A Comparative Study of Public Procurement Practices in Bangladesh with the Procurement Frameworks of Multilateral Development Banks (MDBs) such as the World Bank

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Declaration

It is hereby declared that

1. The thesis submitted is my own original work while completing a degree at Brac University.
2. The thesis does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The thesis does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Ethics Statement

This thesis was conducted with the highest ethical standards, ensuring integrity and transparency throughout the research process. All data collected and analyzed were obtained with full consent from relevant stakeholders and were used solely for academic purposes. Efforts were made to protect the privacy and confidentiality of all participants involved in the study. Any potential conflicts of interest were disclosed, and due diligence was exercised to avoid any form of bias or misrepresentation of data. This research adheres to the ethical guidelines set forth by the BRAC University and complies with all relevant legal and ethical standards.

Executive Summary

The Public Procurement Framework of Bangladesh has been going on various modifications since its inception. The intention is to make public procurement fair, competitive, accountable and transparent as much as possible in the context of Bangladesh. On the other hand, the World Bank Procurement Regulation has also undergone significant changes from 2016 to integrate international best practices in procurement. This thesis intends to compare the two frameworks in terms of respective strength and weakness and points out areas, where PPR can be reformed in light of The World Bank standard.

The comparative study indicates that the legal framework of Bangladesh contains a major deviation from one of the core principles that the procurement guidelines of the World Bank adhere to. The introduction of ± 10% rule in Open Tendering and ±5% rule in Limited Tendering represents unfair competition. Although these provisions were originally incorporated into the PPR to discourage abnormally low bids, which were often considered a reason for incomplete and inefficient contract execution, it turns out that those provisions are obstructing fair competition among bidders due to limited and uninventive participation. A case study of one of the World Bank funded projects of LGED called Program for Supporting Rural Bridges (SupRB) highlights that bidder quoting 10% less or above is not actually a hindrance to successful contract completion. Notably, almost 20% of contractors, even after bidding at abnormally low rates, were able to successfully complete the contracts under the project. Another finding is that the World Bank not only ensures incorporation of Environmental and Social Sustainability in addition to financial sustainability into the tender/contract documents but also emphasizes on maintaining a stringent KPI based monitoring system for the borrowers to ensure enforcement through compliance. The World Bank regulation promoted concepts like LCA/TCO or Value Engineering in addition to least cost, unlike PPR, where sole criteria for tender evaluation is centered towards least cost. The

World Bank regulation is more accountable and transparent in the sense that it promotes Early Supplier Involvement, better debriefing and complaint management procedure. In PPR, transparency and accountability are also kept inherent within its procedures, however they are often accompanied by an intricate level of bureaucracy. The World Bank's Procurement system is less bureaucratic as they have a few Standard formats of RFP and less variety in Procurement Methods as compared to PPR.

The only downside the study reveals is that the World Bank Regulation sometimes lacks efficiency as it holds clearance procedures installed at every stage of procurement process especially under Prior Review category contracts. This is supported by the SupRB data where it can be seen that IPF funded service procurement takes up 10% time on an average than that of GoB funding packages. Another advantage that is associated with the PPR is that it was obviously established to address locally generated needs in localized context and hence is not so much suited to international procurement.

Few recommendations have been suggested as well as a food for thought to the policy makers for reforming public procurement in Bangladesh in light of The World Bank's Procurement Framework. To name a few, imposition of ESHS Performance Security, introduction of Standstill Period after notification of combined evaluation scores, detection of abnormally low bids and transition to MEAT from LCT are noteworthy. Finally, the Government of Bangladesh should consider taking projects funded by the World Bank in combination of both traditional IPF financing, where the World Bank regulation applies only, and newly introduced PforR financing system, where country system can be applied, to utilize the strong areas of both regulations leading to a more sustainable approach of procurement.

Keywords: The World Bank, PPR 2008, IPF, Comparison, Country System

Dedication

I would like to dedicate this study to my newly born daughter Aritri.

Acknowledgement

First and foremost, I would like to thank God with the blessings of Whom all the good deeds are fulfilled. I would like to express my sincere gratitude to my thesis supervisor Mr. Mahbub Ahmed Chowdhury, Senior Vice Principle and Head of Procurement, City Bank Plc. for his supreme guidance, quick response and continuous moral throughout the course of study. His valuable insights and enthusiastic supervision were of immense help throughout my research work. Working under him was an extremely knowledgeable experience for me. I wish to express my gratitude and heartiest thanks to respected examining committee members for their valuable advice and help in reviewing this thesis. I would like to express my deepest admiration to Mr. Asif Hossain Abir, Assistant Engineer, Program for Supporting Rural Bridges for his unconditional help, inspiration and great co-operation with data collection and processing. In addition, I am very much thankful to my wife for her continuous support and moral boost in completing the study amongst the busiest schedule. Last but not the least; I thank my colleagues and friends for their understanding, patience and inspiration.

Table of Contents

List of Tables

List of Figures

List of Acronyms

ADB	Asian Development Bank
APP	Annual Procurement Plan
BPPA	Bangladesh Public Procurement Authority
CPAR	Country Procurement Assessment Report
CQS	Consultants Qualification based Selection
e-CMS	Electronic Contract Management System
e-GP	Electronic Government Procurement
EoI	Expression of Interest
ESHS	Environmental, Social, Health, and Safety
GoB	Government of Bangladesh
GPN	General Procurement Notice
GRS	Grievance Redress System
ICB	International Competitive Bidding
IFT	Invitation For Tender
IPF	Investment Project Financing
KPI	Key Performance Indicator
LCA	Life Cycle Assessment
LGED	Local Government Engineering Department

LTM	Limited Tendering Method
MDB	Multilateral Development Bank
MEAT	Most Economically Advantageous Tender
NCB	National Competitive Bidding
NoA	Notification of Award
NOITA	Notification of Intention to Award
OHS	Occupational Health and Safety
OTM	Open Tendering Method
PforR	Program-for-Results
PPE	Personal Protective Equipment
PPR	Public Procurement Rules
PPSD	Project Procurement Strategy for Development
QCBS	Quality and Cost Based Selection
RFP	Request for Proposal
SDG	Sustainable Development Goal
SIC	Selection of Individual Consultants
SIRTP	Strategic Investment Roadmap and Transition Plan
SSS	Single Source Selection
STD	Standard Tender Document

STEP	Systematic Tracking of Exchanges in Procurement
TCO	Total Cost of Ownership

Chapter 1

Introduction

1.1 Background

The concept of public procurement is based on value for money. To ensure value for money, the public procurement system should be highly regulated, controlled and focused on efficient use of resources. In 2006, Bangladesh established a law in the form of Public Procurement Act 2006 with a view to setting up a structured approach in procurement as well as strengthening overall governance. Based on the law, a new set of Public Procurement Rules (PPR 2008) was introduced. The whole purpose of establishing these legal frameworks is to bring about transparency, accountability, and value for money into public spending. Despite a significant improvement in governance, Bangladesh’s public procurement system has undergone many adversities such as inefficiencies, incompetency, delays and inadequate complaint mechanisms.

Multilateral Development Banks (MDBs) such as the World Bank, Asian Development Bank (ADB), and others administer under well-organized procurement frameworks, such as the World Bank's Procurement Framework (2016) and ADB’s Procurement Policy (2017). These frameworks emphasize international best practices, focusing on fair competition, transparency, and sustainable development. MDB’s procurement framework administers equity, puts emphasis on competition and supports strong attributes like integrity and efficiency in procurement processes and thus are often considered as international benchmarks in procurement practices.

This comparative study intends to take a look at the certain aspects of public procurement practices as per PPR 2008 in Bangladesh and compare them with MDB’s procurement framework with a view to identifying strengths, weaknesses and opportunities for reform.

1.2 Statement of the Problem

In Bangladesh, competition in public procurement is ensured by two ways: one is manual tendering- which is a traditional process and prone to corruption; the other one is e-tendering- which is a more recent development due to the inception of e-GP on 2011 and considered as a comparatively more transparent approach of sourcing suppliers. Although, one of the mandates of BPPA is to process the entirety of public procurement through e-GP, service procurement and all types of international procurement are generally still out of range for the e-tendering system of Bangladesh. As a result, the public procurement professionals in Bangladesh, on the one hand, cannot realize the full benefit of automation and on the other hand are not fully rid of collusive and corruptive practices associated with manual tendering. Therefore, the procurement system of Bangladesh is a hybrid system of both offline and online tendering where advantages and disadvantages of both manual and electronic tendering coexist. To tackle such problems, it is of paramount importance to look into the procurement management systems of other renowned organizations like World Bank or ADB to adopt their best practices suggesting few reforms in our procurement policies. This study aims to find out such key areas where reforms in Procurement rules and regulations can be applied in line with the best international practices of MDBs such as the World Bank.

