

**PRESENTED AT THE 2023
NIQS BIENNIAL
CONFERENCE**

THEME:

**INTEGRATED COST MANAGEMENT
SOLUTIONS FOR SUSTAINABLE
INFRASTRUCTURE PROJECTS**

DELIVERY:

**A KEY TO NATIONAL ECONOMIC
DEVELOPMENT**

**THE OPEN CONTRACTING
DATA STANDARD (OCDS) -**

**Advancing Transparency in the
Nigerian Infrastructure
Management Framework**

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November 22nd, 2023

OUTLINE



INTRODUCTION



THE OPEN
CONTRACTING
DATA STANDARDS



GOVERNANCE
AND
FRAMEWORK OF
OCDS



THE NEXUS- OCDS
AND NDP 2050



INFRASTRUCTURE
MANAGEMENT
FRAMEWORK-
PLANNING TO
FAIL?



CONCLUSION

Introduction

Public contracting is the world's largest marketplace, Yet many governments don't seem to know what they are buying and selling, for how much, and with whom they are dealing.

Contracting is government's number one corruption risk (as the OECD, UNODC, and EU all agree).



According to the UN Office of Drugs and Crime, **corruption and fraud may amount to 20-25% of procurement budgets**

57% of foreign bribery cases prosecuted involved bribes to obtain public contracts

Worldwide, governments spend about US\$9.5 trillion—or 15% of global GDP—on contracts to procure goods and services.

Open Contracting Partnership (OCP), "Why Open Contracting is Essential to Open Government," (2015), https://www.open-contracting.org/wp-content/uploads/2016/01/OCP2015_Brief-OpenContracting-OGP.pdf.

<https://www.open-contracting.org/wp-content/uploads/2019/05/OCP-strategy-19digital.pdf>

<https://standard.open-contracting.org/latest/en/governance/>

OECD's Public Procurement resources; UN Office of Drugs and Crime, "Guidebook on anti-corruption in public procurement and the management of public finances", 2013 (page 1); European Commission "EU Anti-Corruption Report", 2014 (page 21).

FEATURES THAT MAKE CONSTRUCTION PARTICULARLY PRONE TO CORRUPTION



FEATURES

Uniqueness

• **No two construction projects are the same** making comparisons difficult and providing **opportunities to inflate costs and conceal bribes**

Complex transaction chains

• The **delivery of infrastructure involves many professional disciplines and tradespeople** and numerous contractual relationships that make **control measures difficult to implement**

Work is concealed

• **Materials and workmanship are often hidden**, e.g. steel reinforcing is cast in concrete, masonry is covered with plaster and cables and pipes enclosed in service ducts

Official bureaucracy

• **Numerous approvals are required from government** in the form of licenses and permits at various stages of the delivery cycle, **each one providing an opportunity for bribery.**

The scale of infrastructure investments

• **Investments in economic infrastructure** such as dams, airports and railways can cost tens of billions of dollars **making it easier to conceal bribes and inflate claims.**



Open Government Partnership




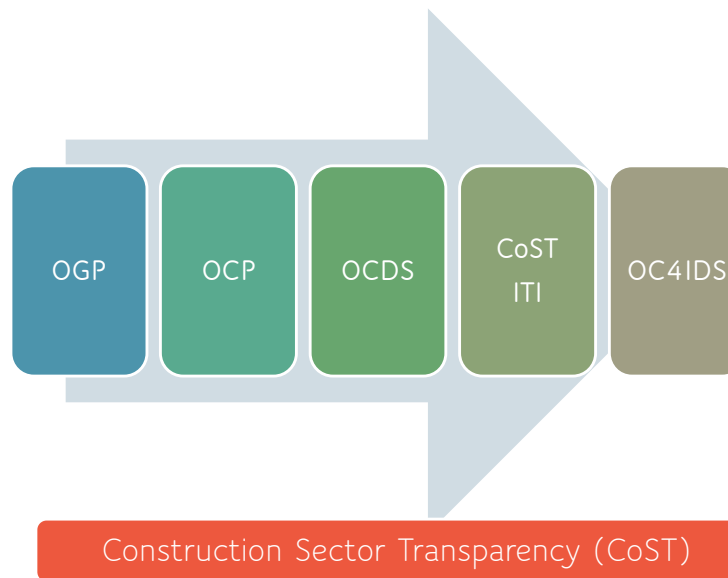
Nigeria joined in 2016,
Published its latest
commitment-

OGP NIGERIA NATIONAL ACTION
PLAN (2023-2025)



THE FUTURE IS OPEN

 Open Contracting



Open Contracting Partnership

The OCP, believes that **more transparency** will **transform public procurement** so that it delivers **better value for money**, is **more efficient**, and **fairer** by stimulating more competition.

What is open contracting?

