Open Contracting

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Open Contracting is a growing movement focused on enhanced disclosure and participation in public contracting, at all stages of the contracting process and across all sectors.
Why is Open Contracting important?

9.5 TRILLION dollars approximately, according to recent reports, move between contracts that the world’s governments have with the private sector.

1% improvement would potentially be a great contribution.

95 billion dollars
Challenges for Open Contracting?

- **Frameworks for public contracting** that ensure transparent and equitable processes;
- **Public access** to public contracting information;
- **Routine disclosure** core classes of documents and data about public contracts;
- **Mechanisms for participation** of relevant stakeholders in public contracting at all stages of the contracting cycle; and
- **Building & Sustaining capacity** of stakeholders to disclose, understand, monitor and act upon contracting information.
Open Contracting in Practice – Some Illustrative Examples

Colombia, Korea, Mexico, Nicaragua, Philippines, Slovak Republic, UK, US
Extensive disclosure of procurement contracts / detailed contracting data through central portals

Mexico, Philippines, Mongolia
Legally institutionalized civil society monitoring of public contracting

Burkina Faso, India, Zambia
Piloting civil society engagement in roads / extractives monitoring

Afghanistan, Democratic Republic of Congo, Guinea, Liberia, Peru, Timor-Leste
Disclose oil and mining contracts

Minas Gerais (Brazil)
Extensive proactive disclosure of contracts, performance reports and preliminary studies regarding PPP projects
PUBLIC CONTRACTING

INTRODUCTION

Public contracts play a vital role in the financial health of a country and the lives of its citizens by generating revenues and providing essential goods, works, and services. Public contracts cover all economic sectors and types of agreements, including procurement, licenses and concessions and the sale of public property. It has been estimated that public contracts procuring goods, works, and services alone are worth approximately $9.5 trillion USD per year.1

Therefore, it is critical that public contracts should be fairly awarded and offer good value-for-money. However, in many countries around the world, public contracting has been identified as the government activity most vulnerable to wastefulness, mismanagement, inefficiency, and corruption.2

Citizens, media, and civil society want to know why a school wasn’t built, why medicines are so expensive, why a road is in disrepair after only one year, or how many local workers will the new mine be hiring? To answer these questions requires access to information contained in contracts and documents related to their procurement and performance. But, in many countries there is limited public information about how contracts are negotiated, what has been contracted for, how they are being performed, and who is responsible. Sometimes even parliamentarians and supreme audit institutions are prevented by confidentiality clauses from understanding how the government is allocating public resources. Likewise, there are few chances for citizens to monitor public contracts.

It is increasingly recognised that ‘open contracting’ is required use of public resources. Disclosure and participation are on resources and open contracting refers to norms and practices of public contracting. It covers the entire process, including completion of public contracts, and the full range of contract licenses and production sharing agreements. Open contracts government and can apply to all public contracting, including private and donor sources.

EXPERT ORGANISATIONS

Open Contracting Partnership

This topic has been developed by the Open Contracting Partnership of the following organisations: Colombia Compra Eficiente (CoST), Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ), Ministry for Economic Cooperation and Development (BMZ), Government Procurement Policy Board, Transparency International, and others.

TO LEARN MORE ABOUT OPEN CONTRACTING

www.open-contracting.org
www.pro-act.org

#OpenContracting