

## Foreword:

Governments worldwide allocate a substantial portion of their resources to public procurement, with developing countries spending an estimated amount of US \$820 billion annually, accounting for 15–20% of GDP and, in some cases, over 50% of total government expenditure. In Pakistan, this underscores the urgent need for strategic action to ensure public funds deliver maximum value, transparency, and development impact. The National Procurement Strategy 2025–28 represents a pivotal step toward modernizing the country’s procurement system, anchored on four strategic pillars: digitalization, competency achievements, sustainable procurements, and strengthened institutional arrangements.

By advancing end to end e-procurement, professionalizing the workforce, embedding environmental and social considerations, and harmonizing legal and institutional frameworks across public procurement authorities, the Strategy provides a coherent roadmap for transforming procurement into a driver of efficiency, integrity, and sustainable economic growth, placing transparency, accountability, and innovation at top of the priorities in light with the government reforms vision.

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## List of Acronyms and Abbreviations:

ADB	–	Asian Development Bank
AJ&K	–	Azad Jammu & Kashmir
API	–	Application Programming Interface
BoP	–	Bank of Punjab
CGA	–	Controller General of Accounts
CMS	–	Challan Management System
ePPS	–	Electronic Public Procurement System
EPADS	–	Electronic Procurement and Disposal System
FBR	–	Federal Board of Revenue
FPPRA	–	Federal Public Procurement Regulatory Authority
GDP	–	Gross Domestic Product
G&S	–	Goods & Services
HBL	–	Habib Bank Limited
IFMIS	–	Integrated Financial Management Information System
LED	–	Light Emitting Diode
MAPS	–	Methodology for Assessing Procurement Systems
MDBs	–	Multilateral Development Banks
MEPS	–	Minimum Energy Performance Standards
M&E	–	Monitoring & Evaluation
MoC	–	Ministry of Commerce
MoCC & EC	–	Ministry of Climate Change & Environmental Coordination
MoE	–	Ministry of Energy
MoHR	–	Ministry of Human Rights
MoIP	–	Ministry of Industries and Production
MoPDSI	–	Ministry of Planning, Development & Special Initiatives
MoS&T	–	Ministry of Science & Technology
NADRA	–	National Database & Registration Authority
NCSW	–	National Commission on the Status of Women
NEECA	–	National Energy Efficiency & Conservation Authority
NHA	–	National Highway Authority
OECD	–	Organization for Economic Co-operation and Development
OCDS	–	Open Contracting Data Standards
PA	–	Procuring Agencies
PEC	–	Pakistan Engineering Council
PID	–	Press Information Department (appears in context of Information Officers)
PMU	–	Project Management Unit
PPRA	–	Public Procurement Regulatory Authority
PSQCA	–	Pakistan Standards & Quality Control Authority
SDGs	–	Sustainable Development Goals

SBDs	–	Standard Bidding Documents
SMEDA	–	Small & Medium Enterprises Development Authority
SOEs	–	State-Owned Enterprises
SPP	–	Sustainable Public Procurement
SSTE	–	Single-Stage Two-Envelope (disposal/e-bidding context)
SSOE	–	Single-Stage One-Envelope
TPV	–	Third-Party Verification
TPE	–	Third-Party Evaluation
UNEP	–	United Nations Environment Programme
UNODC	–	United Nations Office on Drugs & Crime
UNICTRAL	–	United Nations Commission on International Trade Law
WTO	–	World Trade Organization
WB	–	World Bank

# NATIONAL PROCUREMENT STRATEGY (2025-28)

*Draft Strategy by the Public Procurement Regulatory Authority (PPRA)*

## 1. Introduction:

The Strategy is an initiative of the Federal Public Procurement Regulatory Authority, Government of Pakistan through the Advisory Group on Public Procurement. The National Procurement Strategy (NPS) 2025-28 aim to outline a common procurement vision across the federal and provincial PPRA's and to make the procurement processes efficient and transparent. The first National Procurement Strategy (2013-16) was developed in 2013, however, with the evolution of procurement regime across the globe, several aspects of the strategy need to be enhanced in line with the global procurement best practices, national priorities and international obligations beside effective reinforcement of principles of the public procurement.

### 1.1 Vision:

Promoting fair, transparent, efficient, competitive and sustainable public procurement systems that are accountable and deliver best value for public funds, support national development goals and international obligations.

### 1.2 Mission:

The NPS strives to foster adherence to the public procurement principles of fairness, transparency, efficiency and best value for money by transitioning to e-procurements, capacity building initiatives and strengthen legal frameworks.

### 1.3 Goals:

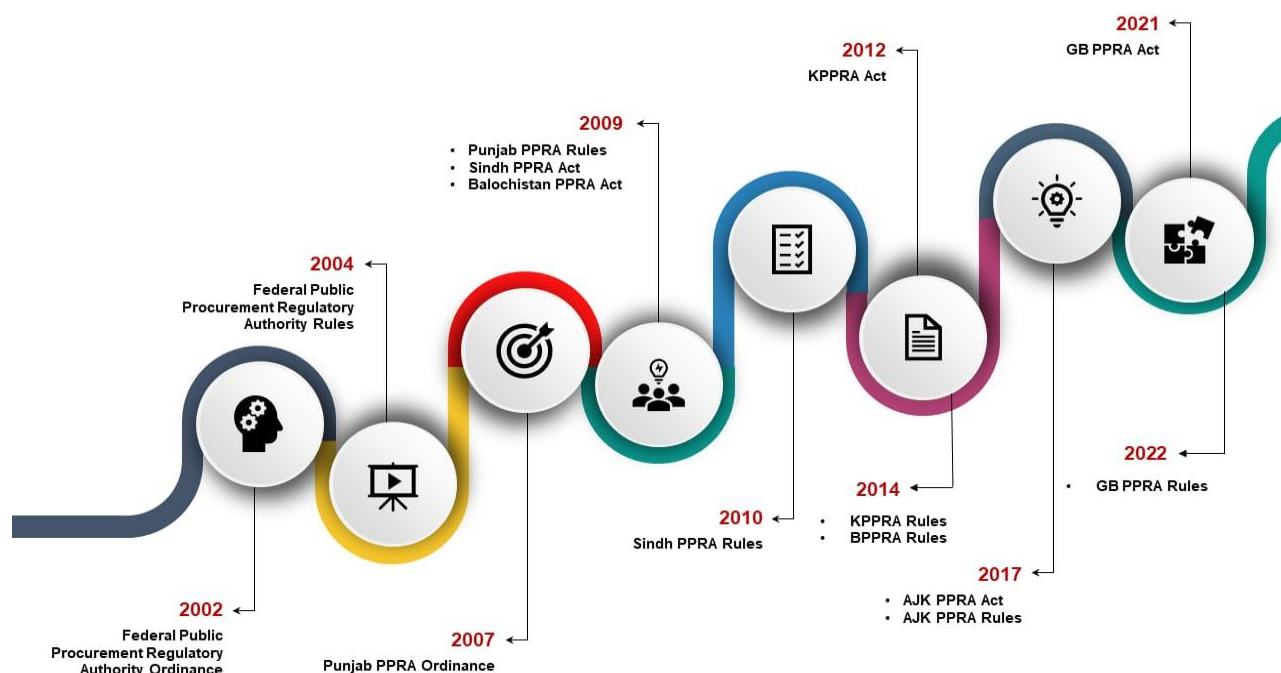
To develop a framework for public procurement which achieves the following;

