

Anti-Corruption Initiatives

Open Contracting

**Open Government
Partnership
Global Report**

DEMOCRACY BEYOND THE BALLOT BOX

Open
Government
Partnership

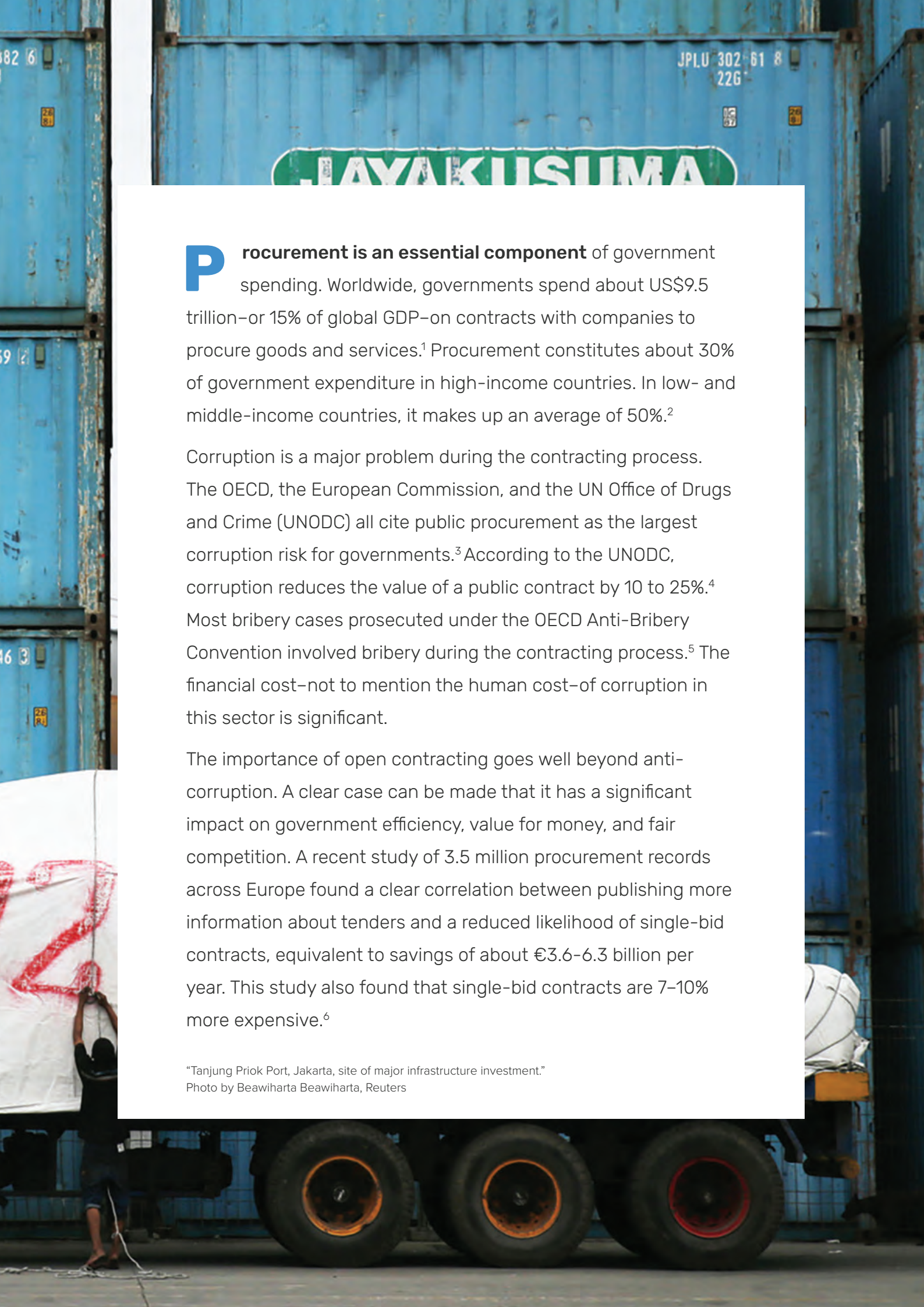


Key points

Open contracting continues to gain momentum, and is on the way to becoming a global norm. Many governments in OGP have assumed open contracting commitments, several of which have led to strong results. Still, important challenges remain that require moving beyond the status quo of contracting reforms:

- **Engaging citizens to utilize contracting data for impact is key.** Most open contracting commitments in OGP focus exclusively on information disclosure and do not include essential ingredients for data usage, such as citizen feedback loops. Engagement with users may be more important than immediate standardization.
- **Higher-quality contracting data is imperative.** A lack of high-quality data continues to present challenges. Timeliness and completeness are essential to ensuring greater impact. In addition, usability is key, specifically, getting data out of PDFs and into a machine-readable format.
- **Empowering women improves both processes and results.** Women are largely excluded from public procurement. Greater gender-disaggregated data collection and disclosure, gender-responsive policies, and citizen engagement would significantly enhance gender equality and drive more inclusive economic growth.





Procurement is an essential component of government spending. Worldwide, governments spend about US\$9.5 trillion—or 15% of global GDP—on contracts with companies to procure goods and services.¹ Procurement constitutes about 30% of government expenditure in high-income countries. In low- and middle-income countries, it makes up an average of 50%.²

Corruption is a major problem during the contracting process. The OECD, the European Commission, and the UN Office of Drugs and Crime (UNODC) all cite public procurement as the largest corruption risk for governments.³ According to the UNODC, corruption reduces the value of a public contract by 10 to 25%.⁴ Most bribery cases prosecuted under the OECD Anti-Bribery Convention involved bribery during the contracting process.⁵ The financial cost—not to mention the human cost—of corruption in this sector is significant.

The importance of open contracting goes well beyond anti-corruption. A clear case can be made that it has a significant impact on government efficiency, value for money, and fair competition. A recent study of 3.5 million procurement records across Europe found a clear correlation between publishing more information about tenders and a reduced likelihood of single-bid contracts, equivalent to savings of about €3.6–6.3 billion per year. This study also found that single-bid contracts are 7–10% more expensive.⁶

"Tanjung Priok Port, Jakarta, site of major infrastructure investment."
Photo by Beawiharta Beawiharta, Reuters



“Road improvements in Kenya.” Photo by Computerwhiz417, Flickr

The case for open contracting

What is open contracting?

