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Two Decades of Public Procurement Reforms in Pakistan: A Qualitative Policy Analysis of Governance and Institutional Performance

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ABSTRACT

Public procurement affects the transparency, accountability, efficiency of public institutions, competition and effectiveness of public resources, and is therefore an important dimension of public-sector governance. In the last 20 years, Pakistan has taken several steps towards reform in Procurement by introducing the Public Procurement Regulatory Authority (PPRA) in 2002 and the Public Procurement Rules in 2004. Even with these reforms, issues of implementation gaps, institutional capacity, compliance, monitoring, and effectiveness of governance mechanisms persist. This research paper will discuss the trends in public procurement reforms of Pakistan and its effect on public governance and institutional performance in Pakistan. The study uses a qualitative policy analysis design, through systematic analysis of documents/sources of secondary data, such as laws, procurement rules, policy documents, institutional reports, audit reports and relevant literature of scholars. The results have shown that Pakistan has achieved significant progress in the development of a formal procurement regulatory framework, in enhancing transparency and accountability in procurement, in improving the professionalism of procurement functions and in introducing digital procurement by electronic systems. The analysis also reveals, however, that a number of shortcomings exist between formal policy provisions and institutional implementation. The capacity of institutions, compliance, monitoring and coordination difficulties, as well as the adaptation to technological reforms remain constraining the performance of procurement. The study findings suggest that the success of future reform of public procurement will depend less on adding more regulations and more on ensuring greater institutional capacity, professional skills, monitoring, enforcement, digital infrastructure, and accountability. The study advances the literature on reforms in public procurement by emphasizing the need to view the process of public procurement reform not as a regulatory process, but as an institutional and governance transformation process.

Introduction

Public procurement is an integral part of public financial management and public governance as governments depend on the procurement system to provide goods, works and services to provide public service and implement development programs. Public procurement is not just about the economics, it is also related to transparency, accountability, competition, integrity, efficiency and value for money. Weak procurement systems have the potential to provide opportunities for corruption, favouritism, inefficient use of public resources, and poor institutional performance, while strong procurement systems can enhance public trust in government and ensure that public spending is used effectively and efficiently (OECD, 2015, 2023). OECD (2025) considers transparency, integrity, access, efficiency, e-procurement, capacity, evaluation, risk management and accountability to be interconnected principles of effective public procurement governance.

In Pakistan, Public procurement has been through significant regulatory and institutional changes during the past 20 years. One of the major milestones was the creation of the Public Procurement Regulatory Authority (PPRA) in 2002, due to the concerns of the inadequacies of the procurement regulatory framework in the country. The promulgation of the Public Procurement Rules (PPR) 2004 that provided a more structured approach to public-sector procurement at the federal level followed. The Rules added new rules on procurement planning, advertisement, competition, pre-qualification, bidding practice, integrity pact and transparency. These reforms marked a significant move from fragmented procurement to a formal regulatory and institutional framework that would foster fairness, efficiency, transparency, and accountability.

The reform movement then spread to the provincial level as federal governments established their own procurement regulatory bodies and rules. In 2007, for instance, Punjab put in place a procurement regulatory framework and in 2009 implemented the Punjab Procurement Rules. Federal and provincial procurement institutions are a reflection of the fact that procurement reform has not happened in one stroke of a pen but has been a gradual process of regulatory restructuring, institutional building, procedural streamlining and adoption of digital tools.

Although formal rules have been developed, this does not ensure effective implementation. Public procurement efficiency is not only defined by legislation quality, but also institutional capacity, institutional enforcement, monitoring, professionalism, coordination and institutional compliance. International experience also indicates that there can be a disconnect between the level of transparency that is required in a procurement process and the level that is actually achieved, for example in contract management, monitoring, evaluation and post-award transparency (OECD, 2025). Earlier assessments of reform in Pakistan also highlighted the importance of improving procurement institutional frameworks and legislation to create a robust procurement regime (World Bank, 2006).

In addition to analyzing the policy, therefore, it is necessary to look at changes in institutional structures and governance practices as a result of policy change in public procurement. OECD (2023) states that procurement performance should be evaluated by various aspects such as efficiency, compliance and strategic goals, and OECD (2015) refers to the need to connect procurement with other public governance goals.

