

Priceless?

A new framework for estimating the cost of open government reforms

“Open government” is a multifaceted concept comprising three core beliefs: that citizens have the right to access government information, to actively participate in government decisions that affect their lives, and to hold government officials and service providers to account when they fail to govern properly (Heller, 2012; McGee and Edwards, 2016). Given the reality of increasingly limited development resources from external funders, being able to weigh the full costs of open government initiatives is critical to ensuring that governments are allocating and using resources in the most efficient and effective manner possible, especially in low- and middle-income contexts. A new initiative, led by Results for Development, has contributed important new evidence to this field by designing and testing a framework and methods that can be adapted and used to estimate the costs of a variety of open government programs in disparate countries. When coupled with assessments of the downstream impact of these same open government programs, practitioners, scholars, and policymakers can begin to triangulate the return on investment from opening up government.

The Open Government Costing Initiative, in partnership with the World Bank, was undertaken to develop a practical and actionable approach to pinpointing the full economic costs of various open government programs. The methodology developed through this initiative represents an important step toward conducting more sophisticated cost-benefit analyses – and ultimately understanding the true value – of open government reforms, insights that have been sorely lacking in the open government community to date.

The result of this initiative is a comprehensive report and set of analytical products that include:

- A detailed and comprehensive [Open Government Framework and Methods](#) for costing various types of open government reforms;
- [Case Studies](#) applying that Framework and Methods to two real-life open government programs, the ProZorro e-procurement platform (Ukraine) and a national government Open Data Program (Sierra Leone); and,
- An [Open Government Costing Tool and Manual](#) (in the form of a series of interlinked spreadsheets) that can be directly utilized by those interested in conducting costing analyses of additional open government programs on their own.

The [Open Government Costing Framework and Methods](#) outlines the critical components needed to conduct a cost analysis of open government programs, with the ultimate objective of putting a price tag on a particular key open government reform program in a location (often a country) at a particular time.

This framework introduces a costing process that employs six essential steps for conducting a cost study, including (1) defining the scope of the program, (2) identifying types of costs to assess, (3) developing a framework for costing, (4) identifying key components, (5) conducting data collection and (6) conducting data analysis. Built on costing approaches developed for other types of programs in sectors such as health and nutrition, this framework has been specifically adapted for open government programs. The framework and methodology were subsequently tested by costing two open government programs to both provide validation of the Open Government Costing Framework and Methods, and to develop an estimate of costs for those two open government programs.

The comprehensive report includes the detailed [Case Studies of ProZorro, an e-procurement platform in the Ukraine, and the Sierra Leone Open Data Program](#). The costing analysis for each of these programs began with the collection of raw cost data compiled through interviews with key stakeholders involved in these reform efforts as well as a detailed review of program documents. The final economic cost estimate for ProZorro was identified to be approximately 4.69 million Euros, which included costs from the inception of the program in 2014 through its implementation in 2017. Meanwhile, the total cost for two phases of the Sierra Leone Open Data Program is estimated at US\$558,688. The case studies provide detailed breakdowns of cost by phase, activity, and cost type. Together these cases reveal important trends regarding the costs of open government programs that can help inform future initiatives in other countries, as well as critical information regarding how best to undertake this type of costing analysis for additional programs.

For both these case studies, costing analysis was conducted using the [Open Government Costing Tool](#), which has been adapted and made available for the use of other analysts interested in conducting costing analyses of open government reforms. This tool is a Microsoft Excel-based file designed to support the collection and calculation of the cost of open government programs. The costing tool outlines the key cost elements included in an open government program, presents the results in a variety of ways (including highly detailed micro-level information and very summarized macro-level information), and benefits from an easy-to-use interface that allows the user to input key program elements and to easily adapt the tool for other purposes. In conjunction with the costing tool, Results for Development created an [Open Government Costing Tool Manual](#) to serve as a guide to using the Open Government Costing Tool.

With this package of materials, stakeholders including government, donors and the broader open government community will have new and practical tools with which to continue identifying the full costs associated with undertaking open government reforms. Identifying these costs is essential to better understanding the types and amount of resources needed to successfully implement open government reforms around the world, especially in contexts where financial resources are scarce. When used as a resource for planning, budgeting and advocating for open government, this work has the potential to vastly improve the design and implementation of open governance programs as well as the sequencing and rationalization of reform efforts. Further, when paired with information on the downstream impact of open government programs, costing analyses of this type can provide invaluable information regarding the return on investment from such programs.