At its core, open contracting consists of: 1) the affirmative disclosure of information; and 2) participation, monitoring, and oversight. According to the Open Contracting Partnership (OCP), “open contracting is about publishing and using open, accessible, and timely information on government contracting to engage citizens and businesses in identifying and fixing problems.”⁷ Importantly, open contracting consists of disclosure and engagement throughout the entire chain of procurement, including planning, tendering, awarding, and implementation. It can also cover non-procurement issues such as licensing and extractives contracts.

What are the benefits?

Open contracting can improve value for money, efficiency, competition, quality of services, and public integrity. Open contracting data can enable effective oversight of government services by revealing who is getting paid how much to deliver what, as well as how they were selected, and whether they delivered on time and with quality. This can expose anomalies that alert the public and government officials to procure-

ment processes that are inefficient or uncompetitive, delivered the wrong results, delivered them late, or are too expensive. This, in turn, can help identify kickbacks or collusion during the procurement process. (See the *Idiot’s Guide to Looting Public Procurement and Getting Rich Quickly*⁸ and *Red Flags for Integrity: Giving the Green Light for Open Data Solutions*⁹ for a deeper dive on how to detect anomalies.)

In addition, the transparency of the announcement and awarding of tenders can encourage new, often smaller, companies to participate in public procurement, and clarify demographic differences in who is applying. This, in turn, can promote sustainable development and higher-quality goods and services. The publication and use of open contracting data for monitoring and oversight therefore helps to achieve a number of mutually reinforcing goals:

- Deliver better value for money and efficiency for governments;
- Create fairer competition and a level playing field for business, especially smaller firms;
- Drive higher-quality goods, works, and services for citizens;

- Prevent fraud and corruption; and
- Promote smarter analysis and better solutions for public problems.¹⁰

There is empirical evidence for the advantages of open contracting. A 2017 World Bank study covering 34,000 firms in 88 countries found that greater transparency in the contracting process (as well as effective complaint mechanisms and external auditing systems) leads to greater competition—particularly from smaller firms—and fewer kickbacks to officials.¹¹

Many countries have now reaped the benefits of open contracting. In Ukraine, the ProZorro procurement platform more than doubled the number of private procurement marketplaces. Where three or more companies bid, the Ukrainian government saved on average 30%¹². In addition, the number of suppliers per procuring entity rose dramatically by 45%¹³. In Paraguay, the lower cost of office supplies, achieved by improving the country's online procurement platform, has saved taxpayers at least PYG 400 billion (about US \$68 million).¹⁴



LESSONS FROM REFORMERS

Colombia uses open contracting to save school meals

Given documented cases of corruption in the provision of school meals, the government of Colombia published information on the full procurement cycle of Bogota's school feeding program as part of its 2015–2017 OGP action plan. By reaching out to smaller suppliers, setting minimum and maximum prices, and implementing principles of open contracting, the government achieved savings of 10–15% and more than quadrupled the number of suppliers participating in the procurement process. The transparent tendering process also helped to break up a suspected \$22 million price-fixing scheme.¹⁵

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 "Bogota: Children in public school enjoy competitively contracted lunches."

Photo by Secretaría de Educación, Bogotá



Open contracting around the world

Open contracting is an emerging global norm. In 2015, the G20 recognized openness in contracting as a key element in its *Anti-Corruption Open Data Principles*¹⁶ and *Principles for Promoting Integrity in Public Procurement*.¹⁷ At the 2016 UK Anti-Corruption Summit, 14 countries committed to make public procurement open by default, proposing “a concrete vision of accessible, useable data across the entire chain of public contracting” for the first time.¹⁸ Soon afterward, at the 2016 OGP Global Summit, the governments of Colombia, France, Mexico, the United Kingdom, and Ukraine founded the Contracting 5 to advance open contracting.¹⁹ The

Paris Declaration on Open Government, signed by all members of OGP in 2016, pledged to promote open procurement as its first “collective action.”²⁰

At the same time, the Open Contracting Data Standard (OCDS) has become a global standard for open contracting. As a global, non-proprietary standard, the OCDS defines a common data model for disclosing data and documents at all stages of the contracting process.²¹ Today, 19 countries (at different levels of government) are disclosing procurement data in OCDS format,²² and more than 50 countries are pursuing open contracting more broadly.²³



LESSONS FROM REFORMERS

Leveraging OGP to implement the OCDS in Nigeria

After joining OGP in 2016, the government of Nigeria made a commitment in its first OGP action plan (2017–2019) to adopt the OCDS in its public procurement systems. The government decided to prioritize reforms in key ministries, including Power, Transportation, Works, Agriculture, Health, Education, Niger Delta, Environment, and Solid Minerals. Importantly, the government committed not only to disclose information in OCDS format, but also to establish a multistakeholder procurement council and train civil society organizations, the private sector, and the media on the use of the new platform as a way of improving citizen engagement in the procurement process.²⁴

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“Nkwoji Migrant Fishermen Children School in Anambra, Nigeria, is unfinished due to weak contracting processes.” Photo by PPDC

Open contracting in OGP

Most OGP members have leveraged the OGP platform to promote open contracting. Since the inception of OGP in 2011, more than three quarters of OGP members have made at least one open contracting commitment. Just over half of OGP members have an active open contracting commitment (in either a 2017-2019 or 2018-2020 action plan).²⁵ Indeed, open contracting is now one of the most common policy areas for OGP commitments. In terms of content, this subset of OGP commitments has covered various topics, ranging from establishing data portals with procurement information to aligning contracting data with the OCDS.²⁶

According to the Independent Reporting Mechanism

(IRM), which assesses the quality and implementation of OGP commitments, open contracting commitments achieve better results than other commitments. More than two of every five open contracting commitments achieved significant changes in levels of transparency in procurement.²⁷ This is more than double the rate of “successful” commitments overall.

