

# Importance of Contract Transparency in Municipal Governance

## Liberia Country Team



## Open city delivers a cleaner city...

### ***Background***

Public Procurement in Liberia has been plagued by numerous challenges. Corruption, lack of beneficiaries' participation, weak monitoring system and lack of political will to deal drastically with those that undermine the sanctity of the procurement process are some of the challenges. The failure to ensure effective governance in procurement processes undermines the quality of services, goods and works procured with public funds. In procurement, the value for money and development outcomes are quite critical if the

ultimate goal of improving service delivery is to be met.

Citizens need to enjoy the benefits of procurement outcomes, and their acceptance of procured items is important to success and acceptance. What level of participation did citizens have in determining the budget allocated to procured items? Were they adequately informed about the programs or projects earmarked? Do they understand the procedures that underlie the procurement of

goods, services and works?

This occasional paper addresses the importance of contract transparency as a catalyst for effective governance of municipal resources and successful project outcomes.

The City of Monrovia is the capital and largest city in Liberia, and benefits from substantial public and donor funding to carryout projects across the city. Procurement is at the heart of much of this funding and linked to acquisition of works, goods and services. Procurement linked to garbage collection and disposal constitute a key function of city management. The World Bank and other donors fund the Emergency Monrovia Urban Sanitation Project (EMUS) that deals with secondary waste collection and disposal; and the Gates Foundation funds the Improved Primary Waste Collection (IMPAC) that addresses primary garbage collection in grassroots communities in Monrovia. Both projects are spiced with procurement related activities, but accountability and transparency in conduct of activities is tied to success.

The Liberia Country Team that comprises civil society organisations, business associations and some public agencies engages with the MCC and communities to monitor the impact of contracts and the effectiveness of contractors. At the root of this engagement is interrogation of transparency and accountability regimes.

## **Why Transparency**

Transparency is an ingredient in the governance mix that enhances acceptance, builds consensus and allows for effective participation. When citizens have information they have power and that power can be translated to questions that are not only critical and intrusive, but also supportive to good practices and outcomes.

Transparency in contract administration is critical if pursued in its true intent. That is, the space must be created for citizens' to have access to relevant information. The relevancy of information provided determines the effective participation of various stakeholders in addressing challenges and applauding successes

in governance. Transparency is not mere disclosure of terms of contracts and contractors. It is about openness along a chain of events that include plans, processes and actions that affect contract execution. It outlines disclosure of information related to what the contract ought to achieve, financial terms, contractors, environment and administrative terms and civil society and community participation.

Transparency in the governance process must be seen as a measure that deters misapplication of resources. It must be an anti-corruption mechanism. When considered as an anti-corruption tool, all parties are obliged to make available terms and conditions to citizens and work in concert to ensure that outcomes are impactful.

According to Transparency International Canada, transparency is recognised as a means of ensuring an informed citizenry and for pursuing a collective vision. It exposes the public space thus allowing every stakeholder to remain aware of achievements and builds community by enabling every member to identify with processes, results and outcomes. Indeed through transparency the boundaries of responsibility and actions are rendered visible thus easily determining the locus of accountability.

## **Governance in the Municipality of Monrovia**

Governance in the City of Monrovia is unaccountable and undemocratic. Citizens are not participants in the selection of the Mayor or City Council. The Mayor and council members work at the will and pleasure of the President of Liberia. This situation is unjustified considering that many capital cities in the world have been democratised and are more accountable to city dwellers. The "appointment conundrum," where the President of Liberia appoints or has influence in individuals' ascendancy or retention of positions at several levels of government undermines quality of governance. This situation encourages patronage and weakens merit. Many praise-singers that lack

adequate literate and management capacity are appointed to positions they are unable to handle. In this situation, when resources are squandered citizens cannot hold municipal officials, but tend to pray to the President for action.

The acrimony and confusion that characterised the tenure of Mary Broh as Mayor of Monrovia is a case in point. As a crony and protégé of the President not only did Mayor Broh not believe she was unaccountable to city dwellers, but also above the law. While she enhanced the cleanliness of the city, her abrasive and abusive style got her in trouble with citizens and subsequently legislators. Had Madam Broh been elected and accountable to citizens and not to the President, her management style may have been different. She would have called city meetings, published city contracts and fiscal accounts, and also listened to the inputs of city dwellers; many of whom are professionals and would contribute innovative ideas. The election of city mayor is an important reform that is required if city managers should account to citizens of Monrovia and other cities across Liberia.

