POLICY NOTE
for
Operationalizing Proposed Public Procurement Law in Myanmar

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EXECUTIVE SUMMARY

Since its decision to undertake relevant reforms to transition from a centrally planned economy to a market-oriented global economy in 2011, Myanmar has achieved some progress in the public financial management (PFM) front. The Government has progressively been implementing actions to establish a robust public procurement system that will ensure efficient and effective use of public funds that brings about greater value for money in public expenditure. Starting from a weak policy position, the public procurement system in Myanmar has slowly but gradually metamorphosed through an initial two-page Presidential directive that was quickly issued to change the then existing approach from closed tender to open tender in 2011 in tandem with another directive for decentralizing procurement implementation. This was followed by more detailed directives for general procurement procedures and directives for procurement of civil works in 2013 and 2014, respectively.

While these directives were further being updated to bring better clarity to procurement entities that resulted in the 2016 and 2017 revised version of the Works and Procurement Directives, respectively, a Public Procurement Rules and Regulations Supervision Committee (PPRRSC) has been set up to develop a full-fledged unified procurement legislative framework, including an overarching Public Procurement Law (PPL) and secondary legislation in the form of Public Procurement Rules (PPRs), to serve as the foundation to build a sustainable and efficient public procurement system for the country.

Fast forward, through the concerted efforts of established working committees and subgroups with the overall leadership of the Ministry of Planning, Finance, and Industry (MOPFI) under the Chairmanship of His Excellency U Maung Maung Win, Deputy Minister of the MOPFI, a draft Procurement Law has been submitted to Parliament for ratification. The accompanying Public Procurement Rules (PPR) have also been drafted, awaiting the law to be enacted to include or exclude new or existing provisions that Parliament may deem relevant to be omitted or added as the case may be. The draft law is currently going through the required Parliamentary procedures, including publishing it for comments from stakeholders and citizens for consideration.

While ratification of the PPL is an important first step in establishing a robust procurement system, if implementation is not carefully planned and executed by considering all the critical interlinked factors, achieving the desired goals of such a system will remain a mirage. The COVID-19 pandemic that has created unprecedented challenges to governments in many countries has reinforced the need to leverage strong leadership and good procurement systems to counter delays associated with the disrupted supply chain.

The key objective of this policy note is to identify and analyze the critical pieces of action required to contribute to establishing a modern and effective system that will engender trust, promote vibrant private sector participation, increase competition, and achieve value for money for the good citizens of Myanmar. Thus, the policy note along the lines of the four pillars of Methodology for Assessing Procurement Systems (MAPS) has tried to identify, analyze, and discuss the important building blocks in establishing an effective and efficient procurement system in relation to the specific context of Myanmar and has recommended minimum areas that need strengthening for further consideration in developing an action/strategic plan for implementation. It is believed that implementing the basic actions will put Myanmar on the right pedestal to build a solid procurement system and avoid falling into the trap of a failed system.
The policy note has been prepared by the World Bank at the request of the MOFPI to assist the Government of Myanmar (GOM) operationalize the PPL currently submitted to Parliament for consideration. It will provide guidance to the MOPFI to have a bigger picture of the structures and institutional arrangements that need to be put in place and preparatory activities in readiness for implementation to ensure a smooth launch once the law is enacted.

Based on the country context and level of development with regard to public procurement, the policy note makes the following recommendation for the MOPFI’s consideration. It is noted, however, that a number of the activity areas mentioned could be implemented in parallel but will need to be well synchronized. The priority areas recommended include the following:

(a) **Creation of relevant institutional bodies for public procurement in Myanmar.** The basic institutional structures which are currently missing or not formal but are necessary to ensure accountability and ensure that the obligations prescribed in the Law/Legal and Regulatory framework are properly discharged are (i) creation of a dedicated Public Procurement Regulatory Unit to be solely in charge of the normative/regulatory and oversight functions as mentioned in the current draft law (Chapter 3, Article 5 of the Law); (ii) establishment and operation of a Trust Panel to handle procurement complaints and identify, operate, and enforce an appropriate debarment/blacklisting mechanism that will enhance transparency and engender trust in the procurement system (Chapter 13); (iii) create procurement units/teams or responsible individuals, as the case may be, within procuring entities to introduce a responsible unit to handle procurement operations in the procuring entities and provide support to the tender evaluation committees; (iv) establish tender and asset disposal committees (Chapter 4, Section 5, Article 7.1b) and arrangements for approvals depending on thresholds set in the PPRs.

