

Closing the COVID Accountability Gap:

Ecuador's Open Procurement Platform

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In 2021, the International Budget Partnership published an assessment of 120 countries' management of COVID relief, which found that too many governments were using the excuse of urgency to avoid being as transparent, accountable or inclusive as they could be. These shortcuts and limitations, however, are neither necessary nor inevitable. IBP's report showcased notable instances in which governments acted swiftly to put in place adequate transparency around their policy responses, where accountability institutions — such as legislatures and supreme audit institutions (SAIs) — stepped up to provide effective oversight, and civil society organizations contributed information on the needs of the most vulnerable. In a series of briefs, we have taken a more in-depth look at these good practices — delving into government objectives in implementing the practices, the impacts achieved, and lessons that can be drawn from these practices for their replication in other countries. The main goal of these briefs is to provide governments with information on good practices in fiscal openness and accountability that they can incorporate into their own policies, to be implemented during periods of crisis and beyond.

Public contracting and procurement are key elements in the delivery of public services by governments to citizens. In Ecuador in 2020, public procurement was equal to 14.3% of the general state budget and 5.2% of GDP, reaching \$5.073 billion (Sercop, 2020). This brief focuses on the open public procurement data platform (Datos Abiertos) that was launched by the government of Ecuador in May 2020; it looks at how the COVID-19 pandemic forced the government to open public procurement data to citizens; the role open public procurement data platforms can play to ensure financial transparency in emergency situations; and the process, implementation, key aspects and lessons learned. This brief focuses on the open public procurement data platform (Datos Abiertos) that was launched by the government of Ecuador in May 2020. It looks at how the COVID-19 pandemic forced the government to open public procurement data to citizens; the role open public procurement data platforms can play to ensure financial transparency in emergency situations; and the process, implementation, key aspects and lessons learned from the practice of adding transparency to funds used in the health crisis.

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On March 16, 2020, following the national health emergency declaration due to COVID-19, the National Public Procurement Service (Sercop¹) initiated emergency procurement processes.² Under the emergency contracting system, the verification of domestic production or supply and import authorization by Sercop were not required. The contracting body may, on an exceptional and provisional basis, endorse (through administrative public notaries) the enabling documents and rules regulating the temporary collaboration between contracting bodies necessary to make corporate purchases. The emergency situation and the urgency of procuring public works, goods or services are considered in the contracting process (Sercop, 2020).

In Ecuador, procurement irregularities increased during the first months of the pandemic. Some of the best-known cases are those of the Ecuadorian Social Security Institute (IESS) General Hospital where N95 masks were slated to be purchased at \$12 a unit, when their market price was around \$3 to \$4 (Contraloría General del Estado, 2020). Another case unfolded at Los Ceibos IESS Hospital in which 4,000 body bags had been purchased at \$148.50 a unit, despite their being quoted on the market at \$12 (El Comercio, 2020). Similarly, the Guasmo Sur General Hospital purchased 300 body bags worth \$145.26 a unit (El Universo, 2020). By May 2021, the attorney general's office had more than 160 open investigations into this matter (GK, 2021).

In this context, in May 2020 the national government, through Sercop, launched the open public procurement data platform to provide citizens with access to real-time public procurement data during the health emergency.

¹Governing body of the National Public Procurement System. Its mission is to lead and regulate the transparent and effective management of the public procurement service nationwide. Sercop establishes a link between public contracting bodies and qualified bidders, with the aim of ensuring that procurement processes are objective and standardized.

²Other emergency contexts during which the emergency contracting system is activated include accidents, earthquakes, floods, droughts, severe internal commotion, natural disasters, imminent danger of external aggression, international war, or another force majeure.

The public procurement platform as a way to increase transparency

While the open public procurement data platform was developed and launched in the context of COVID-19, the commitment to an open procurement data portal has a longer history.

Before the COVID-19 health crisis began in 2020, the government, civil society and academia had started working on reforms to increase transparency in the public procurement system. In 2019, key governmental and nongovernmental actors with responsibility for strengthening inter-institutional work and citizen participation were identified, and the public procurement transparency needs of various sectors of society were determined. The main need identified was the lack of a public procurement platform that would allow civil society to better monitor and control public management by citizens. The need for better quality and accessibility of public procurement data was also highlighted.

This was a commitment undertaken by Ecuador on July 18, 2018, when it joined the Open Government Partnership (OGP) and was included in the country's first Open Government National Action Plan. The commitment was to create an easily accessible and understandable open public procurement data platform to promote access to information by the general public, with the expectation that the open data would encourage participation and external control of various public procurement procedures (Gobierno Abierto Ecuador, 2019). It also intended

to facilitate the collection of inputs by analysts, scholars, students, public officials, civil society and other interested actors to develop proposals for decision-making, guaranteeing the quality of public spending and the formulation of public policies (Sercop, 2020).

