Contract Transparency
Reforms in Nigeria

01 What is Open Contracting?

Open contracting is a procurement method that encourages engagement and feedback by allowing data to be disclosed at all stages of the procurement process.

From the Global perspective, Open contracting is a system of procurement that allows disclosure of procurement data at all stages of procurement and allows for engagement and feedback from other stakeholders.

Transparency and open contracting in public procurement have proven to be cost-effective and have increased competition among potential contractors.
The State Fiscal Transparency, Accountability and Sustainability (SFTAS) is a Program For Results (PforR). The program development objective of SFTAS is to strengthen fiscal transparency, accountability, and sustainability of states. The program has a total of 13 DLIs (Disbursement Linked Indicators) and corresponding DLRs (Disbursement Linked Results), one of these indicators, “DLI 6” seeks to promote efficiency and transparency in the public contracting process across all 36 states.

At the federal level, Nigeria created a portal NOCOPO, as a means to improve public procurement. The portal is about opening up public procurement in Nigeria through increased disclosure of procurement information to all stakeholders with a view to ensuring improved transparency and accountability, improving competition, preventing corruption, enhancing active citizen participation towards achieving better service delivery and improved ease of doing business in Nigeria.
15 States
According to the 2019 World Bank SFTAS assessment report, only 15 states in Nigeria could achieve the DLI 6.1 requirement on the existence of a public procurement legal framework and a procurement regulatory agency.

16 States
Only 16 states met the DLI 6.2 requirement and published data on all contracts awarded during the year that are above the threshold in line with the Open Contracting Data Standards (OCDS)
04 Gaps of Open Contracting in Nigeria

One of the key obstacles is that those to introduce contract transparency and robust open procurement practices are often a part of the vested interests and politically exposed persons benefiting from the continued opacity.

There are gaps in the participatory, monitoring and oversight frameworks in the pre-qualification and procurement process that lead to the award of public contracts, this means that certain corrupt damages may have been done ahead of the award of contracts.
The SFTAS intervention implemented by the federal government with support from the World Bank presents an ongoing opportunity for stakeholders to collaborate with subnational entities to implement sustainable contract transparency processes. States even get financial incentives in the form of grants just for publishing their contracts online.

Providing public access to contracts means that more people can scrutinize them, which allows for more sophisticated policy development based on an independent analysis by many stakeholders. As a result, subsequent negotiations and policies can benefit from outside input and lessons learned.
Contract Transparency Reforms in Nigeria

06 Benefits of Adopting Open Contracting in Nigeria

Contract transparency improves competition and the quality of procurement, allows oversight by citizen groups and assures firms of a level playing field when they bid.

It provides incentives to improve the quality of contracting and improves the investment climate by sending out signals to investors and international financial institutions that the costs of investment will not be inflated by bribery and corruption.

Contract transparency is an essential precondition for ensuring that all parties benefit from natural resource wealth. It is also a necessary precursor for the coordinated and effective management of the sector by government agencies.

www.yourbudgit.com
07 Improving Open Contracting

**Legal backing for Contract Transparency:** Legal and regulatory frameworks are necessary to sustain progress beyond the SFTAS intervention. There is a need to fully embed the tenets of contract transparency in the law to become legal for future political office holders.

**Participation, Monitoring and Oversight:** There should be adequate opportunities for participation, open and electronic bidding for contracts and adequate involvement of civil society in oversight of the contracting process and in monitoring programs and projects delivery by contractors.

**Collect and Store Structured Data:** For contract transparency frameworks to play their role in providing adequate intelligence for raising red flags on suspicious transactions, relevant data needs to be collected and published in an open data, machine-readable format with a clear data schema to facilitate sharing and use.