(b) **Finalize the Implementing Rules to fulfil the requirement of the draft law (Chapter 3, Section 6)** and facilitate the implementation of the provisions of the PPL.

(c) **Development of necessary tools to facilitate implementation of the PPL in line with Section 6 of the draft PPL.** The tools include development of standard procurement documents (SPDs) with contract templates that will be mandatory for procuring entities to use (Chapter 5, Article 13 of the PPL); development of procurement and contract management manuals to provide guidance to procurement practitioners in line with the requirements of the legal and regulatory framework; preparation of public procurement audit manuals to provide guidance for institutions responsible for public audits, including the Office of the Union Auditor General (Chapter 15, Section 44.); development of a code of conduct document, which public officials involved in procurement activities are expected to abide by (Chapter 12 of the PPL), and development of an e-Procurement system.

(d) **Development of a communication strategy and establishment of a help desk** to raise awareness among all relevant stakeholders and provide well-informed facts and education on the procurement law, associated guidance, and its requirements. A help desk will further provide information and implementation support to both entities and bidders on time during implementation. This will help build confidence and trust in the public procurement system.

(e) **Development of a single purpose public procurement website** to host all procurement information on the legal framework and associated documents, as well as operational procurement including opportunities, contract awards information, and complaint and complaint resolution information. This will promote accountability and boost fairness and transparency.

(f) **Capacity building.** A sustainable training approach, with a mixture of ad hoc, short-, medium-, and long-term strategies, should be developed once the system comes live. The training should cover all players in the public procurement field, including bidders. The recently
established PFM Academy within the MOPFI is a suitable candidate given the close links that public procurement has with general PFM. It will also foster integrating public procurement systems with other PFM systems.

(g) **Development and use of e-Procurement.** Technology such as e-Procurement systems should, be promoted to facilitate implementation of the PPL given the low level of knowledge among civil servants and other public institutions. Besides the benefits of efficiency, timeliness, and transparency that it brings, it will also provide readily available tools to support standardization, recording of receipts and budget tracking, purchase of commonly used goods, and disposal and provide required data for analysis to make evidenced-based decisions within the procurement entities.

(h) **Contract management.** In establishing teams for handling entities’ procurement, it will be important to structure procurement management to involve cross-cutting experts, particularly relevant technical staff throughout the procurement cycle, including the upstream design/specifications and the downstream contract management phase. It will also be important to develop a contract management manual covering goods and work procurement as well as consultancy services contracts, specifying the roles and responsibilities of persons involved for efficient contract delivery.

To increase transparency of government activities through enhanced monitoring of performance and contract completion, the use of a geo-tagging tool jointly developed and piloted by the World Bank and Project Appraisal and Progress Reporting Department (PARPD) should be adopted. Its use, along with geospatial data, will improve transparency and contract monitoring and oversight. Consequently, it will be important for the MOPFI/Treasury Department to make the use of geo-tagging compulsory for public contracts. The text and clauses to this effect have already been drafted and used under the current Government Procurement Directive, and it would be easier to adopt them in the new standard bidding documents (SBDs) to be developed under the new regulatory framework.

(i) **Knowledge exchange.** Given the Treasury Department’s lack of experience with delegated responsibility of a procurement regulator in Myanmar, it will be helpful if there is a twinning arrangement with another country in East Asia with experience in implementing procurement reforms for knowledge exchange. There will be no need for Myanmar to reinvent the wheel but rather learn quickly to facilitate its own implementation process.

