



Policy Note



March 2013

Increasing Transparency and Accountability in Municipal Public Procurement through Citizen Engagement

1. Background

Public procurement (PP) is an important area of public sector activity in all countries of the world developed and developing alike. It is described as "a critical economic activity of government" by the Organisation for Economic Co-operation and Development (OECD).¹ According to Transparency International (TI) (2010), "(p)ublic procurement affects all aspects of people's lives and assumes a large share of government budgets."² OECD (2002) estimated that the value of government procurement market globally is worth over USD 2 trillion.³ Drawing on existing statistics, OECD (2008) observed that on average PP accounts 15 percent of GDP worldwide.⁴

With such large chunk of public money involved, PP is highly vulnerable to various forms of corruption. Daniel Kaufmann based on the Executive Opinion Survey 2005 of the World Economic Forum (WEF) showed that procurement in general and public procurement in particular is an area where payment of bribe is highest. The study concluded that the total amount of bribe paid for public procurement worldwide is US \$ 200 billion per year.⁵

In Bangladesh, PP is said to account about 30 percent of the country's total GDP.⁶ It constitutes about one third of total budget expenditure and nearly 80 percent of development expenditure.⁷ PP has gained increasing attention since last few years as a priority area of public sector reform. Good governance in PP is considered as key to ensuring overall sectoral governance.⁸ This is also an area identified as prone to corruption by a study of TI Bangladesh (TIB).⁹

The OECD Global Forum on Governance 2004 focused on Fighting Corruption and Promoting Integrity in Procurement. It reached a general consensus that the lack of transparency and accountability is a major stumbling block to fairness, equal treatment and integrity in public procurement. The forum produced a framework for promoting integrity in public procurement that laid out a two-pronged approach: (i) considering public procurement from a good governance perspective with explicit emphasis on integrity, transparency and accountability, and, (ii) identifying country good practices that have been successful in promoting them.¹⁰

¹ OECD. 2006. Mapping Out Good Practices for Integrity in Public Procurement: Draft Report, pp. 4

² TI. 2010. Corruption and Public Procurement. Working Paper No. 05/2010

³ OECD. 2002. The size of Government Procurement Markets. Available at <http://www.oecd.org/dataoecd/34/14/1845927.pdf>

⁴ OECD. 2008. Enhancing Integrity in Public Procurement: A Checklist. Available at <http://www.oecd.org/governance/fightingcorruptioninthepublicsector/41071845.pdf>

⁵ Auriol, E. 2004. The Cost of Corruption in Procurement and Public Purchase. *Mimeo*.

⁶ Working Paper for the First Public-Private Stakeholders Committee (PPSC) Meeting, pp. 8

⁷ Alam, S. 2011. *Sarkari Croi O Samajik Daibadhyata* (Public Procurement and Social Accountability), Public Procurement Watch, Vol. 1, Issue 4, pp. 03

⁸ <http://www.cptu.gov.bd/PPRP.aspx>

⁹ TI Bangladesh. 2009. Governance, Structural Adjustment and the State of Corruption in Bangladesh. Available at

<http://www.ti-bangladesh.org/docs/muzaffer/muzaffer.htm>

¹⁰ Report on the "Global Forum on Governance - fighting corruption and promoting integrity in public procurement", 29-30 November, 2004.

Simply understood, governance is the process of decision-making and the process by which decisions are implemented or not implemented. The decision-making process can be both formal and informal that involves actors inside and outside government. The idea of good governance has eight characteristics: participation, consensus, transparency, accountability, responsiveness, efficiency, equity and rule of law.¹¹ To ensure good governance especially transparency and accountability in public procurement, laws and policies are needed to be reformed in the first place.

Under good governance approach, government is not the only governance actor. Participation of different actors outside government is stipulated so that decision making and implementation are broad based, and hence have better chance to be effective. In more and more countries, actors other than procurement entities (PEs) and suppliers are increasingly engaged in PP process as an oversight mechanism. These may include local residents, community leaders, teachers, journalists, associations, CSOs, NGOs, end users of project, so on and so forth. Some cases of such citizen engagement (CE) in PP are also regarded as best practices.

