

Public procurement as a strategic lever for change

Local governments are the largest buyers of goods and services in Colombia. Each year, over 700,000 procurement processes, or 70% of public contracting, happens at the municipal and departmental level. Although these procedures deliver much-needed services to citizens, they are often marred by inefficiency, inequality, opacity and low levels of competition. They also represent a government's main corruption risk.



Public contracting can contribute to combating poverty and fostering economic development and inclusion in Colombia, if reforms are made to ensure procurement processes are:



Fair and equitable, boosting competition and the participation of small and women-owned businesses, as well as social enterprises and green businesses.



Open and supported by quality data; meaning procurement data is standardized, accessible, user-friendly and can be analyzed by other stakeholders in government, civil society, the private sector and academia as well as by



Participatory and accompanied by strategies to encourage civic monitoring.



Sustainable, becoming permanently established through legislation and institutionalization.



Transforming de public procurement:

FROM "COMPLIANCE WITH THE LAW"
TO A STRATEGIC PLANNING TOOL

More than 800 participants in the project are now key stakeholders in public procurement reforms in Colombia.





In Manizales, activities on the street promote citizen decision-making in public infrastructure spending.

Photo: Maniza**l**es Mayor's Office



Local governments and national government

- → Have a strategic vision about the importance of using open data for procurement.
- → Make better decisions and generate public policies based on procurement data.
- → Implement inclusive and gender-responsive public procurement policies.

Civil society organizations, journalists, academics, and citizens in general

- → Know how to analyze data.
- → Monitor public spending and generate stories.
- Demand accountability from governments.
- → Participate in public spending decisions.
- → Engage in peer learning and establish collaborative networks.

Businesses (especially SMEs, women-run businesses, green businesses)

- → Have access to a more user-friendly procurement system.
- → Participate in more public tenders.
- → Compete under better conditions.

Modernization of the State

The departments participating in the project experienced an unprecedented increase in the use of the SECOP II transactional e-procurement system, compared with other departments.

Proportion of procedures by platform and year

*Average figures from 2018 to 2022 in the nine participating departments.

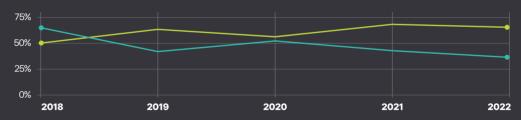


Increased competition

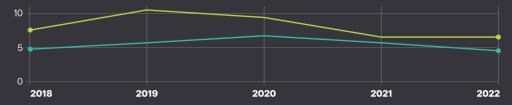
PARTICIPANTING DEPARTMENTS
 OTHER DEPARTMENTS

In 2022, the value awarded through open procedures in the participating regions was 64% higher than in other regions of the country. The median number of bids (for processes in SECOP II) in these departments was 7.7 in 2022 compared with 4.8 elsewhere in the country. In Antioquia, Atlántico, Bolívar, Caldas and Cundinamarca, over 70% of open procedures had three or more bids in 2022.

Percentage of the total value awarded through open procedures



Average number of bidders per year

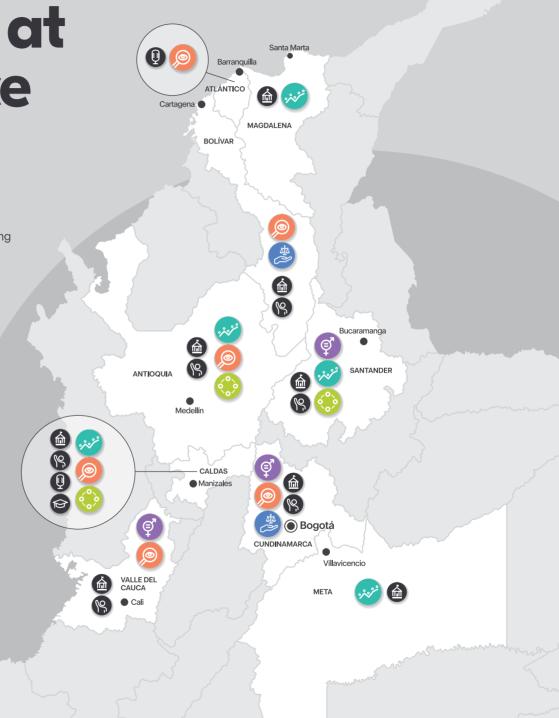




- Gender responsiveness
- 🃈 Data quality
- Civic participation and monitoring
- Sustainability of reforms
- Competition

