments, including the value of the contract and a description of the goods or services procured. Require publication of the start and end dates for the contract, and provide links to contract documentation.

- **Ensure data is accessible and usable:** Publish procurement information online, free of charge, in a machine-readable format. Adhere to the [OCDS](#) so that data can be analyzed and monitored by a wide range of users (Open Contracting Partnership, n.d.). Ensure data is updated regularly and openly licensed.
- **Encourage user engagement with data:** Provide training that will enable a wide range of users, including businesses, state auditing institutions, civil society, journalists, and the general public, to engage with the data. Consider creating tools and visualizations to make data more accessible and user-friendly.
- **Interoperability:** Make data interoperable with other systems, such as beneficial ownership registries and government spending data. This includes ensuring that contract data uses a common identifier system for legal and actual persons as well as projects (see *Good to Know: Common Identifiers to Link Up Anti-Corruption Data*).

GOOD TO KNOW

Common Identifiers to Link Up Anti-Corruption Data

Data is more likely to advance accountability when it can be combined with other data. In addition to the high-value elements of each dataset, certain elements should be shared across datasets through the employment of “common identifiers.” These may be stored in a third dataset, reducing the need for data cleaning and validation.

Combining procurement data with beneficial ownership, political finance, and asset disclosure data is particularly important. When designing or improving a particular dataset, decision makers should ensure that datasets rely on common identifiers as much as possible and require validation of those common identifiers in the entry of information. The facts below show how many OGP countries have the most important common identifiers for public procurement data.

- **66%** of OGP countries publish identifiers that connect together data on each stage of a single procurement process.
- **64%** of OGP countries use unique identifiers for companies awarded contracts.. This is essential to ensure that the same company can be traced across multiple contracts and ensures cleaner data.
- However, key anti-corruption and public procurement datasets share common identifiers that facilitate mapping flows across the data ecosystem in just **7%** of OGP countries. This limits the degree to which procurement offices, auditors, and watchdog organizations can evaluate conflicts of interest, identify bad actors, and identify potential kickbacks for political campaigns.

Beyond Open Data

Making data on government contracts available and usable is not enough to ensure the procurement process is fair and efficient. Other steps must be taken to enable the public to participate and monitor the procurement process.

- **Citizen participation:** Opportunities for public consultation should be prioritized when creating or amending relevant procurement legislation, as well as throughout all stages of the procurement process. Additionally, countries must work to identify and consult stakeholders, including the private sector, civil society, journalists, and interested citizens, before developing tools, systems, or platforms to understand user demands and ensure inclusive processes. For example, prior to issuing tenders, [Chile conducts open consultations](#) with suppliers and publishes answers online for all interested suppliers to see (OECD, n.d.).
- **User education:** Tools and training should be provided for a wide range of users, including businesses and civil society, to ensure that the

open contracting platform is accessible for all and to actively encourage public involvement throughout all stages of the procurement process. For example, [New Zealand offers documentation](#) to help users navigate and interpret their procurement data (Ministry of Business Innovation & Employment, 2022).

- **Oversight and accountability:** A complaint mechanism should be in place for suppliers, civil society, or other stakeholders to flag potential cases of corruption or fraud. Empower an oversight body, such as the supreme audit institution, an ombudsman, or an independent inspectorate within the implementing agency, to acknowledge and act upon complaints and feedback. Require regular reporting on how well the procurement platform is meeting objectives. For example, Colombia measured the impact of their [contracting platform](#) based on changes across several dimensions, including value for money, integrity and transparency in competition, and accountability, between 2014 and 2015. See *Lessons from Reformers: Increasing Competition Through Open Contracting in Colombia* (Colombia Compra Eficiente, n.d.).

GUIDANCE AND STANDARDS

The **Open Government Partnership's** *Skeptic's Guide to Open Government* includes a chapter on [evidence-based benefits of open contracting](#) (Open Contracting Partnership, 2022).

