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Views & Analysis: Citizen Engagement in Procurement

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IN a culture of looking at all government activities from a critical point of view, good initiatives are seldom appreciated. But the fact is that the government, irrespective of its political party-wise composition, deserves and, therefore, needs support from relevant stakeholders for translating those initiatives into action.

The Public-Private Stakeholders Committee (PPSC) formed under the auspices of the Public Procurement Reform Project-II by the government happens to be such an initiative aimed at devising a third-party monitoring mechanism in the process of public procurement in the country.

Headed by the Minister for Planning, the 27-member PPSC comprises representatives from the business community, private sector, bidding community, civil society, media and academics.

The PPSC had its first-ever meeting on February 03, 2010 where the members discussed the relevant issues of public procurement system and practices, and the scope of work for the PPSC that can help ensure efficiency, transparency and accountability in government spending.

The process of public procurement had exclusively been confined to the government procuring entities and the members of the private bidding community like contractors, suppliers and intellectual service providers since the British era.

The scope for public access to such information has not been as wide as of today. And the good intention of the government is reflected in the remarks of the minister in the first meeting of the PPSC that day. He said, "This is a step forward from our traditional age-old practices, often controversial and opaque, and so predicates the necessity of an articulated balance in the short run. It is my view that we must begin and the sooner it is, the better will be for improving governance in public procurement practices in Bangladesh. However, it is also my concern that we must move with caution so that we do not stumble on the mid-way."

The Institute of Governance Studies (IGS) of BRAC University facilitated the PPSC meeting at the NEC Conference Room-II on behalf of the Central Procurement Technical Unit (CPTU) of Implementation, Monitoring and Evaluation Division (IMED) under the Ministry of Planning. The CPTU is implementing four components of the PPRP-II supported by the World Bank with a vision for ensuring good governance in public procurement with the establishment of a unified national procurement framework

and institutionalizing the procurement management capacity to ensure economy, efficiency, transparency, fairness and better value for money.

Four government entities are included in the PPRP-II as the target agencies. They are Local Government and Engineering Department (LGED), Roads and Highways Department (RHD), Bangladesh Water Development Board (BWDB) and Rural Electrification Board (REB). The four target agencies are large spenders of the government's development funds.

The idea of citizen engagement in public procurement is mooted in the fourth component of the PPRP-II titled Communication, Behavioural Change and Social Accountability. The other components are furthering policy reform and institutionalizing capacity development, strengthening procurement management at the sectoral level and introducing e-Government Procurement (e-GP).

Public procurement is a governance issue. To ensure discipline in the sector, the Public Procurement Act 2006 and the Public Procurement Rules 2008 were made effective since January 31, 2008. The government amended both the act and the rules in 2009 for accelerating the pace of Annual Development Programme (ADP) implementation.

The bidding community, procuring entities and other stakeholders of public procurement are not yet fully equipped with the knowledge and skills of the provisions of PPR. Compliance with any law or rules becomes easier when the concerned stakeholders are aware about the benefits and necessity of abiding by those provisions. Experiences show that the more they are informed and convinced, the more is the compliance level.

Social awareness campaign and communication in the PPRP-II is designed to that end. And social accountability is also important to sustain the progress achieved from the reforms in the public sector finance of the government. The PPSC will take care of the process of how social accountability can be established in public procurement. The specific activities of the PPSC are as follows:

- (a) Evaluate annually the broad impact of the Public Procurement Act and Rules on country's actual procurement practices;
- (b) Hold meetings with various type of stakeholders including media, civil groups and convenient persons to obtain feedback on de-facto practices in Government of Bangladesh (GoB) procurement
- (c) Put recommendations to the GoB regarding appropriate changes to Procurement Act and Rules.
- (d) Develop and recommend the possible mechanism for involvement of private/external stakeholders in monitoring and tracking of procurement processes and outcomes.
- (e) Disseminate the findings and suggestions of this committee to the public
- (f) Discuss some cases of irregularities (up to award of contract) on test check basis in procurement and make recommendation in this regard.

(g) Publish a quarterly newsletter to provide regular feedback to GoB and general mass about its activities, recommendations etc.

Social accountability and citizen engagement in public procurement will benefit all concerned in the process. The procuring entities and the bidders will abide by provisions of the PPR in all their procurement activities, thus ensuring transparency. If transparency is ensured in any process, then there is no difficulty in being accountable.

The question is to what extent the procurement process should be open for public scrutiny. The IGS is assigned to devise a mechanism in consultations with the stakeholders and place it before the PPSC so that it can make recommendation in this connection to the government. In the Philippines, the third-party or external monitoring of public procurement is recognized by their procurement law. But they do not have the Right to Information (RTI) Act.

The government in Bangladesh for the first time has enacted the RTI for ensuring free flow of information. But there are certain restrictions in certain areas. What is encouraging is that the government has openly pledged that the RTI may be amended in course of time as per the needs and priority.

So, the disclosure of procurement-related information can be facilitated under the provisions of the RTI. Of course, national interest and the disciplinary aspects should be taken care of, in dealing with such a sensitive issue. The private third parties or the civil society that will monitor processes and outcomes of procurement should first ensure transparency and accountability in their own activities.

In Argentina, the public procurement process is monitored by a joint committee of the government and the civil society. The government is in an agreement with the apex body of the civil society organizations (CSO) that all information of the procurement will be shared with them. But in case of any deviation, the CSO withdraws from the process that brings more trouble for the government. The media comes forward and asks the government the reasons for withdrawal of the CSO. It can be mentioned that Argentina does not have the RTI.

In Philippine, the CSOs have decided that they would monitor the planning and preparation of the procurement and the implementation to ascertain whether the outcome is in line with original plan and budget. If not, they lodge complaint to the respective authorities.

In the Indian state of Orissa, the civil society members have developed tool kits for examining the quality of any roads or bridges. India has had RTI before Bangladesh.

If the PPSC can devise an acceptable way for the third-party monitoring of public procurement keeping in view all the realities, it will earn the trust and confidence of the people in government activities. Still, a note of caution cannot be overruled here. The democratic practices and the social value system are yet to attain such a degree of practices where certain quarters will not try to exploit it otherwise. The minister for planning has, therefore, rightly expressed his concern that, "We must move with caution."

The spirit in this connection is that there should be voices raised from the members of the public against any malpractices in the delivery of public services. If voices are raised, there are mechanisms to hear those. In Bangladesh, where democracy is functioning and the press is working in a free environment, the voices of the public are also heard. Still, there are scopes for improvement where the civil society members and conscious citizens can play an effective and constructive role.

Also, the local government bodies need to be strengthened. A very good relationship and interactions between the local government and the civil society organizations can really make a difference in an efficient and transparent delivery of public services. This is needed not only for ensuring accountability in public procurement but also in other areas of governance.

Before introducing the RTI, the Official Secrets Act was in place in Bangladesh. This was often used as an excuse for not disclosing even any harmless but necessary public information. The government has repealed it. A culture of openness in the public service is being established with the disclosure of citizen charters for all government entities. Citizen charters can be made more effective and meaningful and it is expected that in course of time it will be done. Moreover, the good intention of the government to build a digital Bangladesh by 2012 will further remove barriers to the path of disclosing public information and delivering public services.

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