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Improving integrity of public procurement

**OPEN
CONTRACTING
PARTNERSHIP**



1

Introducing OCP

**OPEN
CONTRACTING
PARTNERSHIP**

Better procurement for people and the planet.





Our goal is to support partners to publish and use data to **achieve impact**.



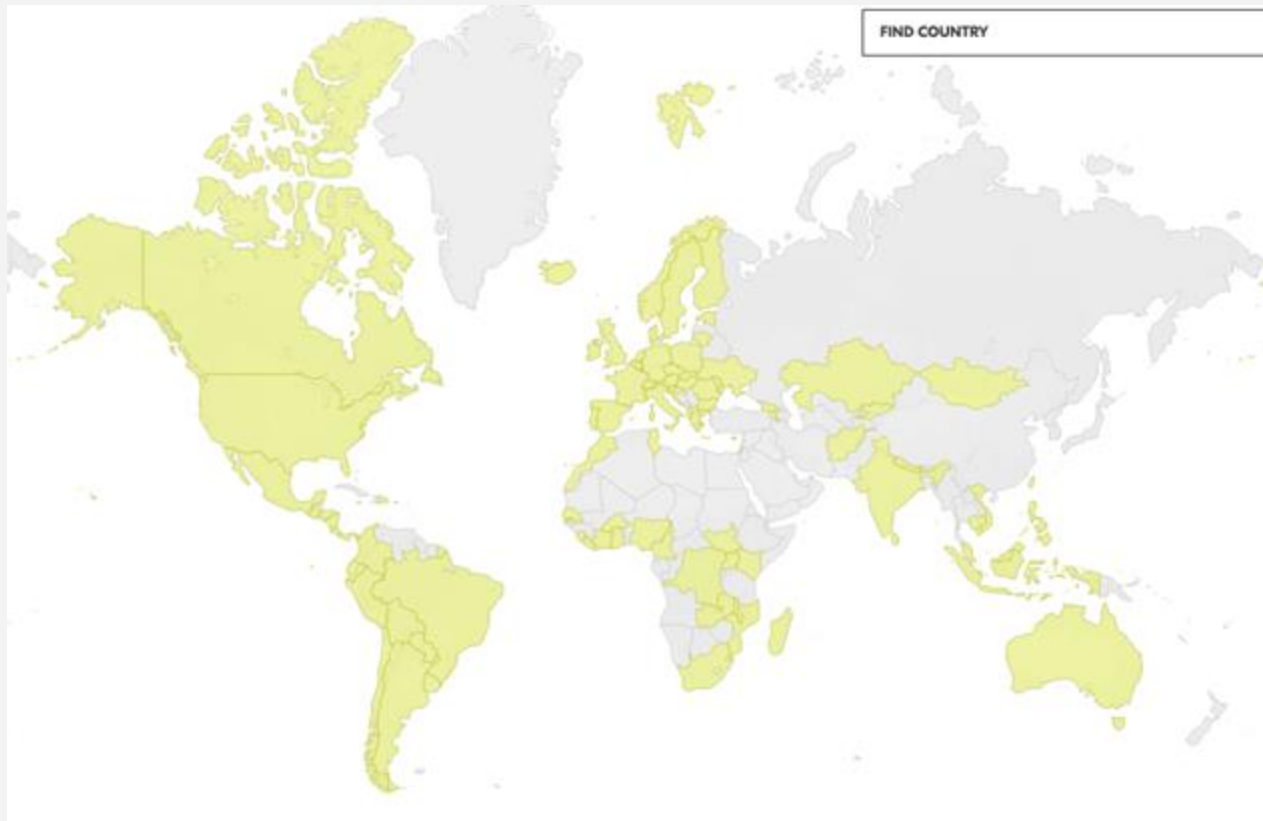
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Global open contracting commitments

International bodies and institutions have endorsed open contracting and its related principles. Below we've listed some of the most important global commitments that advance the cultural and normative change towards open contracting.