At its core, open contracting consists of:

- 1) the affirmative disclosure of information; and
- 2) participation, monitoring, and oversight.

Transparency of the announcement and awarding of tenders

Encourages new, often smaller, companies to participate in public procurement

Promote sustainable development and higher-quality goods and services

A 2017 World Bank study covering 34,000 firms in 88 countries found that **greater transparency in the contracting process** (as well as effective complaint mechanisms and external auditing systems) leads to **greater competition**—particularly from smaller firms—and **fewer kickbacks to officials**



The Open Contracting Data Standards (OCDS)

OPEN + DATA
CONTRACTING + STANDARDS

OCDS

The Open Contracting Data Standard (OCDS) is a free, non-proprietary open data standard for public contracting, It describes how to **publish data and documents** about **contracting processes** for **goods, works and services**

The Open Contracting Data Standard is a core product of the Open Contracting Partnership (OCP).

The OCDS is not an electronic procurement system or database. But rather guides how data is collected, stored and published in these systems.

Implementation
over 30 governments around the world.

the effect

it can be used to support wider reform and measurable improvements in public contracting



Concepts of OCDS

3

Open Contracting

publishing and using **open, accessible and timely information** on public contracting to engage stakeholders

improving the **efficiency, effectiveness and integrity** of a public contracting system

Open Data

is data that can be freely used, modified, and shared by anyone for any purpose

data to be **accessible and machine-readable**, and for **permission** to be granted for **reuse**

A Data Standard

defines the structure and meaning of data to resolve ambiguity

help systems and people interpret it



Governance & Framework

The Open Contracting Data Standard (OCDS) has many stakeholders:

- 1) Governments (procuring entities, monitoring & oversight authorities, project managers and policy makers),
- 2) the private sector, and
- 3) civil society organizations



Commitment 1 - To ensure more effective citizens' participation across the entire budget cycle.

Commitment 2 - To ensure an effective and participatory audit that completes the budget cycle and enhances transparency and accountability.

Commitment 3 - Full Operationalization of Open Contracting and Effective Deployment and Use of Open Contracting Data Standards (OCDS)



Why open data is better data

COST MANAGEMENT EFFICIENCY

Improved competition

suppliers should have fair and equal access to your data if you want to improve competition and allow innovation

allow pre-market solicitation of ideas as to what to buy, allowing government to shape procurement to better meet users' needs

Improved accountability

An academic analysis of 3.5 million procurement records in the EU shows that collecting information knowing that it will be published has an effect on behavior even before it's released and that sharing more information about public contracts results in reduced risks of single bids

track the money and the results

Improved integrity

it deters dodgy awards and helps detect collusion because all the relevant details of the procurement process are recorded and out in the open for public scrutiny

encourages increased competition which in turn leads to more eyes on each contract award

Innovation

support in communicating effectively with the marketplace and allows leverage for market research and consultation