Bangladesh did not have any specific law, rules and uniform regulations on public procurement till 2003. In this context, the Government of Bangladesh (GOB) in collaboration with the World Bank (WB) had undertaken Country Procurement Assessment (CPA) in May 1998. This culminated into Public Procurement Act (PPA) 2006 and Public Procurement Rules (PPR) 2008 both of which came into effect in January 2008.

PPA and PPR provide necessary legal framework for transparent and accountable PP process. Now their proper implementation has to be accelerated. Our national record of implementing laws and rules is not so bright although we introduce them with much eagerness. This is also happening with PPA and PPR. Despite their existence for quite some time now, there is not much improvement with transparency and accountability situations in PP.

In this context, many stakeholders of PP in the country have started thinking; why not introduce CE as an approach to increase transparency and accountability in public procurement process. This policy note is a humble attempt to explore the possibilities of citizen engagement in public procurement with focus on municipal public procurement as a case.

2. Urbanization and Municipal Public Procurement

Public procurement is defined as "procurement using public funds" where procurement means "the purchasing or hiring of Goods, or acquisition of Goods through purchasing and hiring, and the execution of Works and performance of Services by any contractual means. **Public funds** is defined as "any funds allocated to a Procuring Entity under Government budget, or loan, grants and credits placed at the disposal of a Procuring Entity through the Government by the development partners or foreign states or organisations."¹² Municipal public procurement (MPP) can therefore be understood primarily as *procurement by using public funds by municipalities or urban local governments as Procuring Entities*.

Bangladesh is fast urbanising. Its urban population was 6.3 million or 8.8 percent of total population in 1971. The urban population almost quadrupled to 22.5 million or 20.2 percent in 1990. In 2011, the urban population stood 33.7 million or 23.3 percent. Between 1971 and 1991, the number of cities and towns has increased about five times from 108 to 522.¹³ Despite the increases, urban population's less than a quarter share of total population is still not high in a world where majority people are now urban dwellers. However, the 2.4 percent growth rate of urban population is much higher than the overall population growth rate of 1.4 percent.¹⁴ Moreover, the urban areas are at the centre of the country's economy with their disproportionately higher share in GDP. The manufacturing sector's share in GDP has more than doubled from nearly 10 percent in FY 1985-86 to over 18 percent in FY 2010-11. This growth is mainly accounted for the two metropolitan centres of greater Dhaka and greater Chittagong.¹⁵

The greater intensity of economic activities in urban areas induces greater demand for public procurement compared to rural and peri-urban areas. Private investment in factories and services calls for public works like roads, bridges, sewage networks, parks, schools, hospitals, industrial areas, housing estates, so on and so forth. Most of these public works, whether financed out of national revenue or foreign development assistance, are undertaken by government that requires massive public procurement. While data about rural-urban distribution of the country's PP budget is not publicly available, the sectoral distribution of Annual Development Plan (ADP) during last two decades may give some indication.

¹¹ <http://www.unescap.org/pdd/prs/ProjectsActivities/Ongoing/gg/governance.asp>

¹² The Procurement Rules, 2008, 2.43 and 2.42, pp. 12, GOB.

¹³ Islam, M. S. and Khan, M. N. 2012. "Urban Spatial Dynamics" in H. Z. Rahman ed. *Bangladesh: Urban Dynamics*, PPRC, Dhaka.

¹⁴ UN-HABITAT. 2009. *State of the World's Cities 2008-2009: Harmonious Cities*, Earthscan, London.

¹⁵ Rahman, H. Z. 2012. "Bangladesh Urban Dynamics: Exploring a Holistic Perspective" in H. Z. Rahman ed. *Bangladesh: Urban Dynamics*, PPRC, Dhaka.

Since FY 1990-91, one fifth or more ADP allocation was for the physical infrastructure that constitutes many of the urban public works mentioned above. Another important sector of ADP allocation is industry and energy that tends to garner between 15-20 percent of total allocation often concentrates in urban areas.¹⁶ This encourages us to think that a large portion of the country's public procurement is for urban areas or ultimately benefits them.

