

## Open Contracting: Transforming Procurement with Open Data & Citizen Engagement

**Lindsey Marchessault** #

*Public procurement is where taxpayers' money gets converted into tangible products that citizens care about: schools, roads and hospitals. Therefore, it is critical that public contracts should be fairly awarded and offer good value-for-money. When government and business meet, rules need to be clear and deals open to the public. Unfortunately, very few countries publish open data on government contracts.*

*This brief mentions that open contracting provides publicly accessible, timely and comparable data on government contracts. This data allows citizens and business to engage with government on the issues they care about. The ultimate goals of these activities are to achieve value for money for government, provide fair and competitive access to opportunities for businesses, to detect and deter fraud and corruption, and to ensure high quality service delivery outcomes from the contracts. The brief sums up with putting open Contracting in practice by demonstrating lessons from Ukraine.*

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Governments spend vast sums of money- a whopping 15% of global GDP- every year on deals to build infrastructure, deliver goods, and provide services to their citizens. Public procurement is where taxpayers' money gets converted into tangible products that citizens care about: schools, roads and hospitals.

Therefore, it is critical that public contracts should be fairly awarded and offer good value-for-money. When government and business meet, rules need to be clear and deals open to the public.

Unfortunately, the OECD, the European Commission, and others agree that public contracting is the government activity most vulnerable to wastefulness, mismanagement, inefficiency, and corruption. And, only 6% of 86 countries surveyed publish open data on government contracts. This is bad for business, bad for communities, and lethal for public integrity.

Open contracting provides publicly accessible, timely and comparable data on government contracts. This data allows citizens and business to engage with government on the issues they care about. Through integrating feedback, government becomes accountable. This process can unlock innovation once it becomes routine.

### How you do Open Public Contracting?

Open Contracting involves government and non-government actors working together to:

1. Assess the transparency and accountability of the current procurement and contract management system;
2. Enable the timely and routine publication of key documents and structured open data

about the planning, procurement, and implementation of public contracts;

- Facilitate the engagement civil society, business, and government actors in the use of open contracting data;
- Link open contracting data to other relevant data sets (like budget, aid, and spending).

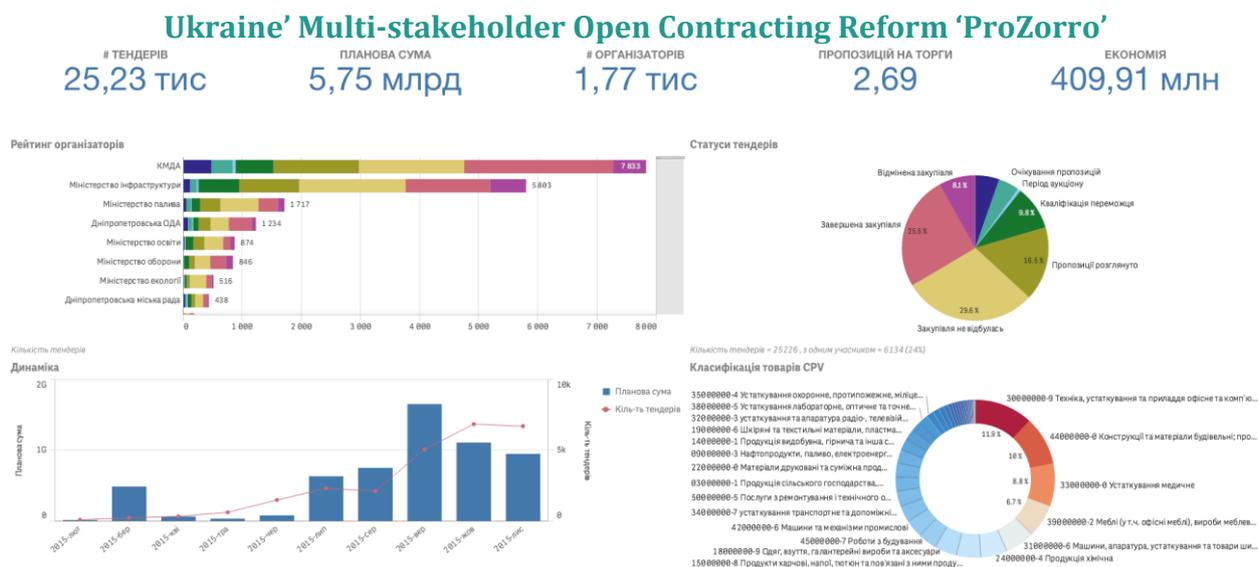
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### Open Contracting in Practice: Lessons from Ukraine

In Ukraine several civil activists and procurement experts decided to gather together following the

Maidan revolution and in the midst of the Ukraine conflict to make sure scarce resources are spent most effectively. Together they formed a public private partnership called the **ProZorro initiative** to pilot a new **open procurement open source software**.

This new pilot procurement system launched in February 2015, and is based on the **Open Contracting Data Standard** as a key tool for structuring and analysing contract data. Any document and any information related to public procurement (annual plans, tender notices, tender documentation, bids, decisions of evaluation committees, contracts and their implementation, payments etc.) is open and freely accessible online.



ProZorro has also developed a tool for stakeholders to monitor the performance of the procurement system using the open data ([bi.prozorro.org](http://bi.prozorro.org)). The results have been impressive: Within the first 3 months, US \$1.5 million in public budget was saved (averaging about 13% savings). Competition increased to an average of 3 participating bidding companies per tender.

### Resources

- Open Contracting Assessment Methodology**  
The methodology describes how to assess existing systems against the principles and standards of open contracting to determine baselines and to generate recommendations for action plan-

ning. To date, versions of this assessment have been applied in South Africa, Vietnam, Indonesia, Moldova, and Mexico.

- Open Contracting Global Principles**  
The Principles reflect norms and best practices from around the world related to disclosure and participation in public contracting.
- Open Contracting Data Standard**  
The Open Contracting Data Standard (OCDS) is an open data schema to publish machine-readable data and documents related to planning, procurement (tender & award), and implementation of public contracts. The standard is based on analysis of user needs and best

practices. It is a tool to guide publishers to producing data that is useful for value for money analysis, fraud detection, enhancing competition, and performance monitoring.

- **Open Contracting Guide for Practitioners (English) (Spanish) (French) (Mongolian)**

The World Bank Institute hosted a Book Sprint that brought together 17 experts from around the world to co-create an open contracting guide for practitioners by practitioners. The book contains four sections: Introduction and Framing, How to Do It, Reflections, Risks, Sustainability and Lessons” and a conclusion that

includes a glossary of terms and a list of resources.

### **About the Open Contracting Partnership**

The **Open Contracting Partnership** helps stakeholders to open up government contracting and deal-making through disclosure, data and engagement so that the huge sums of money involved are spent, honestly, fairly and effectively. We are a silo-busting initiative collaborating across governments, businesses, civil society and technologists. We work across sectors and along whole process of government contracting to use the power of open data to save governments money and time, deliver better goods and services for citizens, prevent corruption, and to create a better business environment for all.

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