In this backdrop, the present study conducts the qualitative policy analysis of last 20 years public procurement reforms in Pakistan. It looks at the history of the country's procurement policy and regulatory framework and draws conclusions on the impact that the reforms have had on governance and institutional performance. The study aims at identifying key reform trajectories, governance improvements, institutional challenges and implementation gaps through qualitative analysis of the law, procurement rules, government reports, institutional documents, audit reports and relevant scholarly literature. The study is unique in its longitudinal approach, which helps in exploring whether and how successive rounds of public procurement reforms have enhanced the governance and institutional underpinnings of public procurement in Pakistan.

Statement of the Problem

Even after 22 years of reforms in public procurement in Pakistan, since the inception of Public Procurement Regulatory Authority (PPRA) in 2002 and Public Procurement Rules in 2004, there are several concerns about the effectiveness of implementation, institutional capacity, transparency, accountability and governance of public procurement. The presence of formal regulatory mechanisms does not guarantee effective institutional practices and compliance over time, despite successive reforms to create uniform procedures, encourage competition, enhance efficiency and increase accountability. While implementation of procurement policies is linked with weaknesses in their policies, as well as in the monitoring, enforcement, coordination and institutional capacity, questions are raised over the effectiveness of reforms in improving governance and institutions. Furthermore, previous research tends to focus on certain procurement reform measures, institutions, or phases, instead of conducting a long-term evaluation of the reform process. Thus, a systematic qualitative study of the last two decades of public procurement reforms in Pakistan is needed to gauge how the policy and regulatory framework has changed over this period, how reforms have affected governance and institutional performance and what remaining institutional and implementation issues still impede the effectiveness of reforms.

Significance of the Study

The value of this study lies in its two decades qualitative evaluation of public procurement reforms in Pakistan that transcends the analysis of public procurement laws and institutions to examine the linkages between public procurement reform, governance and institutional performance. The study will use policy documents, regulations, institutional reports, audit reports and relevant scholarly literature to identify key successes, ongoing implementation issues, and institutional hurdles in the implementation of procurement reforms. The results could be relevant to the academic literature on public procurement and public institutions governance in Pakistan and could offer valuable information to the policy makers, regulatory bodies and public institutions to enhance transparency, accountability, efficiency, institutional capacity and compliance. The study could also contribute to the identification of policy gaps or lack of institutionalization, allowing for policy improvements to be based on this in future.

Scope of the Study

The study will examine how public procurement reforms unfolded in Pakistan over the last twenty years or so, starting from the inception of Public Procurement Regulatory Authority (PPRA) in 2002 and up till the current public procurement system in Pakistan. It looks at policy, regulatory, governance and institutional aspects of procurement reform, and does not focus on quantitative measures of procurement outcomes. Major Laws, procurement rules, regulations, policy documents, institutional reports, audit reports and relevant academic literature will be analyzed in the study to determine the changes in transparency, accountability, efficiency, institutional capacity, compliance, monitoring and digitization. The study takes the federal procurement system as a benchmark but if there are any developments at the provincial level, they can also be looked at to get a comprehensive picture of procurement governance in Pakistan. It is a qualitative secondary data study, lacking in surveys, primary interviews and does not seek to statistically measure the performance of individual agencies or procuring agencies in general.

Research Objectives

These are the research objectives:

- To examine the evolution of public procurement reforms in Pakistan over the past two decades, with particular focus on major policy and institutional changes.
- To critically analyze how public procurement reforms have shaped governance practices and institutional performance in Pakistan.
- To identify and interpret the key institutional, regulatory, and governance challenges influencing the implementation and effectiveness of public procurement reforms in Pakistan.

Research Questions

Following are the research questions:

- How have public procurement reforms in Pakistan evolved over the past two decades, and what major policy and institutional changes have shaped this evolution?
- How have public procurement reforms influenced governance practices and institutional performance in Pakistan?
- What key institutional, regulatory, and governance challenges have affected the implementation and effectiveness of public procurement reforms in Pakistan?

Research Design

This study adopts qualitative policy research design to explore the evolution, implementation and institutional impact of public procurement reforms in Pakistan in the last near two decades. Given that this study aims to capture the meaning, processes, institutional dynamics, governance practices and implementation challenges of procurement reforms, a qualitative design is suitable. Qualitative research helps researchers understand social and institutional phenomena in their natural environments and to provide a more detailed interpretation of policy processes (Creswell & Poth, 2018).

