Short Session Report

Session Title: Using Data and Transparency to Change the Game In Public Procurement: New Initiatives from Local and Global Players
Date & Time: 1/12/2016 at 5:30 PM (Bejuco/Chocoe Room, B7)
Report prepared by: Zoë Reiter, Senior Project Leader, Transparency International

Experts:

- Alexandra Habershon, Program Coordinator, Integrity Vice Presidency, World Bank
- Erika Maribel Guerrero Mena, Director of Public Procurement Risks, Servicio Nacional de Contratación Pública - Ecuador
- Joszef Peter Martin, Executive Director, TI Hungary
- Mihály Fazekas, Research Associate, University of Cambridge, UK
- Yama Yari, Director of National Procurement Agency, Afghanistan

Moderated by: Gavin Hayman, Director, Open Contracting Partnership
Session coordinated by: Juanita Riaño, Senior Integrity Officer, Inter-American Development Bank

Main issues raised in kick off remarks. What’s the focus of the session?

The purpose of this session was to examine how data is being used to tackle corruption in public contracting by examining experiences from government and civil society reformers around the world.
What initiatives have been showcased? Briefly describe the Game Changing strategies/ ideas (if applicable)

The following initiatives were showcased:

1. **Digiwhist.eu** – this is an online platform that assesses micro-level data using 40 indicators from individual public procurement transactions and winning firms’ finance and ownership structures to identify systematic weaknesses in the integrity, transparency and efficiency of the public procurement environment.

2. **Servicio Nacional de Contrataciones Publicas** (National Public Contracting Service), Ecuador – SERCOP is a database made up of more than 40 indicators to measure potential irregularities and corruption risk in thousands of public procurement processes in Ecuador.

3. **National Procurement Agency, Afghanistan** – this agency was established under the current government of Afghanistan to monitor public procurement. This agency had to be started from scratch in order help the government understand what all its different public institutions were buying and how that aided local markets and need.

4. **Redflags.eu** and **Integrity Pacts** – TI Hungary presented two tools that complement each other in order to achieve greater integrity, transparency and efficiency in public procurement. The Redflags.eu system is an online database and monitoring tool

5. **World Bank data mining technologies** to detect and deter corruption in public procurement

Briefly describe the highlights including the thematically interesting questions and ideas that were generated from the discussion or from the floor, and session quotes.

The session generated strong ideas about how to prevent big data from being gamed by corrupt actors as well as best practices for generating a strong data platform for preventing and detecting corruption in public contracting. However, it also became clear that it is essential to have one of two things. Either a strong legal framework and support of political leadership that enables the generation of strong data platforms (such as the case in Ecuador and Afghanistan) OR
the capacity to do more bottom up “off-line” with stakeholders that starts to build new political pressure for reform such as the work on integrity pacts described by TI Hungary which is creating new partnerships with contracting authorities within a specific sector that open up new spaces for collaborative reform efforts. Then the insights emerging from the red flags platforms can be supplemented by more on-the-ground perspectives generated by a deeper understanding of the informal practices and institutional deficiencies that inhibit reform. Moreover, multi-stakeholder partnerships create greater leverage to convert those insights into real change.

What are the key recommendations, follow-up Actions (200 words narrative form)

When designing a data-driven approach to tackling corruption in procurement it is essential to:

1) Be clear about the problems or behaviours you are trying to address;
2) Create a space inside government for experimentation with available data; and
3) Manage expectations with the public about what you will achieve.

However, while using big data to tackle corruption in public procurement shows great promise, the scope, depth, and quality of data needs to be improved.

Additionally, gathering good quality big data and leveraging it for reform is a steep challenge without political will. Complementing data-driven approaches with more “analog” approaches including independent civil society monitoring such as integrity pacts, building partnerships for political change, and mobilizing citizen engagement is often essential. In other words, big data will be very limited without the collective action that generates political will for reform.

Also, it is necessary to communicate successes, reforms, challenges in procurement to the public in ways that energize them and aren’t overly technical, such as through telling a strong story or building a powerful picture.
Finally, when publishing “red flags” reports, it is critical to not reveal all the indicators used to identify those flags. If you reveal all the indicators it may be possible for corrupt actors to “game the system.” Therefore it was recommended to only publish transparency indicators and not publish specifics on integrity or efficiency indicators.

Key Insights that could be included in the IACC Declaration

Public procurement is the number one corruption risk around the world. To tackle this risk, governments need to develop open contracting data standards and ensure the necessary resources and political support for the effective implementation of those standards across all public institutions. This is the essential groundwork for ensuring that the infrastructure, goods and services paid for by taxpayers will benefit the public good and not the corrupt.

Rapporteur’s name and date submitted

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