Still, commitments continue to focus on information disclosure over citizen engagement. For instance, there were no open contracting commitments that achieved significant gains in levels of civic participation or public accountability. As the following section makes clear, involving users is a key next step.

The frontiers of open contracting

Despite the relative strength of open contracting commitments in OGP, several important areas for improvement remain. The rest of this chapter provides a roadmap for advancing the current frontiers of open contracting reforms. In particular, the sections that follow are grouped into three broad suggested areas for reform:

- Engaging users at the sector level
- Disclosing higher-quality data
- Empowering women through open contracting.

Engaging users at the sector level

For many countries, improving utilization of contracting data can be more feasible when focusing on a particular problem or sector, at least to begin with. Working with stakeholders in a particular sector who are trying to solve a concrete set of problems or make bids can be an efficient means of getting more data. It can also be more cost-effective. Different actors will be able to speak to different issues, whether, for example, large infrastructure projects, the construction of hospitals, or the licensing process for petroleum contracts. Importantly, the OCDS is aligned with and can support reforms made through the Extractives Industries Transparency Initiative and the Construction Sector Transparency Initiative, as highlighted

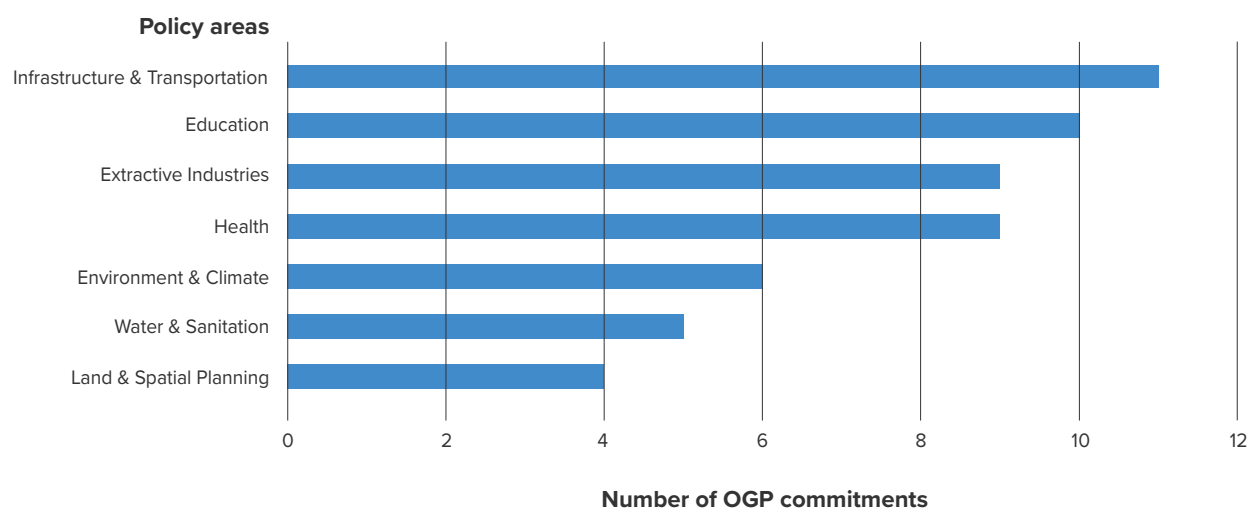
in the box “Lessons from reformers: The case for open contracting in infrastructure” later in this section.

For the most part, OGP members are taking a cross-sector or unspecified approach in their open contracting reforms. Only about one of every five open contracting commitments references a specific policy area.

Although most open contracting commitments lack a sectoral focus, those that do reference specific sectors tend to deal with infrastructure and environmental issues. The most common sectors addressed by open contracting commitments are listed on the next page in Figure 1, which reveals that infrastructure is the most common sectoral focus. There are also a handful of open contracting commitments that reference extractive industries, land, and other environmental issues such as climate. Another subset of commitments focuses on contracting in public services, such as education, health, and water. Notably, there are no open contracting commitments that explicitly take gender into account.

Contracting procedures—and the risks associated with them—vary widely across sectors. Given the disparity in contracting policies across sectors, a sector-by-sector approach to open contracting can target particular

FIGURE 1. Many OGP open contracting commitments deal with infrastructure



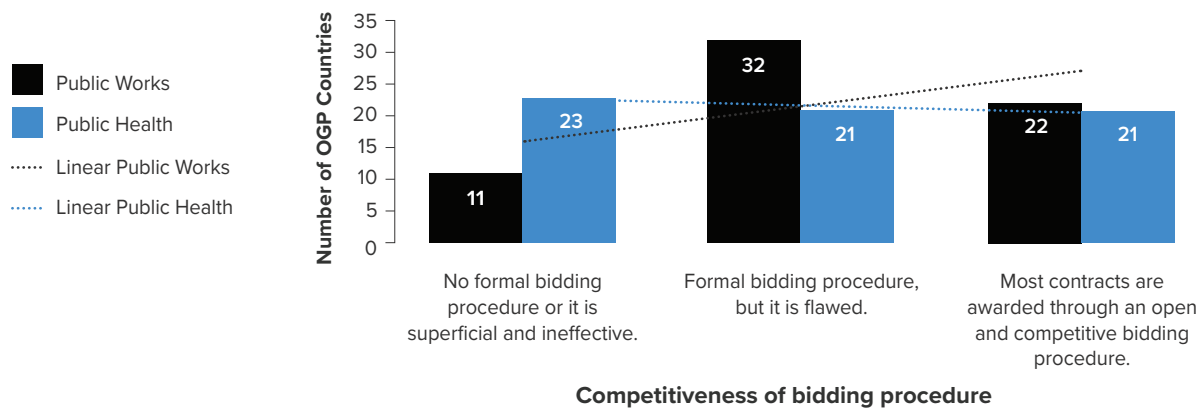
Source: OGP commitment data, December 2018.²⁸ (n=191)

high-risk areas. For instance, the data from the *World Justice Project's Rule of Law Index* in Figure 2 shows that country experts consider bidding procedures to be stronger for public works than for health. Specifically, legal experts surveyed in OGP countries perceived more formal, albeit flawed, bidding procedures for public works than for public health.²⁹ Money earmarked for infrastructure is often considerably higher, so this is relatively positive. Nonetheless, it underscores the key message that governments can undertake risk assessments to determine the sectors that are most prone to inefficiencies and corruption in their jurisdiction, and plan their open contracting reforms accordingly.