The study uses a qualitative policy analysis design that is systematic document analysis. Official documents are a good choice for document analysis in policy research because document analysis can be useful for identifying information on policy intentions, institutional responsibilities, changes in policies and regulations, mechanisms of implementation, and changing policy priorities and concerns (Bowen, 2009). The study will focus on the genesis of public procurement regime in Pakistan, Public Procurement Regulatory Authority (PPRA) 2002, Public Procurement Rules (PPR) 2004 and the changes in the regulatory and institutional framework that followed. The Public Procurement Regulatory Authority [PPRA] (2002, 2004) clearly indicates that transparency, accountability, efficiency, economy and value for money are all fundamental features of public procurement.

A longitudinal policy perspective will be employed, so that the procurement reform can be studied at various stages of its development. This is especially appropriate for the current study as there are successive changes in the regulatory frameworks, institutional development, standardization and the growing digitization of public procurement in Pakistan. For instance, the following provisions of the current Public Procurement Rules (PPRA, 2004) address e-public procurement, framework agreements, value for money, transparency, procurement planning and competitive bidding, as well as public access to procurement information.

The design will thus be based on a blend of historical tracing, qualitative document analysis and interpretive policy analysis. Historical tracing will involve identifying how procurement policies and institutions have evolved over time; document analysis will help to uncover themes and patterns within the policy and institutional documents; and interpretive analysis will help to understand what the policy and institutional reforms tell us about governance, accountability, transparency, institutional capacity and implementation. Systematic analysis of policy documents is helpful in gaining insight into the policy content as well as the evolution of the policy process and how institutional issues are formally expressed (Dalglish et al., 2020).

Research Methodology

Research Approach

Qualitative research will be used in the study. Qualitative research is appropriate given the aim of the study is to explain the nature and implications of procurement reforms with the aid of texts and documents. This study will examine the institutional performance and governance indicators in procurement policies, laws, regulations, reports, and institutional documents, rather than providing numerical data. (Creswell & Poth, 2018)

Research Paradigm

The study will be conducted in an interpretive paradigm. Interpretivism posits that meanings, practices and interpretations are the means by which institutional and social realities are constructed and understood. This paradigm is suitable because the role of public procurement reform cannot only be explained in terms of formal rules, but also in terms of the way governance principles, institutional responsibilities, accountability, transparency, and implementation issues are shaped in the policy discourse and institutional practices.

Research Method

The qualitative document analysis method will be used as the main research method. Bowen (2009) notes that document analysis is a process for examining and analyzing documents and that it is useful for gaining a context, finding patterns and verifying evidence.

The documents will be analysed systematically in three general phases: document identification and selection, coding and categorisation, and document interpretation of themes. The analysis will first identify relevant parts of the documents regarding procurement reform, governance, transparency, accountability, institutional capacity, efficiency, compliance, monitoring, digitalization and implementation. Each of these passages will then be coded and grouped into larger themes of analysis. The last phase will focus on the interpretation of relationships and changes over the 2 decades of the reform process.

Sources of Data

The study will rely exclusively on **secondary documentary data**. The principal sources will include:

- Public Procurement Regulatory Authority Ordinance and subsequent amendments;
- Public Procurement Rules, 2004, and subsequent amendments;
- PPRA regulations, guidelines, procurement codes, and standard bidding documents;
- Government of Pakistan policy documents and official reports;
- Annual reports and institutional publications of PPRA;
- Reports of the Auditor General of Pakistan;
- Reports and assessments produced by relevant national and international organizations;
- Parliamentary and governmental documents relating to procurement reforms;
- Academic journal articles, books, and scholarly studies concerning public procurement and governance in Pakistan; and
- Relevant reports concerning e-procurement, transparency, accountability, institutional capacity, and procurement performance.

The PPRA framework is particularly relevant as a primary documentary source as the Ordinance of 2002 created the regulatory authority and gave it powers with regard to improving the governance and management, transparency, accountability and quality in public procurement. The Public Procurement Rules, 2004 later detailed principles that procurement must be fair and transparent, economical, efficient and value for money.

Document sampling will be purposive, whereby documents directly related to the research questions will be selected. Documents will be chosen based on their relevance to the development of public procurement reforms, governance, institutional performance, implementation and institutional change.

Data Analysis

The collected documents will be analyzed through **thematic document analysis**. The analysis will proceed through the following stages:

1. **Familiarization:** Reading and reviewing selected documents to understand their content and historical context.
2. **Document classification:** Organizing documents chronologically and according to their institutional or policy source.
3. **Initial coding:** Identifying relevant statements, concepts, provisions, and passages concerning procurement reform and governance.
4. **Categorization:** Grouping related codes into broader categories such as transparency, accountability, efficiency, institutional capacity, compliance, monitoring, digitalization, and implementation.

