OPEN CONTRACTING PARTNERSHIP

OPEN CONTRACTING FOR INFRASTRUCTURE

helps governments, businesses and civil society to deliver better infrastructure and services for everyone.

Infrastructure underpins every aspect of human life. From transport systems to power-generation facilities, and water and sanitation networks, infrastructure enables society to function and economies to thrive. But in a world of almost eight billion people, we are living with infrastructure designed for a population of three billion. Smart solutions that build on openness, innovation, and accountability are needed to drive investments and help deliver the Sustainable Development Goals (SDGs).

Open contracting can help. By embedding joined-up information, user engagement, and feedback loops along the entire project cycle, open contracting enables more effective oversight of infrastructure investments and delivery. It can yield substantial benefits including:

1 better value for money

2 better quality works and related services

3 better internal efficiency

4 better and fairer competition

5 greater investments

6 reduced corruption

Over 40 countries and cities across the world, including Argentina, Australia, Canada, France, Indonesia, Mexico, and the UK, are already implementing open contracting to reap these benefits.
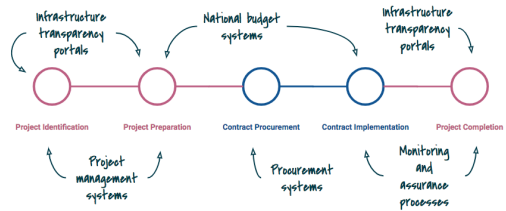
Infrastructure matters

The world needs more infrastructure. An estimated $97.5 trillion in infrastructure investment is required to meet the Sustainable Development Goals by 2040, according to the Global Infrastructure Hub, but is likely to fall short by as much as $18 trillion.

Investments often fail to deliver. There is a significant efficiency gap of 30% between what is spent and the resulting infrastructure coverage and quality. In some markets, up to three out of four infrastructure projects are never completed. Cost overruns of 20-45% are common.

When infrastructure falls short, citizens pay. A third of people worldwide don't have safe drinking water and basic sanitation services, more than a tenth lack modern electricity, and almost half are without internet access. Population growth, increasing urbanization and extreme weather events are set to exacerbate these challenges.

PUBLISHING BETTER DATA

Infrastructure projects are expensive, time-consuming, and complex. Information about them is often poorly stored and organized. This impedes investment, competition, efective coordination, management and monitoring, which increases the risk of inefficiency, mismanagement and corruption.

Open Contracting for Infrastructure Data Standard

The Open Contracting for Infrastructure Data Standard (OC4IDS) addresses the need for better and timely data across the entire infrastructure lifecycle. A joint effort by Open Contracting Partnership and CoST - the Infrastructure Transparency Initiative, it leverages two decades of best practice in open data and infrastructure monitoring globally to set an international standard for what to disclose and how to disclose it, at every stage of an infrastructure project—from inception to completion. By transforming cumbersome, paper-based processes into standardized, machine-readable, and interoperable open data, the OC4IDS

- helps to sort, analyze, and present data so that it's easy to understand and use;
- unlocks a 'network effect' so data can be aggregated, linked, and compared more easily; &
- connects contracts to projects to better evaluate infrastructure project performance.
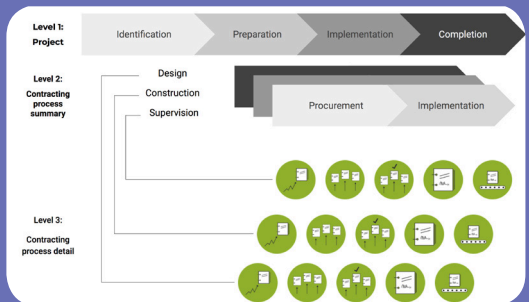
Joining-up data

OC4IDS is a versatile data standard that can be tailored to different publisher and user needs. Contracting data can be used to discover infrastructure projects for monitoring, understand the design, construction and supervision phases of a project, identify and target projects which require greater scrutiny and connect with other open datasets to enable deeper analysis.

OC4IDS can be combined with the Open Contracting Data Standard (OCDS) and (OCDS) for Public-Private Partnerships (PPPs) to deliver new insights and enable a problem-focused approach to infrastructure governance. The OCDS provides a global schema to disclose data and documents at all stages of the public contracting process of goods, services, and works. It has already been used to describe millions of procurement processes around the world. The OCDS for PPPs, developed in partnership with the World Bank, is an adapted and extended version of OCDS designed to support disclosure and analysis of data on PPP projects. With infrastructure emerging as a new asset class, the OC4IDS combined with OCDS for PPPs can help inform risk-return profiles and manage investor expectations.