1.3 Research Objectives

The main objective of the study is to conduct a comparative analysis of the procurement practices of Bangladesh with the procurement frameworks of MDBs; especially the World Bank. The specific objectives include:

a) Comparing the key issues in procurement Practice of Goods, Works and Service between Bangladesh's procurement practices and World Bank' procurement frameworks.

b) Understanding the challenges and opportunities in aligning Bangladesh's procurement system with World Bank Procurement frameworks.

c) Providing recommendations for improving the procurement system in Bangladesh by incorporating relevant World Bank's procurement practices.

1.4 Research Questions

Based on the research objectives, the study intends to answer the following research questions:

a) What are the key similarities and dissimilarities between the procurement framework of World Bank and Bangladesh in terms of goods, works and services purchasing?

b) What are the major strengths and weaknesses of Bangladesh's Public Procurement rules and regulation in line with World Bank's Procurement Guidelines?

c) How can the best practices of World Bank's Procurement Policy be applied to Bangladesh's Public Procurement?

1.5 Scope of the Study

Firstly, the present study aims to compare the key aspects of legislative and regulatory framework that oversees procurement in Bangladesh like PPR 2008, STDs etc. with the procurement policies and frameworks of the World Bank's introduced in 2016 for goods, works and service procurement. Secondly, this study compares the competitive bidding procedures and procurement methods that World Bank follows with the methods of procurement for goods, works and service packages as inscribed in the legal framework of Bangladesh. Thirdly, this section evaluates the WB's best practices for transparency and governance with that of the existing system in place for Bangladesh i.e. e-GP and e-CMS. Fourthly, this dissertation intends to examine how social and environmental factors are incorporated into the tender document of

LGED as compared to the sustainable procurement guideline of the World Bank. Finally, resolving disputes in procurement and grievance redress mechanisms between the public procurement system of Bangladesh and procurement procedures of the World Bank will be thoroughly assessed.

1.6 Overview of the Thesis

The thesis is divided into five Chapters:

Chapter One illustrates the research background, Problem Statement, Research Objectives and Research Questions. This chapter also describes the scopes of the study and finally the chapter is concluded delineating the overall structure of the dissertation.

Chapter Two delineates Detailed review of Public Procurement Rules (PPR) 2008 including summary of major sections as well as criticism of PPR highlighting strengths and weaknesses of these Rules in public procurement arena in Bangladesh is presented in this chapter.

Chapter Three explains in detail the World Bank's Procurement Guidelines, 2016 – including summary of major sections as well as strengths and weaknesses of this set of guidelines.

Chapter Four presents comparison between two sets of guidelines with a focus on strengths and weaknesses in the context of public procurement in Bangladesh.

Chapter Five concludes the study and presents some recommendations for efficiency and effectiveness of public procurement.

Chapter 2

Review of Public Procurement Rules 2008

2.1 Introduction

The public procurement system of Bangladesh was strengthened by the enactment of a law called Public Procurement Act in 2006. The slow progress of different projects tempted the World Bank to suggest to the Government of Bangladesh to take initiative for reforms in public procurement systems of Bangladesh. Absence of proper planning, bureaucratic complexity, inefficiency in contract management are some of the major reasons for this deficiency as per World Bank's The Country Procurement Assessment Report (CPAR). With the above backdrop, the need for a legal framework in procurement was felt. As a consequence, the Government of Bangladesh issued Public Procurement Regulations 2003 and in July 2006 passed a procurement Act in the Parliament. Till date, the Act and the regulations have been contributing to the improved performance in public procurement through adaptation of measures in alignment with internationally accepted norms.

2.2 Salient Features of PPR

The Public Procurement legal framework was designed to streamline, simplify and refine public procurement practices in Bangladesh so that the accountability and transparency in spending public money can be strengthened, which eventually ensures good governance. The salient features of PPR can be seen as follows:

2.2.1 Scope and Application

The Public Procurement Act is a mandatory enactment and hence all government bodies, semi-government, statutory bodies, and companies using public funds must apply the provision of this law to spend any amount of public money. Also, PPR can be applied to spend the funding of development partners in the form of loan, grant or credit if otherwise not specified in the Financing Agreement signed between development partners and the Government of Bangladesh (BPPA, Public Procurement Act 2006 and Public Procurement Rule 2008, 2023).

2.2.2 Procurement Methods

The Public Procurement Rule incorporates different procurement methods namely OTM, LTM, Direct Procurement, Request for Quotation, and Two-Stage Tendering (BPPA, Public Procurement Act 2006 and Public Procurement Rule 2008, 2023). For service procurement, there are other methods specified in the Regulation namely QCBS, CQS, SIC, SSS etc. All these methods are suited to address different needs and priorities of the procuring entity and sometimes are used to reduce bureaucratic complexity and save time.

2.2.3 Committees and Authorities

The Public Procurement Rule incorporates the provision for constitution of committees like Tender/Proposal Opening Committee, Tender/Proposal Evaluation Committee. These committees are mandated to be formed in the Regulation so that opening, evaluation and processing of tenders/proposals are administered adhering to the international standard ensuring transparency and accountability.

2.2.4 Transparency and Accessibility

Procuring Entities in Bangladesh mandated by The Public Procurement Act are enacted to circulate the IFT/EoI notice and relevant documents in appropriate media. This includes accessibility of such documents by the tenderer not only in daily newspapers but also in the website of the Procuring Entity’s institution as well as BPPA website. Such provisions kept in the law aids in promoting transparency and competition in the long run.

2.2.5 Ethics and Conflict of Interest

The Public Procurement rule promotes ethical behavior enabling procurement practitioners to maintain a code of ethics in their work. In addition, the procurement regulation outlines stringent conditions on a case-by-case basis for falling into the category of Conflict of Interest. The Procurement Practitioners in Bangladesh are thereby mandated to avoid Conflict of Interest in applying PPR.

2.2.6 Grievance Mechanism

The Public Procurement Rule (PPR) emphasizes a Grievance Redressal Mechanism to be established in all stages of procurement related activities so that an abbreviated tenderer can raise concerns and seek remedies through a standardized system. This provision helps to build up fairness and accountability throughout the procurement cycle. In the e-GP system, there is a separate tab that has been introduced to aid tenderers register procurement related complaints.

2.2.7 Electronic Governance Procurement (e-GP)

The rule emphasizes use of electronic government procurement systems for end-to-end processing i.e. from publication of REoI to contract signing. However, there is a clear indication that if any conflict arises between PPR and e-Gp Guidelines, the latter would prevail.

2.2.8 Post Procurement Procedures

PPR 2008 provides guidelines for activities like contract management, performance evaluation and storage of procurement data. These measures are provided in the rule to meet the need for which procurement initiatives were taken in the first place.

2.3 Conclusion

After going through many reforms over the years since its enactment, Public Procurement Rules of Bangladesh has been transformed to its presence state. Still, there are many inconsistencies and irrelevancy observed by the procurement professionals and as such room for improvement is there. Hence, this study aims to compare such provisions with that of internationally more recognizable regulation of the World Bank in order to highlight some key areas where reformation could be proposed.

Chapter 3

Review of The World Bank's Procurement Regulations for IPF Borrowers

3.1 Introduction

In 2015, the World Bank introduced a revised procurement framework with a view to updating its approach to procurement for being at pace with the changing surroundings. The overall objective was to be an international trend setter in the field of Procurement by continuing to exercise new strategies for development and increasing its effectiveness leading to successful implementation of projects. The vision of the World Bank includes "Procurement in IPF operations supports Borrowers to achieve value for money with integrity in delivering sustainable development" (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023). Therefore, to streamline the process for procurement of goods, works and service for impacting successful projects implementation, the World Bank Procurement Regulation for IPF Borrowers was first published in July 2016. Since then, it was revised four times in order to modernize the document as well as make it fit for purpose. The document delves into many options to tailor procurement processes for specific operational needs of the borrowers. This regulation is dictated by core procurement principles of procurement such as Value for Money, economy, integrity etc. (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023). This chapter includes detail description of such guiding principles and latest features of the existing World Bank Procurement Regulation for IPF Borrowers

3.2 Salient Features of World Bank's Procurement Regulation

3.2.1 Value for Money

The World Bank emphasizes on achieving the best possible outcome for any investment to occur. Procurement decisions are based on extracting the best possible outcome by engaging resources as minimum as possible. Therefore, the World Bank's procurement regulation requires borrowers to keep a close eye on balancing quality and cost in every procurement decision as they make.

3.2.2 Transparency and Fairness

The procurement regulation mandates that all the procurement activities performed by the borrower must be well documented and made accessible to audit or post procurement review purposes, which, in turn, enforces the concerned procurement professionals of the borrower country to remain accountable for their decision making at every stage of the process. The documentation and accessibility of procurement information aids in building a competitive and level playing field for suppliers/contractors/consultants to take part in the tendering process.