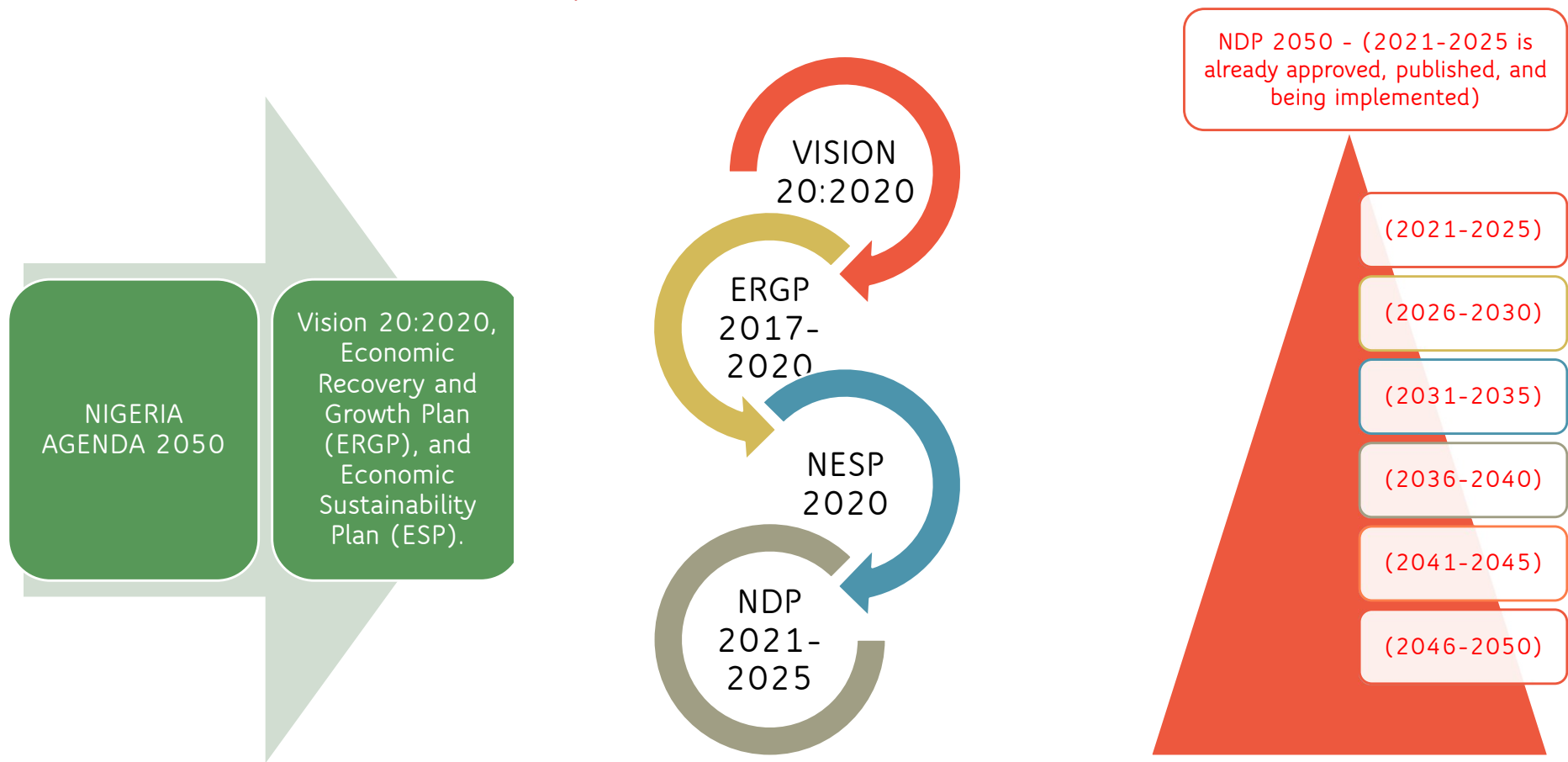
vendor surveys or user surveys can propose, lead to and test innovation



The Nigerian
National
Development
Plan /
Infrastructure
master plan



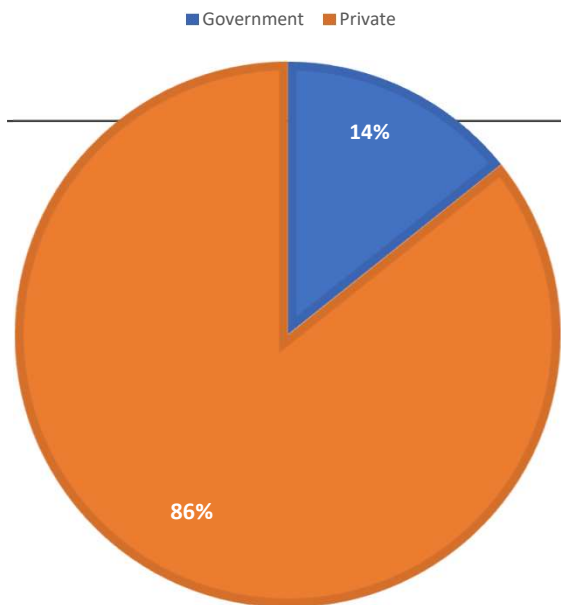
The National Development Plan



The ND vs NESP

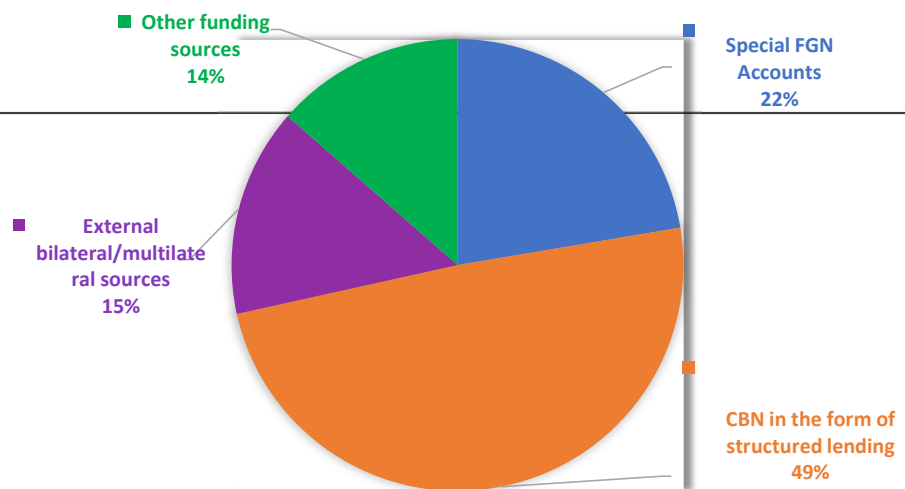
NDP 2050 - (2021-2025 is already approved, published, and being implemented)