3. Citizen Engagement in Municipal Public Procurement

For CE to enhance transparency and accountability in PP, a number of things have to be taken into account. These are: stakeholders of PP in general and MPP in particular, types of citizens who can or should be engaged, entry points in procurement cycle, legal/policy framework, institutional arrangement(s), opportunities and threats, outputs and outcomes. The following discussion will address these issues one by one.

3.1 Stakeholders

Stakeholders of PP can be broadly classified as three: procuring entities (PEs), bidders and beneficiaries/end-users of the project(s) concerned. This is by and large also true for MPP. However, more detailed identification of stakeholders is necessary especially when there can be variations within each type.

Since this paper defines MPP as PP by municipalities, they are the only PE it is currently concerned about. One way of classifying the bidders is according to nature of supplies they are bidding to provide: goods, intellectual and professional services, and works.¹⁷ The practice of PP overall in Bangladesh including MPP shows works to be the mainstay with goods as a distant second. So, the 'works' bidders are bigger in numbers, more endowed in terms of resources and can exert more influence. Moreover, the governance concerns regarding PP in the country are more prominent in case of works with their greater visibility, intrusiveness in day to day lives of peoples and very large numbers of beneficiaries/end-users. The latter group may constitute cross-section of citizens that may vary with sectoral diversity of projects.

3.2 Citizens to be Engaged: Who and Why

Citizens who can or should be engaged for improving governance quality in PP process can be a tall order.

For example, participants of a workshop in Patuakhali identified sixteen kinds of citizens who can be engaged in PP. These are: local elected representatives, concerned citizens/civil society, beneficiaries, business people/business association, other professional groups, teachers, local honest/patriot people, journalists, lawyers, expert citizens with technical knowledge, editors of local news media, experienced officers of various government offices, representative of the bidders, contractors, local dignitaries and local people. However, there were more suggestions for local elected representatives, concerned citizens/civil society and beneficiaries. In fact, these three categories are quite inclusive since many of the other categories mentioned above can be placed under them.

Participants of the Patuakhali workshop were a mixed group that consisted of procurement officials, journalists, local elected representatives, political leaders, lawyers and public officials. We see that big number of them suggested local elected representatives as citizen representatives to be engaged in PP. On the contrary, in separate interviews, some other procurement officials, public officials and civil society representatives were not supportive of engaging local elected representatives in PP. They alleged that many of the local elected representatives or their confidantes are themselves suppliers, either directly or indirectly. Being part of bidding community, they cease to be a third party in PP and hence cannot objectively oversee the procurement process. Again, especially in case of MPP, local elected representatives are also by default representing the PE. Both the above cases, therefore, are classic 'conflict of interest' issues.

The very justification of CE in PP is to involve a third party outside bidder community and PE by way of channeling voice of project beneficiaries, in other words, common citizens in procurement process. Therefore, any individual or group who are part of or linked to bidders and PE should not be engaged in PP as third party representative. So, the first condition of the citizen actor (CA) to be engaged in PP is that s/he will be a common citizen who is neither part of nor linked to bidder community and PE.

Secondly, the CA has to have a stake in the concerned PP as a direct beneficiary. For example, if the concerned procurement is for road repairing of Narayanganj city, the CA should be from among the city dwellers not from some other place. Moreover, s/he has to be someone who

¹⁶ Inter-temporal Movement of Sectoral Priority of Annual Development Programme (ADP) Expenditure (FY 1990-91 to FY 2007-08), Finance Division, Ministry of Finance, GOB.

¹⁷ The Procurement Rules, 2008, 2.27 and 2.29, pp. 11, GOB.

regularly lives in the city, not someone who is from the city but regularly lives elsewhere. Thus, in case of MPP, one criterion for CA can be regular residence in the city or town for minimum 5 years.