3.2.3 Efficiency

Efficiency in public procurement is one pivotal criterion that the World Bank considers for its investment. If a borrower country is highly efficient in procurement i.e. procurement is institutionalized in the borrowing institution's organogram with streamlined and simplified procedures and trained professionals in a quicker and cost-effective manner, the investment is more likely to follow in that country. Efficiency in procurement process aids in achieving project deliverables quickly reducing delays resulting in timely completion of projects enhancing return in the long run.

3.2.4 Risk Based Approach

The regulation calls for a risk-based approach in procurement. The volume of procurement, in some projects, is so immense that it is not possible to oversee every procurement activity from the bank. Therefore, a risk-based approach was incorporated in the regulation where risk is assessed for procurement packages and based on the risk profile, the level of oversight is fixed. Generally, internationally complex and high value procurement are associated with high scores and are often categorized into the Prior Review Type Contract, where the beginning of the next activity at every stage in the procurement process requires prior approval of the previous action performed by PE from the bank. On the contrary, low value straight forward procurements fall into the Post Review category.

3.2.5 Use of Country System

The regulation prioritizes the application of the borrower country's own procurement regulation if such framework supports the guiding principle of the procurement standard that the World Bank follows. The use of the country system not only builds the overall procurement capacity of the borrower country but also brings mobility in procurement activities by reducing administrative delays as borrower's own methods and instruments are being used.

3.2.6 ICB and NCB

The regulation differentiates procedures between the two bidding types, where the detailed requirements for bid advertising, bid evaluation and contract awarding are depicted. Whether the tender will be NCB or ICB depends on the value and nature of complexity of the scope of work. As mentioned earlier, different risk scores dictating the control mechanism of the bank may apply here as well depending on whether the package is a national or international bid.

3.2.7 Environmental, Social, Health, and Safety (ESHS) Standards

The regulation has made it compulsory for the borrower country to incorporate ESHS consideration into their own Procurement Standards. The projects in borrower countries that are operated by the World Bank funding require regular demonstration of adherence to the Environment and social safeguard policies as well as occupation health and safety measures. This is strictly monitored by the bank especially in the case of procurement of infrastructure construction works, where contractors need to officially incorporate an ESMP in their bid document suggesting their readiness to react to any environmental and social hazard during implementation. In addition, work packages in a World Bank funded project, now a days in Bangladesh, are estimated considering all the safety protocols of the workers involved.

3.2.8 Contract Management and Performance Monitoring

After the contract is awarded, The World Bank's Procurement Regulation puts priority on effective contract management for assurance of value for money in the long run. This involves monitoring supplier performance periodically and making amendments as a part of the change management process, if required. A contract management plan for selected contracts of high complexity is a must for the borrower to be set out in the PPSD.

3.2.9 Grievance Redress Mechanism

The regulation injuncts a Grievance Redress Mechanism to be set up in the procurement process for receiving complaints or disputes and accordingly address them. This mechanism is a platform for offended supplier/contractor/consultants to seek clarification or debriefing in bid related issues and for borrowers to resolve the disputes or conflicts in a transparent and effective way. The World Bank itself maintains a GRS in their domain (https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service) for stakeholders who can register a complaint if they feel that the World Bank

Supported Projects may have or already have an adverse effect upon their stake. The World Bank conditions to replicate a similar institutional GRS set up in the borrower institution's web portal to effectively encounter complaints and disputes enhancing accountability and transparency for investment to flow.

3.2.10 Innovative Procurement Methods

The regulation supports the inventiveness in procurement process by incorporating new techniques of offering bids such as Framework Method, Direct Contracting, Quality Based selections to name a few. These procurement methods stand for moulding the selection process to enhance options in choosing the best possible supplier/contractor for diverse scope of work.

3.3 Conclusion

The World Bank's Procurement Guideline is based on six fundamental principles such as Value for Money, Economy, Fit for Purpose, Efficiency, Transparency, Fairness. All these core principles play a pivotal role to make all kinds of processes, procedures and provisions in the Procurement Regulation of the World Bank.

Chapter 4

Comparison between the PPR and the World Bank's Procurement Regulation

4.1 Introduction

This chapter delineates a comparative analysis of the Strengths and Weaknesses of the Public Procurement Rule (PPR) 2008 and the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers. The comparison is supported by data from different case studies of a World Bank funded Project in LGED called Program for Supporting Rural Bridges (SupRB). The reason behind choosing this project's data for case study purposes is for the fact this project is under operation by the combination of the World Bank' s newly introduced PforR and traditional IPF financing. Simply put, The World Bank regulation applies for the IPF part, whereas the PPR applies for the PforR portion. As a result, the comparative analysis can be well supported by the procurement information from the above-mentioned project.

4.2 Comparative Analysis

4.2.1 Value for Money

The World Bank Procurement Regulation is primarily focused on promoting concepts like The Whole Life Cycle Cost leading to sustainable solutions by offering value for money. Whereas, the Procurement Rules and Regulations in the context of Bangladesh put priority on cost effectiveness rather than balancing cost, quality and other factors to optimize the resources available. The World Bank Regulation incorporates the concept of MEAT which enables the borrowers to follow a selection assessment where the contracting authority considers other criteria i.e. quality, accessibility, aesthetics, social and environment aspects etc. rather than Price alone while awarding a contract. On the Contrary, the sole criteria to evaluate a bid, in majority of public procurement in Bangladesh, is still price, which often causes awarding of bid to the most incapable, unqualified bidders, ultimately causing the contract to become not fit for purpose. The fact that no Quality Based Selection (QBS) method is not included as a procurement method in case of consultancy service procurement is a testimony of the fact that existing regulation of Bangladesh distinctly puts cost above all criteria. Assessment of Bangladesh Public Procurement System by the World Bank (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023) emphasizes on incorporating a Quality Based Selection to address the need for procuring complex services where having a highest quality consultant is a paramount necessity.

Insight from SupRB: analysis of last year's work procurement Data of SupRB Project undeniably questions the existing evaluation procedures following PPR.

4.2.2 Transparency and Accountability

Both regulations prioritize transparency and accountability in their respective documents. In PPR, there is a clear outline for formation of Procurement Committees, evaluation process and approval mechanism. Also, there is a strong mechanism for following distinct guidelines on ethical conduct and conflict-of-interest prevention. In other words, PPR 2008 established elaborate guidelines for almost every activity starting from tender publication and evaluation to contract awarding at each stage of procurement including grievance redressal procedures. Therefore, measures to ensure accountability and transparency is described adequately and almost meticulously in the document in question. However, high accountability and transparency often are associated with bureaucratic delays.

Transparency and accountability in the World Bank procurement document is one level higher as they require detailed documentation, open bidding, proper justification of single source bidding and also public disclosure of tender information to concerned bidders before the contract is awarded also known as Notification of Intention to Award. After that, there is a provision for Standstill period of 10 business days for bidders to debrief and register complaints, if any. The provision, which is missing in PPR, ensures better credibility and a greater sense of transparency and fairness among the bidders. Thus, The World Bank Procurement Guideline has integrated a more streamlined framework in maintaining accountability and transparency into the bank's procurement system. The framework maintains a balance between complexity and clarity as well as transparency and bureaucracy. However, the PPR is in contrast with the World Bank in the sense that it has a less structured mechanism, which may not focus on accountability at international level, rather prioritizes participation of local actors.

The following Chart Provides the list of Standard Tender Documents case by case basis as both the World Bank and PPR standardize in their document, which may be an indication of level of complexity and bureaucracy associated with the respective purchasing system.

Category	The World Bank	PPR
Goods	1. Request for Bids: Goods 2. Request for Quotation: Goods	1. Standard Request for Quotation (SRFQ) Document (National) for Procurement of Goods (for values up to BDT 5 lakh) 2. Standard Tender Document (National)For Procurement of Goods [Open Tendering Method / Limited Tendering Method] 3. Standard Tender Document (National)For Procurement of Goods [Open Tendering Method] For value above BDT 25 Lac 4. Standard Tender Document (STD) For Procurement of Goods (International) Open Tendering Method 5. Standard Tender Document (STD) For Supply & Installation of Plant & Equipment (National / International) Applicable for One Stage Two Envelope Tendering for Turnkey Contract (For any value 6. Procurement of Goods through e-GP System For viewing purpose only 7. Standard e-Tender Document (STD)