The **Open Contracting Partnership** is the lead steward of the [OCDS](#), a model for procurement transparency that is followed by countries around the world (Open Contracting Partnership, n.d.). They provide [best practices](#) (Open Contracting Partnership, 2021) for creating open contracting legislation, [step-by-step guidance](#) (Open Contracting Partnership, n.d.) on implementing [open contracting](#) (Open Contracting Partnership, 2021) and the OCDS, and [global principles](#) (Open Contracting Partnership, n.d.) for both disclosure and participation in public procurement.

Transparency International provides a [guide](#) (Kühn & Sherman, 2014) to curbing corruption in procurement that includes key principles and standards, along with [recommendations](#) (Transparency International, 2018) for how OGP members can incorporate open contracting commitments in their OGP action plans.

The **Organisation for Economic Co-operation and Development's** [Public Procurement Toolbox](#) (OECD, n.d.) features many resources on procurement transparency, including a [checklist](#) for implementing their transparency principles and many country case studies (OECD, 2016).

The **G20 Anti-Corruption Working Group** published [high-level principles](#) on promoting integrity in public procurement (G20, n.d.).

Tervetuloa hankkimaan!

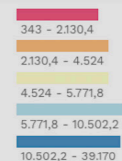


LESSONS FROM REFORMERS

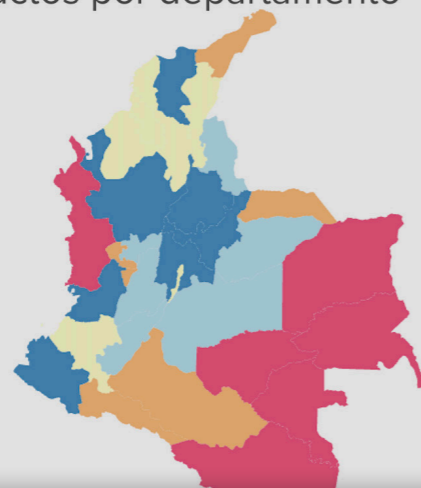
Making Procurement Data User-Friendly in Finland

Despite ranking highly on the OECD's Open-Useful-Reusable Government Data Index, open data on public procurement was still unavailable in Finland before 2017. Information related to state procurement was only available to organizations that went through the lengthy request for information process. Because publishing open procurement data can create opportunities for citizen participation in holding the government accountable and decrease levels of corruption, Finland (n.d.) committed to creating an open access service for state procurement data in their [2017 OGP action plan](#). Importantly, the focus of this commitment was to publish data through an open access service that emphasized accessibility and usability for citizens. Since the [online service](#) (Tutki Hankintoja, n.d.) was published in late 2017, it has won multiple national and international [awards](#) (International Awards, n.d.), particularly for its user-friendly design. This commitment had a major impact on government transparency through its improvement of procurement data accessibility.

Photo from [hankintailmoitukset.fi](#)



Productos por departamento



LESSONS FROM REFORMERS

Increasing Competition Through Open Contracting in Colombia

Colombia's open contracting reforms have seen major successes in improving competition and increasing suppliers in the public procurement market. As part of their [2015 OGP action plan](#), Colombia (n.d.) committed to publishing open contracting data from over 1,000 entities, adhering to the OCDS. Through this commitment, Colombia transitioned from their static contracting platform, SECOP I, to an interactive, dynamic platform, SECOP II.

[Analysis conducted by the Open Contracting Partnership](#) found a major change in competition as more government entities have begun using SECOP II for procurements (Open Contracting Partnership, 2020). From 2018 to 2019, government entities saw an increase in the median number of bids per contract and an increase in unique suppliers.

SECOP II continues to operate today with user-friendly visualization options—including an [Open Contracting Dashboard](#)—and information across all stages of procurement (Colombia Compra Eficiente, n.d.). Colombia is currently implementing a commitment as part of their [2020 action plan](#) to publish all emergency-related procurements related to the COVID-19 pandemic (Open Contracting Partnership, 2020, n.d.).

Photo from tablerocontratacion.colombiacompra.gov.co.

List of Resources

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