

Open Contracting in INDONESIA

At a glance



Open contracting can transform public procurement through better data, analysis and engagement with businesses and civil society. It involves (1) disclosure of open data and documents about the planning, procurement, and management of public contracts; and (2) engagement with civic and business users of information, leading to improved accountability and redress by government agencies or contractors through acting on the feedback received.



COUNTRY FACTS

Uses e-procurement system	YES
Implements Open Contracting Data Standard	NO
Active open contracting infomediaries	YES



COUNTRY HIGHLIGHTS

Indonesia introduced its e-procurement system in 2012

The CSO-developed website opentender.net oversees e-procurement

Political support for transparency in public spending is strong



OPEN CONTRACTING OPPORTUNITIES IN INDONESIA

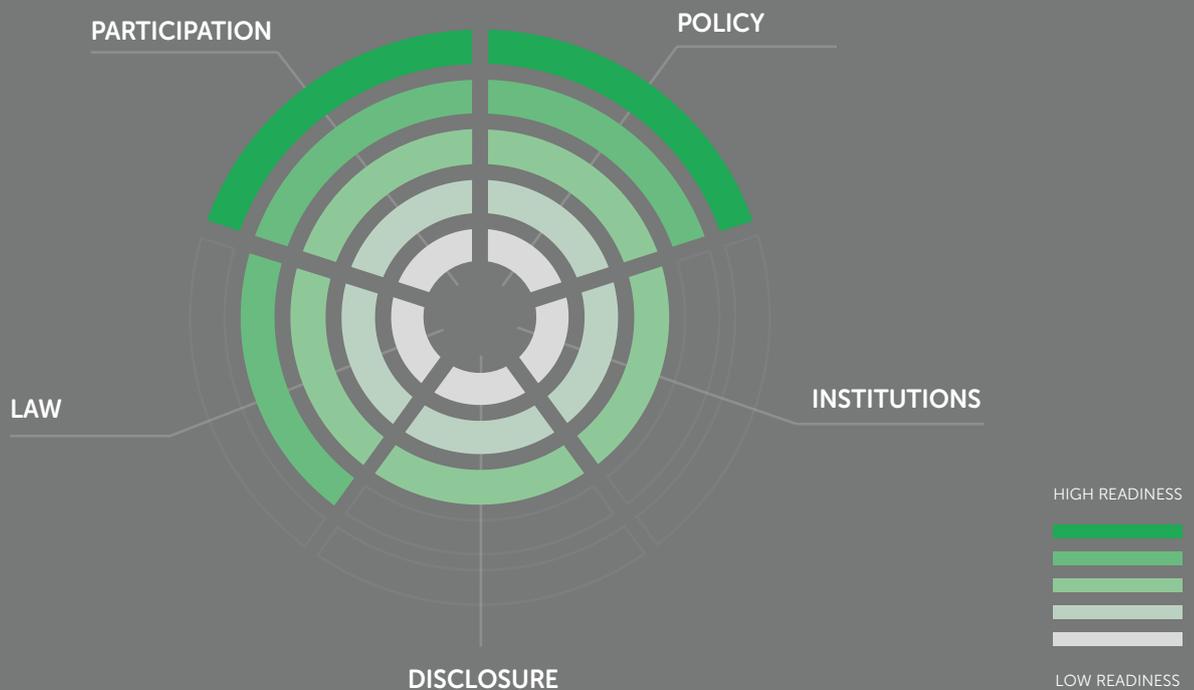
The Indonesian government can strengthen the implementation of e-procurement systems and gradually transition to a data disclosure mechanism consistent with the Open Contracting Data Standard. This would enable consistent quality assurance, provide access to reusable tools, and make data comparison easier. It should be done in collaboration with key public procurement stakeholders, including civil society organizations and the private sector.

A good place for the government to start to improve disclosure practices would be to make it mandatory to publish post-award procurement information, and require all public procurement information to be published in open formats. This may help to make contract implementation more efficient.

The national procurement agency LKPP is well-positioned to lead the development of a detailed open contracting implementation concept, that includes building tools, developing an overall framework and setting a clear roadmap for all stakeholders.

Government and international donors can help to develop the capacity of civil society organizations, media, researchers and other relevant stakeholders to access, understand, analyze and use contracting data.

It is important to foster strong collaboration among open data infomediaries, as well as other contracting stakeholders and transparency advocates.



EVALUATION OF OPEN CONTRACTING READINESS IN INDONESIA

LAW:

Indonesia regularly reviews its public procurement legislation. Most recently, mandatory use of e-procurement for competitive procurement was introduced in 2012. However, public procurement regulation remains fragmented, and the lack of a unified public procurement law makes enforcing legislation difficult in practice. Freedom of information processes are regulated under the FOI law (14/2008).

POLICY:

Indonesia's political leaders have shown much interest in making procurement processes more efficient to stimulate economic growth. The country's public procurement has undergone comprehensive reforms following the adoption of the Presidential Decree (Keppres) No. 80/2003 and other legislation. With a goal to speed up procurement processes and improve accountability, President Joko Widodo has made it mandatory to conduct all procurement through an e-procurement system ([Presidential Instruction No. 1/2015](#) on the Expedition of Government Procurement of Goods/Services).

INSTITUTIONS:

Following reports of low government spending in the first quarter of 2015, the national public procurement agency LKPP (*Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah*) devised a public procurement reform, designed to ensure the proper functioning of the country's procurement structures. Established in 2007, the LKPP is responsible for developing Indonesia's public procurement policies and overseeing their implementation. However, the agency does not undertake actual procurement processes. This is done by the procurement service units, the ULPs (*Unit Layanan Pengadaan*). The ULPs are mandated at all levels of government to create procurement plans, schedule and run tender competitions, prepare cost estimates, prepare contracts, and receive and respond to complaints and bidder appeals.

DISCLOSURE:

Information and documents on all phases of procurement are not all published online, much less accessible as open data. Information is generally available up to the selection stage, while information about awards, performance and termination stages are unavailable.

PARTICIPATION:

A few organizations work directly with procurement data, particularly watchdogs like Indonesian Procurement Watch (IPW) and Indonesian Corruption Watch (ICW). There are also several networks of CSOs that advocate for budget transparency and open government, for example, Pattiro and Publish What You Pay Indonesia.