Category	The World Bank	PPR
		(National) For Procurement of Goods [Direct Procurement Method]
Works	1. Request for Bids: Works 2. Request for Quotations: Works	1. Standard Request for Quotation (SRFQ) Document (National) for Procurement of Works (for Values up to BDT 10 lakh) For Values up to BDT 10 lakh 2. Standard Tender Document (National) For Procurement of Works [Open Tendering Method] (For values up to BDT 3 Crore.) 3. Standard Tender Document (National) For Procurement of Works [Limited Tendering Method] For values up to BDT 2 Crore 4. Standard Tender Document (National) For Procurement of Works [Open Tendering Method] (For any value above BDT 3 Crore) (Without Pre-Qualification) 5. Standard Pre-qualification Document (National) for Procurement of Works 6. Standard Tender Document for Procurement of Works (International) (for values up to BDT 3500 lakh) 7. Standard Tender Document (National) For Procurement of Works [One Stage Two Envelope Tendering Method] for above BDT 3 Crore 8. Standard Tender Document For Procurement of Works (International) [One Stage Two Envelope Tendering Method] For large & Complex works 9. Standard Tender Document (STD) for National Procurement of Works (above Tk 350 million)(with Prequalification) [April 200] 10. Standard Pre-qualification Document (International) for Procurement of Works (for values above BDT 3500 lakh)[January 2010] 11. Standard Tender Document (National) For Procurement of Works (Open Tendering) (For values up to BDT Tk. 3 Crore.) 12. Standard e-Tender Document (STD) (National) For Procurement of Works [Open Tendering Method] (For values above BDT Tk. 3 Crore funded by GOB) 13. Standard e-Tender Document (STD) (National) For Procurement of Works [One Stage Two Envelope Tendering Method] 14. Standard e-Tender Document (STD) (National) For Procurement of Works

Category	The World Bank	PPR
		[Open Tendering Method/ National Competitive Tendering following the Procedures of Procurement Laws]
Services	1. Request for Proposals: Consulting Services (lump Sum) 2. Request for Proposals: Consulting Services (Time Based)	1. Standard Request for Proposal (SRFA) for Selection of Individual Consultant (National) Lump Sum based 2. Standard Request for Proposal (SRFA) for Selection of Individual Consultant (National) Time Based 3. Standard Request for Proposal (SRFP) For Selection of Consulting Firm (National) [August, 2021] (Simple Lump Sum - up to Tk 1.00 Crore) 4. Standard Request for Proposal (SRFP) For Selection of Consulting Firm (National) (Simple Time Based - up to Tk 1.00 Crore) 5. Standard Request For Proposal (National) For Selection of Consulting Firm [June-2021] (Complex Lump Sum – For value above BDT 1 Crore) 6. Standard Request for Proposal (SRFP) for Selection of Consulting Firm for Software and IT Enabled Services (Complex-Lump Sum - For Value Above 50 Lakh) 7. Standard Request For Proposal (National) For Selection of Consulting Firm (Complex Time Based – For value above BDT 1 Crore) 8. Standard Request for Proposal (SRFP) for Selection of Consulting Firm (International) Lump Sum Contract -any value 9. Standard Request for Proposal (SRFP) for Selection of Consulting Firm (International) Time Based Contract- any value
Non-Consultancy Services	1. Request for Bids (RFB): Non-Consulting Services	1. Standard Tender Document (National) For Procurement of Non-Consulting Services [Open Tendering Method] (July 2019) for any value
IT System	1. Request for Bids: IT Systems	1. STD not published
Framework Agreement	1. Standard Bidding Document for Framework Agreement	1. STD not published

Table 1: List of Standard Tender/Bid Documents for the World Bank and PPR (BPPA, https://cptu.gov.bd/standard-documents/standard-tender-document.html, 2025)

Therefore, Both the regulations have incorporated ample measures for practicing accountability and transparency in procurement activities, however, it seems from the above table that the World Bank Standard has a more streamlined and simplified approach in which stakeholders are not overwhelmed with unnecessary bureaucratic steps.

4.2.3 Procurement Efficiency

Adherence to stringent regulation is always associated with a certain amount of bureaucracy. The World Bank Procurement Regulation and Public Procurement Framework of Bangladesh are no exception. Both the regulations have certain minimum timeframes that are mandated to follow as a procuring entity. Failure to obligate any of the stipulated time frame might cause delay by taking a longer time to award the contract leading to a delay in commencement of implementation of contract. In consequence, overall project deliverable gets hampered. Therefore, it is of paramount importance to bring effectiveness in the procurement process so that the benefit of the outputs or deliverables can be realized in a timely manner. Having said that, the World Bank contracts, especially the prior review type contracts, consume a longer time to award than those procured following the PPR since multilayer approval or clearance is required at each and every stage of the processing of the bids under IPF funding. Multilayered clearance means that the tender needs to be cleared by the World Bank prior to its approval from the approving authority, which is a source of major delay in prior review contracts. In comparison, the bids issued under Bangladesh Government funding are often administered with HOPE or Authorized Officer being the single approving authority at every stage and hence time starting from bid advertisement to contract awarding is usually shorter compared to that of IPF funded bids.

The procurement data collected from STEP (www.step.worldbank.org) depicts significant delays occurring in service procurement under QCBS method in bid evaluation and approval processes. As the World Bank funds the SupRB project under both IPF and PforR funding, some service packages such as supervision and monitoring consultants were procured under GoB budget following PPR, while the others namely Design Consultancy and Maintenance Consultancy firms were engaged complying with the World Bank Regulation and both were prior review type contract. Also, there were service packages under IPF funding which were post review type contracts. Time taken from EoI advertisement to NoA issuance for these three groups of service packages were collected from STEP and processed in a graphical format to present in the following way:

Package No.	Name of the Service	AA	Review Type	Fundi ng	EoI Publication Date	NoA Issue Date	No. Of Days
SD 11	Design Consultancy Firm	Ministry	Prior	IPF	21/03/2019	15/09/2020	544
SD 12	Maintenance Consultancy Firm	Ministry	Prior	IPF	01/04/2019	15/09/2020	533
SD 51	Feasibility Study & Preparation of SIRTP	Ministry	Post	IPF	13/11/2023	25/11/2024	378
SD 13	Monitoring & Evaluation Consultant	CE	Post	IPF	06/03/2020	20/01/2021	320
SD 30A	Internal Audit Firm	CE	Post	IPF	06/02/2020	20/11/2020	288
SD 14	Consultant for Region (Dhaka Division)	CE	Post	GoB	20/02/2019	23/12/2019	306
SD 15	Consultant for Region (Khulna Division)	CE	Post	GoB	20/02/2019	26/08/2019	187
SD 29	Consultant for Field (Chattogram Division)	Ministry	Post	GoB	25/02/2019	30/05/2020	460

Table 2: SupRB's Service Procurement Duration (STEP, World Bank , n.d.)

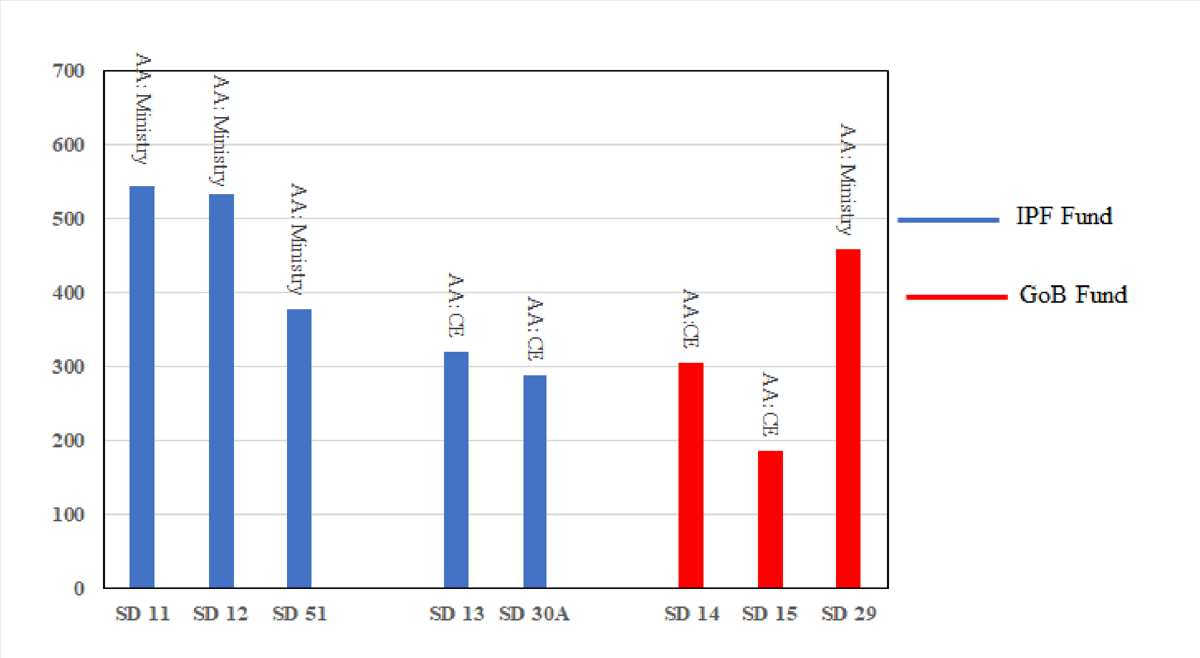

Figure 1: Comparison of SupRB's Service Procurement under IPF and GoB Budget

The above data shows that two Prior Review contracts under IPF funding are the most time consuming which is attributed to the complexity of World Bank procedures for example, the multi-layered approval required under World Bank guidelines. Whereas two GoB funded service packages with Chief Engineer, LGED being the approval authority are the most efficiently procured contracts as they consume very little time. Therefore, as far as the efficiency of procurement is concerned, PPR 2008's streamlined single layer approving approach is better suited for projects requiring quicker implementation. Having said that, substantive administrative processing and transaction efforts are required under the PPR for procurement of low-value, standard and frequently needed products like stationery, computers and accessories, office equipment, printers and toner, medicines, vaccines, medical consumables etc. leasing to signoficant transaction effort and costs.