Thirdly, the CA has to be someone who is educated, informed and aware. PP involves complex multi-staged processes with numerous documents. Without certain levels of education, awareness and integrity, a CA will not be able to make useful contribution in monitoring transparency and accountability in PP process. Like in case of any other social accountability action, this is not essential that the CA will have specialized knowledge. But s/he requires some minimum qualifications as indicated above:

- The minimum educational qualification may be Secondary School Certificate (SSC) while preference will be given to the ones with further qualifications. Regarding MPP especially if it is a big city as Narayanganj, suitable people with further educational qualification i.e. graduation or bachelor's, are likely to be available in large numbers. This is less likely for most municipalities that are peri-urban. Besides, there should be scope to incorporate direct beneficiaries as citizen actors. That is why the minimum educational qualification may not be higher than SSC.
- CAs have to be aware and committed to causes of good governance in PP especially transparency and accountability in procurement process. They have to be driven by conviction that PP is financed by public money that is actually their own money given to government exchequer as tax. Moreover, CAs will need to collect and process procurement related information. They will have to understand what information to look at, where to collect information from and how to utilize that information. So, the CAs needs to be not only educated but also with exposure to public affairs, project management and development activities. People in public service, development management and journalism tend to have such exposures. However, such persons may not be found in sufficient numbers among beneficiaries of all concerned PP. One way of dealing with this unavailability is to include one or two persons with such exposure as CAs who may guide the rest without such exposure. Another alternative is to include persons

who used to be part of either PEs or bidding community but are now retired.

- CAs have to be people of integrity themselves. Otherwise, they will lack legitimacy to secure transparency and accountability in PP. Then the scope of corruptions in PP may further widen. As of consequence, the governance situation of PP will further decline instead of improving. The very justification of CE will be foiled then. Thus, the CAs needs to be persons who have no track record of crime or corruption. They should be ones who enjoy high reputation in society for their integrity.

3.3 CE in Procurement Cycle: Entry Points, Legal/Policy Framework and Institutional Arrangement(s)

As mentioned earlier, PP constitutes multistage complex process. To make CE most effective in securing transparency and accountability in PP, the appropriate stage(s) for it in the procurement process have to be identified. Let us first briefly discuss the stages of procurement process.

Thampi and Gonzalez (2010) succinctly articulate procurement process as follows:

"The (public procurement value) chain starts with the decision to procure a good or service and ends with an audit. As a procurement transaction goes through this chain, issues such as in what manner and at what level of government is the decision to procure made, when and how are resources allocated for the procurement to be funded, what rules govern the procurement award aspect of the process, the payment aspect, and is the procurement transaction audited are addressed. The answers to these questions will vary from country to country and across sectors and types of purchase within country."¹⁸

Thampi and Gonzalez (2010) thus identify six stages of procurement process: (1) Decision to procure, (2) Resource allocation, (3) Implementation of procurement process, (4) Implementation of award, (5) Payments to contractor, and (6) Final audit.¹⁹ The International Competitive Bidding (ICB) guidelines, on the other hand, stipulates an eight step procurement process: (1) The choice of what to request, (2) The tender design, including the technical tender specifications and criteria of evaluation, (3) Qualifications and identification of the bidders, including pre-qualification and short-listing, (4) The

¹⁸ Thampi, G. K. and Gonzalez, M. V. 2010. *Building Integrity in Public Procurement through Civic Engagement*, Public Procurement Watch, Vol. 1, Issue 1, pp. 04

¹⁹ Thampi, G. K. and Gonzalez, M. V. 2010. *Ibid*, pp. 05

tender, (5) Evaluation and contract award, (6) Negotiations and final agreement, (7) Execution and delivery, and (8) Evaluation and control.²⁰

There are such various articulations of procurement stages. The main differences among them are less substantial and more in terms of elaboration. The procurement process can be broadly divided into three stages: Pre-bidding, Bidding and Post-bidding. The procurement decision-making and resource allocation occur at pre-bidding stage. Bidding stage mainly constitutes of drafting, floating, evaluation, negotiation and awarding of tender. Execution and delivery of work, implementation monitoring, payment of contractor and auditing take place at the post-bidding stage.