- UNCAC Resolution at the 10th CoSP: [Promoting transparency and integrity in public procurement in support of the 2030 Agenda for Sustainable Development](#)
- UN General Assembly Special Session on Corruption [political declaration](#)
- G7 [Statement](#) Against Corruption and Kleptocracies 2021
- G7 [Biarritz declaration](#) Transparency in Public Procurement and the Common Fight Against Corruption
- G20 [Principles of Public Procurement](#)
- G20 [Open Data Principles](#)
- G20 Anti-Corruption Ministers [Declaration on COVID-19 response](#)
- Open Data Charter [Anti-Corruption Toolkit](#)
- UK Anti-Corruption Summit [Communique](#)
- [OGP 2016 Paris Declaration](#)
- Conference of Information Commissioners [statement on open contracting](#)
- [OECD MAPS](#)
- OECD [Guidance](#) on Infrastructure Governance
- EITI [Contract Disclosure Requirement](#)

Where do we work?



INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.



2

The challenge we face

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US\$13,000,000,000,000

Is spent on public procurement each year
= $\frac{1}{3}$ of all government spending. (OCP source)

#1

**Procurement is government's
#1 corruption risk**

57%

**OECD foreign bribery cases
involve bribes for public
contracts**

30%

**Companies say corruption
prevented them from winning
contracts in EU**



Common corruption schemes

1. Collusion: companies coordinate their behaviour regarding price, quantity, quality or geographical presence in order to increase market prices.
2. Fraud: failure to meet contract specifications, false documentation
3. Excluding / favoring bidders: rigged specifications, splitting purchases, unjustified direct awards...

As a result, honest businesses (and especially small businesses) do not trust public procurement



3

What can we do?

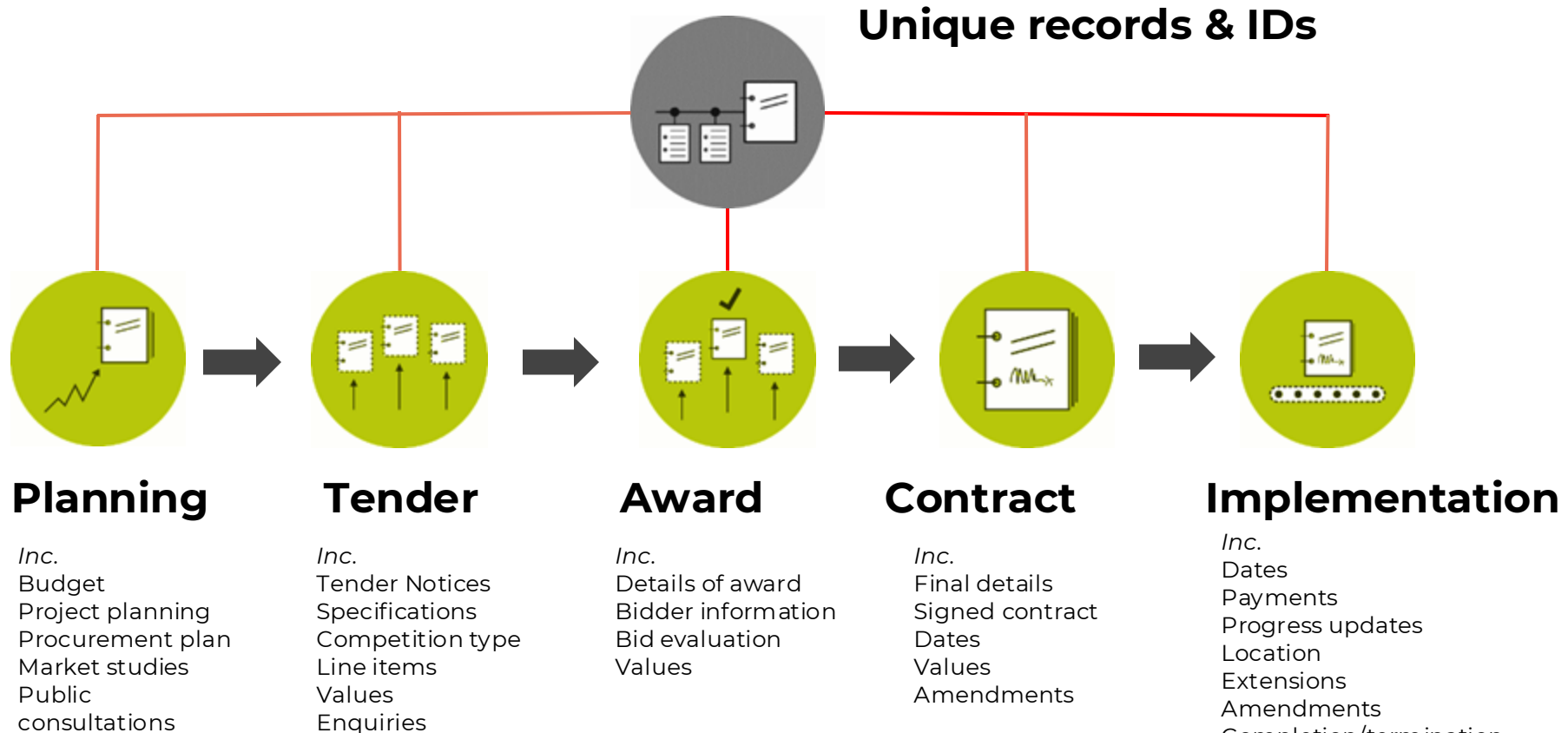
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1 Digitize procurement and use procurement data