Service Procurement is the most time consuming of all. When the approving authority is someone outside the implementing agency, the time it takes is much longer as it can be seen from the case presented above. On top of that, service procured following the World Bank's procurement framework often results in taking more time than necessary due to its extensive compliance requirements. Therefore, procurement under the World Bank project sometimes may lack efficiency, while PPR 2008 allows internally quicker approval mechanisms but may compromise on depth and sustainability.

4.2.4 Fair Competition and Access to Participation

In 2016, an amendment to the PPA 2006 was introduced by applying a 10% price cap on OTM (NCT- single stage single envelope) works procurement [PPA Section 31(3)] (BPPA, Public Procurement Act 2006 and Public Procurement Rule 2008, 2023). The main purpose behind this modification was to range out abnormally low bids in works contracts. The introduction of e-GP and subsequent habituation of bidders with the system had led to an increase in competition among them and bidders were quoting much lower prices to win the contracts and consequently started compromising in terms of quality during implementation of the works or failed to implement the contract. However, the problem with current provision is that it constricts the competition among bidders as any bidder offering below 10% less than the official estimated cost is automatically left out in the e-GP system. The official estimated cost is kept secretly and unknown to bidders and also, they may often be erroneous, not being consistent with current market rate. Hence, it is possible that a bidder with justifiable quoted price may get rejected due to the plus minus 10% bar. This violates the fundamental principle of OTM where every bidder with a justifiable quotation has the right to participate in the bidding process (BPPA, Public Procurement Act 2006 and Public Procurement Rule 2008, 2023). The World Bank does not accept this amendment and requires that all new projects funded by the World Bank in Bangladesh would not apply plus minus 10% price cap rule while using OTM (NCT). As a result, following the imposition of the price cap rule in 2016, a separate standard bidding document called epW3D was introduced by BPPA to use in projects funded by development partners, where fair competition was ensured by removing such barriers to participation.

Another similar provision was made in LTM tenders for national works contracts up to BDT 30 million where bids are rejected based on ±5% price cap (BPPA, Public Procurement Act 2006 and Public Procurement Rule 2008, 2023) which again weakens the competition as opposed to the fundamental procurement principle of the World Bank Regulation. It is to be noted that PPA 2006 and PPR 2008 included the above provision in 2009 through an amendment to attract small and new bidders with a view to building local capacity. Data suggest that the probability of winning the tender becomes very low if a bidder bids anything other than -5%. Therefore, more often than not the multiple bidders bid at the same price and the decision to award the contract is given based on lottery. Also, No past specific experience is evaluated resulting in poor execution of contract (World Bank, Assessment of Bangladesh Public Procurement System, 2020). The World Bank Procurement Regulation does not support price cap and lottery and makes sure that these provisions are not applicable in all projects funded by the World Bank while using the LTM method (BPPA, Public Procurement Act 2006 and Public Procurement Rule 2008, 2023).

% Less or Above	No. of Packages	Cumulative Percentage
-30%--35%	4	0.4
-25%--30%	4	0.4
-20%--25%	7	0.7
-15%--20%	8	0.8
-10%--15%	25	2.5
-10%--5%	69	6.9
-5%-0%	86	8.6
0%-5%	156	15.6
6%-10%	166	16.6
11%-15%	177	17.7
16%-20%	152	15.2
21%-25%	88	8.8
26%-30%	34	3.4
31%-35%	14	1.4
36%-40%	6	0.6
41%-45%	3	0.3
46%-50%	1	0.1
Total	**1000**	**100**

Table 3: Completed Work Packages of SupRB up to 05/01/25 (Project Management System-LGED, 2025)

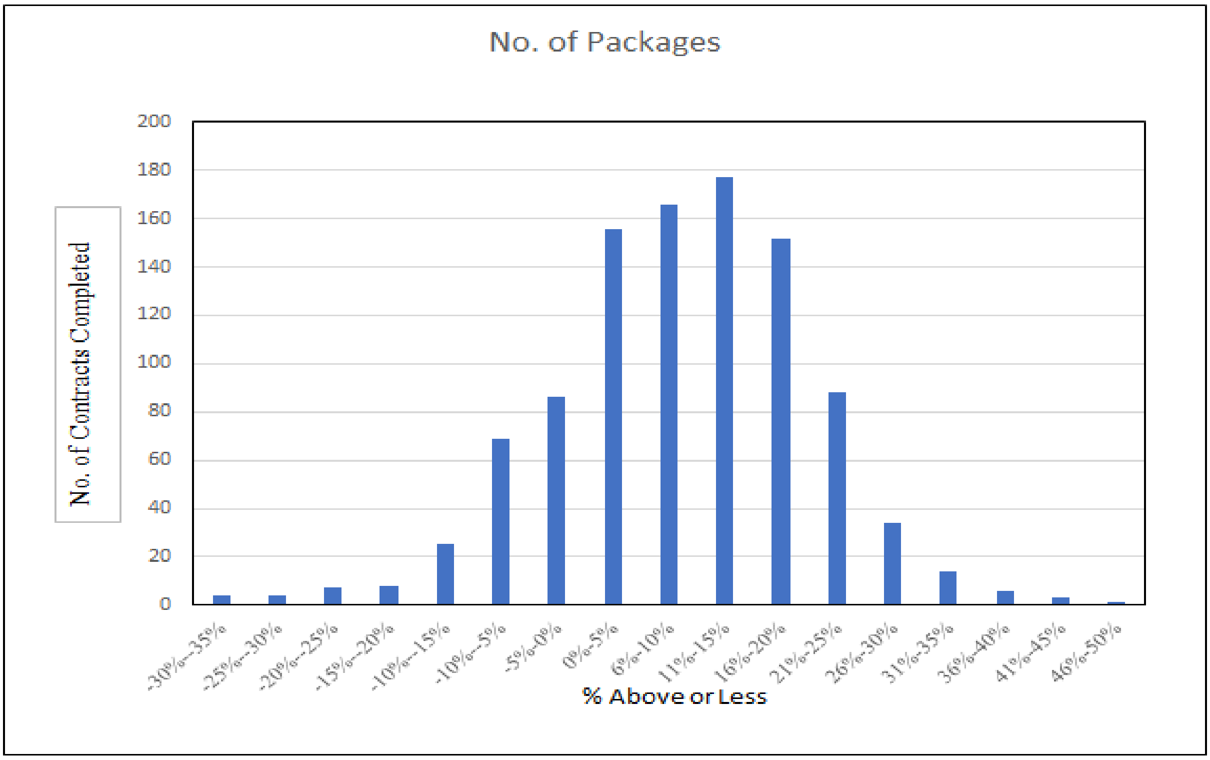

Figure 2: Distribution of Completed Works Contract in SupRB with % above or less (Source: www.pms.lged.gov.bd)

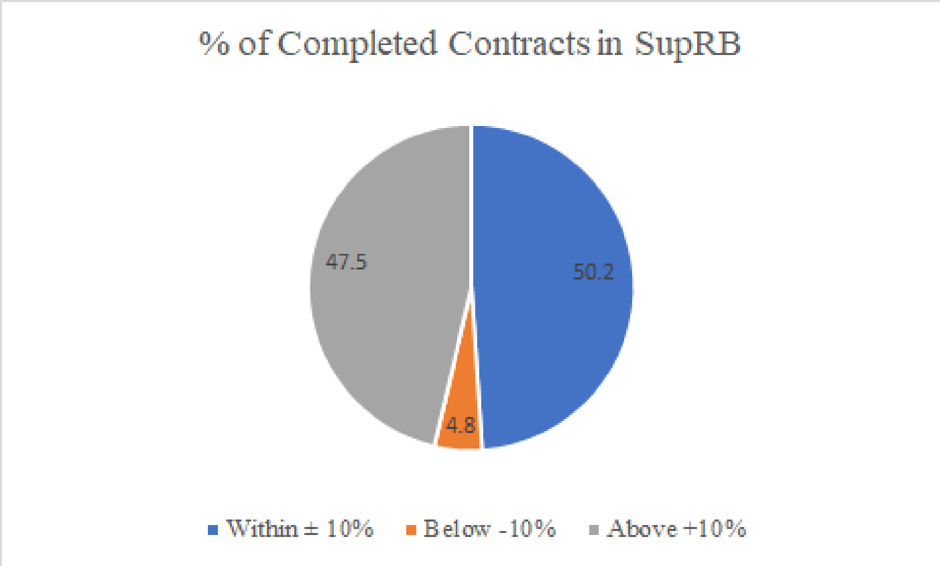

Figure 3: Pie Chart (Data Source: www.pms.lged.gov.bd)

LGED has been implementing a World Bank funded project called Program for Supporting Rural Bridges since 2018. As per the Financial Agreement between Bangladesh Government and the World Bank, SupRB uses ePW3d document for procurement of work packages barring ±10% rule. So far, there are 1000 contracts which have been completed under the project and the distribution of completed work packages with respect to % above or less of estimated cost is shown in the bar chart. Further analysis of data as shown in the pie chart reveals that almost 50% packages are awarded with the contractor bidding within ± 10%, which is consistent with PPR. Around 4.8% works packages have been awarded to contractors quoting below 10 % of estimated cost and almost 47.5 % packages are completed successfully with contracts amounting to 10 % and above. This justifies the fact that being a World Bank funded project, the ± 10% rule is not making any impact in selecting a contractor for execution of work of SupRB. Rather, it is restricting the competition in the sense that the contractors cannot apply any innovation in the bids submitted.