Like open data more broadly, publishing contracting data alone is of course not enough. To achieve improvements in governance, data disclosures must meet several fundamental conditions, such as publicity and space for civic participation. For people to use data, it must be well publicized and usable. In some cases, this might require development and publication of information using portals in a location where users would be likely to find and use it. (As an example, reporters working on the healthcare system might want to see health procurement data on the hospital administration website or environmental organizations might want to see major extractives contracts on the ministry of mining site.)

FIGURE 2. Experts in OGP countries consider bidding procedures in public works to be more open than those in public health

Experts chose the statement that was closest to their views on government procurement on major public works (airports, highways, power plants, etc.) and public health procurement (i.e. money spent on medications, vaccines, medical equipment, buildings, etc.) in their country. (n=65)

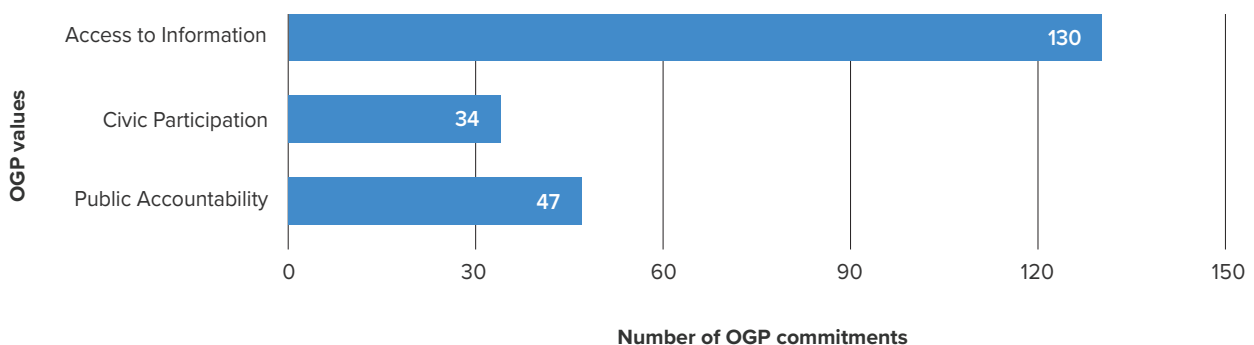


Source: World Justice Project, Rule of Law Index 2017-2018, QRQ 46, QRQ 50.

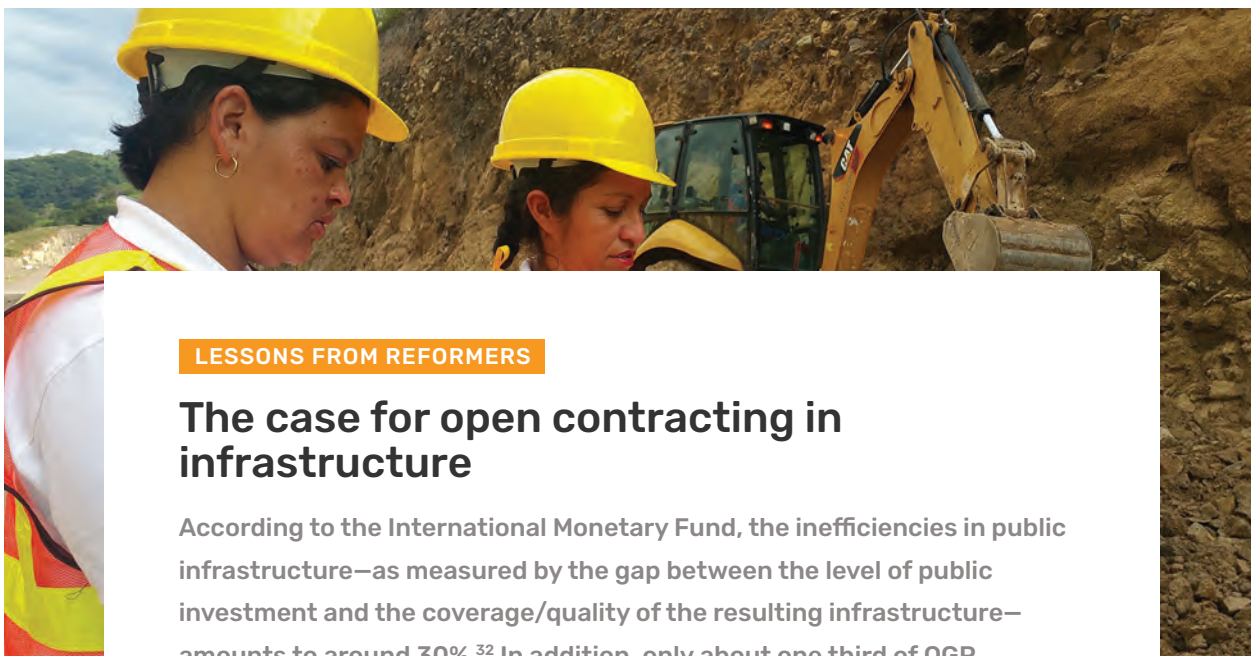
Although open contracting requires data usage and active engagement, most open contracting commitments in OGP have focused exclusively on the disclosure of information. Figure 3 below shows that there are nearly four times as many commitments

centered around information disclosure than around civic participation or public accountability. In addition, about a third of open contracting commitments in OGP specifically refer to open data principles.³⁰

FIGURE 3. Most open contracting commitments are focused on information disclosure



Source: OGP commitment data, December 2018.³¹ (n=193).