INVESTMENT FOR NDP



Investment for NDP	
Source	Amount
Government	₦ 49,700,000,000,000.00
Private	₦ 298,300,000,000,000.00
Total	₦ 348,000,000,000,000.00

INVESTMENT FOR NESP -2020



Investment for NESP

Source	Amount
Special FGN Accounts	₦ 500,000,000,000.00
CBN in the form of structured lending	₦ 1,100,000,000,000.00
External bilateral/multilateral sources	₦ 334,000,000,000.00
Other funding sources	₦ 302,900,000,000.00
Total	₦ 2,236,900,000,000.00



The National Development Plan – Planning to fail?

HIGHLIGHTS OF KEY INTERVENTIONS of the NESP Infrastructure

- Extensive Public Works and Road Construction Programme
- Mass Housing Programme (MHP) - 300,000 homes annually
- Installation of Solar Home Systems (SHS)
- Investment in Healthcare Infrastructure

Under the plan, Immediate Fiscal Measures policies include Accelerate Infrastructure Completion through –

- Expand the scope of the Road Infrastructure Tax Credit Scheme (RITCS)
- Accelerate the construction of 794.4km of approved roads and bridges under RITCS
- 12-month timeline

300,000 homes in 1yr

- @ approx. ₦5,000,000.00/home will require
- **₦ ₦1,500,000,000.00**
- approx. 25,000,000/m² of floor tiles
- approx. 3,000,000/m² of wall tiles
- Approx 913,320,000 blocks
- Capital Budget provision for FMW&H, WR, ARD, TP, & FB+NP for 2020 -
- **₦ 522,599,288,583.00**

794.4km of paved roads in 1yr
– Abuja – Lagos

- @ approx. ₦125,000/km will require
- **₦ 747,927,600,000.00**
- @ approx. ₦55,000/T for asphalt
- Capital Budget provision for FMW&H for 2020 - **₦ 256,734,983,667.00.**



The National Development Plan – Planning to fail?

Table 11-2: Objectives and targets of the Transportation Sector

Objectives	Key performance indicators	Baseline	Target
Expand aviation infrastructure	Aviation Contribution to GDP	0.10 percent	0.15 percent
	Total Aviation Passenger Traffic	17.5m (2019)	45 m
	Cargo Handling Capacity	208,424 tons	276,848 tons
Expand road infrastructure to enable safe transportation of people	Road Transport Contribution to GDP	1.56 percent	1.8 percent
	Length of Nigeria's paved road network	60,000 km	70,000 Km
	Percentage of Nigeria road network under scheduled maintenance and repair	45 percent	75 percent
	Un-tarred national road network	135,000 km	125,000 km
To make Nigeria the preferred maritime destination in West and Central Africa through deliberate collaborative strategies to grow throughput, improve safety and security, leverage on technology to improve efficiency and ease of doing business.	Water Transport Contribution to GDP	0.1percent	0.1percent
	Ranking of Nigerian Ports in the sub-region	5	1
	Grow Total Throughput, by 5 percent (excluding Crude Oil)	80.2million metric tons	100million Metric Tons
	Quality of Port Infrastructure remaining	≤3.0	6.0-7.0
	Reduction in Turn-Around-time of vessels	4.5 days	2 days
	percentage Increase containers moved by rail and barges	5 percent	50 percent
	Source: The Federal Ministry of Transportation and the National Bureau of Statistics (NBS) for baseline data; targets are projections.		

10,000km of paved roads in 5yrs = approx. 2,000km/yr

- @ approx. ₦65,000/km will require
- **₦4,550,000,000,000.00**
- 16,380,000 tonnes of Asphalt
- totalling **₦1,662,570,000,000.00**
- @ approx. ₦101,500/T
- **20nr 120T/H** asphalt plants working **10hrs/day** will require **658days** to meet the production.

The Perfect Plan – the 4Rs

Malaysia. In 2018, allocated more than RM650 million (US\$155 million) to build preschools, primary schools, matriculation centres and other educational facilities; and spent around RM1.4 billion (US\$334 million) on building hospitals and other healthcare centres..