(j) Finally, the policy recommends the development of a comprehensive road map and implementation/action plan taking into consideration detailed description of subactivities required in each recommended subject area, with allocation of required resources including responsible persons and budget, time lines, and expected outputs. Such an implementation plan would facilitate the systematic implementation, monitoring and evaluation, and tracking of achievements. It will also help identify challenges for proper actions and overall contribute to proper accountability during implementation.
A. INTRODUCTION AND COUNTRY BACKGROUND

1. **Context and opportunity for change.** Coming from a largely isolated economy, the Government of Myanmar (GOM) decided to undertake unprecedented political and economic reforms intended to open the country to the global economy, boost its growth, and reduce poverty. Establishing an effective and efficient national procurement system as part of the overall public financial management (PFM) reforms to bring consistency in approach and deliver value for money with integrity has since been high on the Government’s agenda. It forms an integral part of the broad-based reforms to democratize its governance system and introduce market-oriented reforms, necessitating a series of actions to be implemented to achieve the set objective.

2. Before the reform process in 2011, Myanmar had a practically non-existent procurement system that involved participation of the private sector through open competition. The system was quite basic, and Government-owned state enterprises provided goods and services in a manner that was quite opaque with no stringent procedures. Together with other PFM systems, it had outdated manual systems coupled with inadequate awareness of international developments in various areas of PFM reform because of the country’s long isolation. At that time, the entire PFM system, including procurement, operated without a regulatory framework or foundational laws such as a PFM law, a procurement law, and contemporary financial and administrative regulations. More importantly, processes and systems for basic financial management and procurement functions were outdated and required revision. At the same time, the capacity within the public sector was inadequate.

3. In 2011, the action from the Office of the President in issuing two letters of instructions changed public purchasing from closed to open tenders and decentralized procurement implementation to individual line ministries. Together, these instructions firmly established open tender as the norm based upon a foundation promoting competition, transparency, and the avoidance of corruption. Thenceforth, ministries universally began conforming to these principles in conducting their procurements.

4. To push the reform agenda further, a Tender Directive was issued by the Office of the President in April 2013 with the overall aim of implementing the open tender system and followed by a January 2014 Directive on ‘Execution of Works by Contract’. This latter ‘Works Directive’, designed specifically for the works contracts, was spearheaded by the Myanmar Ministry of Construction but with the apparent intent that it is applied more generally. The Works and Procurement Directives were further revised in September 2016 and April 2017, respectively, to bring further clarity to some of the provisions. A notable feature of the existing public procurement is the high degree of decentralization in which purchasing responsibilities rest with each line ministry (and their associated state economic enterprises). Public procurement is uncoordinated due to the lack of a procurement policy to anchor the national procurement system to a dedicated central regulatory unit.

5. Recognizing the confusion in implementation created by the absence of a comprehensive policy or legal and regulatory framework, lack of organizational and institutional structures responsible for oversight and operations, and the limited capacities of procurement staff, the Government started dialoguing with development partners for technical support to develop a holistic strategy.

6. **Analytical underpinning for reform.** Following the joint dissemination by the GOM and World Bank of the Public Financial Management Performance Report (PEFA) based on the PEFA 2011 PFM Performance Measurement Framework in May 2013, a number of sector diagnostics studies were undertaken by the procurement team of the World Bank.

7. The results confirmed a procurement system that is significantly fragmented and largely unregulated. Civil servants who carry out purchasing were not governed by a single set of regulations
and procedures that impose responsibilities on their purchasing conduct and hold them accountable for expenditures from the public purse. Rather, there were a series of varied rules and practices applied at the ministerial and sectoral levels, often independent of each other. To the extent that established practices exist, they appear to focus on integrity (control of corruption) and quality, with little attention to issues of economy, efficiency, consistency, or value for money. It further demonstrated that recent reforms represented by the 2011 Presidential instructions, the 2013 Tender Directive, and the 2014 Works Directive had attempted to bring some commonality to these practices, but they remained separate and, apparently, uncoordinated initiatives. Indeed, both the Tender Directive and Works Directive demonstrated lack of necessary precision to guide procurement implementation or foster uniformity in practice in terms of moving to an open versus closed tendering system for all categories of public procurement.

8. The findings of the studies provided better understanding of the existing systems and their major weaknesses. They served as the basis for procurement reforms to improve the system in the short- to long-term horizon. Based on these findings, the GOM, through its Public Procurement Rules and Regulations Supervision Committee (PPRRSC) led by the Treasury Department of the Ministry of Planning, Finance, and Industry (MOPFI), conducted several stakeholder engagements with a broad spectrum of stakeholders in the society, including civil society organizations and donors, and developed a road map for a comprehensive procurement reform.