LESSONS FROM REFORMERS

The case for open contracting in infrastructure

According to the International Monetary Fund, the inefficiencies in public infrastructure—as measured by the gap between the level of public investment and the coverage/quality of the resulting infrastructure—amounts to around 30%.³² In addition, only about one third of OGP countries have an open and competitive bidding process for public works, as illustrated by Figure 2. Open contracting can help to address these issues. In particular, the Construction Sector Transparency Initiative (CoST) is an important mechanism for implementing open contracting in infrastructure through the disclosure of information at key stages of the entire project cycle, an independent review process, multi-stakeholder engagement, and channels for social accountability.

OGP commitments focused on implementing CoST have already achieved important results. In Honduras, the government disclosed data from almost 1,000 infrastructure projects, including public-private partnerships. In Ukraine, a review of more than 120 public road reparation contracts led to the identification of several issues, such as poor-quality works and pricing discrepancies. Perhaps more importantly, these commitments have resulted in both greater civic engagement and concrete policy changes.

Example: Civic Participation Makes a Difference in Malawi

CoST Malawi established several channels for citizens to share their concerns about public infrastructure projects. An SMS messaging service and public radio debates allow citizens to share feedback and question decision-makers. CoST Malawi also made an effort to engage the media through training and “Media Awards” that recognize excellent reporting on key issues in public infrastructure. As for impacts, CoST Malawi helped to terminate a contract on a public road that included poor quality work, as well as a price increase. This outcome mirrors those that CoST has achieved elsewhere, such as ensuring that a defective bridge in Ukraine was repaired and helping to stop environmental pollution on a construction site in Honduras.³³

“Citizens monitor the Canal Seco construction, a new highway connecting the Caribbean with the Pacific.” Photo by CoST Honduras

Essential ingredients for increasing the use of contracting data

Aligning the supply of data with user demands

Past research shows that there is often a mismatch between data supply and demand in OGP countries.³⁴ Many countries develop open data platforms first, and then look to engage stakeholders and encourage use. Instead, identifying and consulting stakeholders before the development of a new contracting platform can help tailor the information disclosures to meet user needs. For example, as part of its most recent OGP action plan, the US government collaborated with investigative journalists and civil society organizations during the design of a new spending data portal to ensure that the end product was useful and usable. The end result was that the data and site (www.usaspending.gov) were developed with two parallel tracks—one for the general public and one for investigators.³⁵

It is important to remember that consulting users means better—not necessarily more—data. Prioritization is important, and involving end users in the initial stages of reform can help governments determine which data fields are most essential for publication.

Making contracting data actionable

Data usage relies on data users having access to usable, actionable data. This often requires translating raw contracting data into new formats that provide insight to different audiences. Setting and tracking key performance indicators, for example, can help users measure progress on particular outcomes. Possible indicators include the percentage of new suppliers that submitted bids, total percent savings, and the percentage of contracts implemented on time. Many relevant resources already exist. The OCP has developed a list of indicators aligned to the end use for contracting data,³⁶ along with guidance on how best to link them to data in OCDS format.³⁷ The OCP has also developed user guides,³⁸ a tools directory,³⁹ and a new tool to collect and analyze OCDS data.⁴⁰

As a way of addressing public integrity in particular, incorporating red-flagging tools can also make the data more actionable for users. These tools, such as those

that Development Gateway developed in collaboration with the OCP, can help detect corruption risks using raw procurement data.⁴¹ As an example, since the end of October 2018, the State Audit Service of Ukraine runs an automatic verification of tenders in the country's e-procurement system based on 35 risk indicators.⁴² Incorporating these kinds of tools into existing systems is much easier when the underlying procurement data is already in a standardized format such as the OCDS. The red flags are also more useful if the data is proactively (and regularly) updated. Without a commitment to timely updating, analysis will be challenging.

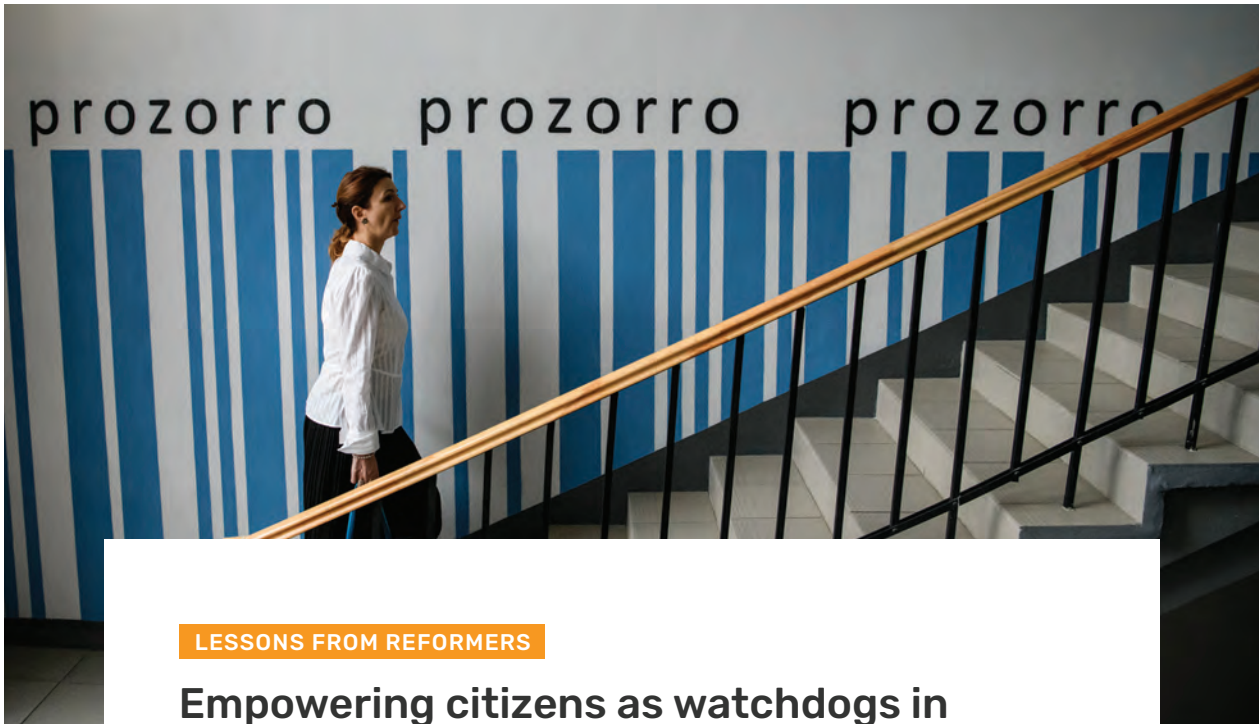
Making data interoperable

Another important way to make procurement data more actionable is to link it across key government sectors. For example, data on contractors is more useful when it is tied to beneficial ownership registries or to portals tracking large infrastructure projects. Likewise, data on contracting expenses provides a more complete picture when linked to government budgetary and actual spending data.⁴³ As the OCP acknowledges, this is why the use of unique identifiers in procurement data (as included in the OCDS scheme) is so essential.⁴⁴