The main objectives of the government and civil society for the development of the open public procurement data platform were to facilitate decision-making and control by Ecuadorian society over the public procurement processes with the goal of reducing corruption and allowing social auditing; promote the creation of a public procurement observatory in accordance with current regulations; contribute to increasing public procurement inclusion levels; and reduce discretionary actions in public procurement.

In an interview with the Open Contracting Partnership (OCP), Silvana Vallejo, then Sercop's director, stated that the agency felt it was losing control during the emergency as government agencies began to enter contracts directly without the usual checks. As a result, Sercop decided that its best option was to generate immediate citizen oversight of procurement transactions. Faced with this scenario and the multiple corruption cases that became public, Sercop decided to open the contracting processes data to the public during the health emergency.³

³Sercop also focused on training officials in emergency procurement, generating online courses on how to conduct emergency procurement processes, in which 24,000 officials participated (Open Contracting Partnership, 2020).

On March 19, 2020, the government issued resolution 104, which required contracting bodies to prepare and publish partial execution reports every 10 days. These reports detailed the number of purchases made, contractors' information, contract amounts and the reasons for this type of procurement. However, despite resolution 104, Sercop acknowledged that by the end of May 2020 when the platform was launched, 48.7% of state bodies had not disclosed their emergency contracts. It was not until July 2021 that the percentage of institutions adding transparency to their purchases increased significantly (to 78%) (Primicias, 2020).

According to a Sercop official, there were two possible reasons for this: the entities declared themselves in emergency but did not procure any goods or services or the entities (that did procure goods or services) did not publish the details of the contracts. The Sercop official mentioned that not all institutions upload the documentation on time, which could partly be due to the high turnover of personnel in the public sector. "When a new person arrives, they do not know all the emergency public procurement processes," noted the Sercop official.⁴

The political will expressed in resolution 104, the collective effort made by Sercop, civil society organizations and academia under the OGP National Action Plan, and the technical support provided by OCP helped Ecuador launch its open public procurement data platform. Andrés Altamirano, coordinator of Fundación Ciudadanía y Desarrollo (Citizenship and Development Foundation) Public Procurement Observatory,⁵ agreed with these points and added that other key factors helped keep direct and fluent communication among Sercop, international agencies, CSOs and academia. These included developing the Open Government National Action Plan, a joint effort by the government, civil society and academia, which resulted in a sense of belonging and ownership. The plan was designed so that no single actor could make decisions unilaterally; all decisions had to be made together and the agreements had to be constantly monitored.

⁴Interview with Sercop official conducted by Grupo FARO on October 13, 2021.

⁵Fundación Ciudadanía y Desarrollo (Citizenship and Development Foundation) was part of the public procurement platform implementation. Interview conducted by Grupo FARO on September 29, 2021.

The open public procurement data platform

The open public procurement data platform provides citizens with detailed quantitative and qualitative information on goods and services acquired by the contracting bodies. In addition, citizens can find the amounts allocated to each purchase, purchasing dates, amounts broken down by province and the overall evolution of the purchases made. The platform contains data from March 2020 on and is constantly updated. Published resolutions and reports can be found in it. As of October 6, 2021, 8,849 contracts with a contracting amount of \$567 million had been recorded. These procurement processes were carried out by 1,025 bodies, and 1,883 resolutions and 7,743 procurement reports were published.

The platform allows users to permanently verify real-time data that contracting authorities publish in the Public Procurement Official System of Ecuador (SOCE) by using three information tabs:

1. Nationwide Emergency, where the number of contracting bodies that have adhered to the declaration of emergency, contracting amounts, number of purchases, number of resolutions and country-level reports can be found.
2. Emergency by Contracting Body, which allows users to manage information through search filters, using publication date ranges and contracting-body criteria. Moreover, it allows users to obtain contracting reports per contracting-body emergency.
3. Emergency by Provider, which shows users information related to state providers nationwide, contracts by vendor with their contracting bodies, interactive statistical charts based on search criteria and vendor reports.

An innovative feature of the open data platform is that it provides users with an Excel database with information on the name of the supplier, contracting entity, resolution and contracting code (these codes allow the contract documentation to be viewed in detail on the Sercop general platform), description of the purchase, quantity, and unit and total price. The journalists Alejandro Pérez, Susana Morán and Arturo Torres⁶ pointed out that the database allows the information on emergency contracts to be viewed in a single Excel sheet, which is useful because it permits the easy identification of the largest state providers during the emergency, the institutions that hired the most, which items were purchased, and the most expensive contracts. However, the journalists say the database has some limitations since it does not allow comparisons — for example, it is not easy to determine at what price KN95 masks are bought by different institutions since there is no standard article description.⁷ Sercop is scheduled to launch a new version of the open data platform later this year, which will remedy these deficiencies.

⁶Alejandro Pérez works at Vistazo, Susana Morán is a journalist for Plan V and Arturo Torres is from Código Vidrio. Interviews conducted by Grupo FARO on October 25, 27 and 29, 2021.
⁷Susana Morán from Plan V. Interview conducted by Grupo FARO on October 25, 2021.