**You can't
manage
what you
can't
measure**

Good quality, open data on public procurement is very valuable. It allows you to analyze how funds are being spent, supports better decision making, and enables better oversight.

Open Contracting Data Standard (OCDS)



Inc.
 Budget
 Project planning
 Procurement plan
 Market studies
 Public consultations

Inc.
 Tender Notices
 Specifications
 Competition type
 Line items
 Values
 Enquiries

Inc.
 Details of award
 Bidder information
 Bid evaluation
 Values

Inc.
 Final details
 Signed contract
 Dates
 Values
 Amendments

Inc.
 Dates
 Payments
 Progress updates
 Location
 Extensions
 Amendments
 Completion/termination



DATA SOURCE



OCDS

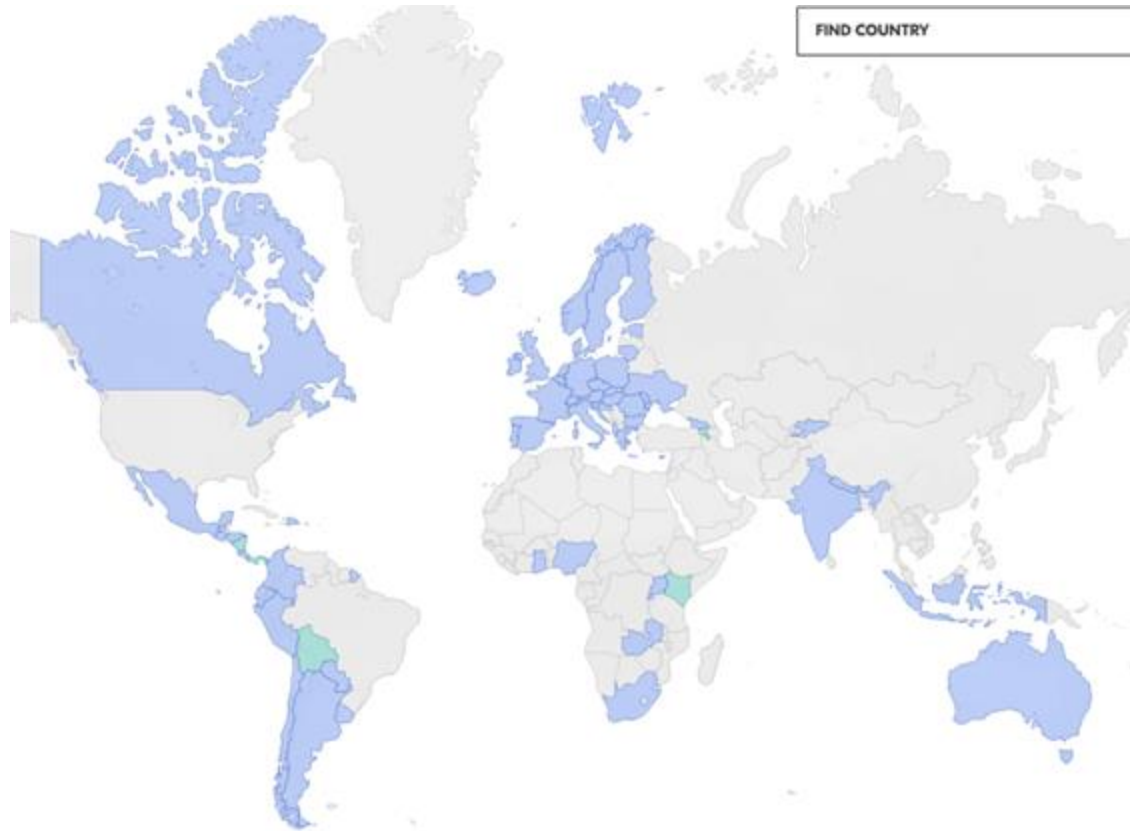


Analysis



**Predictions, strategies,
decisions**

Who is using the OCDS



Over 50 current OCDS publishers

OCP maintains a registry:
data.open-contracting.org



Indicators of corruption may happen at different stages

Full methodology with +70 procurement red flags:
[Red flags mapped to OCDS](#)