5. **Thematic development:** Developing major themes and sub-themes from the coded material.
6. **Longitudinal comparison:** Comparing themes across different stages of the two-decade reform process to identify continuity, change, progress, and persistent gaps.
7. **Interpretation:** Interpreting how reforms have influenced governance and institutional performance and identifying the factors that have facilitated or constrained their implementation.

This systematic procedure is consistent with established approaches to qualitative document analysis, which emphasize careful preparation, extraction, analysis, and synthesis of documentary evidence (Dalglish et al., 2020).

Analytical Dimensions

The analysis will focus on five major dimensions:

Analytical Dimension	Key Areas of Analysis
Policy and Regulatory Reform	Laws, rules, amendments, regulations, procurement procedures
Governance	Transparency, accountability, integrity, fairness, participation
Institutional Performance	Institutional capacity, compliance, coordination, monitoring, efficiency
Implementation	Policy-practice gaps, enforcement, administrative capacity, institutional constraints
Modernization	E-procurement, digitalization, standardization, value for money

These dimensions will provide a structured basis for examining whether and how procurement reforms have contributed to improved governance and institutional performance.

Trustworthiness and Rigor

In order to obtain the reliability and rigor of the research, the study used triangulation approach of documentary sources. Legislation and regulations will be used to gather information and checked against government reports, audit reports, institutional publications and scholarly literature. This will help to uncover any policy implementation gaps between policy intention and outcomes. Triangulation is one of the important strengths of documentary research highlighted by Bowen (2009) and transparency and procedural rigor in the analytical process are central tenets of systematic approaches to policy document analysis (Dalglish et al., 2020).

The researcher will also keep a clear record of the selection of documents, coding categories, analytical decisions and thematic development. This will increase the credibility, dependability, confirm-ability, and transparency of the research process.

Ethical Considerations

This study only uses publicly available secondary documents and does not involve any humans, interviews, or personal data, there are minimal risk to research participants. However, documentation will be presented accurately, proper documentation of all sources will be provided, plagiarism will be avoided and policy document will be interpreted transparently, to ensure that ethical standards are maintained. Official documents will be read in the context of the time and institution that they came from and evidence will not be presented selectively to misrepresent the documents' meaning or purpose.

Review of Literature

Public procurement, due its links to public expenditure and its elements of transparency and accountability, institutional capacity, service delivery and value for money, has gained increasing attention as a pivotal area of public-sector governance. There is recent literature dealing with procurement reform that suggests that this is not only a matter of introducing new regulations. Rather, it is a matter of organization restructuring and professionalization, digital transformation, monitoring, enforcement, and changes in organizational practices. Performance in procurement should be measured throughout the procurement cycle, not just efficiency and compliance, but also strategic goals and the quality and availability of procurement data, according to OECD (2023). Likewise, OECD (2025) points out that good procurement systems need to have strong institutions, professional capabilities, integrity mechanisms, risk management, monitoring and evaluation. These views offer a valuable conceptual framework to analyse Pakistan's journey of two decades of procurement reforms.

The introduction of Public Procurement Regulatory Authority (PPRA) in 2002 was a significant institutional development and change in public procurement governance and practices with an objective of enhancing the governance, management, transparency, accountability and quality of public procurement in the Pakistani context. The following Public Procurement Rules, 2004 introduced principles of procurement that were more uniform, such as competition, transparency, planning and preparation of procurement, evaluation and grievance procedures (PPRA, 2002, 2004). The framework has been extended in more recent PPRA regulations via grievance redressal, bidder debarment, review petitions, standard procurement documentation and electronic procurement (PPRA, 2024). The literature suggests that the procurement structure in Pakistan has been getting increasingly formal and structured in nature over time. But, institutional development in a formal institutional setting does not always lead to a commensurate institutional performance at the implementation level.