The public procurement platform's impact

The case for open contracting is clear: making structured public contracting and procurement system data available to the public enables the promotion of competition in the purchasing and contracting processes and ensures accountability. Open procurement data enables the users of this data to find out about the spending behavior of public authorities, assess the public contracting and procurement system, and design interventions for its improvement. Moreover, it enables audit authorities to screen and carry out investigations without requiring that information be provided by purchasing or contracting bodies (Zuleta & Caro, 2021).

The open public procurement data platform in Ecuador has been acknowledged by multilateral agencies such as the International Monetary Fund as having added transparency to procurement processes and allowed citizens to monitor emergency expenditures amidst the health crisis (FMI, 2021). More specifically, the evidence from Ecuador shows how opening up data on public procurement allows citizens and civil society, including the media, to find and highlight red flags and thus to help correct irregularities.

Greater transparency and citizen oversight

The open procurement data platform has allowed civil society, academia, journalists and activists in Ecuador to analyze and carry out informed social oversight of government spending on public contracting and procurement during the pandemic.

Alejandro Pérez,⁸ a journalist from Vistazo, pointed out that, while journalistic investigations had revealed cases of corruption (such as the overpriced purchase of body bags and masks) before the launch of the open data platform, the data from the platform enabled these investigations to specify how many institutions. This, in turn, helped open new investigations. In addition, the analysis based on the open procurement data revealed that two suppliers linked to corruption cases had contracts with the state worth a total of \$15.3 million.

In a similar vein, Arturo Torres,⁹ cofounder of the Código Vidrio website, argued that, although journalistic investigations had revealed cases of corruption that led to complaints before the open data platform, these had been isolated cases. In this sense, the open data platform allowed a more global and general view of the contracts, which in turn helped to clearly determine the failures and irregularities of public purchases in the health system. Torres observed that “beyond denouncing a case of corruption such as that of body bags, the platform allowed us to show that the health system had problems with public purchases, which led to measures being taken to correct it.”

Lastly, opening up procurement data to the public has encouraged citizen oversight, which according to Silvana Vallejo, has resulted in an efficiency improvement among procurement officials, who have been able to avoid making mistakes in purchasing processes during the pandemic.

⁸Alejandro Pérez from Vistazo. Interview conducted by Grupo FARO on October 27, 2021.

⁹Arturo Torres from Código Vidrio. Interview conducted by Grupo FARO on October 29, 2021.

Identifying price differentials

Based on the analysis of data made available through the open data platform, public institutions have been able to analyze the supply conditions and improve their negotiating capacity and efficiency in contracting and purchasing goods and services during the health crisis (Open Contracting Partnership, 2020). According to a Sercop official, this translated into a reduction in the prices of

goods or services and improved the terms under which public institutions acquired them. In addition, all suppliers could see the prices of other suppliers, which allowed them to manage competitive prices. According to Andres Altamirano,¹⁰ coordinator of the Public Procurement Observatory, this could result in leveling the playing field across large and small suppliers.

The creation of a Public Procurement Observatory

The open data platform has led to the creation of a Public Procurement Observatory, run by civil society, that focuses on the continuous monitoring of public procurement and contracting. The observatory has issued reports analyzing the contracts signed during the COVID-19 health emergency. Among other things, these reports have examined the contracts entered into by municipal governments, which have resulted in findings about delays at the municipal governance level and have generated recommendations for making contracting and procurement processes more efficient.

¹⁰Fundación Ciudadanía y Desarrollo (Citizenship and Development Foundation) was part of the public procurement platform implementation. Interview conducted by Grupo FARO on September 29, 2021.

Lessons learned from Ecuador

Several lessons can be learned from opening data on public contracting. These lessons can help other countries that are looking to develop their own open public procurement data platform.

To start, the political will manifested through resolution 104; the collective effort made by Sercop, civil society organizations and academia under the OGP National Action Plan; and the technical support provided by OCP all helped transform risks into opportunities to accelerate and promote greater transparency on public procurement. Moreover, these actors, by developing the public procurement platform, provided access to the data to citizens and enabled them to participate in monitoring the information.

Second, the open data platform was launched together with a careful communication and training strategy. According to Silvana Vallejo, this was key in civil society members' understanding of what data was available and how it could be used in their analyses. Sercop wanted citizens to be the first users, but at the same time sought to avoid "misinterpretations."

Third, the way the commitment to the open procurement data platform was developed through the OGP National Action Plan in a joint effort by the government, civil society and academia resulted in a sense of belonging and ownership. The participatory approach, which involved all actors in decision-making, ensured that the parties entered into agreements together. In addition, technical backups were established at each stage.

Finally, technical training for Sercop officials was an important part of the open procurement data project. Between March and June 2020, a series of six specialized workshops for Sercop officials was held with the support of Fundación Ciudadanía y Desarrollo (Citizenship and Development Foundation) to improve knowledge in key areas concerning open contracting, including open government principles and the Open Contracting Data Standard (OCDS).



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