4.2.5 Social and Environmental Sustainability

The World Bank Integrates ESHS (Environmental, Social, Health, and Safety) requirements into its procurement processes to ensure delivery of sustainable output. Whereas, PPR 2008 is less focused on environment and social aspects. This is why, majority of the procurement in Bangladesh lacks longevity and is often susceptible to cost overrun in the long run.

At the policy making level, Bangladesh has been trying to integrate a strategy for sustainable development. In the 8th five-year plan, the government aims to create a sustainable development pathway that shows resilience to climate change and disasters. The plan prioritizes job creation, ensures good governance and pursues an environmentally sustainable and socially inclusive development process. In addition, Target 12.7 of SDG aims to prmote public procurement practices that are durable and requires reflection of sustainability into the national policies and priorities. Therefore, awarding contracts based solely on single criterion, which is lowest cost, may not always be the right way to acquire high end goods/works inherent with socially and environmentally responsible parameters such energy efficiency, low carbon emission and labour safety etc. On the contrary, The World Bank provides tools and resources to help client countries implement sustainable procurement, enhancing their ability to meet environmental and social goals.

The "Sustainable Public Procurement (SPP) Guide" by the Bangladesh Public Procurement Authority (BPPA), (BPPA, Sustainable Public Procurement (SPP) Guide, 2023) aimed at integrating sustainability into public procurement processes in Bangladesh. It points out the significant role of public procurement in addressing three sides of sustainability such as environmental, economic, and social issues, and outlines the transformation from the Lowest-Cost-Tender (LCT) to the Most Economically Advantageous Tender (MEAT) approach. The guide recommends amending the existing legal framework to incorporate a more comprehensive and integrated approach to public procurement by including all three criteria of sustainable public procurement into the legal framework and procurement processes. As per the guideline, the current PPA does not exclusively highlight environmental sustainability, although some protection measures are there under safety clauses of the STDs of civil works which undeniably does not serve the purpose. As mentioned before, the current PPA/ PPR universally applies the least cost tender approach irrespective of requirement and situation. The recent guideline by BPPA recommends using Least Cost Analysis/ Total Cost of Ownership approaches for evaluating tenders considering not only purchase cost but also operation/maintenance cost and disposal costs as well. The current STDs are not prepared considering Sustainable Procurement criteria and hence requires necessary revision to incorporation of international standards, procedures and practices. Another shortcoming of the existing regulation is that although recognition and provisions have been there to promote SMEs and women led enterprises, specific directives and methodologies for margin preference are missing. Last but not the least, the current contract management provisions in the legal framework or standard documents seem to be very weak since only 30% of contracts are completed on time in our country resulting in cost overrun in the long run. This indicates a need to strengthen existing contract management provisions by setting out KPI based stringent monitoring systems capable of measuring supplier/ contractor/ consultants' sustainability criteria (BPPA, Sustainable Public Procurement (SPP) Guide, 2023). The recommendation of the SPP guide is meant for helping the Bangladesh Government to bring the above-mentioned reforms in Public Procurement in a progressive manner. On the contrary, the World Bank regulation demonstrates robustness in integrating sustainability criteria into procurement and has a strong focus on ESHS standards integrated into contracts implying long term project sustainability and compliance with global best practice.

SupRB being a World Bank funded project successfully integrates ESHS standard in tender documents and contracts aligning with the World Bank requirements. The tender document of work packages incorporated Environmental and Social Management Plan, Anti-Corruption Guideline, Contractor's Code of Conduct, Labour Management Plan, Gender Action Plan into the contract document to enforce the contractors in order to take measures as part of a mitigation plan on different social and environmental issues. Besides, the approved estimates of work packages integrate items like toilets, safe drinking water provisions, dust suppression measures etc. to reduce the impact of potential social and environmental hazards at work sites. From a procurement perspective, such tools, when applied in tender/ contract documents, help to legally ensure enforceability of the contractors to comply with social and environmental safeguard issues. The comparison of tender documents between SupRB project and a GoB funded project of LGED reveals notable differences in terms of contractual enforceability of Environment and Social sustainability issues (SupRB, 2018). Both the tender documents mentioned the list of documents that are part of the contract agreement as follows:

SupRB Project	GoB Project
1. Work program 2. Joint Venture Agreement (if applicable) 3. Joint Venture Information Sheet (if applicable) 4. Insurance 5. Environment Management Plan 6. Social Management Plan 7. Labour Management Plan 8. Contractors Code of Conduct 9. Quality Assurance Plan 10. The Schedule of Key Personnel 11. Letter of Acceptance of the World Bank's Anti-corruption Guidelines and Sanction Framework	1. The Schedule of Key Personnel 2. Work program 3. Joint Venture Agreement (if applicable) 4. Joint Venture Information Sheet (if applicable) 5. Insurance 6. Sub-soil investigation report 7. Equipment list for the carrying out the work

Table 4: Comparison of Tender documents between a World Bank Funded and a GoB funded projects (SupRB, 2018)

It is evident from the above table that SupRB takes into consideration the social and environmental dimensions of sustainability as per the World Bank's requirement. However, since PPR is not so rigid on such issues, the GoB funded project is quite relaxed and as such tender documents do not incorporate ESMF tools to be part of a contract awarded later.

No only the contractual obligation but also strict monitoring tools are set up in the project to ensure the degree of effectiveness of endeavours aiming to adopt sustainability in the work packages under execution. As per requirement of the World Bank, LGED and key stakeholders are monitoring and assessing potential positive and adverse environmental impacts as well as social problems to mitigate the noncompliance/ problems /risks as applicable in the context of the Program for Supporting Rural Bridges (SupRB).Under the framework of the Program's Environmental Management, the supervision of environmental, social, and OHS safeguards including COVID-19 and Road Safety are being carried out regularly by LGED field officials (such as UEs, UAEs & and SAEs) in addition to their routine activities. Moreover, 61 Field Resident Engineers (FRE), and 61 Assistant Engineers (SupRB) posted in 61 districts assist LGED officials from time to time. At the same time, the field consultants deployed in 19 regions are closely monitoring the compliance of environmental and social issues. The consultants and field officials of LGED are regularly reporting on ESHS indicators to the World Bank by visiting work sites regularly (Abir, Hoque, & Rahman, 2024). The indicators mentioned in the Quarterly Progress Report July-September, 2024 are as follows:

Major Environmental Safeguard Indicators Reported	**Major Social Safeguard Indicators Reported**	**OHS Indicators Reported**
1. Surface water quality 2. Ambient air quality 3. Noise Management	1. Labour Shed 2. Conflict 3. Use of Agricultural Land 4. Traffic Management 5. Child Labour	1. Safe Drinking Water 2. Toilet facilities 3. Waste management 4. First Aid 5. Dust Suppression 6. PPE 7. Warning Sign 8. COVID -19 Contingency and

Table 5: Reporting on ESHS Indicators at SupRB (Abir, Hoque, & Rahman, 2024)

Such rigorous monitoring is very rare in GoB funded projects. To contrast, World Bank's ESHS integration highlights its commitment to sustainability, a domain where PPR 2008 lacks proper directives to follow. .

4.2.6 Global Integration vs. Local Relevance

The World Bank’s Procurement Regulation is more suitable for large scale international procurement, where adherence to global standards and a competitive environment are more prevalent. There is no surprise that PPR framework is set up considering the local environment of Bangladesh, where procurement policies are established primarily at national level especially in small to medium scale projects on the basis of capacity of local resources and their adaptability. Whereas, the World Bank procurement regulation and the Standard Bidding Documents are more suited to international procurement.