In the context of the Fiscal discipline and the efficient use of public resources, the authors Hussein and Najib (2021) highlight the importance of procurement as an instrument of fiscal discipline in Pakistan. Their analysis shows that problems with procurement have implications that go beyond just the procurement of a single contract, as inefficient procurement impacts the government's spending and delivery of development programs. Zaidi et al. (2023) also list transparency and modernization as key issues in Pakistan's procurement process and call for increased electronic procurement. They show that there is a gradual and continuous integration of electronic and online procurement in Pakistan's procurement system, but at the same time, they also reveal that there are institutional and procedural challenges that impact the effectiveness of the reform. The studies are of special significance for the present research inasmuch as they highlight the need to consider procurement reform as a governance problem, not merely a technical purchasing process.

An important topic in literature is the connection between the capacity of the institutions and procurement law. The annual procurement planning, information and communication technologies, capacity building, effective redressal mechanisms and the appropriate tendering limits are highlighted as important factors in determining the efficiency in procurement by Ali et al. (2021) in the context of the procurement rules in place in Punjab. The conclusions drawn from their research suggest that regulatory requirements have to be backed up by the organizational and technical capabilities of the procuring agency. Evidence also suggests that recently, Anjum and Khan (2025) pointed to the importance of institutional capacity and public financial management for sustainable procurement in Punjab. This implies that institutional performance should be considered an important intermediate variable between procurement policy and the actual results of procurement.

This is supported by recent qualitative evidence. Inherently linked to procurement dysfunction, according to Kisana et al. (2025), are political interference, institutional capacity deficits, regulatory ambiguity, technological limitations, and organizational culture in the case of Punjab. Their study is significant since it goes beyond formal rules and considers informal institutional conditions that affect the implementation. The authors claim that the formal/informal dynamic can lead to a vicious circle of institutional weaknesses. This is in line with the general governance literature, which argues that policy efficacy is not only about legislation but also the incentives for institutions, organizational actions, professional capabilities and enforcement.

Transparency, accountability and corruption are also a major theme. Public procurement is seen as being especially susceptible to corruption because of its size, complexity, information asymmetry, discretionary decision making processes and transactions involving large amounts of money (Transparency International, 2024). The organisation places particular importance on the need for an effective system of measures—legislative, oversight, access to information, professionalism, institutional integrity—and on the need for the legislative measures taken to be integrated with an effective system of measures. The corruption cost-tracking work of the IMF (2023) also highlights the need for public procurement data and e-procurement systems to be accessible to identify corruption risks. The IMF's benchmarking of procurement vulnerabilities also states that e-procurement can help to lower discretion and transaction costs, and increase transparency, but it should not be seen as a panacea for corruption, since it is an institutional tool (IMF, 2022).

These observations are supported by comparative research evidence. Barajei (2023) investigates the risks of corruption in e-procurement in Ghana, and concludes that digital procurement has the potential to enhance information, competition, auditability, and procedures, and foster transparency. Mohamed et al. (2024) identify e-procurement in Somalia as a means to lessen information asymmetry, monopoly power and enhance transparency and accountability. In Indonesia, transparency, accountability, effectiveness, efficiency, openness, competition, fairness, monitoring and institutional capacity are closely related with good procurement governance, as shown by Suardi et al. (2024) in their study on procurement governance in Indonesia. The following studies show that technological reforms are most effective when combined with institutional and governance reforms in order to improve procurement.

The literature on e-procurement is especially applicable to Pakistan's recent reform process. Based on the cross-country evidence presented by Khorana et al. (2024), e-government procurement systems have the potential to substantially boost procurement transparency, with the extent of the boost being dependent on institutional quality and technological infrastructure. Their findings clearly illustrate that the digitalisation alone will not overcome low institutional capacity. Nguyen (2024) also suggests that 5 dimensions of information availability, monitoring, standardized processes, accessibility and institutional environment in which digital systems operate need to be taken care of when evaluating transparency in e-procurement. According to OECD (2024), electronic procurement can also enhance transparency, provide enhanced monitoring, widen access to tenders, improve competition and minimize administrative burden.

This digital model has been the pathway that Pakistan has recently taken with e-Pakistan Acquisition and Disposal System (e-PADS). IMF (2024) noted that e-PADS was first piloted in health and education and later rolled out to federal agencies and provinces. In early 2025, hundreds of procuring agencies had incorporated the system (IMF, 2025). The World Bank supported reform program also involved the use of standard bidding documents, updating of the procurement rules, piloting of e-procurement and extending the electronic procurement within government operations (World Bank, 2023). In fact, according to PPRA's follow-up report on reform, e-procurement has gained importance in Pakistan's modernization plans, along with legal reform, strengthening of institutions, professionalization, and capacity building (PPRA, 2026).