“The right infrastructure in the right place, at the right time, for the right reasons, all at the right price”

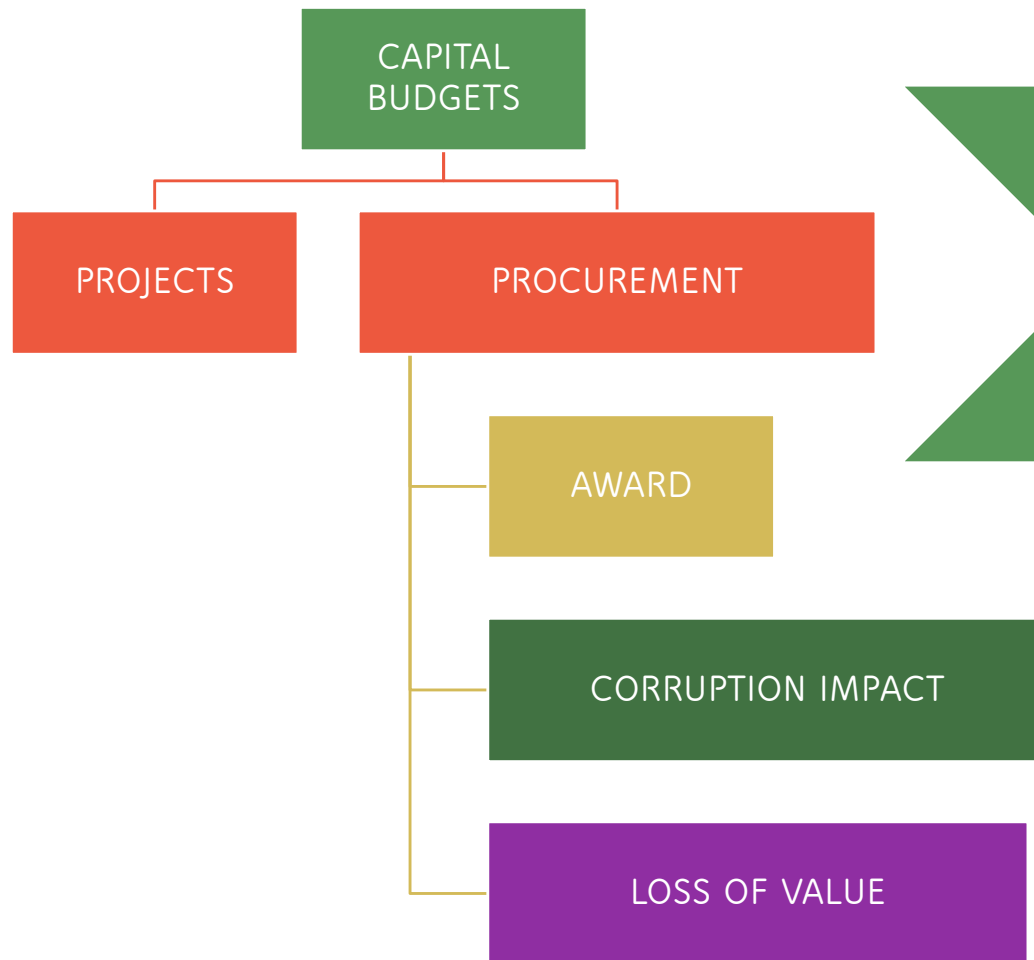




The Nexus



Thinking the Problem Through



There is a need to sync **contract level disclosures (using OCDS)** with **project-level disclosure (based on the CoST IDS)**, in order to support scalable disclosure and monitoring of infrastructure **project identification, preparation, implementation and delivery**



The scale of the problem

BUDGET



BudgIT uncovers N8.6 billion allocation to 19 non-executed projects in 2022 budget

BY **CYRUS ADEMOLA** | NOVEMBER 8, 2023 | 1

BudgIT has uncovered the sum of N8.6 billion payment for 19 projects left abandoned in nine different states across the...

[READ MORE](#)



Bureau of Public Procurement (BPP)
Competition|
Transparency|Efficiency

The funds were allocated to 26 contractors in the 2022 budget as part of capital expenditure

N O C O P O [Home](#) [Resources](#) [Download Json](#)

<h3>Citizens</h3> <p>Citizens can access public procurement information, track procurement process and give us feedback on planning, tender, award, contract and implementation stages.</p> <p>Proceed >></p>	<h3>CSOs</h3> <p>Civil Society Organisations (CSOs) can access relevant procurement information to monitor procurement processes and project execution.</p> <p>Proceed >></p>	<h3>Procuring Entities</h3> <p>All procuring entities are expected to upload their procurement information on this portal in line with the principle of Open Contracting. To prepare your PROCUREMENT PLANS & submit your PROCUREMENT RECORDS.</p> <p>Proceed >></p>
<h3>Suppliers, Contractors & Consultants</h3> <p>View Open tenders, adverts and on-going contracts.</p> <p>Proceed >></p>	<h3>The Private Sector</h3> <p>View Contractors, reliability index, impact factor and Ratings</p> <p>Proceed >></p>	<h3>Resources</h3> <p>Read the Open Contracting Disclosure Guideline. Browse for the list of additional information and links to other useful sites</p> <p>Proceed >></p>