Collecting feedback and closing the feedback loops

Governments need to establish clear feedback mechanisms and opportunities for the public to act on the disclosed procurement data, such as by filing complaints, reporting irregularities, or suggesting improvements. Ideally, these mechanisms would be institutionalized and would enable interaction between government, civil society, and the private sector, both within and across sectors. Perhaps more importantly, however, governments need to close the feedback loop by responding to and acting on the feedback received. Effective oversight and continued user engagement requires that oversight bodies hold officials accountable through sanctions or other penalties in response to improper behavior. The DoZorro platform highlighted on the next page in the box, “Lessons from reformers: Empowering citizens as watchdogs in Ukraine,” represents an example of a platform that incentivizes using open contracting data for impact.





LESSONS FROM REFORMERS

Empowering citizens as watchdogs in Ukraine

After the successful launch of the ProZorro e-procurement platform in 2015, Ukraine launched DoZorro in November 2016 as part of its 2016–2018 OGP action plan.⁴⁵ DoZorro is a public procurement monitoring platform that enables citizens to submit feedback, including alerts of possible irregularities and reports of violations in the public procurement sector. According to the government, more than 700,000 users have visited the website since its launch, flagging nearly 74,000 concerns, of which 20,000 were found to relate to actual violations of public procurement rules and principles.⁴⁶

Most importantly, the government has taken concrete steps to act on the citizen feedback, such as by directing appeals to controlling bodies, changing tenders, and initiating formal investigations.⁴⁷ In this way, the government has created an enabling environment for responding to user complaints. Today, a newly formed monitoring group is working on designing policies that further improve the timeliness and efficiency of the enforcement process. At the same time, Transparency International Ukraine is making progress on technological tools powered by artificial intelligence that reveal the potential of automating the monitoring of violation risks.

Photo by Cabinet Ministers of Ukraine

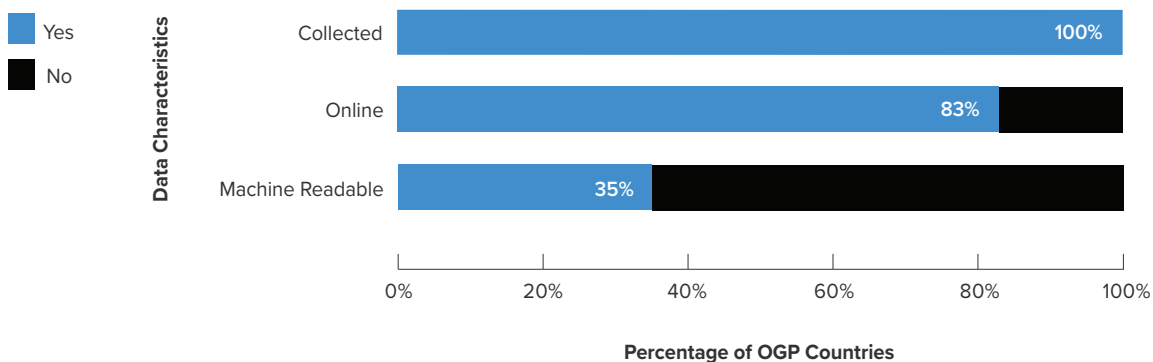
Disclosing higher-quality contracting data

The usability of online contracting data is a binding constraint. An important factor in achieving impact through the release of contracting data is ensuring that the data is usable. According to the Web Foundation's Open Data Barometer, OGP countries perform well on the collection and disclosure of contracting information, but less so on measures of data usability, such as timeliness and machine-readability. As Figure 4 below illustrates, all OGP countries currently collect contracting information. More than four out of five OGP countries publish this information online, regardless of

format. However, only about a third of OGP countries publish contracting information in a machine-readable format that would facilitate use.

Completeness of information is also critical. While completeness of contracting information is difficult to measure, it is a key component of the quality of information. Rules and processes can be put in place to ensure that disclosure is the norm. The "Principles for Commercial Transparency in Public Contracts" can serve as a strong starting point.⁴⁸ (See the box, "Guidance and standards: Principles for Commercial Transparency in Public Contracts," on the next page.)

FIGURE 4. Most OGP countries publish contracting data, but machine readability remains a challenge



Source: Open Data Barometer, 4th and Leaders Edition, 2017-2018.⁴⁹ (n=65)

Center for Global Development Principles for Commercial Transparency in Public Contracts⁵⁰



"Buenos Aires Underground." Photo by Hernán Piñera, Flickr

Transparency by Design

1. Public contracting should be designed for transparency and efficiency.
2. Full contract publication should be the norm.
3. Information needed to judge value for money should be disclosed.

Exceptions in the Public Interest

4. Information should only be redacted for reasons of commercial sensitivity when the public interest in withholding information is greater than the public interest for disclosure.
5. The public interest test should take into account the wider economic benefits of the sharing of commercial information, as well as the case for accountability and the public's right to know.
6. All redactions should be clearly marked with the reason for redaction.

7. Governments should issue clear guidance to public entities, agencies, and firms on contract publication and when information may be exempted from publication for commercial sensitivity reasons.