9. **Current status.** Aware of the importance of having a robust public procurement system, the Government has, since 2014, been working to establish a modern public procurement system and has taken a series of actions to achieve this objective. Through the procurement law, the GOM aspires to increase competition, improve productivity, reduce opportunity for fraudulent behavior, increase transparency and accountability in the tendering process and disposal of assets, and create jobs through participation of small and medium enterprises in public procurement, among others. At this juncture, it is important to pause and consider how this can be achieved, what else needs to be done, and how it should be done. The Government has made considerable improvements. A draft Public Procurement Law (PPL) has currently been developed and has gone through all structures of the Government for review, including the Union Attorney General’s Office and Cabinet. The draft law was submitted to Parliament in November 2019 for consideration and enactment.

10. **Major risks to be addressed.** Currently, no institutional structures have been established to systematically oversee efficient policy implementation and effective enforcement, monitoring, and evaluation, as well as manage procurement processes in various procurement entities, once it is ratified by Parliament. There are also no agreed institutional arrangements in place to mandate or allocate responsibility in established units or identified focal persons to manage procurement operations in the various budget implementation units, otherwise known as procurement entities. Necessary tools such as standard procurement documents (SPDs) and guidance to operationalize the law and systems for monitoring effectiveness of implementation have also not been developed yet. Additionally, given that this is the first time that such an ambitious and new law is going to be rolled out in the country, it requires good knowledge and professionalism to get it right. There should be an arrangement for building capacity across agencies and decentralized structures to support implementation. Finally, the upcoming elections pose a huge risk to implementation if the champions fronting for the procurement reforms within the current Government lose their positions. All these deficiencies combine to create huge risk for implementation delays upon enactment of the law.

11. **Objective of the policy note.** This policy note seeks to identify and discuss a comprehensive and coherent fit-for-purpose approach to procurement reforms implementation to ensure that Myanmar does not fall into the implementation trap that other countries experienced while going through the same policy implementation cycle. The proposed approach tries to identify all the critical pieces of actions required to contribute to establishing a modern and effective system that will
engender trust, promote vibrant private sector participation, increase competition, and achieve value for money for the good citizens of Myanmar.

12. It is envisaged that the policy note will help the MOPFI identify priority areas that it needs to concentrate its efforts on, as well as point out to the World Bank and other development partners areas where they could provide further support to the GOM to make maximum impact on the GOM’s procurement reforms.

B. KEY POLICY APPROACHES FOR BUILDING AN EFFECTIVE SYSTEM FOR PUBLIC PROCUREMENT IMPLEMENTATION

The Building Blocks

13. A strategic approach implies considering the entirety of the envisaged procurement reforms and putting in place required structures and systems to ensure that the objectives of the reforms are met. It requires looking at the architecture of the reforms which provides a framework in which the proposed actions may be taken. In general terms, such a framework involves the establishment of a single and consistent legal and regulatory framework, including (a) primary (the rules) and secondary (the supporting tools and documents) mechanisms needed to build the system; (b) the institutional framework to pursue a consistent policy, measure performance, and enforce the rules; and (c) a mechanism to improve capacity.

14. As with all architectural plans, these components can be established over time using essential building blocks. The building blocks can be developed simultaneously or sequentially based on the nature of activities and can be established at different speeds depending on the immediate priorities of the Government or based on the level of existing capacity and/or the resources available. The task ahead for the MOPFi is thus to identify the building blocks necessary for the establishment of a functioning public procurement system and decide when and how these will be operationalized. It is a vital exercise which requires consideration of the legal and regulatory framework and the institutional framework, as well as the capacity of the institutions and the key stakeholders to define, implement, and enforce an effective procurement system.

15. This policy note considers these building blocks with a view to identify actions necessary for the organization and management of the new procurement system in Myanmar. It considers the necessary building blocks under four separate headings, although they are not mutually exclusive as each will affect the other, notably in terms of achieving success. The four broad building blocks are

(i) Legal and Regulatory Framework;
(ii) Institutional Framework;
(iii) Operational Framework; and
(iv) Accountability Framework.