WORLDWIDE INNOVATION AND IMPACT

Honduras: Follow the money
Use cases: internal efficiency, value for money

With limited public funds, Honduras focused on public-private partnerships (PPPs) to meet its infrastructure needs. These large projects can be risky, complex, and span decades. A key barrier for investments is that the data needed to build risk models are either lacking or highly scattered, creating uncertainty.

Transparency throughout the process is essential. Open contracting data revealed that weaknesses in the planning and contracting of PPPs are common. For example, CoST Honduras discovered that studies grossly overestimated the traffic on and thus, potential revenue from a PPP toll road project. The government had to pay out a total of US$ 517 million to the private consortium to meet the guaranteed minimum revenues promised in the agreement. Honduras is now using this analysis to improve PPP planning and negotiations.

Flood Frequency vs. Government Procurement (2004-2015)
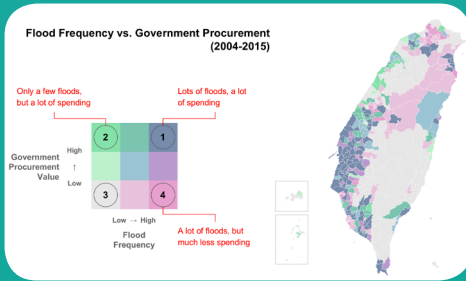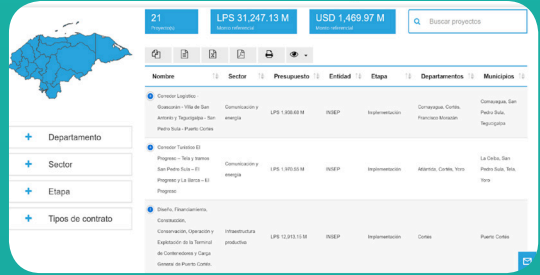
Taiwan: Follow the water
Use cases: quality infrastructure works & services, value for money, internal efficiency

Taiwan is frequently hit by typhoons, and increasingly, heavy torrential rains, that claim lives and cause widespread destruction. The government has spent almost $6 billion on flood management since 2006 with an additional $8.4 billion committed before 2024. Open contracting data was used to assess the effectiveness and relevance of this investment. Joining up ten years of historical data from the procurement agency and the environment agency enabled critical analysis of whether flood mitigation investment accurately matched flood propensity patterns. With more data, the government could better identify the greatest citizen needs to prioritize their spending.

Peru: Follow the monitors
Use cases: reduced corruption, internal efficiency, value for money

More and better data is needed to address the challenges in infrastructure investment and delivery. But transparency is only the start. Active monitoring of infrastructure projects and contracts is key for improvements to occur. In Peru, civic oversight has helped improve efficiency, saving the Peruvian treasury millions of dollars. The civil society group Proetica and the government's Contraloria General found that in districts where both citizens and government worked together to actively monitor projects, spending on the execution of public works was half that of districts without monitoring.

More about our impact stories: www.open-contracting.org/impact-stories

WHAT YOU CAN DO NOW

1 | **Endorse and champion open contracting for infrastructure as one of the game changers in financing and delivering infrastructure.** Whether you are a government, business, academic, media or civil society representative, advocate for open contracting in the countries where you work and ask for global support from the G20, OECD, multilateral agencies and policymakers.

2 | **Implement full transparency and timely open data on infrastructure projects and contracts** spanning the entire value chain of investments, procurement, delivery, and operation of the assets using the Open Contracting for Infrastructure Data Standard (OC4IDS).

3 | **Develop tools to analyze and use the information.** Open data is the start and not the end of open contracting for infrastructure. It can power tools to provide services and analytics to users, such as mobile apps, dashboards, and red flags risk analysis, that help save time, money, and gain efficiencies.

4 | **Demand and build processes that enable active engagement and participation** of all relevant stakeholders including businesses, citizens, media and academia to enable cross-sectoral feedback and coordination. This can include multi-stakeholder working groups, social witness programs, citizen auditing tools, complaints and feedback portals, and many more.

5 | **Get in touch to find out more** about how open contracting and the OC4IDS can deliver better results from infrastructure spending in your country, region or city. Whether you are planning an infrastructure project or affected by one, we are here to help.

The Open Contracting Partnership is a non-profit organization that connects governments, businesses and civil society to transform public procurement so that it delivers better goods, services and works to citizens.

http://standard.open-contrating.org/infrastructure
www.open-contracting.org

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