

Project Summary: Open Contracting in Resource-Rich Countries

The BHP Billiton Foundation’s Natural Resource Governance Global Signature Program aims to harness the power of natural resource wealth for sustainable and inclusive human development. To achieve this ambition we are partnering with international institutions, civil society, governments and business on projects that align our aspirations behind a common goal to achieve lasting change.

The BHP Billiton Foundation is partnering with **Open Contracting Partnership** on the Translating Resource Revenues into Effective Services & Infrastructure Project, which complements our projects that are focused on individual parts of the resource value chain.

Where this project fits in the resource value chain:



The Translating Resource Revenues into Effective Services & Infrastructure Project supports governments in resource rich countries to maximise the benefits of natural resource wealth through adopting Open Contracting in order to provide cost effective, corruption free services and infrastructure for their citizens.

Transforming public contracting

One of the weakest links in the natural resource value chain is the final mile of government spending, where government taxes and revenues are spent on contracts with companies to procure goods and services.

Public contracting and procurement is government’s number one corruption risk. Beyond corruption, public contracting can be rife with mismanagement and secrecy.

This project seeks to work with committed governments to transform public contracting in resource rich countries through ‘open contracting’ to promote:

- accessible, user-friendly open data along the entire ‘deal flow’ of public contracts; and
- better business and civic engagement to put that data to work across government.

This will ultimately help ensure the money flowing from natural resources is more effectively converted into public benefit.

A shift of power

Open contracting is about the shift of power from deals behind closed doors to business in the open.

It is not just a technocratic fix, but about how things are done at the centre of government. This means integrating open data and civic and business feedback into long-term strategic improvements in the public contracting process.

The Open Contracting Partnership (OCP) emerged from an enthusiastic community of policy experts, political leaders and campaigners who believe that better open data and more community engagement can transform public projects, goods and services.

Working across sectors and along the whole process of government contracting, OCP use the power of open data to save governments money and time, deliver better goods and services for citizens, prevent corruption, and create a better business environment for all.

It is a silo-busting collaboration that works across government, businesses, civil society and technologists to open up government contracting and deal-making ensuring the huge sums of money involved are spent openly and effectively. OCP currently serve as a central global knowledge hub and advocate for implementing open contracting.

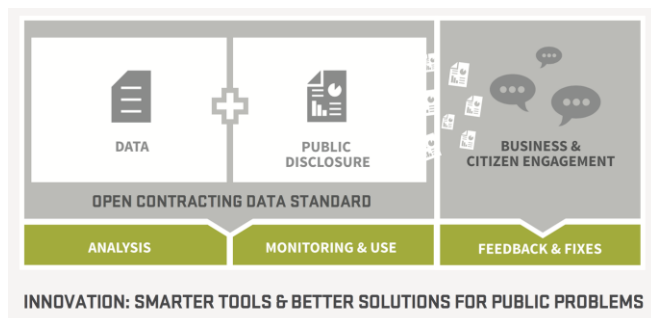
This Project will be implemented over a five-year period between 2017 and 2022, with a total budget of US\$6.25 million.

Why open contracting?

Open contracting is not about transparency for transparency's sake. Rather, it is about targeted documentation, data and analysis to address four key 'use cases' that are integral to achieving fiscal and economic sustainability, and better outcomes for citizens from the natural resource value chain. These key 'use cases' are:

- Improving public integrity, including identifying red flags for corruption and scrutinising who wins and delivers contracts, when, for how much and for what;
- Better quality of goods and services, including tracking delivery and milestones in contract implementation;
- Promoting market opportunity, including empowering aspiring business to understand what government buys and what past contracts look like, creating a more competitive level playing field for awarding contracts; and
- Improving value for money, including enabling government agencies to analyse key procurement indicators and connect these to budget and implementation data to ensure efficient spending of public money.

The open contracting approach:



Our open contracting partnership

The overarching goal of the *Translating Resource Revenues into Effective Services & Infrastructure* Project is to promote open and accessible data related to public contracting in selected resource-rich countries in North and South America, Europe, Africa and Asia.

In particular, five resource-rich countries will be selected to receive concentrated OCP support and assistance with a goal of showing documented improvements on indicators measuring service delivery, value for money, public integrity and business competition in the procurement market because of more open public contracting.

The project has three objectives:

- Increase collection, quality and publication of open contracting data and information in program target countries;
- Improve stakeholder engagement and data use in program target countries; and
- Promote learning and field building among target countries and globally.

OCP is working to make open contracting a global norm by 2022.



Our Natural Resource Governance GSP

The *Translating Resource Revenues into Effective Services & Infrastructure* Project is consistent with the objectives of the Foundation's Natural Resource Governance GSP and complements other Project investments.

Our aim is to improve how natural resources are governed across the entire resource value chain – from exploration to the sale of products. However, no single organisation can achieve this bold ambition alone. All parties have a role in eliminating corruption through purposeful transparency and effective capacity building.

By broadening our partner base and investing in additional projects with international institutions, governments, civil society and business, we can align our aspirations behind a common goal to achieve lasting change.

For more information on the BHP Billiton Foundation and the Natural Resource Governance Global Signature Program, visit bhpbilliton.com/foundation.