16. Together, they provide a foundation for strong links and correlation between policy formulation and implementation to achieve the set objectives of an effective procurement system as demonstrated in figure 1.
17. To implement its medium-term PFM Reform Strategy and strengthen its PFM systems in a coherent manner, the GOM is implementing its multiphased reform. Currently, Myanmar is in the process of establishing a unified procurement legislative framework. An overarching PPL and secondary legislation in the form of Public Procurement Rules (PPRs) have been drafted. In addition, legal opinion has been issued by the Attorney General’s Office and is being reviewed by the National Economic Coordination Committee (NECC) before submission to Parliament for consideration and enactment. The law has made provision for a number of important provisions that will ensure efficient and effective use of public funds through procurement management. The PPL contains most features of the international good public procurement practices. For the first time in the history of public administration in Myanmar, it provides mandate to a single institution (MOPFI) to undertake the responsibility of formulating public procurement policies and regulations; overseeing procurement implementation, including monitoring and evaluation; developing necessary tools for implementation, including a unified set of standard bidding documents (SBDs) to be used by all procurement entities; and establishing a complaint handling system; among others. The law covers all types of procurement (Goods, Works, Consulting Services, and Non-Consulting Services) and clearly defines procedures for each of these procurement types in the draft procurement rules. The law also details approved selection methods that should be used under defined circumstances. To give all service providers opportunities, the default method of approaching the procurement market is open competition. In addition, eligibility requirements do not limit competition and are based on relevant capabilities and experiences with integrity for service providers/bidders to participate in bidding procedures.

18. In deciding the form of the legal framework, Myanmar opted for a relatively short law—principle-based Public Procurement Law containing the key principles—and a longer set of rules (the Regulations) to provide the details. The draft law concisely and clearly defines the roles and
responsibilities of the proposed procurement regulator, procuring entities, and service providers. To the extent possible, it has been designed to be consistent with other national policies, laws, and standards to be followed by all procuring entities, including arbitration procedures. Both the PPL and PPRs will be legally enforceable but this decision provides Myanmar with some flexibility, consistent with international practice,\(^1\) which envisages less detailed but more stable higher-level instruments and more flexible but detailed lower-level instruments.

19. Myanmar’s approach is a good one because any modification of the law will require a higher level of authority (Parliament) and, for this reason, provides a high degree of stability because it cannot be easily or quickly changed without proper justification. It is thus the appropriate place to put the overarching principles which will not change. At the same time, given that many elements of procurement may change over time either because the market is nascent and may require changes, or because developments may require alterations based on experience with and practice of the system over time, provisions need to be made to accommodate change. For example, currently in the procurement law, methods are based on financial thresholds, but these values may become outdated because of currency fluctuations or inflation and will require regular adjustments. Similarly, experience with procurement methods in practice might lead to a decision to improve an existing method if it proves unworkable in the field. For both reasons, the detailed rules relating to procurement methods and thresholds are good examples to be set out in the secondary legislation (in the case of Myanmar in the PPR) which could easily be amended by the Minister of MOPFI by way of amended rules, whenever required, rather than requiring approbation of Parliament. The parliamentary amendment process is usually long and cumbersome even for change of details which do not necessarily affect the overarching principles.

20. Having said this, it is important to emphasize that the draft PPR is still under discussion (to be finalized after enactment of the PPL) and provides the opportunity to ensure that it covers all the details that are required to apply the PPL effectively. This is the first step required for proper implementation of the law. When it is enacted, the PPL, together with the PPR, will represent the legal and regulatory framework for public procurement in Myanmar.

21. Upon enactment and approval, the PPL and the PPR (the legal and regulatory framework) will be implemented mostly by procurement officers. These are civil servants who, with the notable exceptions of those who have been responsible for procurement in the past, currently have little experience in public procurement. None has any knowledge of the new legal and regulatory framework soon to be put in place. Few, if any, are lawyers. Simply providing them with a copy of the PPL and PPR will not allow them to suddenly become experts in procurement law. And, to be fair, there is no need for them to become legal experts. What they will need are practical tools that they can use to carry out procurement in a way that is compliant with the procurement law, as well as deliver value for money. They need instructions, SPDs (templates), and guidance that will allow them to operationalize the PPL and PPR. These are fundamental building blocks of the system and are discussed further under Operational Framework, item (iii).