Project participants

- Government entities
- Civil society organizations (CSOs)
- Journalists and media
- Academia



Increase in the use of SECOP II by year/department in percent

	2018	2019	2020	2021	2022
ANTIOQUIA	38.8%	16.1%	37.9%	88.7%	97.7%
ATLÁNTICO	5.7%	2%	64.7%	97.1%	99.5%
BOLÍVAR	1.8%	0.1%	45.1%	91.9%	98.9%
CALDAS	0.7%	14.8%	61.8%	95.3%	95.5%
CUNDINAMARCA	43.4%	13.5%	70.5%	81.9%	87.3%
MAGDALENA	0.7%		62.7%	99%	99.6%
МЕТА	0.8%	0.2%	71.6%	98.5%	99.8%
SANTANDER	1.2%	0.8%	82.3%	90.8%	96.3%
VALLE DEL CAUCA	6.7%	10.6%	58.8%	82.7%	90.5%

Project participants

	☐ Government entities	lpha Civil society organizations (CSOs)	Journalists and media	⇔ Academia
ANTIOQUIA	Medellín Mayor´s Office	Corporación Libertad Y Democracia		
ATLÁNTICO			Contratopedia Caribe	
BOLÍVAR	Cartagena Mayor´s Office	Funcicar		
CALDAS	Department of Caldas, Manizales Mayor´s Office	Corporación Cívica de Caldas	Periódico La Patria	Obs. de Transparencia de la U. de Manizales
CUNDINAMARCA	Bogotá Mayor´s Office	Bogotá Cómo Vamos, Instituto Anticorrupción, Transparencia por Colombia		
MAGDALENA	Department of Magdalena, Santa Marta Mayor's Office			
META	Villavicencio Mayor´s Office			
SANTANDER	Bucaramanga Mayor's Office	Transparencia por Santander		
VALLE DEL CAUCA	Cali Mayor´s Office, Palmira Mayor´s Office	Mi Cali Contrata Bien, Unidad de Acción Vallecaucana		

Gender-responsive public procurement:

EMPOWERING COMMUNITIES AND PROMOTING INCLUSIVE GROWTH

Women's participation in public procurement as users, planners and suppliers is vital to reduce poverty and guarantee high-quality public goods and services in Colombian communities.

In 2018, it was impossible to identify how many public contracts were awarded to women-owned businesses in Colombia. By 2022, almost 72% of all procedures indicated the legal representative's gender. The data shows a huge gender gap still exists: only one in three contracts is awarded to women-owned businesses. Often, the great potential of these businesses to work with the government is obstructed by regulatory barriers, cumbersome processes and a lack of gender-responsive policies and practices.

From the start of the project, the nine participating regions encouraged small and women-owned businesses to take part in public procurement. Some departments have increased gender quotas in certain sectors and the number of purchases from local female producers. At the national level, the project supported the enactment of new legislation to encourage women to participate in public procurement (Decree 1860 of 2021).



Medellín promotes the inclusion of women in public infrastructure construction and in other traditionally "male" sectors.

Photo: Medellín Mayor's Office





products at fair prices.

From words to deeds

THE MAYOR'S OFFICE IN PALMIRA **INCREASES WOMEN'S PARTICIPATION** IN PUBLIC PROCUREMENT

Palmira. Valle del Cauca

The procurement system can be transformed into an important tool for promoting economic opportunities for women and can become a catalyst to reduce poverty.

A good example of this is Palmira, a municipality in Valle del Cauca, where 90% of residents live in rural areas. With the support of Open Contracting Partnership and the Prosperity Fund, the local mayor's office

launched a pilot program to get government systems to respond promptly and positively to gender criteria and to include more rural women's associations as suppliers to the School Food Program.

Palmira looked at the barriers preventing rural associations from winning contracts, designed methodologies to connect them with logistics operators and existing contractors for the mayor's office, and incorporated specific conditions into the contracts to encourage these associations to participate in the public procurement value chain.