- a) Improved governance and institutional capacity of Public Procurement Regulatory Authorities (PPRA's) to effectively execute e-procurements and establish a robust Monitoring & Evaluation System to ensure transparency and best value for money in public procurements
- b) Promote public procurements that delivers sustainability and support government priorities and international obligations
- c) Achieve competencies of procuring entities and suppliers on public procurement framework
- d) Harmonize Public Procurement Framework to promote ease of doing business

## 2 Our journey to date:

In the late 1990s, public procurement gained importance as government spending, especially on infrastructure, grew significantly. This shift highlighted the need for transparency and anti-corruption measures to achieve substantial public savings and improve resource management. In 1999, the World Bank conducted its first assessment, recommending legislative and systemic reforms to establish a more efficient procurement system. Following consultations with stakeholders and multilateral donors, the Government of Pakistan established the Public Procurement Regulatory Authority (PPRA) through the Public Procurement Regulatory Authority Ordinance 2002, with the Public Procurement Rules being introduced in 2004.

### 2.1: Figure of Transition:



The Public Procurement Regulatory Authorities (PPRAs) are autonomous bodies endowed with the responsibility of recommending laws and regulations governing public procurements. The PPRAs are also responsible for monitoring the application of procurement laws and performance of the procuring agencies with a view to improve governance, management, transparency, accountability and quality of public procurements.

All the provincial governments and the governments of Azad Jammu and Kashmir and Gilgit Baltistan have established regulatory authorities and notified Public Procurement Rules. The federal, provincial and AJK PPRAs have also developed their respective rules, regulations, and Standard Bidding Documents for procurement of goods, works and services, however, continuous efforts are being undertaken under the Advisory Group on Public Procurements to harmonize the procurement frameworks of PPRAs to promote cohesiveness in all national procurements and ease the processes.

The existing procurement rules of the federal, AJK and provincial PPRAs are broadly in line with the UNICITRAL model law and are based on principles of fairness, transparency, accountability, efficiency and value for money.

### 3. Why do we need to strategize:

Procurement is becoming increasingly integral to both economic performance and societal resilience. It is essential that our procurement systems are equipped to effectively support government and public agencies in navigating future challenges. Government procurements are expected to respond to the changing demands of the future.

The key drivers of the change include Digitization of procurements, Capacity building i.e. use of specialist expertise and adopting common digital platforms, Resilient Supply Chains and delivering much more value to citizens (Procurement for the future, July 2022).

Revamping the National Procurement Strategy is essential to provide a coherent and structured framework to guide public procurement processes at national level, ensuring that procurement practices are aligned with the principles of public procurement and national objectives.

Digitization of public procurements is one the key reformative steps to ensure the public procurement processes are transparent and efficient and being undertaken with the ease. Public procurements are being carried out through EPADS by the Federal PPRA, Punjab PPRA, Sindh PPRA, and Khyber Pakhtunkhwa PPRA. The federal PPRA established the Project Management Unit (PMU) for EPADS in the federal capital in October 2024 for continuous support to PPRAs for sound implementation of the system and troubleshooting. As of the date, more than ten thousand procuring agencies of federal and provincial governments are using the system with over 41,000 venders including 400 international firms/vendors being registered on EPADS. Likewise, over 526,000 Contracts valuing around 3486 billion are awarded across Federal, Sindh, KP & Punjab Governments through the system. EPADS has made significant strides during the year 2024-2025 however, the evolution & optimization of the system has been on the top priorities that need to be strategized to achieve the goal of complete Digitization of public procurements thereby enhancing transparency, efficiency and value for the public money. *Likewise*, the Baluchistan PPRA is implementing eProcurement through electronic Public Procurement System (ePPS). The major modules of ePPS include User management, Goods & Services (G&S) procurement, Works procurement, Consulting procurement, M&E, Challan Management System (CMS), e-filing and portal. The system is integrated with the DDO codes, Taxation Authorities, PEC and the National Bank.

No system, institution, or regulatory framework regardless of how well-designed, can function effectively without competent individuals to implement and uphold it. The success of any structural or institutional enhancement ultimately rests on the integrity, skills, and commitment of the people involved. The Federal and Provincial PPRAs have been actively engaged in the capacity building of the Procuring Agencies, Venders, and their own human resources, however, Competency Frameworks across the PPRAs needs to be strategized to determine the key competency objectives, methodology and the anticipated outcomes thereby enabling the regulatory authorities to tailor their competency programs with the organizational goals. Introduction of e-procurements, New Set of Public Procurement Rules 2025 and regulations, national obligations and international commitments include amongst some of the core determinants requiring the Regulatory Authorities to implement a robust Competency Framework.



Analogously, the growing emphasis on procurement reform has led to a shift from traditional procurement methods toward sustainable procurement. This transition requires regulatory authorities to adopt strategic and phased implementation approaches to ensure the best value for money in public procurement through supporting socio-economic development and environmental sustainability. Well-managed public procurement can yield significant societal outcome and impacts in the transitioning process (National Procurement Strategy in Czech Republic 2024-28).