22. In addition, these tools are mandated under the PPL and PPR. The PPR needs to foresee the types of tools required and assign the duty of providing them.

(ii) Institutional Framework

23. A defined structure for conducting procurement that minimizes subjective decisions and politicization, including approval mechanisms, authorities, and composition of bid and evaluation committees, is crucial to successful implementation of the PPL. Unlike certain jurisdictions where

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\(^1\) As articulated on the Organisation for Economic Co-operation and Development’s Methodology for Assessing Procurement Systems (MAPS).
procurement is much more centralized, the PPL in Myanmar is decentralized and has put decision-making in the hands of budget holders or those responsible for delivering services, thus bringing the delivery closer to the end user and, by extension, the public. In this regard, establishing accountability is easier and at the same time facilitates tracking of public funds expenditure. Much like motorway speed limits, however, procurement laws do not implement themselves. There is a need to ensure that the needed institutional arrangements are established to guarantee that the laws are equally implemented and enforced. Efficient implementation involves providing the necessary operational tools to allow for proper application of the rules to happen. The tools themselves are discussed under section (iii), but an institution needs to provide the tools and ensure that they are followed. Enforcement means that any breach of the legal and regulatory framework is followed up and that remedial action is available. This also requires an institution to be responsible for enforcement. And, of course, someone needs to be responsible for applying the legal and regulatory framework and for managing the procurement process. The draft law in its current state designates the MOPFI these responsibilities as well as the overall function of monitoring the procurement system. Importantly, its procurement monitoring database will be the source of information and, through submission of reports, bring any significant deficiencies/departures from practicing the PPR to the notice of the management for policy adjustment.

24. As a good practice, there should be separation of function between policy formulation and operational levels. At the level of the procuring entity, there is a need to ensure responsibility for the management of procurement. At a broader level, a good system usually relies on institutions or bodies given responsibility for implementation oversight and enforcement. These are usually different institutions and that is also the case in Myanmar as the legal and regulatory framework already provides for both.

(a) Management Capacity

25. This is really a question of making procurement work at a practical level within a procuring entity. The legal rules can provide only a framework within which procurement takes place. Various tasks, from the clerical to the strategic, need to be carried out. But these are operational requirements rather than legal ones. Such functions might include stocktaking functions; clerical and administrative functions; technical input; financial analysis and approval; legal issues; information technology (IT) tools and expertise; executive and strategic decisions; and, following award, other functions such as acceptance and inspection, dispatch, and distribution.

26. A single procurement requires separate functions, although linked to achieve one objective, and these may fall within the responsibility of different officers. The functions are not often the responsibility of only one person although this may be the case where procurement within a given ministry is infrequent, ad hoc, or of low value and low quantity procurement, for instance. For the most part, however, responsibility for procurement functions is collective and different roles in the process are assigned to different players. How they are organized raises the question of management and management capacity.

27. The procuring entities will generally rely on the existing structures of the government entity in question, that is, the way in which government and the civil service is organized. There is sometimes no need to create a separate body and the procurement functions would be carried out by the staff of the entity in question. The manner in which the staff will carry out those functions will largely depend on the administrative structures in place in the country in question. It is a question of organization and this may be the result of the civil service’s directions or an organic law of the Government, although it could also be the result of a governance structure put in place by the entity itself. In that event, it is important that the entity’s governance documentation or procedures ascribe roles and responsibilities to officials to enable them to make decisions and approve activities.
28. Unfortunately, in countries where the public procurement framework is a recent introduction, as in the case of Myanmar, this becomes problematic because the existing government structures are not always capable of meeting the challenges of modern procurement tools and methods. It is imperative, therefore, to provide clarity on the organization of procurement management and different functions, to establish clear lines of responsibility and communication so that each actor knows what part to play and what to do to make the process work efficiently. At the most basic level, this requires job descriptions together with the necessary capacity to fulfil the various tasks. This is difficult in reforming countries where this effort is often hampered by the lack of any identifiable procurement cadre familiar with the required roles and responsibilities.