The mayor's office is developing guidelines to replicate the methodology and promote the participation of women-owned or women-represented rural associations in other markets and locations.

"The difference was going local. Getting to know associations and female producers. Raising awareness to convey the message that there was an opportunity to change things.

María Alejandra López, Palmira Mayor's Office

Impact in Palmira

of the participating associations have women as legal representatives.

of the participating associations are made up of women.

commercial agreements with rural associations worth a total of



of the agricultural products for the School Food Program are bought from local associations.



The Public Innovation Lab in Manizales works hand in hand with universities to encourage students and academics to participate in city improvement projects.

Photo: Manizales Mayor's Office

Open data for decision-making

In a country where most goods and services bought by local governments are procured through direct contracts, there is an urgent need to strengthen the efficiency, transparency, openness and accessibility of procurement processes to increase competition and eradicate opacity and corruption.

Between 2018 and 2022, the project carried out by OCP and the Prosperity Fund organized workshops across 13 departments in Colombia with 22 entities (including local governments, civil society organizations, academics and journalists) to promote open contracting as a vital tool to combat corruption and foster civic engagement and decision-making in public policies.



Opening up public contracts: changing the rules of the game in Caldas

Department of Caldas

Caldas introduced an **intense process of public procurement transformation**. With the help of technical support and workshops organized by OCP and the Prosperity Fund, the department promoted the adoption of open contracting principles and digital tools for decision-making among local governments and civil society.

Thanks to this support, Caldas focused on publishing its public procurement processes on the SECOP II transactional platform, improved the quality of information available, encouraged more businesses to participate in tenders and helped save money for the public budget.

Having user-friendly data also fostered dialogue between the government and civil society. It led to greater citizen engagement and civic monitoring, including a partnership between the newspaper La Patria and the Civil Corporation of Caldas. They published a special news section called *Magnifying Glass on Contracting (Lupa a la contratación)*, which shone a light on emergency procurement during the pandemic, the individuals and companies benefiting from direct contracts and cost overruns in public works. In addition to this analysis, *Magnifying Glass* offers readers tips on how to monitor government purchases.



The open contracting platform managed by the agency Colombia Compra Eficiente, was designed to make it easier for citizens to access over 10 million procurement processes.

"Constructive dialogue with civil society helps the Caldas government understand its public contracting risks as well as its successes and mitigate against corruption risks."

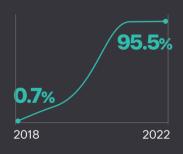
Camilo Vallejo, head of the Civil Corporation of Caldas in 2019

Impact in Caldas

Increased number of public procurement processes in SECOP II









of open procedures with 3 or more bids

*Department of Caldas (2022)

Towards participation

AND MONITORING OF PUBLIC SPENDING

When citizens, such as data journalists, academics, activists or community groups, can access, analyze, monitor, give feedback and participate in public procurement processes, it enhances the safeguards against corruption, ensures public resources are being used appropriately, and that public works and services being procured are of high quality.

One of the project's main strategies was to promote tools for analyzing contracts and civic monitoring through workshops attended by **228 civil society representatives**. In addition, tailored technical support and grants were given to **six media organizations and CSOs** in six departments (Antioquia, Atlántico, Bolívar, Caldas, Cundinamarca and Valle del Cauca) to promote research into public procurement.

Today, there are more organizations and journalists who know how to analyze data and monitor public contracts, call for accountability and bring about positive changes in their regions. But that's not all. These meetings have helped to shape a collaborative network, made up of civil society organizations and the media, that exchanges knowledge and works together to achieve shared goals.

Workshops on contract analysis and civic monitoring for civil society representatives.

Photo: Open Contracting Partnership





What's public should be public

Departament of Bolívar

The news outlet La Contratopedia Caribe sheds light on the contracts and contractors of the mayor's office in Cartagena and the governor's office in Bolívar. "We follow the public money because what's public should be public and shouldn't be treated as a private matter that leaves citizens out of the conversation," its manifesto reads.