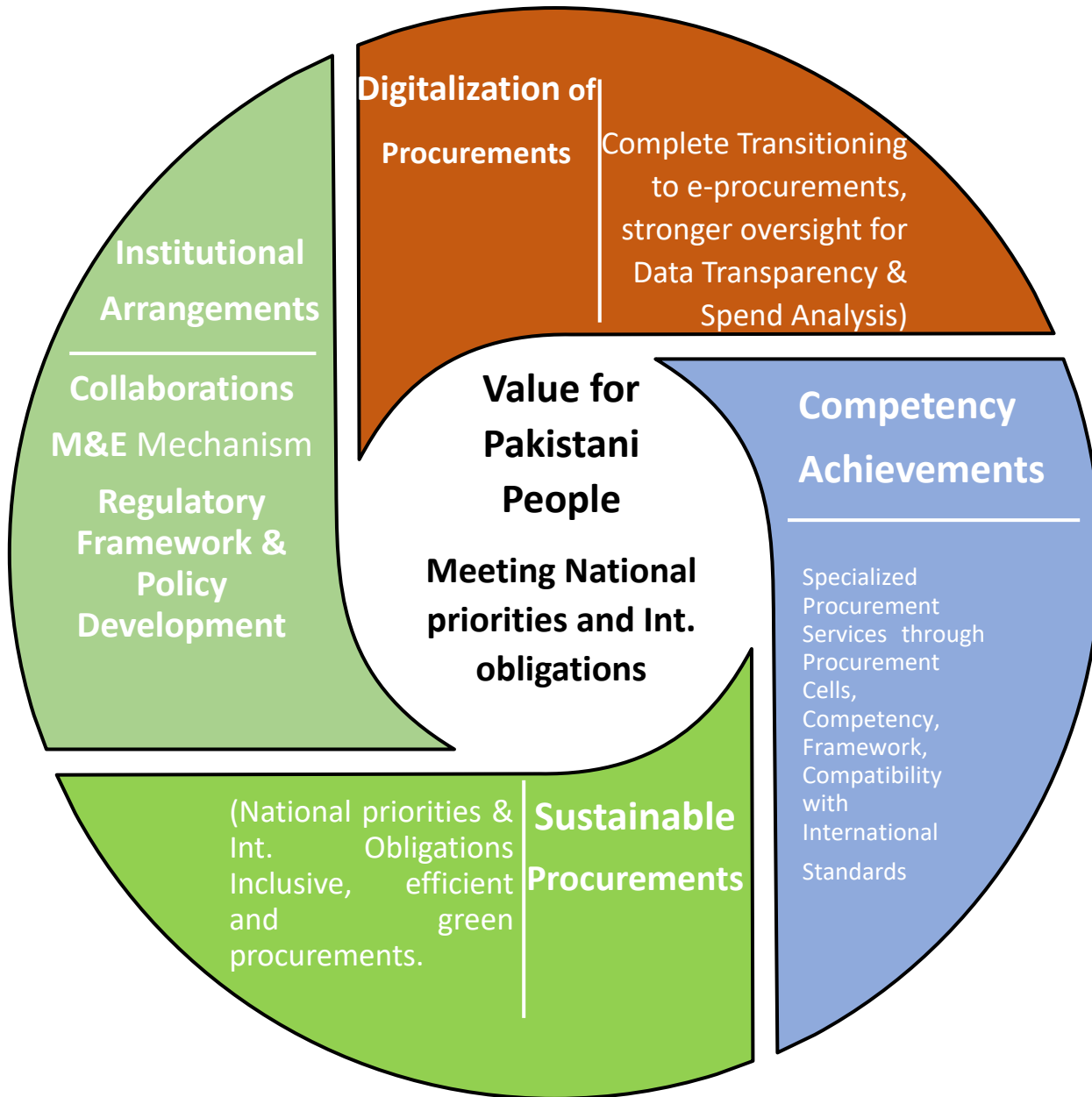
As efforts continue to digitalize public procurements, enhancing competencies, and advancing sustainable procurement practices, it becomes increasingly important to ensure integration and harmonization among the all PPRAs and enhance regulatory frameworks that align public procurements with the international best practices and help in achieving governmental priorities. Such alignment is essential in promoting transparency, efficiency, and delivering the best value for public funds.

The National Procurement Strategy provides a comprehensive roadmap for procurement reforms, harmonizing the procurement systems in the country, helping the federal and provincial governments to initiate phased and sustained measures for promoting good governance.

#### 4. Our Strategic Priorities:

The National Procurement Strategy 2025–28 is structured around four strategic priorities, henceforth called the strategic pillars.