Cost of Inefficiencies



NOCOPO capital Expenditure					
		Consultancy Services	Goods	Non-Consultancy Services	Works
No. of Projects	16,042	17.80%	0.90%	24.00%	57.30%
Value of awarded Projects	₦ 3,228,910,831,142.68	₦ 574,746,127,943.40	₦ 29,060,197,480.28	₦ 774,938,599,474.24	₦ 1,850,165,906,244.76
Corruption %					
20%	₦ 645,782,166,228.54	₦ 114,949,225,588.68	₦ 5,812,039,496.06	₦ 154,987,719,894.85	₦ 370,033,181,248.95
15%	₦ 484,336,624,671.40	₦ 86,211,919,191.51	₦ 4,359,029,622.04	₦ 116,240,789,921.14	₦ 277,524,885,936.71
10%	₦ 322,891,083,114.27	₦ 57,474,612,794.34	₦ 2,906,019,748.03	₦ 77,493,859,947.42	₦ 185,016,590,624.48
5%	₦ 161,445,541,557.13	₦ 28,737,306,397.17	₦ 1,453,009,874.01	₦ 38,746,929,973.71	₦ 92,508,295,312.24

<https://nocopo.bpp.gov.ng/accesced 22/11/23 0648hrs>

	HOMES	PRIMARY HEALTHCARE CENTERS- TYPE 1 - [Village]	PRIMARY HEALTHCARE CENTERS- TYPE 2 [Group of Villages]	PRIMARY HEALTHCARE CENTERS- TYPE 3 - [Ward]	PRIMARY HEALTHCARE CENTERS- TYPE 4 - [LGA]
	₦ 7,500,000.00	₦ 78,500,000.00	₦ 97,250,000.00	₦ 162,500,000.00	₦ 625,000,000.00
Corruption %					
20%	86104	8227	6640	3974	1033
15%	64578	6170	4980	2981	775
10%	43052	4113	3320	1987	517
5%	21526	2057	1660	994	258



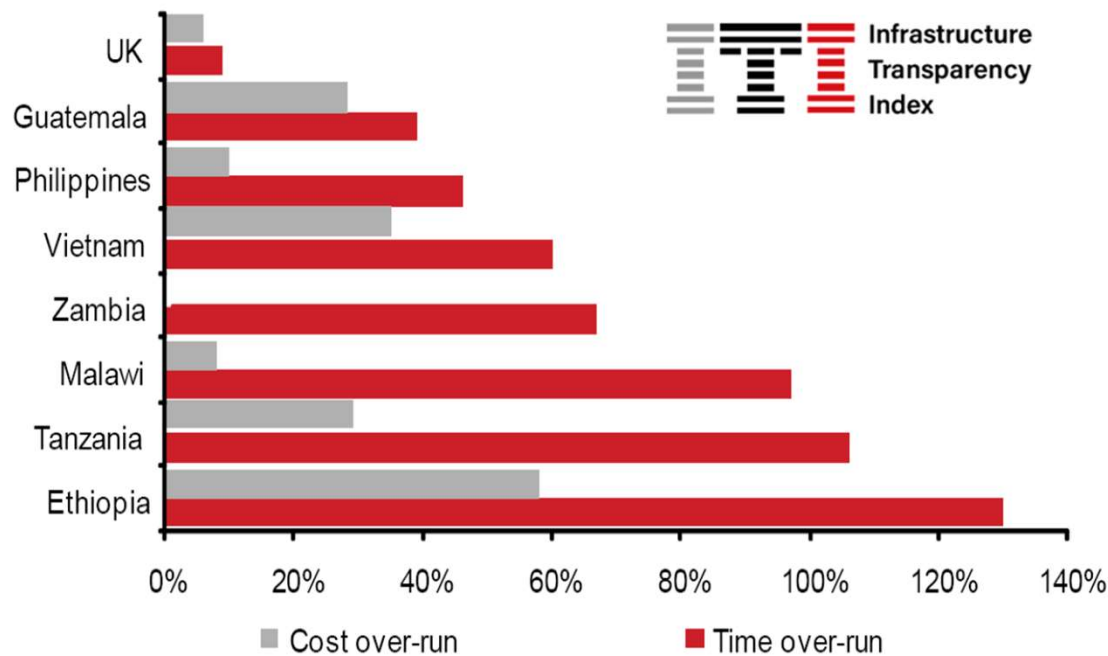
Taking a step forward



Construction Sector
Transparency (CoST)

Identified data points

67 key items of project and
contract data information



ITI draws on four building blocks known as dimensions, namely:

1. enabling environment;
2. capacities and processes;
3. citizen participation; and
4. information disclosure