The PPA 2006 and the PPR 2008 especially the latter provide detailed provisions about procurement process. PPR 2008 gives general guidelines covering public accessibility, communication, planning, selection of methods and competition. The general guidelines are followed by numerous specific guidelines and requirements in relation to individual aspects of procurement process.²¹

CE at pre-bidding stage

Traditionally, public policy decision making in our country is not very participatory. At national level, once election is over, common citizens are hardly consulted for decision making. May be our leaders think that common citizens have given standing support to all their decisions by giving them mandate. They do not apparently feel that citizens need to be consulted for each public policy decision. Citizen interaction with local governments like municipalities and union parishads are greater than that of the national government in Dhaka. The constituencies of local governments are smaller where elected representatives are in frequent reach of the electorate. However, such proximity alone doesn't ensure citizen participation especially when existing political culture and political practice do not encourage so. Public procurements involve large chunks of municipal budgets that are of interest to local business elite who are politically well connected. So, it is no surprise that procurement decision making and resource allocation are not open to common citizens. Major shifts in existing political culture and governance practice are required for that to change.

The PPR 2008 stipulates preparation of a procurement plan mandatory that is further categorized in terms of development project and revenue budget. The PE has to update the total procurement plan in case of development project and prepare an annual procurement plan in case of revenue budget.²² There is not much else in the PPR with regard to pre-bidding stage let alone provisions for CE.

However, there are already some fora in the country's urban local governments that can be used for CE in procurement decision making. Under current municipal laws, there is provision of monthly meeting of municipalities with mayor and ward councilors as participants.²³ The holding of these meetings are not regular and development issues are often not freely discussed. What often happens in these meetings is that issues are presented and decisions already made about them are shared. All that the participants have to do is to nod in favor of those decisions. Moreover, these meetings are not widely publicized and common citizens are not invited to attend them even as observers.

The Urban Governance and Infrastructure Improvement Project (UGIIP) of ADB that is implemented in several municipalities of Bangladesh adopted Community Driven Development (CDD). This programmatic approach has five key elements: community focused project, participatory planning and design, community control over key project decisions, community involvement in project implementation, and participatory monitoring and evaluation. In the partner municipalities of UGIIP, three coordination committees organized at three levels (community, ward and town) are designated with preparing, implementing and supervising municipal development programs.²⁴ It is claimed that development decisions of the concerned municipalities with respect to UGIIP are made in these committees. But procurement related decisions are still not part of their mandates as such.

The two institutional arrangements mentioned above can be used for CE in pre-bidding stage of procurement decision making and resource allocation through policy/legal reforms. Clauses can be added in *Paurashava* and City Corporation acts that will make citizen participation as observers and discussion of MPP decisions in monthly meetings of respective municipalities

²⁰ Søreide, T. 2002. *Corruption in public procurement: Causes, consequences and cures*. CMI: Bergen

²¹ The Procurement Rules, 2008, GOB.

²² The Procurement Rules, 2008, 16, pp. 23, GOB.

²³ The Local Government (City Corporation) Act 2009, 49, PP. 6936, GOB.

²⁴ ADB. 2012. *The Urban Governance and Infrastructure Improvement Project in Bangladesh: Sharing Knowledge in Community-Driven Development*, ADB, Dhaka, pp. 19-21

mandatory. The coordination committees organized at three levels introduced under UGIIP can be adopted as a best practice for all municipalities where respective procurement decisions have to be discussed and approved.

As mentioned earlier, the existing mechanisms of procurement decision making and resource allocation might be low on transparency and accountability but they are well suited to the political economic interests dominating the MPP scene. Further opening up of this pre-bidding stage is likely to jeopardize the dominant interests and hence they may desperately oppose the proposed legal/policy reforms. Political will at the highest level is required to push through these set of reforms. Therefore, such reforms can be pursued in the long term instead of short and medium terms.