##### 4.1 Figure of Strategic Pillars:

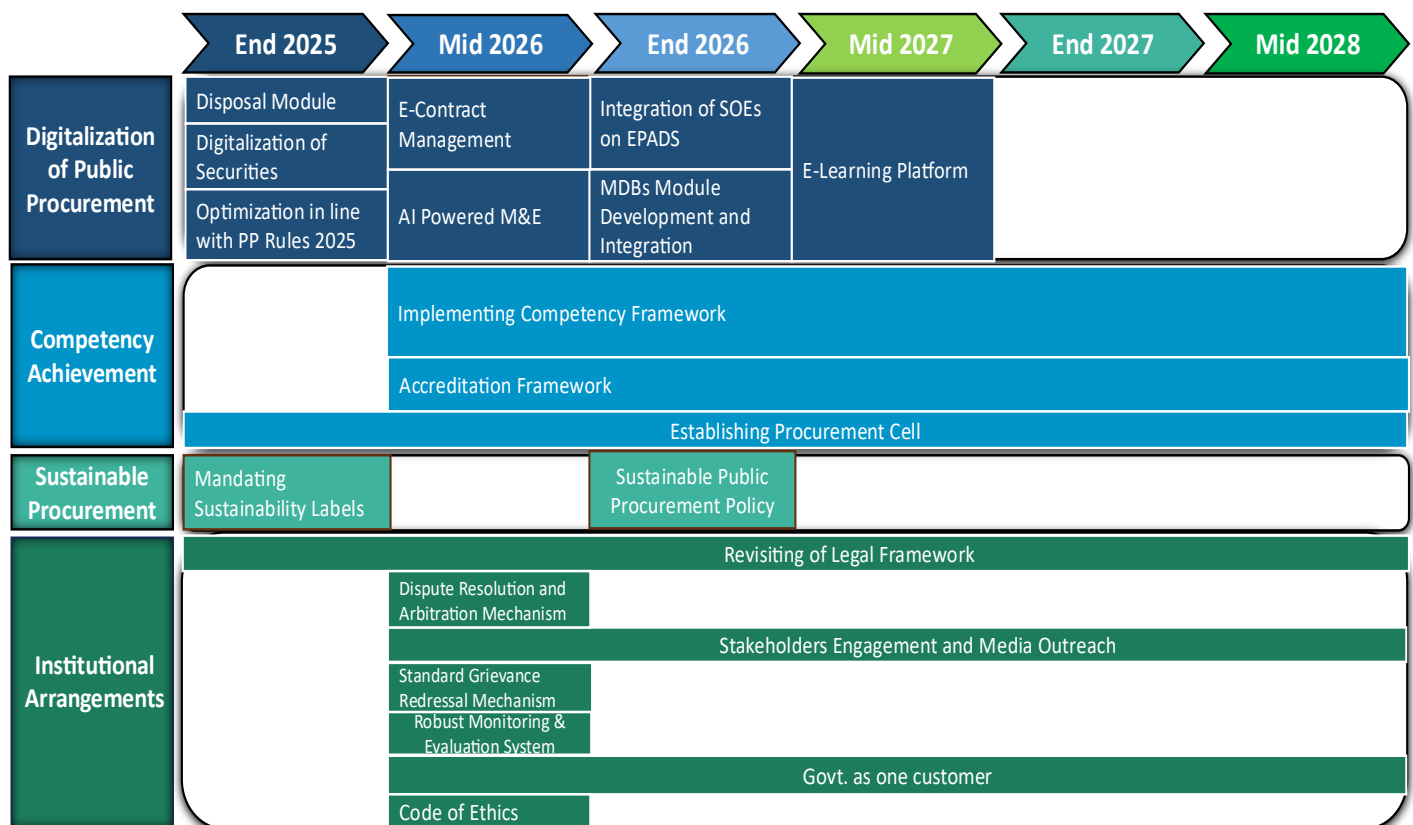


## 5- Strategic Roadmap:

We envision a procurement system that promotes fair, transparent, efficient, competitive, accountable and sustainable public procurements, and brings the best value of public funds to the people of Pakistan.

### 5.1: Figure of Strategic Roadmap:

Following is the strategic roadmap that will drive the PPRAs to achieve the set strategic outcomes in line with our vision.



## Pillar-1 Digitization of Public Procurements

Government policies have highlighted the importance of adopting e-procurement systems to improve transparency, efficiency and accountability in public sector. By reducing manual processes and promoting the use of digital technologies, these policies aim to align procurement practices with modern governance standards and international best practices (*e-Commerce Policy of Pakistan, 2019*).

The adoption of digital systems across institutions to strengthen efficiency, transparency and accountability is need of the hour. A central digital framework has been envisioned to provide direction and coherence for these reforms. Under this approach, automation is encouraged as a means to modernize processes including areas such as procurement and service delivery. (*Digital Nation Pakistan Act, 2025, Act No. 1 of 2025*).

Modern procurement strategies increasingly emphasize digitalization to streamline processes and reduce administrative burdens. The use of integrated e-procurement platforms, e-forms and digital reporting systems helps improve transparency, efficiency and supplier participation. Dedicated digital transformation plans are seen as essential to ensure procurement aligns with broader government digital agendas. (*Ireland's Strategic Public Procurement Roadmap 2025*).

Contemporary procurement reforms increasingly prioritize the digitalization of processes to make systems more transparent, efficient and user-friendly. The introduction of electronic platforms and e-procurement tools allows contracting authorities to handle procedures more effectively while reducing administrative complexity. By adopting end-to-end digital solutions, procurement becomes faster, more reliable and easier for suppliers to access. At the same time, integrating data collection, monitoring and reporting mechanisms supports evidence-based planning and stronger compliance. These measures not only enhance accountability but also create opportunities for broader participation and innovation in public procurement. (*National Public Procurement Strategy for the Czech Republic for the Period 2024 to 2028*). There are several important examples of how the digitalization of services creates opportunities (in Pakistan) to improve accountability, enhance efficiency, and reduce the possibility of petty corruption (*IMF- Pakistan-Governance and Corruption Diagnostic Assessment, 2025 p.31-32*).

Although introduction of EPADS led to more transparent and efficient public procurements in the country, however, certain features of the system need to be strategized for optimal evolution and complete digitization of public procurement processes. These strategic actions include as follows;

### Action-1 Disposal Module:

Currently the disposal proceedings are being undertaken in accordance with the existing procurement framework. Due to absence of Disposal Regulatory guidelines and EPADS Disposal Module, most of the disposals of public assets are carried out manually urging the need to have a separate disposal module on EPADS to facilitate the disposal proceeding through e-bidding, e-auction and the other methods. The dynamic disposal module will provide the real time interface to the procuring agencies and bidders for e-auctions, thereby facilitating efficient disposals of public assets. The disposal module is developed that would be implemented after piloting of the module in the designated ministries and enforcement of “Disposal of Public Assets Regulations 2025”

How to Digitalize	Indicative Timeline	How it will look like
Dynamic Disposal Module having the features for the entire disposal cycle and all types of disposals including disposal of public assets through e-auction, e-bidding (SSOE& SSTE), direct contracting, framework agreements.	December 2025	Dynamic Disposal Module functional. More transparent, effective and efficient disposals of public assets.

### Action-2 Digitization of securities:

Currently, due to absence of digital solutions, the instruments of bid securities and performance guarantees are collected physically by the procuring agencies for the purposes of instrument verification, affecting the overall integrity of e-procurements. However, the PPRAs have been taking proactive initiative to overcome the issue through digital solutions. The Punjab PPRA is ahead in the process through making arrangements to integrate with the Bank of Punjab (BoP) for authentication of the aforesaid instruments. Likewise, the Federal, Sindh and KP PPRAs are also taking initiative for considering the integration with HBL, Bank of Sindh and Paymir, however this is subject to the administrative approvals of the relevant forums of the Regulatory Authorities.

How to Automate	Indicative Timeline	How it will look like
The Federal and Provincial PPRAs to sign an MoU with the Banks/Digital entities for Digitization of Bid Security and Performance Security instruments.	December 2025	The Bank/Digital App to be the withholding agent for Bid and Performance Securities, validation of payments, timely award of procurement contracts.

### Action-3 Optimization in line with the New Set of PP Rules 2025:

The notification of the New Set of Public Procurement Rules 2025 will require instant optimization of the system to align EPADS with the featured provisions of the new rules.

How to Optimize	Indicative Timeline	How it will look like
Optimization of EPADS in line with the New Set of PP Rules 2025	December 2025	Optimized features for financial & time thresholds, Third Party Validation, External Evaluation Committee and other considerations embedded in the system upon notification of new PP rules.

#### Action-4 E-Contract Management:

“E-Contract Management is one of the core modules that need to be developed to retrieve maximum data from the system. Currently, only bid submission modules are available in the system, urging for the need of E-Contract Management module to enable the system organize data from start of the contract till closing of the contract, thereby facilitating better analysis, control and decision making by the PPRAs.