Planning

Tender

Award

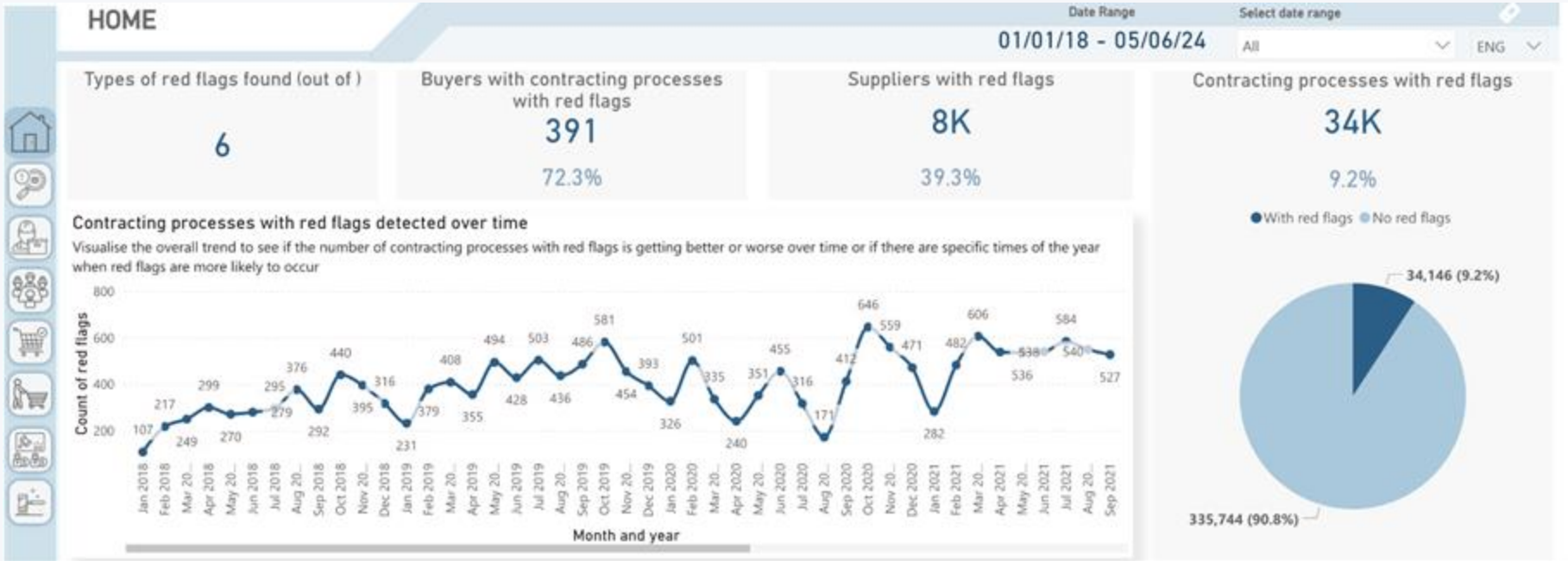
Contract

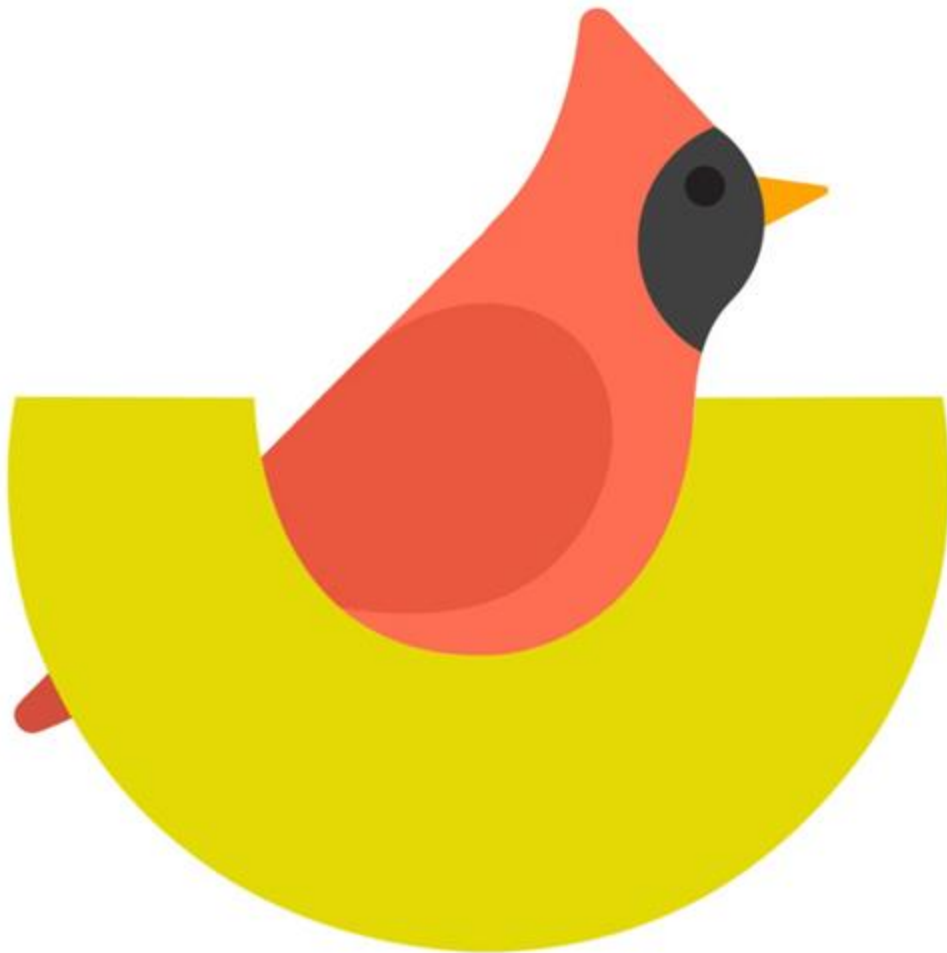
Implementation

Key planning documents not provided	Non-public bid opening	High number of contract awards to one bidder	Large difference between contract award and final contract amount	Modify contracts after contract award on line item requirements
Eligibility criteria for which companies can bid for a contract set too narrowly	Use of direct awards/ exceptions/ emergency procedures	Supplier address - P.O.Box - Similarities btw suppliers	Supplier receives multiple single source contracts	Change orders to increase prize substantially
	Vague description of supply terms	Company has no history in providing service or product	Final prize is higher than industry average	Payment without delivery of service
	Issue of tender at an inconvenient time	Cover pricing: Colluding to drive up prices artificially		Shoddy implementation

2

Implement Procurement Monitoring tools for Detection and Prevention





OCDS Cardinal



crates.io **not found** Build Status **coverage 100%**

Measure red flags and procurement indicators using OCDS data.

If you are viewing this on GitHub, crates.io or similar, open the [full documentation](#) for additional details.

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Results from the Dominican Republic

- The DGCP **monitors all procurement processes** carried out using the country's electronic procurement system **in real-time using 21 targeted red flags.**
- It has **debarred more than 60 suppliers** for violations, and reduced unresolved complaints and canceled tenders.
- More **competition** and **less single bidding.**
- More than **20,000 new suppliers** have registered including more women-led businesses.

3

We also need to change incentives with policy and behavioural interventions





How can OCP help?

- Conduct an **assessment** of current policy and digital infrastructure and give clear **recommendations** for short, medium and long term improvements
- Deliver **technical assistance** to improve data collection, accessibility, and usability
- **Build tools** for market research, integrity monitoring, and other applications
- Deliver capacity building and **change management** support
- Storytelling and **showcasing** of success in regional and global fora