

Transparency platforms

Summary

A transparency platform is an online tool that provides up-to-date visual information on public procurement expenditure to the wider public. Increasing transparency in procurement expenditure is an important way to safeguard integrity, as it enhances the accountability of contracting authorities for the efficient and effective use of public money. Furthermore, transparency may trigger discussions on the spending priorities of public administrations. Not least, it is considered a key element in detecting and deterring systemic corruption and clientelism in public procurement. Indeed, open and transparent procurement data facilitates monitoring and scrutiny by oversight authorities as well as civil society watchdogs.

A transparency platform is often implemented by the procurement authority, but may also be put in place by civil society organisations or other organisations outside the public procurement domain, such as an anti-corruption authority. To function, the platform relies on data from other public sector organisations. Procurement data may be already available as part of an 'open data' policy.

The transparency platform presents the data in a user-friendly interface. Importantly, the data on the transparency platform itself is searchable and available for download in bulk and in a machine-readable format, in order to allow further analysis by third parties. Some platforms also provide data analysis in real-time.

The value of a transparency platform lies in the use that can be made of the data once it is openly accessible. A transparency platform collects data from various sources, presents it in the context of other related data, visualises it and makes it easy to use by the general public, journalists and law enforcement officers. For instance, primary procurement data may be cross-checked with other government databases to identify conflicts of interest, or it can be analysed for suspicious patterns and to carry out corruption risk assessments.

Input

Cost – €€

- Medium set-up cost: development of an application can be done in-house at no extra cost. Most data can be obtained free of charge
- Low operation cost



Time – 6 to 12 months

Three months to develop the platform's initial IT infrastructure plus a pilot phase and related upgrades (including testing phase and adjustments)



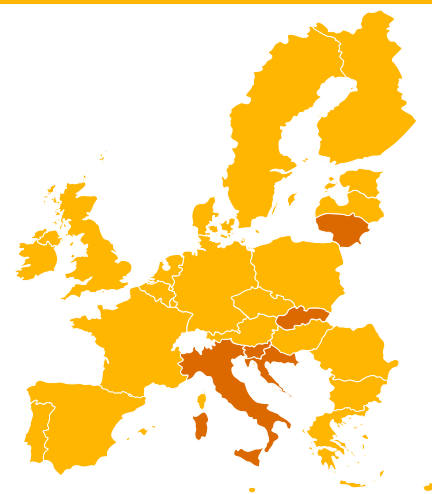
Complexity – Medium

Cooperation with various stakeholders is essential for the successful implementation of the transparency platform, in particular the Ministry or agency responsible for providing the data



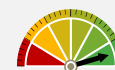
Good Practice Examples

- ✓ Croatia
- ✓ Italy
- ✓ Lithuania
- ✓ Slovakia
- ✓ Slovenia



Impact

Increase transparency



The main purpose of transparency platforms is to give greater insight into procurement spending by opening access to key procurement information and providing it in a user-friendly format. Transparent procurement data allows monitoring of procurement expenditure and acts as a deterrent for corrupt practices.

Improve accountability



With increased transparency, civil society and oversight authorities are able to more effectively scrutinise procurement expenditure by public authorities, thus allowing them to hold public officials accountable for their handling of public money.

Strengthen anti-corruption efforts



Procurement data made available through a transparency platform can be used for oversight and anti-corruption efforts. In particular, if linked to other databases on business ownership it can support investigations into conflict of interest. Furthermore, financial flows may be analysed to detect suspicious transactions.

Advance modernisation and digitisation



Transparency of procurement requires availability of data in an 'open' format, i.e. machine-readable, standardised, and accessible online.

Key success factors and potential pitfalls

Implement a legal framework for accessing procurement data

A key pre-condition for a transparency platform to work is the availability and access to procurement data. Open access to procurement data may be guaranteed by the legal framework with provisions that oblige contracting authorities to collect and publish procurement data.¹

Implement an “open data” environment

The optimal conditions for transparency are found in an “open data” environment, meaning that all public procurement data is provided in standardised, interoperable and machine-readable format, available for anybody to access, use and re-publish. This allows easy re-use of data for other purposes, such as oversight, or for policy monitoring and evaluation. Thus, the legal framework needs to ensure that open data policies are established. Conversely, if the data is not actively collected according to a best practice standard, the transparency platform can be of less value.

