

Public procurement requires public information

Annual global spending on **public procurement** is estimated to be:

US\$9.5 TRILLION

25% of global government spending and almost 20% of global GDP.

It is estimated that **10–25% of procurement budgets worldwide** are wasted on fraud or corruption, a loss of billions every year.



Why does information on public procurement matter?

Public procurement is supposed to provide for citizens' needs, and therefore must be accountable to the public. **Access to information is key to this accountability.**

Access to information on public procurement allows civil society to act as an effective watchdog on government systems, making recommendations for change and bringing this crucial area where public and private sectors meet under better public scrutiny.



How to improve procurement through information and engagement



1 E-procurement

Electronic Procurement uses information and communications technologies to facilitate the procurement process, making publically available information on tenders, documentation, decisions, and contracts. According to the World Bank, a large majority of countries have adopted electronic procurement systems. CoSP Resolution 6/7 encourages parties to establish online platforms for the distribution of information relating to public procurement and tenders. However, implementation varies:

- **122** countries publish award notices online
- **74** publish procurement plans online
- **97** publish tender documents
- **102** publish the decisions of appeals, **86** electronically

2 Beneficial ownership registers

Public information on the actual owners of contractors and subcontractors deters the abuse of public procurement processes for private gain. Registering beneficial ownership enables authorities and civil society to exercise better control and to prevent and deter corruption through the use of shell companies.

3 Integrity pacts

Integrity Pacts are agreements between a government body issuing a tender and the companies bidding for it that they will abstain from corrupt practices for the extent of the contract. The pacts include specific commitments to maintain transparency and prevent corruption, which go deeper than the usual conditions of public procurement legislation. An independent monitoring system, typically led by a civil society organisation, oversees the process.

4 Open contracting

Open contracting is a new means to transform public procurement through better data, analysis and engagement with businesses and civil society. It involves:

- disclosure of data and documents about the planning, procurement, and management of public contracts; and
- engaging with public and business users of information, and acting on the feedback received.

5 Social monitoring

Social monitoring involves civil society monitoring from the very early stages of a public procurement process through to implementation of a contract. This increases effectiveness and accountability of procurement, and therefore strengthens trust in government institutions.

The UN Convention Against Corruption (UNCAC) – the global standard

Article 9 of UNCAC requires that all 183 state parties develop public procurement systems that are **transparent**, **competitive**, and **objective** in awarding contracts. Governments must publish information on their procedures, pending tenders, and contracts awarded.



UNCAC 2015–2020 Review

Currently, the Second Review Cycle of states' implementation of UNCAC is underway. In the next five years, all countries will undertake internal and peer reviews of their procurement systems to see if they are meeting the standards set by the Convention. It is an opportunity to push for improved implementation of Article 9 and for better cooperation between states, civil society, and businesses.

The review schedule for states is available at:
unodc.org/unodc/en/corruption/implementation-review-mechanism.html



UNCAC Civil Society Coalition

W uncaccoalition.org
E info@uncaccoalition.org
T [@uncaccoalition](https://twitter.com/uncaccoalition)
F facebook.com/uncacccc

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Free Word Centre
60 Farringdon Road
London EC1R 3GA

W article19.org
T +44 20 7324 2500
F +44 20 7490 0566
E info@article19.org
T [@article19org](https://twitter.com/article19org)
F facebook.com/article19org