The quality of governance in Monrovia affects the level of transparency and participation of citizens in municipal contracts. The MCC executed several contracts and in the last six years and some of those contracts taxed citizens directly or indirectly without them knowing the content of the contracts. For instance, citizens with vehicles in Monrovia were taxed to pay L \$50.00 per hour for parking their vehicles in the city. An eight-hour day would mean L\$400.00 per day, L\$2,000 per week and L\$8,000 per month. The amount was deemed exorbitant, but moreover, there was no discussion of the contract with citizens of Monrovia. The terms and conditions of the contract was known only to the Mayor and companies involved. A review by the House of Representatives led to the MCC reducing the hourly parking rate to L\$30 per hour. This amount has been accepted. The Public Procurement and Concession Commission (PPCC), which is also a member of the Liberia Country Team and by law superintendent all public procurement at the time of the public parking saga did not have

access to the contracts or contracts linked to the EMUS and IMPAC projects. The governance around contracts linked to procurement processes is still weak especially when it comes to beneficiaries' participation and access to pertinent information.

## **Limited Operating Space**

The authority of the MCC to ensure the effective management and transformation of the city is limited. Control of decisions related to how the city functions are shared with national institutions headquartered in Monrovia. While the MCC is in charge of garbage collection and beautification, city parking and control of street vendors, it has to share or coordinate some of these core responsibilities with the following Ministries and agencies: Ministry of Transport; Ministry of Internal Affairs; Ministry of Lands, Mines & Energy; Ministry of Public Works; Ministry of Health and Social Welfare; Ministry of Labor; Liberia National Police and legislators from districts within Monrovia. Interference in the management of the City by government agencies stationed in Monrovia makes the authority of the MCC shadow and unattractive for individuals who want to use their ingenuity to manage the city and elevate it to levels of other cities around the world.

## **Procurement and Contracts Transparency**

The procurement process leads to execution of contracts. The procurement process in Liberia is legally tied to the Public Procurement and Concessions Act (PPCA). The PPCA establishes that the Public Procurement and Concessions Commission (PPCC) regulate public procurement in Liberia. Therefore, procurement processes and governance conducted by the MCC must work in concert with the PPCA and the PPCC.

Contract Transparency or open contracting is fast becoming the best practice for doing procurement in the public sector. The World Bank Institute and several organizations including Transparency International, Oxfam

and COST steer an initiative that promote Open Contracting. Open contracting refers to norms and practices for increased disclosure and participation in public contracting and includes tendering, performance and completion. It includes the variety of contract types, from more basic contracts for the procurement of goods, to complex contracts, joint venture agreements, licenses and production sharing agreements. Open contracting encompasses all public contracting, including contracts funded by combinations of public, private and donor sources.

Open contracting is in line with the Open Government Partnership (OGP) of which Liberia is a participant. The OGP's vision is that more governments become sustainably more transparent, more accountable, and more responsive to their own citizens, with the ultimate goal of improving the quality of governance, as well as the quality of services that citizens receive. Transparency in municipal contracting is certainly aligned with the vision of the OGP. Municipal governments have to be more transparent in the way they do business and ensure that citizens' who are key beneficiaries of services appreciate what they receive.

## Conclusion

The effectiveness of a municipal government depends on its ability to deliver services to city dwellers through governance processes that are transparent and accountable. The Monrovia City Corporation needs to include city dwellers more often in its transactions. City dwellers should not just be on the receiving end of taxation and other city ordinances, but must be part of the formulation and implementation of ordinances and initiatives that are beneficial to the wellness of the city. The lack of democratic governance in city management hinders citizens' participation and officials/citizens feedback. However, if elected or appointed official are desirous of getting results then they should do the right thing. An election of city officials is not a panacea in as much as it is useful, but also appointing officials that have integrity and verve to work for the city's upliftment is critical. Elected or appointment officials must see value in accountability and transparency. A committed and focused city government requires city dwellers to appreciate and cooperate in delivery of services. Proactive city dwellers' participation is linked to access of pertinent information and open discussions around budgets, procurement activities, formulation of ordinances, stakeholders meetings, and adequate and proactive reporting of city operations.

### *About the Liberia Country Team*

The Liberia Country Team (LCT) for Effective Procurement Contract Monitoring is a multi-stakeholders platform comprised of civil society organizations, private business organization and government institutions. The founding members include: Center for Transparency and Accountability in Liberia (CENTAL), Institute for Research and Democratic Development (IREDD), Action for Genuine Democratic Alternative (AGENDA), Liberia Chamber of Commerce (LCC), Public Procurement and Concession Commission (PPCC) and the Liberia Extractive Industries Transparency Initiatives (LEITI). The LCT won a grant from the World Bank through the International Development Fund (IDF) to monitor Municipal Procurement in the City of Monrovia.

### References:

- Transparency International Canada
- Transparency International
- Public Procurement and Concession Act (PPCA)
- World Bank and partners Open Contract Initiatives
- Open Government Partnership

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