How to Digitalize	Indicative Timeline	How it will look like
The PMU EPADS through its resources shall develop the E-Contract Management Module.	June 2026	E-Contract Creation & Authorization, and automated workflow, contract document repository, E-contract alerts and reminders and E-Invoicing.

#### Action-5 AI-Powered M&E Module:

At present, the Monitoring and Evaluation (M&E) activities carried out by the regulatory authorities are primarily limited to complaint management and reactive correspondence. The Public Procurement Regulatory Authorities (PPRAs) lack digital systems for the efficient tracking, analysis, and reporting of procurement data. The National Procurement Strategy 2013-2016 had proposed the introduction of a centralized, automated M&E system to empower regulatory bodies to effectively capture, analyze, and make informed decisions based on procurement data at both the provincial and national levels. However, the implementation of such a system has not materialized in recent years, and procurement activities have continued to be conducted manually. The advent of the EPADS has not only digitized procurement processes but has also paved the way for integrating with other financial systems such as CGA FABS, NADRA, and FBR, enabling the creation of a centralized data repository for more streamlined decision-making.

How to Digitalize	Indicative Timeline	How it will look like
The PMU EPADS, in consultation with M&E wing and PPRAs, will develop a robust Monitoring & Evaluation Module to track, assess, and optimize public procurement activities to ensure transparency, efficiency and compliance.	June 2026	Optimized M&E Module operationalized for data retrieving, organizing and reporting for different processes of public procurement and disposal of public assets. Real time data monitoring, risk flagging and automated compliance checks and controls. Trend and Spend analysis.

### Action-6 MDBs Module Development and Integration:

The World Bank and the Asian Development Bank are among the leading financial partners within the Multilateral Development Banks (MDBs) assisting both federal and provincial governments in Pakistan. Procurements conducted under financing agreements with these institutions are typically governed by their respective procurement frameworks. Currently, these MDBs' financed procurement processes are often executed in isolation by public procuring agencies, primarily due to the absence of tailored modules within the EPADS platform.

This gap has been acknowledged by PPRAs, and efforts are underway through consultations with the World Bank, Asian Development Bank, and other MDBs' country offices to develop and deploy customized procurement modules. These initiatives aim to integrate MDBs funded procurements with national systems and advance the broader vision of "One Nation One System" in public procurements."

How to Digitalize	Indicative Timeline	How it will look like
Customized Procurement Modules for MDBs funded projects	October 2026	Unified, transparent and accountable public procurement. Integration with national financial institutions.

### Action-7 Integration of SOEs on EPADS:

Excluding health and education institutions, the federal SOE portfolio comprises 207 enterprises, of which 87 are commercial enterprises operating in various economic sectors, and 47 are non-commercial enterprises, with the primary objective of undertaking welfare activities (*WB, Pakistan Public Expenditure Review 2023, p.2*). These SOEs Operating across eight key areas: Financial Services, Oil & Gas, Power, Infrastructure and Transport (including ICT), Manufacturing, Mining and Engineering, Industrial Estate Development and Trading & Marketing. So far 112 SOEs are registered on EPADS. The SOE Act 2023, section17(2) empowers SOEs to formulate independent procurement policies with the approval of the Federal Government. The procurement policies of the SOEs are independent tailored to the nature and requirements of the SOE. Many of the SOEs are carrying out procurement processes electronically, however, all such procurements need to be carried out through and integrated with the EPADS to make the procurement process more transparent and efficient, enable effective procurement trend and spend analysis and evidence-based decision making at national level. The maintenance of alternative systems or continued reliance on manual-based systems undermines procedural consistency, and the ability to effectively monitor procurement transactions to outcomes (*IMF- Pakistan-Governance and Corruption Diagnostic Assessment, 2025, p.64*).

The SOEs' module development is one of the core strategic actions of pillar-1 to meet the specific needs of SOEs and integrate them with other financial institution like CGA etc. The process of such integration can be started with the support of large SOEs like NHA followed by the phased implementation to the other enterprises.

How to Digitalize	Indicative Timeline	How it will look like
Module developments tailored to the specific needs of SOEs and integrated with relevant state financial institutions	<b>December 2026</b>	Unified, transparent and accountable public procurement environment, Automated financial tracking, reporting and reconciliation of SOEs procurements.

### Action-8 E-Learning Platform:

As PPRA's are offering different courses ranging from hands on courses to advance diplomas in the public procurement, the hands-on training on EPADS and trainings on introduction to regulatory legal framework are usually offered by the PPRA's through their own resources. The contents of these trainings are to be digitalized to promote non-conventional trainings and ensure efficient learning processes.

How to Digitalize	Indicative Timeline	How it will look like
Creating an interactive E-learning platform	June 2027	E-tutorials and manuals of hands-on courses of EPADS and Introduction to PPRA framework available and accessible to all users.

The other strategic actions under Pillar-1 include Meeting Open Contracting Data Standards (OCDS), revision of Application Programming Interfaces (APIs) with focus to expand this integration to the national tax systems (e.g., FBR), performance monitoring dashboards, supplier databases (blacklisting etc), real-time analytics engines and creating an e-procurement market place. These actions will continue with the contemporary evolution of the system.



## Pillar-2

## Competency Achievements

To support the transition of automation in procurement and digitalization of economy, capacity building and competency development within the institutions is essential. Collaboration with development partners and experts for training, advisory and research programs support digital reforms and helps strengthen the skills needed for effective implementation. It also authorizes institutions to engage professionals and enforce codes of conduct with mandatory training, ensuring that established professional standards are consistently maintained. These measures collectively aim to institutionalize digital governance and promote sustainable modernization (*Digital Nation Pakistan Act, 2025 Act No. 1 of 2025*).

The PPRAs are actively implementing a range of training programs, certification courses, and capacity-building initiatives aimed at enhancing the competencies of procuring agencies and suppliers in alignment with the respective regulatory frameworks and to promote hands on training of EPADS. These trainings are currently being delivered to nominees from various government departments and suppliers. So far, 2205 trainees, including nominees of the procuring agencies and the suppliers have been imparted training under different capacity building initiatives by the FPPRA during July 2024 until November 2025. Likewise, the BPPRA has also been undertaking a range of training initiatives including training program for the civil servants undertaken by the Authority in collaboration with National Institute of Public Administration and Civil Services Academy Baluchistan. The Authority has also been engaging CIPS to establish the CIPS learning and examination center in Quetta, that is, however subject to fulfillment of some administrative requirements such as purpose-built building etc. Alike these authorities, KPPRA has also been implementing multiple capacity building initiatives with particular mention of having trained over 70 Procuring Agencies so far on EPADS, besides having 400 professionals trained under six months diploma programs at Institute of Management Sciences Peshawar with the collaboration of World Bank.