Develop a user-friendly and engaging interface

Transparency platforms are often intended for use by the wider public. As such, the user interface needs to be engaging and user-friendly, thereby inviting the media, civil society, the general public as well as oversight authorities to make use of the tool.

Create a shared vision of openness and transparency

A shared vision of openness and transparency, which fosters a transparency culture, is key for gathering buy-in from the public administrations on opening up their data.

Ensure data accuracy

The quality and reliability of data is essential for a transparency platform. This is generally ensured by using standardised formats for data collection. However, civil society organisations dedicated to transparency are often not in the position to guarantee 100% accuracy of data.

Mind incomplete data

In some cases, data available on the transparency platform may be incomplete, for instance it may not include small value procurement or procurement by state-owned enterprises or similar entities. As a result, civil society, oversight authorities and other stakeholders lack a fully transparent view of procurement spending.

Ensure sustainability of transparency platforms

If run by civil society organisations, the transparency platform needs to ensure sufficient funding and staffing to guarantee the long-term sustainability of the project.

Related Good Practices

- Public contract registry
- Develop procurement risk assessment tools

Case Studies (1)

Lithuania – Free Data

In Lithuania, the application Free Data presents public procurement expenditure data in a user-friendly and visually interactive interface. The portal was launched in 2015 as a private initiative by an open data activist to encourage the use of data by media, civil society and the general public. Indeed, transparency in procurement expenditure allows better monitoring by civil society and oversight authorities, and makes the public administration more accountable. The data is also meant as a tool for suppliers interested in public procurement opportunities as well as for contracting authorities to benchmark procurement expenditure.

The Free Data portal allows searching procurement expenditure by procuring organisation, name of the participant in the procurement, title of the procurement or name of the company that signed the contract. Search can be conducted by a full name of a searched subject or a fragment of it, and when conducting a search for the company that signed the contract, by its registry number as well. The full contract award notices are also published on the Free Data portal. The data provided covers the period from 2002 to the present day. The data from 2002-2009 excludes procuring organisations in the utilities sector that procured under simplified or low value procurement rules. From the year 2010 onwards, low value procurements are excluded.²

The underlying procurement data comes from the Central Public Procurement Information System (CPP IS), the country's e-procurement platform. The Public Procurement Office provides the data daily in an open data format via the portal CKAN,³ where public datasets are stored. The data is available for download, re-distribution and re-use under a creative commons licence.⁴ Contracting entities are obliged to present procedural and annual reports through this platform. Furthermore, certain information on procurement procedures is public according to the Law on Public Procurement, and is gathered by Free Data and presented in a user-friendly form.

Case Studies (2)

Slovenia – ERAR (former Supervizor)

In 2016, the Commission for the Prevention of Corruption, Slovenia's anti-corruption authority, re-launched its transparency tool ERAR,⁵ previously known as Supervizor. ERAR is an online application that provides comprehensive tracking and visualisation of public sector transactions, including public procurement. The application covers data on all financial transactions from the public sector, notably, information on contracting parties, recipients of funds, related legal entities, as well as dates, amounts and purpose of transactions.¹ This transparency tool was introduced with the goal of providing citizens with comprehensive information on government spending, in order to make public authorities accountable for the use of taxpayer money. Open information on government spending reduces risks of abuse of public function, and systemic corruption.⁶

The application is designed to be user-friendly, searchable and visual, providing users with downloadable and machine-readable data, which can be further analysed. To make the data available for users, ERAR is connected to various government databases, such as the Administration of the Republic of Slovenia for Public Payments (APP), the Central Securities Clearing Corporation (KDD), the Ministry of Finance, the Financial Administration of the Republic of Slovenia (PARS), among others.⁷ The data is updated on a daily basis on the ERAR website.