A Clear and Robust Process

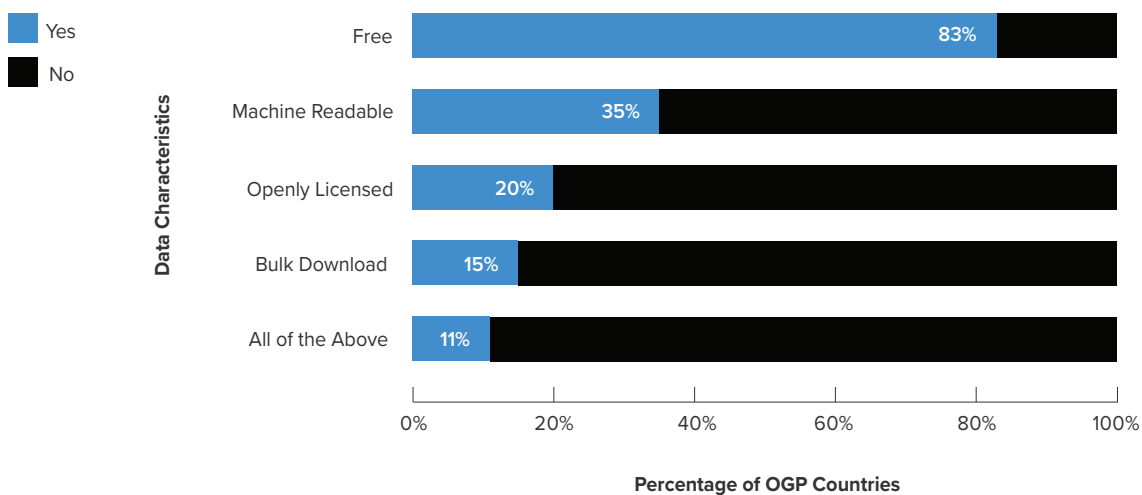
8. Where redaction is potentially allowed, there should be a clear process for determining what is redacted, why, for how long, and with what appeals process.
9. There should be a system for ensuring that contracts and contract information are in fact disclosed in practice.
10. Where exemption to disclosure of information is granted for commercial sensitivity reasons, this should be grounds for increased scrutiny through other oversight mechanisms.

There is also significant room for improvement on other key aspects of open data. Besides machine-readability, other important elements of open data, as found in the Open Definition laid out by Open Knowledge International,⁵¹ are that the data must be free, downloadable all at once, and openly licensed. Figure 5 below shows how well OGP countries perform on these measures as it relates to their contracting data disclosures. The analysis reveals that the cost of the data is not a widespread issue. Rather, issues of open licenses and bulk downloads are much more common. The bottom-most bar in the graph shows that only about 1 in 10 OGP countries fulfills all of these key open data requirements.

According to this definition, the Open Data Barometer considers that only seven OGP countries are disclosing open contracting data.

In terms of data coverage, there is room for expanded scope beyond procurement. While countries still need to do much more to cover the full scope of public contracts, including goods, services, and infrastructure, they will also need to expand to contracts related to public-private partnerships and major concessions or licenses, including oil and gas contracts (in line with the Extractive Industries Transparency Initiative).

FIGURE 5. Few OGP countries meet the key elements of open data disclosure as it relates to contracting



Source: Open Data Barometer, 4th and Leaders Editions, 2017-2018.⁵² (n=65)

Empowering women through open contracting

Women are largely excluded from public procurement. Although public procurement makes up 15% of GDP worldwide, the International Trade Centre (ITC) estimates that women entrepreneurs win only 1% of all public contracts.⁵³ The ITC cites limited access to information on bids, a lack of understanding about procedures, and an inability to meet requirements as significant barriers for women entrepreneurs.⁵⁴ Public procurement policy is therefore an important tool that governments can utilize to actively promote gender equality.

Greater participation by women in government procurement makes sense financially. Expanding women's access to public procurement opportunities can have important spillover effects on the economy. For example, women entrepreneurs reinvest up to 90% of their earnings in their families and communities, compared to 35% for men, which highlights the role of women-owned businesses as an important engine for growth.⁵⁵ Women-owned businesses also tend to employ more women than men (40% of women-owned businesses employ a majority of women).⁵⁶ In addition, inclusion of women in the contracting process can alter the implementation of a project, especially in situations where women are disproportionately affected, such as displacement.⁵⁷

How to get started: data collection, disclosure, and citizen engagement

Collecting and disclosing data

There is a general lack of gender-disaggregated contracting data,⁵⁸ which can make it difficult to identify how effectively women-owned businesses are participating in the public procurement process. As a result, one of the most important first steps is to collect and disclose better data on women-owned businesses. (See the box, “Good to know: Defining a women-owned business,” for definitions.) Data on the