In line with the directives of the Federal Government, FPPRA is pursuing the establishment of dedicated procurement cells within each procuring agency. Contemporarily, the Authority is in the process of developing and maintaining a national pool of procurement experts. These experts will provide specialized services to procurement cells, procurement committees, third-party validation committees, and grievance redressal committees ensuring technical independence and quality assurance at every stage of the procurement lifecycle, including dispute resolution.

Furthermore, PPRA is undertaking efforts to standardize training content, modules, and delivery mechanisms by implementing a competency-based framework. This framework is currently under review and approval process. Simultaneously, the Authority is engaging with the international procurement institutions to align Pakistan's public procurement practices with global standards and enhance their interoperability and effectiveness.

Following actions are strategized under the pillar-2 of the strategy, to be led by the FPPRA and adapted by the rest of the PPRAs.

### Action-1 Establishing Procurement Cell:

Currently, most of the procuring agencies lack specialized procurement units and dedicated personnel for procurement functions. As a result, procurement responsibilities are often assigned on an ad-hoc basis to

various staff members, leading to inconsistent practices and limited development of procurement expertise. This fragmented approach contributes to inefficiencies in the procurement process. Pakistan allocates approximately 20% of its GDP to public procurement annually, and according to Transparency International and audit reports, an estimated 10–30% of this expenditure is lost due to corruption and inefficiencies. These losses underscore the urgent need to professionalize procurement functions and address systemic weaknesses. In response, and in accordance with directives from the Government of Pakistan, the FPPRA has directed all procuring agencies to establish dedicated procurement cells staffed by qualified and experienced professionals. The formation of these specialized units will be accompanied by targeted competency initiatives aimed at enhancing knowledge, fostering a culture of integrity, and promoting more efficient and transparent procurement practices.

Competency Action	Indicative Timeline	How it will look like
Specialized Procurement Units manned by the personnel having expertise and qualification in procurement	Continues	Procurement Cells established. More efficient, and transparent public procurements.

## Action 2: Implementing Competency Framework:

The transition from traditional capacity-building approaches to results-oriented initiatives necessitates the strategic standardization of the capacity-building framework. In this regard, the Federal Public Procurement Regulatory Authority (FPPRA), in collaboration with the World Bank, has developed a National Competency Framework aimed at introducing competency-based training and standardized accreditation, aligned with the core competencies required in public procurement.

Competency Action	Indicative Timeline	How it will look like
Competency Framework Development and Implementation	February 2026	Standardized Competency modules, contents, programs, and certifications. Competency Framework implementation including standardized public procurement training programs and diplomas for both Procuring Agencies and Suppliers.

## Action 3: Accreditation Framework:

The introduction of New Set of Public Procurement Rules 2025 will shift procurement from conventional practices towards more specialized practices, increasing the demand for qualified procurement

professionals. Anticipating these evolving dynamics and to professionalize the procurement function, the federal PPRA intends to establish and maintain a pool of accredited experts at the Authority level. To ensure consistency and credibility, a comprehensive accreditation framework is developed, outlining standardized criteria across multiple levels of accreditation, thereby making available the services of accredited public procurement professionals across the country for different roles in the public procurement. The Framework would comprise of the four categories of competency and accreditation by the Authority that include Basic, Intermediate, Advance and Expert. Each competency accreditation by the Authority shall be conditioned to the fulfillment of certain qualification and experience requirements.

Competency Action	Indicative Timeline	How it will look like
Implementing Accreditation Framework  Standardized Criteria for accreditation of procurement professionals	February 2026	Accredited procurement professionals available for different roles including Procurement Cell, GRC, Third Party Validation, Inspection Committees.

Other strategic actions of the pillar include effective engagements with the academia to advocate the inclusion of public procurement as a core study subject of different academic programs, diplomas and degrees.

### **Pillar-3      Sustainable Public Procurements:**

**Leveraging Sustainable Public Procurement** is essential for a developing country like Pakistan to align the public exchequer spendings with the economic, social and environmental strategic priorities, reduce resource inefficiencies, drive green industrial growth and strengthen national climate resilience, thereby supporting national development plan and UN SDGs. According to Climate Risk Index 2025 by German watch, Pakistan ranked on the top amongst the countries most affected by climate changes during 2022.

The key strategic actions of the pillar include the following;

#### **Action-1      Sustainable Public Procurement Policy:**

The Federal PPRA is taking lead to develop a uniform Sustainable Public Procurement (SPP) Policy in consultation with the relevant government ministries. The SPP will be aimed at to provide guidelines to the procuring agencies for opting sustainable choices. The policy will take into account, amongst others, the following key considerations;

##### **I.      Social & Governance Considerations:**

The SPP policy is expected to take into due account Social Considerations, thereby defining clear guidelines on the key social considerations for public procurement including but not limited to compliance to labor laws, health standards, quotas for women, SMEs and marginalized groups and social inclusion leading to transparent and more balanced public procurements. The identified government partners, amongst others, include MoPDSI, MoIP, SMEDA, MoHR and NCSW.

##### **II.      Economic Considerations:**

The policy will leverage the economic consideration that include but not limited to the guidelines on life cycles costing criterion, performance-based procurements, cost benefit analysis and incentivized public procurements. The identified government agencies to collaborate with, amongst others, include MoIP, MoE, MoC, and MoS&T.

##### **III.      Climate and Environmental Considerations:**

The policy will establish a framework that guides procuring agencies in defining, and bidders in complying with, key environmental and climate considerations. The first strategic action relates to the development of national Green Procurement Guidelines. These guidelines will provide a uniform framework for all procuring agencies, setting minimum standards for incorporating environmental considerations into tendering and evaluation. They will cover areas such as energy efficiency, renewable energy integration, the use of sustainable construction materials, and recyclable or biodegradable packaging. Procuring agencies will be required to include environmental evaluation criteria in all major tenders, ensuring that government purchasing decisions actively contribute to climate resilience and environmental sustainability. This approach reflects international best practices, where countries such as the European Union have mandated green procurement as a central policy tool for achieving low-carbon and sustainable economies. The guidelines of the policy can be developed in collaboration with the MoCC & EC.