The reform process is no longer limited to digitization as recent policy documents suggest, but has extended to professionalization, monitoring, data integration and institutional restructuring. According to the Government of Pakistan (2025), the priorities in the future are the expansion of e-PADS, integrating with tax, audit and identity databases; risk-based auditing; automated detection of procurement anomalies; and enhanced transparency of grievances. The National Procurement Strategy 2025–2028 also puts focus on governance and institutional capacity, e-procurement, monitoring and evaluation, procurement competencies, sustainability, and harmonisation of the procurement framework (PPRA, 2025). These changes highlight the vast changes in procurement reforms in Pakistan since the inception of PPRA, from standardization of rules to digital governance and institutional professionalism.

Recent governance evaluations, however, indicate that there are substantial challenges for implementation. The IMF (2025) has identified weak procurement controls, institutions with limited capacity, lack of coordination, and issues of accountability and oversight as some of the ongoing governance challenges that are present in Pakistan. The Public Investment Management Assessment by IMF also noted that Pakistan has formal rules and procedures to ensure open and transparent competition, but the monitoring of such competition is weak (IMF, 2023). The separation between institutional forms and the implementation is especially relevant for the current research. It implies that the evidence for better institutional performance does not necessarily stem from the existence of rules and digital systems.

Human capacity and professionalization are also emphasized in the literature. HEC (2024) partnered with PPRA to provide training on procurement to over 130 officials from the higher education sector, focusing on understanding procurement laws and regulations, tendering processes, evaluation, audit controls and fraud and corruption prevention. Likewise, Pakistan's recent reform agenda has stated that the need of the hour is the establishment of procurement cells, professional certification, specialized training and competency frameworks (Government of Pakistan, 2025). These developments indicate that the institutional performance increasingly relies on the professional skills of procurement officers and the institutionalization of procurement as a specific function and not a generalist function of rotating the officials.

In general, it appears from the literature that there are four closely related conclusions. Firstly, Pakistan has come a long way since 2002 in establishing a formal regulatory and institutional framework for procurement. Second, the institutional capacity, political and organizational context, regulatory complexity, monitoring failures and implementation gaps remain as constraints to procurement governance. Third, the use of e-procurement is seen as an important reform mechanism to enhance transparency, competition, auditability and efficiency, yet it will only function well in the presence of institutional quality and professional capacity. Fourth, recent reforms increasingly focus on integrated digital systems, performance monitoring, professionalization and data-driven oversight. The literature, however, is spread across various studies, with some concentrating on regulatory frameworks, some on e-procurement, corruption, institutional capacity or on individual provinces. To date, there is little longitudinal qualitative research that cross cuts these strands and looks at how a series of 20 years of procurement reforms have taken a cumulative effect on governance and institutional performance in Pakistan. To fill this gap, the present study systematically examines the changing nature of procurement policies, institutional arrangements, governance mechanisms, challenges of implementation and new digital reforms during the period.

Findings and Discussion

The qualitative analysis of the last 20 years of public procurement reform in Pakistan suggests that over the years, the reform process has led to significant formal, regulatory and institutional development although this has not always been accompanied by an improved level of implementation or institutional performance. The results are presented by the three research questions and highlight the development of reforms, their impact on governance and institutional performance, and ongoing institutional and implementation challenges.

1. Evolution from Regulatory Formalization to Digital and Institutional Reform

The first major finding was that the reforms in public procurement in Pakistan have gone through three stages, namely regulatory formalization, institutional consolidation and digitization. The Public Procurement Rules 2004 and the Public Private Partnership Rules (PPRA) 2002 introduced a formalized federal procurement system based on competition, transparency, procurement planning and accountability. The PPRA Ordinance also specifically gave the Authority responsibility for enhancing governance, transparency, accountability, procurement quality and institutional performance of procuring agencies.

The second phase was enhanced regulatory mechanisms in standard bidding documents, grievance redressal, review mechanisms, procurement planning, monitoring, and more specialized procurement functions. Analysis indicates that these changes over time transformed procurement from a purely administrative purchasing process into a more governance and regulatory process.

The third and latest phase is digitalization and institutional modernization. The adoption and roll out of EPADS is a major transformation in the way procurement is done and monitored. By 2026, according to PPRA, EPADS has logged thousands of procuring agencies and suppliers and hundreds of thousands of transactions. The creation of EPADS 2.0 is just one more step in the transformation of procurement to an end-to-end digital process, spanning from electronic bidding through supplier registration, bid evaluation, e-invoicing, digital payment, beneficial ownership verification and dashboards for monitoring.