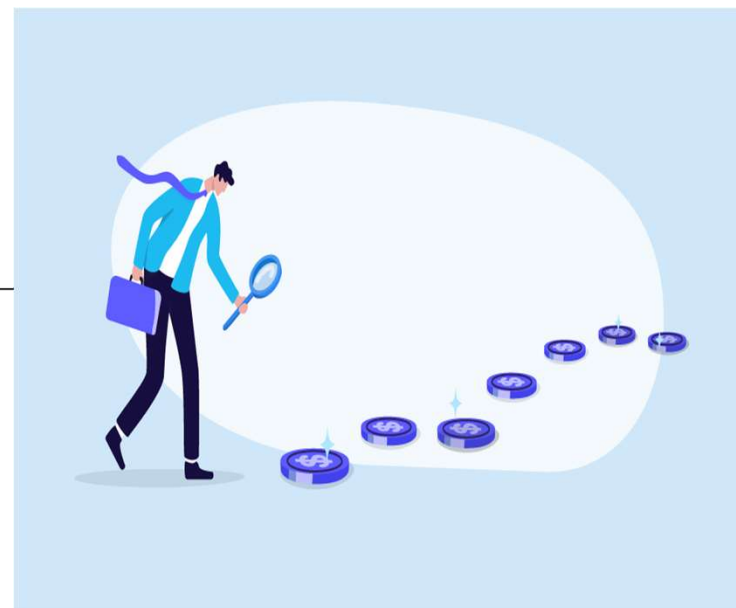
When time overrun is a corrupt practice



The Melting Pot

CoST Infrastructure Data Standard
(CoST IDS) and

the Open Contracting for Infrastructure Data Standard
(OC4IDS)



A case for the ICMS?

Frameworks and standards

There is an important distinction between the Infrastructure Data Standard (IDS) and the Open Contracting Data Standard (OCDS).

IDS provides a framework to identify *categories of information* that should be disclosed.

OCDS describes *specific fields* and how they should be structured as data.



Cost Management Framework



A NATURAL PROGRESSION

**“You cannot manage what
you cannot measure.”**

- Peter Drucker



CAPITAL
BUDGETS



PROCUREMENT
/CONTRACTS



DATA
STANDARDS



DATA
GENERATION



COST
MANAGEMENT

Expand the data sets = close the Gaps



OCDS to OC4IDS- Core Concepts



Disclosure

publishing and using open, accessible and timely information on public contracting to engage stakeholders

improving the efficiency, effectiveness and integrity of a public contracting system

Assurance

data that can be freely used, modified, and shared by anyone for any purpose

data to be accessible and machine-readable, and for permission to be granted for reuse

Multi-stakeholder working

each CoST national programme is managed by a stakeholder group

government, private sector and civil society

Social accountability

raising awareness of key issues arising from the assurance process

engaging civil society and media to hold decision makers to account



Sample OCDS to OC4IDS data mapping

CoST IDS element	Description	Mapping to OC4IDS
List of variations, changes, amendments	Details of changes to the duration, price, scope or other significant features of the contracting process	For each variation, change or amendment, publish an entry with a <code>.date</code> and <code>.description</code> in <code>.summary.modifications</code> . Set <code>.type</code> based on the type of change and provide the relevant before/after values in <code>.oldContractPeriod</code> , <code>.oldContractValue</code> , <code>.newContractPeriod</code> and <code>.newContractValue</code> .
List of escalation approvals	Documentation of one or more approved escalations of the contract price during the project life-cycle.	and set <code>.documentType</code> to 'escalationApprovals'.
Quality assurance reports	Documentation identifying deficiencies in designs, specifications, standards, methods, procedures and practices, and identifying best practices.	and set <code>.documentType</code> to 'qualityAssuranceReport'.
Disbursement records or payment certificates	A list of the spending transactions made against this contract and/or a document certifying that the work specified on a supplier's estimate or invoice is complete and that payment to the supplier is approved	Data: For each disbursement, add a <code>Transaction</code> to <code>.summary.transactions</code> and set its fields according to the schema definitions. Documents: and set <code>.documentType</code> to 'paymentCertificate'.
Contract amendments	A legal document that changes or adds to the terms of an existing contract.	and set <code>.documentType</code> to 'contractAmendment'.