CE at bidding stage

PPR 2008 is more elaborate on bidding stage. It stipulates detailed list of documents needed for Pre-qualifications, Tenders and Proposals. Tender documents are also expected to include, if appropriate, tests, standards and methods to determine compliance of goods or works to be procured. Technical specifications have to be non-restrictive to make fair and open competition possible. Tender documents shall state tender prices as fixed and price adjustments can be made to reflect any changes, upwards or downwards, in major cost components such as labour, equipment, material and fuel.²⁵ There are also provisions of separate committees for tender proposal opening and tender evaluation respectively. It is stipulated that officers concerned of and/or experienced in technical, commercial, financial and legal matters from within PE and/or concerned administrative ministry/division/agency will be members of tender evaluation committee. There should also be external member in evaluation committee who are officials from outside the concerned PE/ministry/agency.²⁶

Despite such detailed provisions about bidding processes, their usefulness in securing transparency and accountability is often questionable, largely due to implementation snag and corruption that infest ground realities of PP. As alleged by a civil society leader of Narayanganj city, even if PPR provisions are properly implemented, they may not be sufficient to make the MPP corruption free. This is due to sophistication in procurement related corruption like syndicate formation by suppliers (See Box 1).

Box 1

Syndicate Formation by Suppliers

"Whenever there is a tender call, the potential suppliers convene a meeting among themselves. They reach a consensus who among them will respond to the tender. The one about whom there is a consensus will 'buy' the tender call from all the rest. In other words, he will pay them the tender amount and they will then share the money among themselves. Now, the supplier who 'bought' the tender call from other suppliers will drop tender quoting lowest bid while the rest will quote higher bid. As the lowest bidder, the former supplier wins the tender. Although he quoted lowest price than other bidders yet the price he quoted for goods/works are overpriced so that he can make his profit."²⁷

Manipulations in bidding stage as manifested in the above case (Box 1) take us back to the structural political economy constraints in MPP mentioned earlier. The municipal civil societies are sandwiched between a political structure marked by hierarchy and a political culture stained by democratic deficit. Against such constraints, CE is not likely to be effective in securing transparency and accountability in bidding stage of MPP, at least for the moment. That is however not an overnight job even without the structural constraint. With heightened levels of stakes and risks, the complexities of procurement process are most intensive in the bidding stage. Securing transparency and accountability at this stage cannot be short-cut and may be best achieved gradually.

In the short run, CE in bidding stage of MPP can be through public awareness-raising. CAs can externally observe whether bidding process of a particular case is complying with PPR provisions concerned; whether documentation is complete, price quotations are appropriate and quality standards are met. The CAs can seek necessary information by making information requests to PEs that they are entitled under the information disclosure provisions of PPA 2006 and the Right to Information Act (RTIA) 2009. Then the CAs can disseminate the collected information to the broad stakeholders of the PP especially the beneficiaries. If necessary, they can also organize public hearings where representatives of PEs, suppliers and beneficiaries will convene for questions and answers.

²⁵ The Procurement Rules, 2008, 4-5, pp. 14-16, GOB.

²⁶ The Procurement Rules, 2008, 7-9, pp. 17-19, GOB.

²⁷ Interview of Advocate A B M Siddiq, Chairman, Nagorik Committee, Narayanganj.

In the long run, there can be more intrusive CE in the bidding stage through some amendments in PPA and PPR. The amendments may either enable inclusion of CAs in bidding process especially tender and evaluation committees, or open them to participant observation by CAs. However, such legal reforms will be possible only when there is favorable political will at the highest level based on a winning consensus among the stakeholders.

CE at post-bidding stage

The challenges pertaining to transparency and accountability in a procurement process do not end with awarding of bid. Red herring often lies more at the post-bidding stage of execution and delivery. This is especially true for the country's MPP that mainly consists of public works. Unlike procurements that involve one off delivery of supplies, public works has much longer duration. Infrastructure projects that are typical of public works may require months or years to complete based on volume of project deliverables. That raises stakes in terms of cost, quality and output.

CAs acting on behalf of the project beneficiaries can be instrumental in fighting cost overrun, poor quality and incomplete delivery. That is why some of the best practices of CE in PP across the world are found at post-bidding stage. Most of the piloting of CE in the country so far is also at this stage. There are at least two ready advantages of CE at post-bidding stage. General monitoring of project implementation does not need as much technical knowledge of procurement as necessary for monitoring pre-bidding and bidding stages. Secondly, while lack of legal provisions constrains CE in the previous stages of procurement cycle, it is less so in case of the post-bidding stage. In other words, there is less barriers to access for CAs at the culmination of procurement cycle.