This discovery proves that the trend of finding a solution for the procurement reform is not confined to just changing the rules of procurement in Pakistan. It is increasingly a signpost for shifting to digital governance, data-driven monitoring, professionalization and institutional integration.

2. Strengthening of Transparency, Accountability, and Competition

The second one is that procurement reforms have enhanced the formal governance structure of public procurement. The establishment of standardized procedures and the need for open competitive tendering has made transparency and competition key tenets of procurement governance. Open competitive bidding is explicitly recognized as the key procurement method in the Public Procurement Rules and the requirements for procurement planning and public advertisement aim at minimizing discretionary decision making.

The qualitative evidence also shows that digitization has contributed to improving these governance mechanisms, through enhancing the availability of procurement information, and electronically documenting procurement transactions. The reform program of PPRA clearly links EPADS to transparency and accountability. The 2025 agreement between PPRA and the Auditor General of Pakistan also suggests increased information sharing and monitoring of the procurement processes carried out through EPADS.

The results indicate, however, that there is not a one-to-one relationship between formal transparency and effective accountability. While there is an added benefit of visibility with procurement information and digital systems, there is also a need for effective monitoring, independent oversight, enforcement, grievances and consequences for non-compliance to create accountability. As a result, the reforms have established a more robust institutional framework for transparency, but the governance effect from these reforms will depend on the extent to which they are applied.

3. Improvement in Institutional Capacity but Continuing Capacity Gaps

A third key result is on institutional capacity. The reform process is gaining insight that the ability to implement the rules of procurement is increasingly dependent on the capacity of the procurement officials, the special procurement cells, training, technical expertise and institutional support. The recent changes in PPRA have been the creation of procurement cells, technical and IT specialists, training, and the design of professional competency mechanisms. By 2026, over 14,000 officials and vendors were found to be trained, according to PPRA.

That's a big change in mindset for procurement from a procedural obligation to a professional institutional role. The establishment of dedicated procurement cells may lead to better consistency, institutional memory, compliance, and contract management.

However, the evidence also shows an ongoing capacity problem. In 2026, PPRA recognized that some procuring agencies had problems operating EPADS 2.0, mainly due to capacity limitations. The significance of this finding is important for the reasons that it shows that technological reform in a country can reveal the weaknesses of the institutions in that country. Of course, procurement outcomes can't be achieved with a sophisticated digital platform if your officials don't have the technical skills, training, organizational support or institutional incentives to use it effectively.

4. Persistent Gap Between Policy and Implementation

The most significant finding of the study is the existence of a policy–implementation gap. In Pakistan, Pakistan has an increasingly more detailed procurement framework, yet laws and regulations, and digital systems are not sufficient to ensure uniform application. Continuing priorities in the current National Procurement Strategy are on Improved governance, institutional capacity, monitoring and evaluation, procurement competencies, e-procurement and harmonization.

This means that many of the problems that were raised in previous reform periods are still relevant. Capacity building and monitoring remain key priorities for reform, indicating a slowdown in implementation compared to formal reform efforts.

This finding thus represents a separation between institutional design and institutional performance. The rules, regulations, authorities, procedures, and systems set up by reform are institutional design. Institutional performance is related to the effectiveness of these arrangements in real procurement processes. The progress achieved in the latter is uneven but in the former, Pakistan has made a lot of progress.

This line of demarcation is important to an understanding of the trajectory of the reform over the last 20 years. The formal framework could be strengthened in the future through continued amendments or new initiatives, but to achieve sustainable reform, organisations need to internalise procurement principles and ensure they are applied consistently.

5. Digitization as Both a Reform Opportunity and an Institutional Challenge

The analysis highlights digitization as one of the game-changers in the procurement system in Pakistan. EPADS can help decrease manual tasks, enhance traceability, provide more access to procurement information, standardize processes and produce data that can be used for monitoring and risk detection. The government's reform agenda clearly ties e-procurement to transparency and competition neutrality and oversight.

The other end of the coin, however, is that digitalization should not be viewed as a standalone solution that can solve governance issues. The operational challenges faced with the roll out of EPADS 2.0 highlights the need for organizational preparedness, training, technical setup, and institutional support in order to achieve digital transformation.