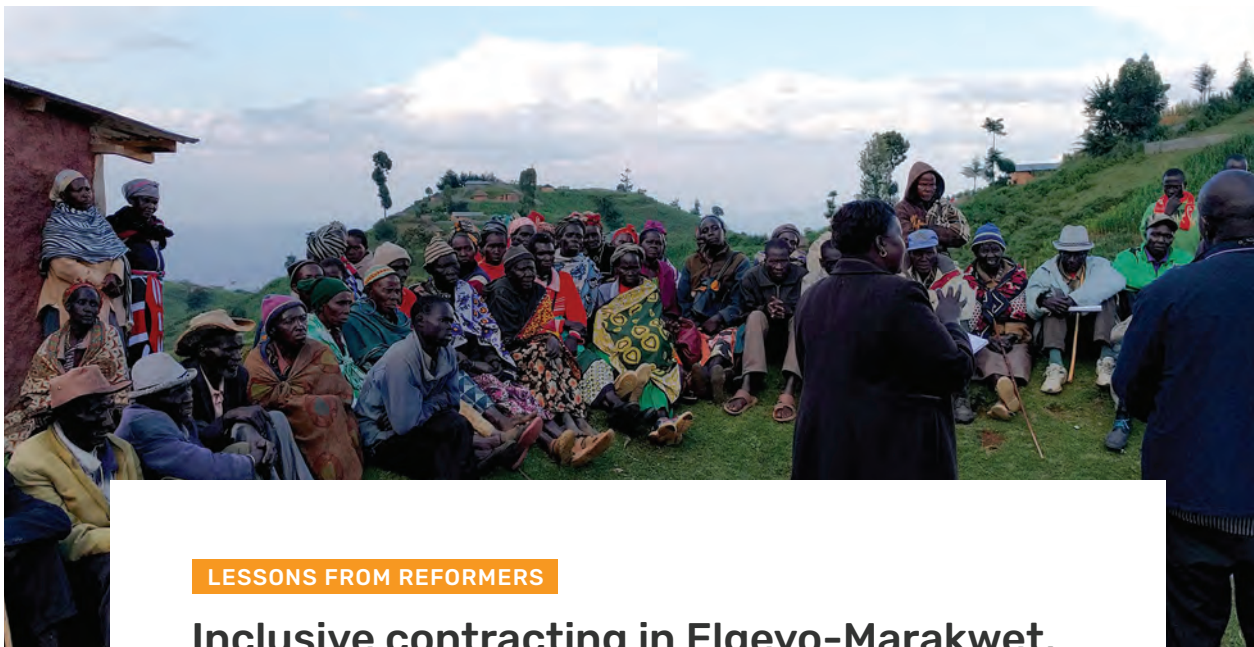
GOOD TO KNOW

Defining a “women-owned business”

While definitions vary across contexts, it is essential that definitions incorporate a woman's direct ownership of the company as well as day-to-day control. For example, in the United States, a women-owned small business is defined as a business that has 1) at least 51% ownership and control by one or more women who are US citizens and 2) women who manage day-to-day operations and make long-term decisions. Definitions should also be uniform across government agencies to ensure meaningful data.

basic questions below would set important baselines and help identify the scope of the problem:

- How many women-owned businesses are in the country or region?
- How many women-owned businesses are registered as government contractors?
- How many women-owned businesses are submitting tenders for government contracts?
- How many women-owned businesses are receiving contract awards?
- What percentage of procurement spending is awarded to women-owned businesses?
- How many women-owned businesses are prequalified for approved vendor lists?⁵⁹



LESSONS FROM REFORMERS

Inclusive contracting in Elgeyo-Marakwet, Kenya

Although Kenya's Access to Government Procurement Opportunities (AGPO) program⁶⁰ requires that 30% of procurement opportunities be allocated to women, youth, and people with disabilities, these groups still face significant obstacles (related to finance and expertise) in the procurement market. Unfortunately, unethical contractors have taken advantage by using proxies to capitalize on the AGPO policy.⁶¹

To address these issues, as part of its first OGP action plan in 2017, the county government held a training specifically for special interest groups—including women, youth, and people with disabilities—on how to access government procurement opportunities. This work continues in the current 2018–2020 action plan, in which the government commits to implement several policies aimed at further involving the public in the procurement process and, in particular, combating the abuse of AGPO so that special interest groups can take full advantage of procurement opportunities.

Photo by Elgeyo-Marakwet, Open Government Partnership



While disaggregating contracting data by women-owned businesses is a basic first step, further disaggregation of the data would provide additional insights. For example, disaggregating women-owned businesses by new versus existing businesses, or by other minority or protected class status could help measure the success of targeted outreach efforts over time. Similarly, it would be useful to track the quality of implementation, as well as the distribution of prime contracts versus subcontracts awarded to women. (See “Lessons from reformers: Inclusive contracting in Elgeyo-Marakwet, Kenya” on the previous page for an example of practice in OGP.)

Engaging citizens to design gender-responsive policies

Beyond disclosing data on the participation of women-owned businesses in public procurement, governments could engage women’s business groups and civil society more broadly to develop gender-responsive procurement policies. There are a variety of reforms that governments can implement to address the low involvement of women in public procurement, such

as establishing mandatory goals or targets, instituting preferences for women-owned businesses, or carrying out capacity-building programs. Regardless of the policy, governments should actively collaborate with civil society—women’s business groups in particular—to ensure that policies take into account the particular challenges that women entrepreneurs face when they try to access public procurement markets.

Given that limited access to information is a significant barrier for women entrepreneurs, governments could also devote resources to raising awareness of tender opportunities and instructions on how to submit bids. While this information may already be online in public contracting platforms, sharing information directly with women’s business organizations and other associations can be a more effective way of overcoming common hurdles, such as lack of internet access. (See “Lessons from reformers: Inclusive contracting in Elgeyo-Marakwet, Kenya” and “Lessons from reformers: Using data on women-owned businesses in Albania” for examples of practice in OGP.)



“A meeting of advocates for women-owned businesses meet to discuss progress on open contracting.”
Photo by Albanian Institute of Science

LESSONS FROM REFORMERS

Using data on women-owned businesses in Albania

In 2016, the Albanian Institute of Science (AIS)–one of the CSOs engaged in the OGP process in Albania–conducted a study using data on women-owned businesses. The study revealed that:

- women-owned businesses in Albania receive 5% of municipal contracts, which accounts for only 3.2% of total municipal procurement;
- contracts awarded to women entrepreneurs tend to be more cost-effective;
- larger municipalities award mostly lower-value contracts to women-owned businesses; and
- 11 municipalities did not award any contracts to women entrepreneurs.

In March 2017, AIS hosted a public discussion with experts from government and civil society on how to overcome the challenges faced by women-owned businesses and to debate a series of new government initiatives focused on supporting women entrepreneurs. As a result, the analysis of publicly available data on women-owned businesses set important baselines, enabled stakeholders to track the performance of individual government institutions, and facilitated a more-informed discussion on how to increase women’s participation in public procurement.⁶²

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Endnotes

- ¹ Open Contracting Partnership (OCP), “Why Open Contracting is Essential to Open Government,” (2015), https://www.open-contracting.org/wp-content/uploads/2016/01/OCP2015_Brief-OpenContracting-OGP.pdf.
- ² Lucas Amin, “Making the Case for Open Contracting in Healthcare Procurement,” (Transparency International, January 2017), http://ti-health.org/wp-content/uploads/2017/01/Making_The_Case_for_Open_Contracting_TI_PHP_Web.pdf.
- ³ OCP, “Why Open Contracting is Essential to Open Government.”
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