4.2.7 Market Readiness

The procurement processing is slightly different in terms of sequence mentioned in the PPR and the World Bank's Regulation. In PPR, any package whether it's goods, service or work must be included in Annual Procurement Plan (APP) at the beginning of the financial year in a standard APP format. The standard APP format is given in PPR as an annexure and it integrates all the information related to procurement such as name of package, package no., estimated cost, planned date of publication of EoI/IFT, planned date of contract signing as well as tentative date of contract completion. The APP must be approved by the Head of Procuring Entity or his authorized officers. After the approval of APP, a tender notice can be floated. After approval, APP is published to the specific institution's website as well as the website of BPPA.

In addition to the APP formation and approval, the borrowers in the World Bank funded projects administers such processing up to the publication through an online system called

STEP (Systematic Tracking of Exchanges in Procurement). Two additional documents namely PPSD and GPN are required to be cleared by the bank before the start of any procurement activities of the project (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023). PPSD is a strategic document that outlines procurement approaches aligning procurement goals to the project's immediate objectives and broader outcomes. The PPSD contains market analysis, risk management, procurement approach and finally the implementation plan. As compared to APP which is just a format containing specific information and few timelines, PPSD contains a rather detailed information, which not only rationalizes the procurement of goods, works and services with respect to broader project outcomes, but also customizes procurement method justified by a logical analysis of market capacity and the risks involved. In addition, GPN is a procurement notice published beforehand to instill market readiness. GPN contains information about the project such as project overview, procurement opportunities and contact information. As publicly published on UNDB websites, the potential suppliers, contractors, consultants become aware of the specific project's need and be prepared, ready to react accordingly when a specific procurement notice of a package is published. To conclude, the purpose of such documents is to involve locally available suppliers at a very early stage of Procurement.

In short, the PPSD addresses how procurement activities will support the development objectives of the project as well as the underlying procurement principles such as the best Value for Money (VfM) under a risk-based approach. Similarly, circulation of GPN induces market readiness, enhances transparency and epitomizes fair competition. These tools collectively aid in the establishment of the underlying procurement principles like transparency, sustainability and Early Supplier Involvement etc. In PPR, there are no such provisions for engaging suppliers/ contractors/ consultants for prior engagement and preparedness resulting in weak competition and procurement goals often not meeting the broader development objectives.

4.2.8 Methods of Procurement

In PPR, there are separate methods being stipulated for making the best use of public money.

They are as follows:

Goods, Works & Non-Consultancy Services	**Service**
1. Open Tendering Method 2. Limited Tendering Method 3. Two Stage Tendering Method 4. One Stage Two Envelope Tendering Method 5. Request for Quotation method 6. Direct Procurement Method	1. Quality and Cost Based Selection (QCBS) 2. Fixed Budget Selection (FBS) 3. Single Source Selection (SSS) 4. Community Service Organization Selection (CSOS) 5. Individual Consultant Selection (ICS) 6. Selection Based on Consultant Qualifications (SBCQ) 7. Design Contest Selection (DCS)

Table 6: Methods of Procurement for Goods, Works and Non-Consultancy Services (BPPA, Public Procurement Act 2006 and Public Procurement Rule 2008, 2023)

In World Bank, the procurement methods are relatively simpler:

Goods, Works & Non-Consultancy Services	Service
1. Request for Proposal (RFP) 2. Request for Bids (RFB) 3. Request for Quotation 4. Direct Selection	1. Quality and cost based selection (QCBS) 2. Least cost based selection 3. Fixed budget-based selection 4.Quality based selection (QBS) 5. Consultant's qualification based selection (CQS) 6. Direct selection (DS)

Table 7: Methods of Procurement for Services (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023)

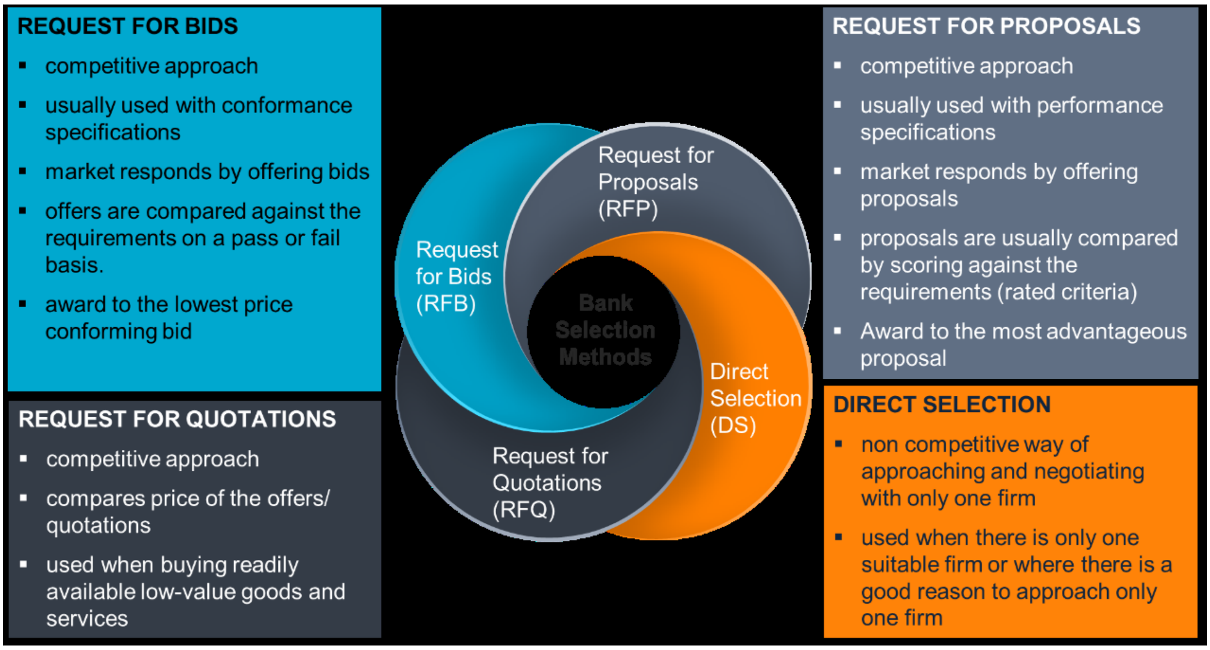

*Figure 4 - Selection methods for Goods, Works and Non-consulting S*ervices (World Bank, A beginner's guide for Borrowers Procurement under World Bank Investment Project Financing, 2018)

4.2.9 Procurement Related Complaint Mechanism

The World Bank procurement regulation streamlines a stringent complaint mechanism. The World Bank has an online GRS where anybody from the borrower country or even within the bank itself can lodge a complaint regarding any issue. The complaints, especially the procurement related complaints, are addressed by the bank in a very serious manner. Not only the process of reviewing the registered complaints, but also the probable timeframe and way-out to resolve them are mentioned specifically in the documents and the bank makes sure the borrower country adheres to it. One of the most striking differences that the World Bank regulation possesses from PPR is provision of a time period for the participants of a bid to debrief and lodge complaints, if any. This period is called Standstill period (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023) and it starts after the approval of the contract by the approving authority and when the procuring entity declares the technical and financial scores by issuing a letter called Notification of Intention to

Award (NOITA) to all the participating bidders. The PE does nothing for the next ten business days. However, if any complaint is registered by any of the bidders regarding the scores within this timeline, the PE takes steps to resolve the grievance in accordance with the regulation.

In PPR, bidders can also lodge complaints in the e-GP system. However, the process is not strictly monitored in Bangladesh like the World Bank does. Also, there is no such provision called standstill period. However, a bidder can always request debriefing from PE and PE is bound by the law to debrief, if requested.

Therefore, as the World Bank is very strict in addressing complaints of any kind, the resolution of procurement related complaints may cause painfully long delays in procurement. Therefore, the World Bank's document, on the one hand, is an epitome of fairness, accountability and transparency, while the PPR is suited more towards local context.

4.2.10 Miscellaneous

Both the PPR and the World Bank's Procurement Regulation diverge from each other in following ways:

Market survey for official estimates

Preparation of official estimate cost is crucial for a particular procurement in order to justify the market price. The World Bank’s Procurement Regulation contains no specific guideline to formally prepare estimated cost for justifying the market price of goods and works. On the other hand, the PPR 2008 emphasizes on formation of an estimate preparation committee consisting of three members including an external member outside of PE office for pulling off procurement of any kind with any value. The committee members were mandated to conduct market survey for justification of price considered in the estimates as per public procurement Rule 15 & Rule 16.

Declaration of Misprocurement

The World Bank holds the legitimate power to declare misprocurement and choose to cancel the financing for procurement of a package or packages under the project if any borrower violates the World Bank's procurement criteria and World Bank financing agreement or if the World Bank has enough evidence which determines that the borrowers have furnished incomplete, inaccurate or misleading information. Nevertheless, PPR-2008 does not recognize the option of misprocurement.