The aforementioned development plans for EPADS 2.0 (automated supplier registration, beneficial ownership verification, e-invoicing, digital payments, system based evaluation and inter-agency integration) indicate that Pakistan is gradually transitioning towards a more advanced data-driven procurement governance system. But the success of this approach will rely on the quality of the data, the independence of institutions, enforcement, cyber security, capacity of users and compliance of procuring agencies with standardized procedures.

6. Governance Reform Is Moving Toward Integrated Institutional Oversight

Another significant development is the connection between procurement reform and public financial management and institutional accountability. The partnership between PPRA and the Auditor General of Pakistan is a good example of this trend of synergy in accountability.

Likewise, the suggested changes include dashboards and monitoring, third-party oversight, better grievance redressal, blacklisting, contract management, and linkage with other government systems.

This is a significant paradigm change. Previous procurement changes have focused on the procedures for procurement. Today's reforms are more focused on the procurement process as a whole, ranging from planning through to tendering, evaluation, contract award, contract management, monitoring, payment, audit and disposal. This means that we need to evaluate institutional performance as much as the compliance of the procurement process; so that is why it is important to track the performance of the institution throughout the entire procurement process.

Discussion

The results collectively suggest that the two decades of procurement reforms in Pakistan have been an ongoing process of incremental institutional change and that it is not a project complete in itself. There has been much progress in terms of the creation of institutional frameworks, harmonization of procedures, strengthening of transparency mechanisms, the emergence of procurement institutions, and the implementation of digital systems. The current National Procurement Strategy makes a specific mention of fair and transparent, efficient, competitive, sustainable, and value-for-money procurement, along with institutional capacity and capacity development, e-procurement, monitoring, and professional competencies.

The analysis also shows that the level of regulatory sophistication has outstripped implementation capacity in some places. The persistent focus on training, institution building, monitoring and compliance suggests that the focus of the central challenge has shifted from designing rules for procurement towards ensuring consistent implementation of the rules.

The results thus suggest a larger governance framework in which the quality of the procurement process is determined by the interplay of regulatory quality, institutional capacity, accountability, professionalism, technological infrastructure, and enforcement. The reforms have established sound legal conditions for good governance, which depend on the operation of these institutions.

The study's findings to the first research question are as follows: procurement reform in Pakistan has taken a leap from mere formalisation of rules and regulations and has proceeded to digital and institutional governance. Reforms to the second question have reinforced the institutional structures of transparency, accountability, competition, standardization and institutional professionalization, but their efficacy has been inconsistent. Lastly, with regard to the third research question, ongoing issues are institutional capacity constraints, implementation gaps, lack of compliance, limitations in monitoring, technological adaptation, and the need for more coordinated and professionalized efforts.

In general, the future efforts for procurement reform in Pakistan should be more on implementation of the new rules rather than introducing new ones, ownership, professional capacity, measurable performance, independent oversight and evidence based monitoring. This is what Pakistan is planning towards, as per the EPADS 2.0 and the 2026-2031 reform roadmap, which include incorporating open contracting data, monitoring dashboards, contract management, artificial intelligence (AI) driven analytics, and professionalization. However, sustaining these reforms over time will rely on transforming technological and regulatory innovations into uniform institutional practices and tangible gains in the area of procurement governance.

Conclusion

The study shows that Pakistan has witnessed tremendous progress in the country's regulatory, institutional and technological framework of public procurement in the last two decades since the establishment of PPRA in 2002 and enactment of Public Procurement Rules in 2004. The reforms have solidified the formal pillars of transparency, accountability, competition, standardization and value for money, while new initiatives like e-procurement and the Electronic Platform for the Processing of tenders and contracts (EPADS) have increasingly advanced the digitization and enhanced the possibilities for monitoring and information sharing. The analysis shows that regulatory improvement does not always result in good institutional performance, however. A series of institutional, professional, monitoring, enforcement, coordination, compliance and implementation gaps persist which hinder the effectiveness of procurement reform. Based on these findings, it is suggested that Pakistan's next phase of procurement reform should be more than just adding new rules, it should be to boost institutional capacities, professionalize procurement processes, enhance monitoring and accountability systems, digitize procurement systems and create better linkages between procurement data and institutional performance. Overall, public procurement in Pakistan must be seen as an institutional change process and success of the future reforms will be contingent with both the quality of the policies and technologies but also with their effective and consistent implementation in the public institutions.

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