#### IV. Policy Implementation and Monitoring & Evaluation:

Sustainable Public Procurement (SPP) serves as a strategic mechanism for minimizing the environmental impacts of government purchasing while advancing broader environmental, social, and economic policy objectives. However, many countries across the globe continue to face challenges in establishing effective monitoring and evaluation frameworks for SPP (WB, 2021; UNEP, 2017)

The SPP policy will be implemented by all PPRAs. Sustainability checks will be embedded in EPADS in tender creation workflow to enable the procuring agencies specify whether the sustainability criteria are being used. In Estonia, for example, the public procurement platform (public procurement register) is enabled to indicate, when a tender is published, whether environmental requirements are included, helping in organizing and analyzing the green procurement figures. The policy will indicate the Monitoring & Evaluation and Reporting Mechanism on Sustainable Public Procurements.

Meantime, the Regulatory Authorities need to effectively engage all relevant stakeholders including procuring agencies, vendors, manufacturers and suppliers to facilitate the dialogue on the seamless shift to sustainable public procurements from the conventional public procurements and help the market get ready accordingly.

Sustainable Public Procurement Policy	Indicative Timeline for Implementation	Anticipated Impact
Detailed guidelines for Integrating sustainability considerations in public procurement, Implementation, Monitoring & Reporting Mechanism on SPP	December 2026	Environmentally friendly, climate resilient, inclusive and efficient public procurements, facilitating timely fulfillment of governmental priorities and international obligations including implementation of UN SDGs.

#### Action 2: Mandating Sustainability Labels:

In line with the incumbent government vision for environmental preservation, climate resilience and energy efficiency, the PPRAs need to effectively engage with the relevant government entities to promote green environment, climate resilience and energy efficiency through regulatory enhancement by mandating the eco-labeled and energy efficient public procurements. The FPPRA in collaboration with Power Division, NEECA and PSQCA developed draft “Minimum Energy Performance Standards (MEPS) Compliant Pakistan Energy Labelled (Star Rated) Products Regulations, 2025” to mandate energy efficient public procurement of the five designated items i.e. fans, LED lights, refrigerators, air conditioners and

motors, thereby helping achieve national priorities and international obligations. The PPRAs through continued coordination with the government stakeholders mapped under Action-1 of this pillar would integrate the aforementioned sustainability considerations through phased regulatory enhancements. The aforementioned regulations will also be adapted by the other PPRAs.

MEPS Compliant Pakistan Energy Labelled (Star Rated) Products Regulations, 2025	Indicative Timeline for Implementation	Anticipated Impact
Mandating energy efficient public procurement of five power intensive items i.e. fans, LED lights, refrigerators, air conditioners and motors	December 2025	Energy efficient public procurements helping achieve Government's Climate Mitigation Commitments through Energy Reforms.

## **Pillar-4      Institutional Arrangements:**

In line with the vision of the strategy and priorities set under Pillar 1, 2 and 3, the Public Procurement Regulatory Authorities are required to make certain institutional arrangements. These strategic arrangements are as follows;

### **a) Revisiting Legal Frameworks:**

In line with the vision of the strategy based on the governmental reforms' initiative, the PPRAs are required to revisit the existing laws including the Public Procurement Ordinance, Rules, Regulations, Standard Bidding Documents and the allied guidelines. The federal PPRA, after extensive consultations with the federal ministries and engaging consultant from World Bank, initiated the process of the revisiting the Public Procurement Ordinance 2002, Public Procurement Rules 2004 and the Regulations. The diagnostic review led to the production of the Draft New Set of Public Procurement Rules 2025. The new set of PP Rules are drafted while taking into the account the key considerations of *Institutional and Structural Reforms, Digitization, Transparency and Fairness, Independent Oversight, Enforcement and Efficiency Measures*. The PPRA Ordinance and the New Set of Rules are under the approval process and *expected to be enforced by early 2026*. Contemporarily, the Authority has been revisiting the Standards Bidding Documents in accordance with the anticipated legal framework and operational requirements of EPADS. The revised SBDs and allied guidelines will be notified upon approval and enforcement of the New Set of Public Procurement Rules 2025.

### **b) Government as one customer:**

Harmonization of procurement laws, rules, procedures and nomenclatures had been one the core recommendations from the National Procurement Strategy 2013-2016. The PPRAs have been continuously collaborating on regulatory frameworks through the **“Advisory Group on Public Procurement”**. The key arrangements under this strategic action include the following;

#### **I. Formalization of the Advisory Group and Continuous Collaboration among PPRAs and the Development Partners:**

Formalization of the Advisory Group and knowledge & experience sharing among PPRAs for a harmonized evolution of legal frameworks, had been among the key decisions made during the 11<sup>th</sup> meeting of the “Advisory Group on Public Procurement” held on June 02, 2025 in AJ&K. A permanent secretariate of the “Advisory Group on Public Procurement” was set at the Federal PPRA in Islamabad in June 2025 to facilitate uninterrupted communication and knowledge sharing among PPRA. The PPRAs have also nominated the designated focal persons for the different sub-working groups of the Advisory Group.

The World Bank and the Asian Development Bank, being the lead development partners of the PPRAs have also been commendably supporting the PPRAs in regulatory frameworks review and enhancements. Key contributions of the development partners, amongst others, include assistance for transition to digitalization of public procurements, diagnostic review of PPRAs framework (including rendering consultancy services and MAPS), capacity building initiatives for procurement officials and Auditors, and persistent knowledge & experience sharing. Continuous exchange with the development partners and alignment of legal frameworks with the international best practices is one the core strategic objective of the PPRAs that has to continue across the line of all strategic actions.

## II. MoU on Blacklisting among PPRAs:

While each Public Procurement Regulatory Authority (PPRA) maintains its own autonomy and respective procurement rules, their common objective is to foster transparent, efficient, and accountable public procurement, thereby strengthening good governance. The mutual enforcement of blacklisting and debarment by the PPRAs is perceived as an effective mechanism to deter corrupt and fraudulent practices and to bar the participation of blacklisted bidders in public procurements across the nation. *While* protocols exist regarding information sharing across institutions, they are rarely used. Enhancing the timely flow of information among the PPRA(s), Auditor General, NAB, and the FIA, would be an important first step in improving accountability for non-performance or illegal activity (*IMF- Pakistan-Governance and Corruption Diagnostic Assessment, 2025, p.65*).