With respect to procurement data, the data source is the Official Gazette - Public Procurement Portal (eNaročanje),⁸ which contains information on all public tenders including small value procurement. In Slovenia, contracting authorities are obliged to publish information on concluded contracts on the e-procurement portal within 48 days of the award of the contract. The so-called '*Rules on Publishing Contracts in the Field of Public Procurement, Concessions and Public Private Partnerships*' determine the format of online publication of contracts, which excludes protected data. The Rules also include provisions for metadata.⁹

The data is usually provided in a machine-readable format (XML, CVS, fixed width text, etc.) through web services of the IT systems of the respective data owners. The ERAR application uses extract, transform and load (ETL) processes to put the data into its own database. Most of the data is updated automatically, but there are some exceptions. For example, the data source of tenderers with negative references is not provided in a machine-readable format and must be imported manually. Some data sources require manual intervention, for example, if the data source is temporary unavailable, contains errors, or when corrections were made to already imported data.

Importantly, ERAR supports the activities of the Commission for Prevention of Corruption in identifying conflict of interest in procurement, as it is able to cross-check transaction data with data reported by each public sector organisation on the companies for which there are restrictions in conducting business.

The new version of ERAR has expanded the scope of its data collection, including data from e-invoicing (where possible linked to the transaction), data on existing restrictions on businesses, information gifts received by public officials, as well as information on foreign bank accounts of business entities.¹⁰

The transparency tool has received a great deal of attention by the media and the general public. Indeed, the website had more than 2,616,000 visits shortly after the launch in 2011.¹¹ Moreover, ERAR received international recognition, notably winning the UN Public Service Award in 2013, which celebrates excellence in public service. ERAR has become the everyday tool used by citizens, researchers, journalists and regulatory and supervisory government when investigating economic crime, public finance crime and corruption. Furthermore, it has spurred active participation and discussion of spending priorities of the public administration at local level.

Importantly, once ERAR proved a success, it prompted action from other state institutions to create more transparency. Notably, the Ministry of Public Administration developed a specialised application for public procurement called STATIST.¹² STATIST covers all public procurements that were proceeded through the public procurement portal. As every procurement above EUR 20,000 for goods and services and EUR 40,000 for works needs to be published, STATIST represents data from every single procurement procedure. On the other hand, it does not show expenditures on contracts below threshold.

As of 2016, ERAR contained data on about 146 million financial transactions over the time period 2003-2016, covering expenditure from government and local agencies. On average, each year ERAR provides information on EUR 4.7 billion of public expenditure.¹³

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¹ UNODC, "Supervizor – an indispensable Open Government application for enhancing transparency of expenditure of public funds" (2016), see: https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2016-August-22-24/Contributions_NV/Slovenia_EN.pdf

² Viešųjų pirkimų tarnyba (Public Procurement Office), "Atvirai VPT duomenys" (PPO Open Data), see: <http://vpt.lrv.lt/atviri-vpt-duomenys>

³ See: <http://opendata.lt/>

⁴ Ckan, "Viešųjų pirkimų duomenys (Procurement Data)", <http://opendata.lt/dataset/viesieji-pirkimai>

⁵ See: <https://erar.si/>

⁶ DG REGIO, "Stock-taking of administrative capacity, systems and practices across the EU to ensure the compliance and quality of public procurement involving European Structural and Investment (ESI) Funds" (2016)

⁷ Commission for the Prevention of Corruption, "ERAR" (2016), see: https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2016-August-22-24/Presentations/Slovenia_-_Mr._Lado_Langof.pdf

⁸ ERAR, Data sources, see: <https://erar.si/doc/> ⁹ E-narocanje, <http://www.enarocanje.si/>

¹⁰ UNODC, "Supervisor – an indispensable Open Government application for enhancing transparency of expenditure of public funds" (2016), see:

https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2016-August-22-24/Contributions_NV/Slovenia_EN.pdf

¹¹ See: http://www.mju.gov.si/nc/en/media_room/news/article/7603/

¹² DG REGIO, "Stock-taking of administrative capacity, systems and practices across the EU to ensure the compliance and quality of public procurement involving European Structural and Investment (ESI) Funds" (2016)

¹³ STATIST, see: <https://ejn.gov.si/statist> ¹⁴ UNODC, "Supervisor – an indispensable Open Government application for enhancing transparency of expenditure of public funds" (2016), see: https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2016-August-22-24/Contributions_NV/Slovenia_EN.pdf