29. The proposed Myanmar PPL has already foreseen this problem and, in Article 7, requires procuring entities to establish a procurement function within the organization commensurate with the volume of procurement in compliance with the Rules. In addition to listing the general duties required for procurement, the current draft of the Rules recognizes the need for flexibility and does not mandate a form of organization. Rather, it leaves the decision to the procuring entity to manage the procurement as it sees fit. The Rules do, however, require the head of the procuring entity to designate a ‘procurement unit’ and leaves the decision on the size, location, and structure of the procurement function to the head, by taking into account its procurement requirements and the availability of trained and experienced officers. Where the level of procurement activity does not justify the creation of a procurement unit, the head of the procuring entity may also nominate a single public officer to carry out the procurement functions or even use the procurement unit of another procuring entity.

30. Even where this structure is established, a great deal of work is necessary to ensure that it is implemented successfully. The lines of responsibility and accountability and communication need to be clearly established. Each officer needs to understand his or her role and where it fits into the general scheme. These roles need to be recognized by other members of the procuring entities and by external stakeholders, including bidders, control authorities, and those responsible for the civil services. Some of this may be achieved through the creation of a procuring entity operational manual which includes a structure, job descriptions, and flowcharts on processes and responsibilities. Broader understanding and acceptance require the support and intervention of the regulatory authorities, discussed in the next section under ‘implementation’.

(b) Implementation

31. Policy formulation and implementation is usually a continuing function. Procurement policy is no exception, especially because it concerns public expenditure management and applies across the Government at the central and subcentral levels. It is important to bear in mind that the identity of the institution responsible for implementation is separate from the functions of implementation. Regardless of whoever is responsible, the policy function(s) will need to be exercised in any event.

32. The continuing policy function is generally not a political strategy championed by the Government in promoting the establishment of the legal and regulatory function. It is an operational and managerial role with a heavy reliance on qualified and experienced technicians. This role does not require formal organization, although it does require coordination within the Government. It is therefore important that policy or, in this case, regulatory functions are identified and are capable of being pursued. In some countries, these functions are often vested within one or more bodies or organizations, but this is not the only way of achieving the goals. They can also be vested in a single organization, often known as a normative or regulatory unit. The organization(s) should be in position to function both as an expertise center, to provide guidance/assistance to public procuring entities so that the PPRs are properly adopted, and as a regulatory unit to identify irregularities and contribute toward enforcing compliance. According to the MAPS tool, what matters most is not the existence of a body but the existence of the functions within the public sector and the proper discharge and
coordination of them (that is, one agency may be responsible for policy while another can be training
the staff while another might be taking care of the statistics).

33. Under the proposed PPL, Myanmar envisages that most (but not all) of these regulatory
functions be concentrated in one institution, the MOPFI. Under Section 5 of the proposed PPL, the
MOPFI is delegated responsibility for, among others, the regulation of public procurement. It is given
three general tasks in this respect (it also has other tasks, discussed elsewhere).

- Carry out economic studies, comparisons, and future projections and provide advice to the
  Government with regard to the mid-term and long-term policy it may formulate on public
  procurement and asset disposal
- Provide advice and technical assistance to procuring entities
- Issue rules and other measures necessary to implement the law.

34. This section gives rise to three separate questions which will require further consideration
and action as part of a strategic implementation plan. The structure, functional responsibility, and
scope of functions are discussed in the following paragraphs.

Structure

35. The proposed PPL simply delegates normative and regulatory functions to the MOPFI. It does
not, however, define how these functions are to be organized. Currently, the Treasury Department is
leading the reform on behalf of the MOPFI on top of its mandated functions. No separate unit or
division has been created within the Treasury to take sole responsibility of normative and regulatory
function nor specific staff assigned. It is rare to see such an enormous function delegated to a ministry
(MOPFI equivalent) in any country without clearly defined mandate, roles, and responsibilities, as well
as assigned staff for accountability purposes. In some countries, the responsible ministry establishes
an administratively separate body, which is held responsible and reports to the ministry but is given a
certain autonomy of action. This does not seem to be what is envisioned in section 5 of the PPL, but
it is a possibility that should be considered as the implementation strategy is developed.