Bonus Clauses

The World Bank' s procurement regulation as well as the standard bidding documents of the WB made scope for offering bonus to bidders for earlier completion of delivery (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023). The advantage that can be derived from such clauses in contract documents is that this can serve as a motivation tool for suppliers /contractors / consultants to ameliorate the performance in fulfilling the contractual obligations. This is a performance improving innovative technique which did not find its place in the public procurement framework of Bangladesh.

Value Engineering

The World Bank Procurement Regulation uses a term called Value Engineering, which is simply a systematic and structured approach to provide the same value in a contract at the optimal resources or increase functionality with the same resources. The World Bank promoted the Value Engineering concept in their document so that suppliers/ contractors utilize their inventiveness to reduce time or find the substitute materials, tools, procedures or cheaper alternatives without compromising the need for functionality, longevity, or dependability. As a result, Value Engineering pushes to increased performance, reliability, quality, safety, durability, efficacy and other desirable attributes. The World Bank's regulation mandates that

Value Engineering is incorporated into the Request for Bids/Request for Proposals documents and the mechanism to apply is specified in contract document during execution (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023), while PPR 2008 does not focus on any guidance on such mechanism during contract execution.

Performance based Procurement

Another innovative techniques that the World Bank has incorporated into their procurement documents is by giving freedom to supplier or contractor to focus on achieving outputs only, such as completion of delivery or completion of works, without the need for excessive detailing about the processes involved (World Bank, THE WORLD BANK Procurement Regulations for IPF Borrowers-Fifth Edition, 2023). There is no such provision of performance based procurement in PPR.

4.3 Conclusion

The comparative analysis conducted in this chapter can be summarized by the following table:

Aspect	PPR 2008	World Bank Procurement Regulations
Objective	Focused on national-level procurement and local market dynamics.	Aligned with international standards to ensure global competitiveness and VfM (Value for Money).
Scope and Applicability	Applicable for government, semi-government, and statutory bodies within Bangladesh using public funds.	Applicable for projects financed under World Bank's Investment Project Financing globally.
Procurement Methods	Includes Open Tendering, Limited Tendering, Direct Procurement, RFQ, etc. Emphasizes competition.	Diverse methods like International Competitive Bidding, National Competitive Bidding, Framework

Aspect	PPR 2008	World Bank Procurement Regulations
		Agreements, etc. Supports innovation.
Transparency and Accountability	Ensures public access to procurement documents, focusing on local transparency.	Emphasizes global transparency standards, with detailed documentation and oversight mechanisms.
Flexibility	Rule-based, more bureaucratic and less flexible, suitable for standard procurement processes.	Risk-based and adaptable to project-specific needs, accommodating complex scenarios.
Efficiency	Single Layered approval procedures lead to quicker processing for localized needs.	Procedural complexity may result in delays, especially in approval processes.
Sustainability	Limited emphasis on environmental, social, and safety standards.	Strong integration of ESHS (Environmental, Social, Health, and Safety) considerations.
Grievance Redress	Offers a complaints and appeals process, but primarily focused on national mechanisms.	Structured grievance redress mechanism involving review panels, fostering accountability.
Value for Money (VfM)	Prioritizes cost-effectiveness, sometimes at the expense of quality.	Strong emphasis on achieving VfM by balancing cost, quality, and sustainability. The World Bank promotes MEAT rather than LCT.
Open and Fair Competition	Imposition of ±10% rule on work tenders limits access to participation and restricts competition.	No barrier to participation
Market Access	Primarily local market-focused, with limited integration of international suppliers	Promotes Early Supplier Involvement with global competition and integration with international markets.

Aspect	PPR 2008	World Bank Procurement Regulations
Contract Management	Limited guidelines for post-procurement management and monitoring.	Detailed guidelines for contract management, supplier performance, and corrective actions.

Table 8: Comparative Study on Public Procurement Practices: PPR 2008 vs. World Bank Procurement Regulation

Chapter 5

Conclusion and Recommendation

5.1 Introduction

This chapter integrates all the findings of the study in a concise manner. The comparison between two sets of regulations are summarized here in a structured way. Also, recommendations on how existing regulation of Bangladesh, namely PPR 2008 can be improved in light of the World Bank standard are presented here.

5.2 Findings

There are three main findings that the comparative study reveals. They are summarized as below:

The World Bank Procurement Regulation is flexible enough to apply innovation in terms of selection method while PPR being under a legal framework is highly rigid, not giving the practitioners enough scope to morph the clauses according to the requirement. In addition, PPR only considers the single criteria for tender evaluation which is least cost tender, whereas the World Bank procurement framework transcribed least cost parameter and has already shifted towards consideration of TCA/LCA for ensuring Sustainability in procurement. The World Bank enforces its borrowers to strictly monitor the performance of contractors in alignment with three dimensions of Sustainability whereas the PPR still focuses on the financial side of tenders. Furthermore, the World Bank procurement regulation aspires the borrower countries to be transparent and accountable by means of provisions such as preparation of PPSD as well as widely circulated General Procurement Notice at the initiation stage of the projects. These documents build up preparedness and readiness of potential suppliers/ consultants / contractors and make the borrower countries understand the capacity of the local market in terms of resources and adaptability. The World Bank Procurement system is set out to facilitate open and fair competition in the market by enhancing accessibility of capable bidders. On the contrary, PPA's provision 31 implies ±10% rule in OTM tenders and ± 5% rule in LTM tenders in civil work tenders, which not only restricts participation but also limits integrating innovation in the procurement process. The World Bank regulation does not support this as this is against the underlying fundamental principle of procurement. The World Bank involved robustness in the procurement related complaint management system and uses an online portal to lodge and resolve complaints. In the PPR, there is also mention of complaint management in Procurement related issues and in the e-GP system there is an online portal to receive, address and resolve complaints as well. However, both the PPR provision and online portal leave room for improvement. Finally, the procurement approaches i.e. selection methods inscribed in the World Bank's procurement regulation are simpler as compared to the PPR and the fact that QBS method for service procurement is not incorporated in the PPR justifies the statement that PPR clauses must be remoulded to bring a strategic transition from the LTC to the MEAT concept.

One of the drawbacks that the study highlights is that the adaptation of the World Bank regulation more often than not slows down the procurement processes as multi layered approval is associated with it. The comparison of efficiency achieved through following the PPR and the World Bank's regulation shows that processing in case of service procurement is faster and takes % less time. Another drawback that can be concluded from the above study is that the World Bank Procurement Regulation is more suited to address international purchasing needs while PPR is localized procurement regulation putting emphasis on local resources and their adaptability to local needs as well.

5.3 Recommendations

The comparative study delves into few recommendations along the way in order to reform the existing legal framework, regulation and provisions of the Public Procurement system in Bangladesh in light of the core procurement principles of the World Bank regulation as well. They are summarized below:

One of the recommendations could be to arrange open and fair competition by nullifying the ± 10% rule from OTM work tenders so that the level of competition can be raised and inventiveness from the bidders can come into play while quoting a tender. Similarly, the lottery system and ±5% rule for LTM works tenders create barriers to participation and sometimes leads to collusive practice in which one contractor is awarded for multiple work packages. These provisions need to be refined so that fairness and equality to all bidders are ensured. At the same time, the reason for which such provision was introduced in the first place needs to be addressed. These rules are applied to avoid abnormally low bids in the tender and PPR provision needs to be revised to detect abnormally low bids based on statistical formulas.

Another recommendation is to incorporate sustainability into the tender documents, into the evaluation criteria as well as into the contract management system by means of KPIs. Not the least cost, which is the sole criteria for selection of a capable bidder, but the total cost of ownership starting from acquisition to disposal needs to be integrated with the existing public procurement system in a progressive manner while considering awarding of a contract.

In the same context, another reform to existing regulation of Bangladesh that can be proposed in alignment with the World Bank's Procurement Regulation is the application of ESHS Performance Security (World Bank, Summary of Environmental, Social, Health and Safety (ESHS) Standard Procurement Documents (SPDs)). In addition to the standard Performance Security, the successful Bidder/Proposer can be compelled to provide an ESHS Performance

Security. It may be recommended for areas with potentially significant ESHS risks, as advised by Social or Environmental specialists.

Finally, the efficiency of procurement can be increased by means of a newly introduced funding method of the World Bank. The World Bank currently makes three types of funding, namely IPF, PforR and DPF. The procurement under the IPF funding is quite rigid and the procurement is processed upon robust monitoring and through stringent clearance of the World Bank. The PforR system, on the other hand, is quite relaxed in terms of procurement regulation as the country system is applicable here. This means that the borrower country can use its own methodology and approach regarding selection of a bidder and requires no intervention of the World Bank. This type of funding tool can be instrumental in streamlining procurement processes and bringing up increased efficiency into it. Therefore, projects having financing instruments of both PforR and IPF can derive strong points of both the regulations.

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