The successful practice of CE in securing transparency and accountability in post-bidding stage is vividly manifested from Nagorik Committee's activities in Narayanganj city. One of its many instances of public works monitoring in the city is the repairing of Hazi Brothers Road at Jamtola area (See Box 2).

Box 2

The Experience of CE in Narayanganj City: A Case of Road Repairing Work

The tender call for Hazi Brothers Road at Jamtola, Narayanganj was worth 1 crore 27 lakh taka. As the work started, the president of the Nagorik Committee (NC) noted that there are discrepancies between terms of reference of the work quoted in tender documents and the actual work under implementation. These include reduced thickness of the road, reduced size of rod from 3 thread down to 2.50 thread, expanded distance of rod placement from 4-5 inches gap to 10-12 inches gap, expanded cement-sand ratio due to mixing 7 sacks of sand with 1 sack of cement instead of 4 sacks of sand that is standard practice, so on and so forth.

The president, NC started monitoring such lapses, raised voices against them and lodged complaint with the city corporation office bearers. He first informed the ward councilor of the ward where the Hazi Brothers road is situated. After dilly dallying for some time, the ward councilor finally went to check the work progress of road repairing. He however reported that the repairing works are going on satisfactorily. He reported of not finding any evidence of the corruptions noted by the president, NC described above. Then the president contacted with the city mayor about the low quality road repairing work due to corrupt practices. The mayor, upon discussion with the concerned ward councilor, got back to him saying that there is no corruption taking place, she is assured by the ward councilor. But as he insisted, the mayor visited the road repairing sight herself, checked proof of low quality work and was convinced that the repairing work was not up to the mark. Following her visit, quality of the repairing work increased to some extent. However, since she could not directly monitor the work, there were always some slippages. Still, the president, NC is content that due to NC advocacy and mayor's positive response, corruption in the repairing work could be reduced around 50 percent. He told that the NC monitored at least 15 public procurement projects in Narayanganj city so far and has been able to improve their quality up to certain extent.

4. Concluding Observations

With increasing urbanization and growing infrastructure development, MPP has become an important segment of public procurement in Bangladesh. Bulks of MPP are public works that involve considerable investment, take longer time to complete and have large numbers of beneficiaries. Hence, risks of corruption and pressures of powerful interests associated with municipal public works are also extensive. There is then scope for CE as instruments of increasing transparency and accountability in MPP. The CAs will have to be persons who are not part of or linked to bidders and PEs. They have to have a stake in concerned PP as direct beneficiary. They have to be educated, informed and aware. In the long run, there has to be legal reforms and policy innovations in PPA and PPR giving way to institutionalization of CE in procurement process. In the short run, CAs should capitalize participation windows already existing in urban governance structures for CE.

DISCLAIMER

The views expressed in this policy note are those of the Institute of Governance Studies (IGS), BRAC University and do not necessarily reflect the views of the Government of Bangladesh.

Author:

Kazi Nurmohammad Hossainul Haque, Senior Research Associate, IGS, BRAC University, Dhaka.
Email: kazi@igs-bracu.ac.bd; knmh2@yahoo.com



Public Private Stakeholders Committee

Public Procurement Reform Project-2
Central Procurement Technical Unit
IMED, Ministry of Planning
Sher-e-Bangla Nagar, Dhaka-1207

Phone : +88-02-914 4252-3
Fax : +88-02-914 4250
Email : info@cptu.gov.bd
Website : www.cptu.gov.bd

Institute of Governance Studies

BRAC University
SK CENTER (5th - 7th Floor), GP, Ja- 4
TB Gate, Mohakhali, Dhaka 1212

Phone : +88-02-881 0306, 881 0320
Fax : +88 02 883 2542
Email : igs-info@bracu.ac.bd
Website : www.igs-bracu.ac.bd