Journalists from La Contratopedia took part in the workshops organized by OCP and the Prosperity Fund to learn how to use the various tools available for analyzing procurement. They later obtained a grant to carry out in-depth research into contracts in the Atlántico department. They found suspicious procurement patterns benefiting certain suppliers and politicians in the region.

La Contratopedia, together with Funcicar, another organization participating in the project, is currently working on a guide aimed at journalists and citizens for monitoring the department's School Food Program.

"Simply by reading public policy, reviewing contracts, getting close to the facts and revealing the basics of those policies or contracts, we are doing our little bit to improve public debate, to give people better facts, so they can have a more informed opinion."

Tatiana Velásquez, La Contratopedia Caribe The media projects La Contratopedia Caribe and Mi Cali Contrata Bien, make citizens be part of the conversation about public spending.

Photos: Open Contracting Partnership





"We're all public watchdogs"

Department of Valle del Cauca

Following a series of high-profile corruption scandals in Cali and the lack of accountability from the local mayor's office, Mi Cali Contrata Bien (MCCB) emerged as a citizens lab for monitoring public spending in the city. MCCB investigates and analyzes local government procurement, promotes good practices and, supported by data, exposes questionable public spending.

The allegations made by Mi Cali Contrata Bien have not only been covered by media at the local, national and international level, they have also been picked up on several occasions by the Attorney General's Office

"The work carried out with OCP and the Prosperity Fund allowed us to develop our methodologies and strengthen our social monitoring capacity. Being able to discuss and draw on OCP's knowledge helped us move faster in developing our course of action."

María Isabel Alvarado, Mi Cali Contrata Bien



If the will exists, the inequality gap in public procurement in Colombia can be closed.

OCP and the Prosperity Fund, working closely with the state procurement agency Colombia Compra Eficiente (CCE), focused on improving the government's capacity to bring about deeper public procurement reforms and strengthen legal frameworks to make them sustainable.

The "Medellin Cuida Lo Público" (Medellin Looks After Public Resources) bus touring the city's neighborhoods and explaining to the public how procurement works. The project has now been redesigned to reach key audiences, with the participation of students and municipal

Photo: Medellin Mayor's Office





Beyond the norm

MEDELLIN OPTS FOR CREATIVITY TO ENSURE SUSTAINABLE PUBLIC PROCUREMENT **Medellín, Antioquia**

Issuing a law or establishing regulations is an important first step of a procurement reform, but it is no guarantee in itself that change will be achieved. This is well understood by the mayor's office in Medellín, which became the first city in Colombia to sign a decree (Agreement 016) to promote innovative, sustainable and socially responsible public procurement.

Moving from words to actions was a challenge for the mayor's team, which needed to focus on changing the mindset of public officials, suppliers and citizens alike and on encouraging the various stakeholders

to seek creative solutions to overcome bureaucratic inertia.

in Colombia to sign a decree to promote innovative, sustainable and

socially-responsible public

Hybrid public transport, replacement of single-use plastics, inclusion of women in public infrastructure construction, participation of SMEs as school meals suppliers. All of these activities are taking place in Medellín because the various stakeholders have taken ownership of the reforms. Their strategy includes establishing working groups with relevant stakeholders, promoting the public procurement system on buses and in public squares, and setting up a transparent public procurement school for suppliers in the district.

"The challenge is internal. Change the mindset and try to get stakeholders to adopt a bolder approach. Adopt a more society-focused vision as opposed to merely fulfilling duties as contractors or public officials."

María Paola Bedoya, Medellín Mayor's Office

Impact in Medellín



OCP and the Prosperity Fund provided tailored technical support to the mayor's office in Medellín on the regulation and implementation of Agreement 016.

AGREEMENT

016

Agreement 016
encourages the hiring
of inexperienced young
people, women heads
of households, SMEs,
LGBTTQI+ community,
senior citizens and
victims of armed
conflict.



Since 2017, the United Kingdom has been supporting inclusive economic development in Colombia through its Prosperity Fund. With an investment of around £25.5 million, the United Kingdom designed this program to build capacity and create new economic opportunities in post-conflict zones and areas affected by armed conflict, working hand in hand with national and subnational governments, development banks and multinationals, civil society organizations and academia, among others.

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Cover photo: City of Medellín