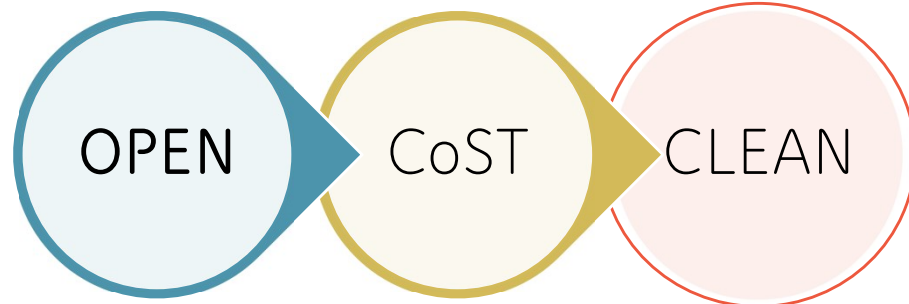


FROM OPEN TO CLEAN CONTRACTING



Collective
Agenda

end corruption in public
procurement and
infrastructure and support
sustainable development



THE PILLARS

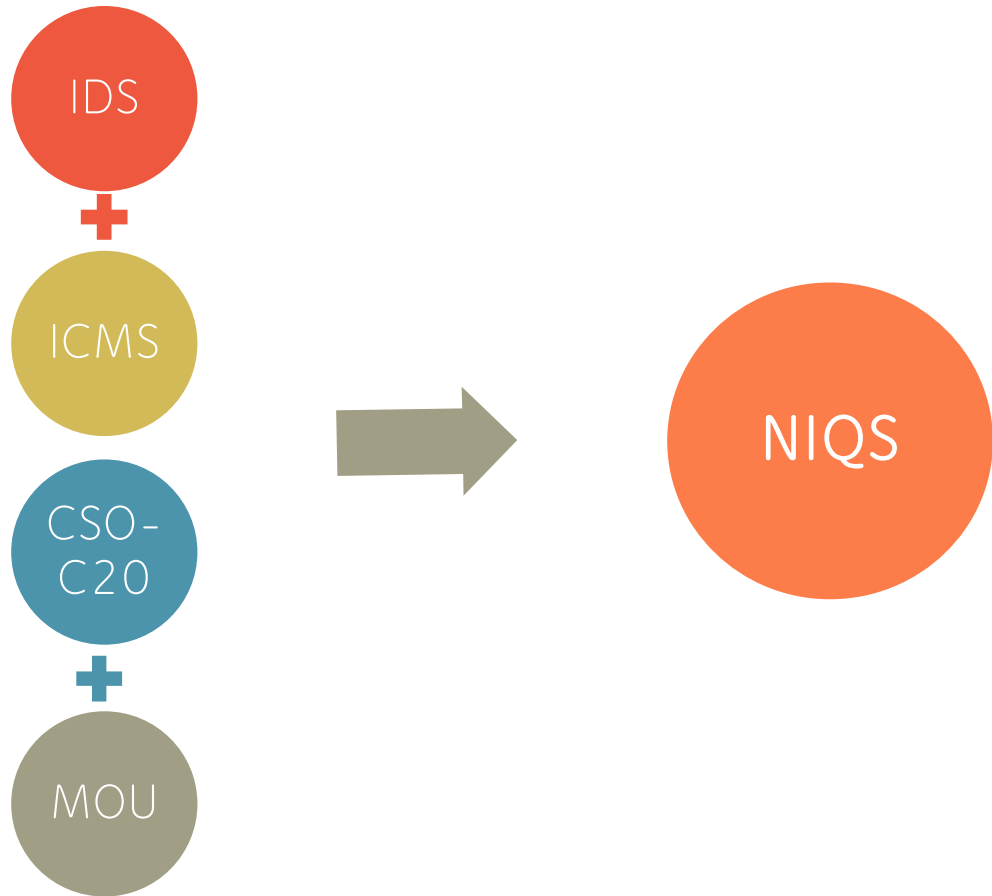
1. Open Contracting Data Standard (OCDS) and monitoring systems
2. **Independent civil society** monitoring of specific projects
3. Effective and meaningful participation by affected communities in all phases of the public procurement process, including the pre-tender phase
4. A strong, **professional and engaged civil society sector**
5. A strong and credible sanctions regime



CONCLUSION



What Next?



Transparency that helps insiders who have knowledge and resources to mobilize appears to be a lot more effective as an anticorruption tool than transparency intended to inform the wider public.



Conclusion

There are key points to note if the OCDS will indeed translate into value for money to the stakeholders;

The opportunities of corruption are inherent in capital projects, particularly, infrastructure projects.

Transparency helps to reduce the opportunities for corruption, it helps to create the perception of fairness and competition.

Making data open alone has not been able to resolve the challenges of the residual corruption risk.

It is imperative to transition from an open contracting model to a clean contracting model.

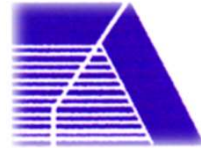
To achieve this, contract level disclosure should be scaled up to a project level disclosure.

The need for a Cost data standard is sine qua non to achieving this. [OCDS=CoST=ICMS=IDS]





FOR YOUR ATTENTION



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- 15) <https://africacheck.org/fact-checks/reports/could-nigeria-build-774-health-centres-seized-us92m-ministers-math>