In line with the instructions of the federal government and constructed on the aforementioned perspectives, the FPPRA placed the draft MoU on “Mutual enforcement of blacklisting/debarment decisions,” before the PPRAs for consideration during the 10<sup>th</sup> meeting of the Advisory Group held on 25<sup>th</sup> February, 2025 at Karachi and the matter was followed in the subsequent meeting of the Advisory Group on Public Procurement held in AJK in June 2025. The provincial PPRAs have to take the matter up with their respective governing boards for consideration and approval. The anticipated timeline for reaching out an agreement among PPRAs is June 2026.

## III. Integration of Systems:

The integration of EPADS with the IFMIS of CGA is one the core strategic action to be implemented by the FPPRA anticipatedly by June 2026. These integrations are aimed at to enhance budgetary control, improve transparency and accountability, thereby enabling the government for real time financial visibility, improved forecasting and informed decision making.

### c) Robust Monitoring and Evaluation System:

A structured and well-functioning Monitoring and Evaluation (M&E) system is essential for ensuring transparency, accountability, and value for money across public procurement. Strengthened M&E arrangements enable timely identification of gaps in procurement processes, support adherence to the legal framework, and provide reliable evidence for institutional and policy decisions.

Historically, M&E activities across PPRAs have remained largely reactive, with limited reliance on system-generated information. With operationalization of EPADS and continued system enhancements, the PPRAs are now required to organize procurement data more effectively and introduce mechanisms for systematic analysis and reporting. These actions will allow the regulatory authorities to assess compliance trends, identify recurring issues, and provide timely feedback to procuring agencies and government institutions.

Action	Indicative Timeline	How it will work
Implementation of Robust Monitoring & Evaluation Mechanism	June 2026	Information based performance and compliance Monitoring & Evaluation supporting



		improved governance, strengthened legal framework and bringing up the best value for public money.
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#### **d) Stakeholders Engagement and Media Outreach:**

For effective fulfilment of the strategic objectives set under the four pillars of this strategy, the PPRAs are required to effectively engage all stakeholders by facilitating two-way communication, holding policy dialogue and media campaigns and projection.

*Efficient* public procurement depends on aligning demand with supply, with market and needs analysis as the critical first step (OECD,2021).

The FPPRA has developed draft Communication Strategy containing the key identified stakeholders, mediums and key contents of communication. The Strategy will be shared with the other PPRAs for adaptation upon approval from the relevant forum of the Authority, anticipated February 2026.

Holding stakeholders' seminars and policy dialogues include amongst some of the other key considerations of the strategic action.

#### **e) Code of Ethics:**

In order to establish clear standards of conduct for procuring agencies and suppliers, development and enforcement of Code of Ethics is essential. The FPPRA in consultation with the other PPRAs and stakeholders will develop the Code of Ethics applicable to personnel of PPRAs, procurement agencies, bidders, suppliers, contractors, consultants, and partners of public procurement. The anticipated timeline for the draft policy development and enforcement by PPRAs is June 2026, with FPPRA to lead the action.

#### **f) Strengthening Human Resources:**

Strengthening Human Resources of PPRAs had been one the core recommendations from the National Procurement Strategy "2013-16". Over the time, the PPRAs strengthened their Human Resource through hunting new talent and introducing service regulations. The FPPRA, in line with the governmental instructions followed by the diagnostic review by the World Bank Consultant, strengthened its human resources by onboarding 11 procurement specialists, experts and associates of multiple fields. Likewise, the Authority's has been taking initiatives to build the capacity of its HR through national and international training programs and diplomas including Master Trainers program from the ITC WTO, anticipated to be conducted during early 2026.

#### **g) Dispute Resolution and Arbitration Mechanism:**

Dispute resolution for public procurement contracts in Pakistan is governed by the Arbitration Act, 1940 and the International Arbitration Act, 1974, yet experience shows that contract disputes often lead to prolonged delays due to the lack of neutral, independent, and professionally qualified arbitrators, undermining confidence and impeding timely contract execution. To strengthen impartiality, efficiency, and accountability in line with international best practices, the public procurement regulatory authorities, in collaboration with the Ministry of Law and Justice, may establish a pool of accredited, sector-specific

arbitrators and develop clear guidelines for alternative dispute resolution consistent with national and international legal frameworks. These institutional arrangements, aimed at enhancing the overall integrity of procurement dispute management, are targeted for implementation by mid-2026.

**h) Standard Grievance Redressal Mechanism:**

All PPRAs have the grievance redressal provisions in their legal frameworks, however, with transitioning to complete digitalization of public procurement, the regulatory authorities are required to make necessary institutional arrangements for standardizing the grievance redressal mechanism in line with the international requirements, a system that is modern, accessible, uniform and merit based.

Such institutional arrangements may include, *Institutionalize* regular report(s) on Government web-site(s) of quarterly monitoring reports on public procurement for development and non-development expenditure, including information on contract award winners, segregated data on procurement by categories (Goods, Works and Services) and procuring agencies, use of market approaches (open, limited and direct), compliance percentage and data on violations, methods of procurement, competition, grievances, and overall and individual performance on contracts for time and cost overruns (*IMF- Pakistan-Governance and Corruption Diagnostic Assessment, 2025 p.175*).

## **Risk Analysis and Mitigation Measures:**

### **1) Political and Governance Risk:**

The Strategy will be implemented across federal and provincial levels, each with distinct priorities and autonomies, which may pose governance risks such as shifting political focus or fragmented frameworks. To mitigate these challenges and ensure consistent execution, the Advisory Group on Public Procurement will provide ongoing advocacy, coordination, and collaboration across all stakeholders.

### **2) Resistance to Change:**

Resistance to change from procurement staff and stakeholders can hinder the adoption of new digital systems and procurement practices including phased shift to sustainable public procurements, slowing down the implementation of the National Procurement Strategy's priorities. This can be mitigated by fostering early engagement through awareness campaigns, policy dialogues and offering training programs.

### **3) Cyber Security and Data Integrity:**

Migrating existing procurement data to the optimized version of EPADS may pose risks of data loss or integrity issues, potentially affecting the strategic actions of Pillar-1. However, phased migration with full data backups, validation checks, and parallel-run testing can be the remedies to ensure accuracy and continuity of data.

### **4) Limited IT Expertise and Resources:**

The limited inhouse IT expertise and resources of the PPRAs is another potential risk that may hinder the smooth implementation of the strategic actions set under the four pillars. The PPRAs are required to effectively and continuously engage with the development partners notably with the WB and ADB for acquiring technical and financial assistance for consistent development and institutional strengthening.

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