



## **Improve services, build public trust, save money and help smaller businesses**

Open contracting can:

- Get better value for money from public spending
- Improve delivery of goods and service to citizens
- Prevent fraud and corruption
- Build trust in government
- Help companies, especially smaller ones, win government contracts
- Promote greater competition in the marketplace for government contracts
- Decrease transaction costs in government deal-making

### **What is open contracting?**

Our mission is to make all government contracting open by default. We want to increase disclosure and participation in all stages of public contracting, from the pre-award of a contract through to its implementation.

The two key elements in open contracting are:

- 1) **Public disclosure** of data and information about contracting processes, from how a deal came about, who won and why they won, through to contract implementation and its results on the ground.
- 2) **Participation** by civil society and companies so that they can use of the data to improve results from public deal-making and contracting, promote fairer competition and for more effective and efficient service delivery.

### **Trillions of dollars of public money can be better spent. We can all gain from this.**

Every year, governments globally spend over US\$ 9.5 trillion on public contracts, using companies to provide goods and services to their citizens.

Citizens, whose money this is, deserve to know what they are paying for, whether these deals are good value, and whether the services promised are delivered.

Companies competing for government business need a level playing field so that the best offer can win.

Governments need a repository of information to better track outcomes of their deal-making, learn lessons from existing contracts, and the reduce transaction costs for future deals.

### **The case for open contracting**

Open contracting can help make sure that public money is spent more openly, effectively and efficiently.

**1. Better value for money.** Improved disclosure and participation helps users to get better value for money on goods and services during the procurement process, and to identify whether value for money was achieved in concluded contracts.

**2. Improved service delivery** to ensure that public contracting is delivering value to citizens in terms of quality, relevance and timeliness of goods, works and service standards and to verify whether results are being delivered on the ground.

**3. Enhanced opportunities for businesses, especially smaller ones.** Businesses can better access and track contracting opportunities including information of what, when and where opportunities might be and how decisions to award contracts will be made. Information on past contracts also lowers the barriers to entry for smaller businesses.

**4. Deterring fraud and corruption.** The OECD's foreign bribery analysis showed that 57% of bribes were for public contracts. Open contracting processes and data reduce this risk and allow data and documents to be scrutinised for 'red flags' that public monies might have been misused.

Evidence that open contracting works is summarised in [this paper](#) from the Center for Global Development.<sup>1</sup> For example, publication of all government contracts in Slovakia has led to a significant increase in competition for government tenders.

### **Enter the Open Contracting Partnership**

Since 2012, a broad group of organizations and individuals have been sharing ideas and innovations on open contracting to make governments more effective, businesses more prosperous, and ensure citizens receive more of the goods and services that they deserve.

This resulted in the formation of the Open Contracting Partnership (OCP), a collaborative effort aimed at leading and coordinating the open contracting agenda around the world.

The OCP has a set of [Global Principles](#) that serve as a guide for governments on how to implement disclosure and better public participation in public contracting.

The Partnership has also developed an [Open Contracting Data Standard](#) to publish contracting data in a more accessible and useful manner. Information on different stages of the contracting process (tender, award, amendments etc.) are often held in different systems; they can now be compiled into unique contracting records and shared.

---

<sup>1</sup> Charles Kenny. 11 October 2014. Publishing Government Contracts: Addressing Concerns and Easing Implementation. CGD Working Paper, Washington DC.

## Innovations around the world

- Over 40 countries have commitments between civil society and government to make government contracting more open through the Open Government Partnership. Several countries including Canada, Colombia, Mexico and Romania are implementing the Open Contracting principles and/or the data standard directly.
- Colombia, Georgia, Korea, Slovakia, and the United Kingdom are innovatively using technology to increase the transparency and effectiveness of procurement processes through online platforms;
- Mongolia, Mexico, and the Philippines have institutionalized roles for civil society participation in and monitoring of public contracting in the legal and regulatory framework;
- Guinea and Liberia have created centralized portals for the disclosure of contracts related to extractive industries.
- Civil society organizations are officially monitoring public contracts in Afghanistan, Costa Rica, Dominican Republic, Ghana, Lithuania, Mongolia, Montenegro, Nigeria and Slovakia.

As the global momentum behind open contracting continues to grow, the OCP will work to share, learn from and to scale up these innovations and provide direct support for further reforms.

## What can you do?

- Share and endorse the Open Contracting Global Principles and assess how they can be implemented nationally and international;
- Disclosing and using data through the adoption of the [Open Contracting Data Standard](#);
- Track and use contracting data to improve outcomes from existing deals and future deal-making;
- Join the open contracting [Community of Practice](#);
- Apply our [Guide for Practitioners](#) to monitor the award and performance of contracts.

We want to mobilise and support governments, citizens and businesses to prove that trillions of dollars of public money can be better spent. The future is open.

For more information please contact:

*Gavin Hayman, Executive Director - [ghayman@open-contracting.org](mailto:ghayman@open-contracting.org)*

*Kathrin Frauscher, Program Director - [kfrauscher@open-contracting.org](mailto:kfrauscher@open-contracting.org)*

*@opencontracting*