36. In this regard, a first decision needs to be made on the identity of the unit to be made
responsible for regulatory functions and on its position in the hierarchy. Its position will significantly
depend on its functions, discussed further from paragraphs 37 to 40 below. This often becomes a tricky
question where the regulatory body also carries out enforcement and complaint handling. But, under
the proposed PPL, complaint handling is delegated to a separate institution, the Trust Panel. As seen
in subsequent paragraphs, this will be managed by the MOPFI, but it will not take part in the
enforcement decision-making process, so it is not implicated in that function. This is important
because the complaint management function presupposes the ability/power of the enforcement
organization to make quasi-judicial decisions (including award of compensation) against the
Government. It is open to question whether a single line ministry (even one as important as the
MOPFI) would have the power and/or credibility to make such decisions.

37. Where a regulatory body exercises a supervisory function, this also requires the ability/power
of the supervising organization to direct the actions of other line ministries. It requires, therefore, a
certain superiority within the administrative hierarchy. If it is a unit within the MOPFI, it would need
to be sufficiently high and connected to the Minister to take such supervisory decisions. Under the
current proposed PPL, the MOPFI does not appear to be given supervisory powers except by a broad
statement that it has the power to, “...issue rules and other measures to implement the law,” which
could be read as giving it the power to direct the actions of a recalcitrant procuring entity. The current
terminology appears to suggest, on the other hand, that this power is limited to issuing general rules
and measures so that it is about implementation, not supervision. Even the monitoring provisions
(discussed further under [iii] are only provided to allow the MOPFI to ascertain the efficiency and compliance with the law but not to enforce compliance as such.

38. The supervisory functions of the audit authorities, the bodies responsible for anti-corruption and the criminal authorities, have not been altered. It is, therefore, clear that these authorities will also share responsibility for public procurement, notably in the field of supervision and general enforcement (of criminal activities). This understanding has to be reinforced during dissemination of the law.

39. Even without enforcement or supervisory functions, the position of the regulatory body within the hierarchy remains important for its credibility. Status is important because it determines the role and potential influence that such bodies may exercise within the public procurement system. While the status depends primarily on the position or location of the regulatory body within the public administration, it will also be influenced by a series of factors, including the decision-making powers; mandate and functions conferred on it and the legal foundation for its authority (for example, PPL; the independence of its management, as expressed by the conditions and procedures for appointment and dismissal of the senior management team (whether director, head of unit, and so on); its organizational design, composition, and personnel resources; its financial means and the amount of resources for staff and operational costs (for example, general budget, special funds, and own financing); and its autonomy of action, assessed in light of its own liability to supervision. Overall, it needs to have an appropriate level of authority to enable it to function effectively.

40. Possibly, the MOPFI is given one supervisory function, in relation to debarment. Schedule III of the draft PPR gives responsibility for a committee, yet to be defined, established within the MOPFI. This is a crucial responsibility and one which calls for status and independence of action if the system is to be credible. These functions also need to be considered.

**Functional Responsibility**

41. Once the location and status of a dedicated regulatory unit have been identified within the MOPFI, it is also important to ensure that it is properly staffed and financed and that the functions assigned are clearly set out and understood by all. The functions need to be fully defined and assigned to appropriate staff who also understand what their roles are (possibly by way of job descriptions).

42. Where the body is organized as part of the hierarchy, that is, as a division, a unit, or a team within an existing ministry, as is the case here, then it is likely to be organized in the same way as any other division within the Government. This implies that it will form an integral part of the civil service and that its staff, including the head of the division or unit, will be appointed, supervised, and dismissed in the same way as other civil servants. In terms of reporting, it is also likely that the head of the division will be directly answerable to his or her superior within the hierarchy. This does not mean that care should not be taken in addressing the needs of the regulatory authority. This may require special privileges or additional powers.

43. As a policy unit, there is no general correlation between the number of staff needed and the number of contracts awarded in a country. The policy will be the same whatever the number of contracts to which it applies. On the other hand, the need for additional staff is a function of the tasks assigned to the regulatory unit and this may well depend on the size of the procurement market. Support services such as help desks or other advisory services will require more resources as the number of procuring entities needing such services increases. Similarly, where the unit includes the responsibility of training in its functions (not recommended), this will become a huge burden, especially where there are many procuring entities to be trained, as in the case of Myanmar. If the institutions are constantly understaffed, their human resource capacity will not be sufficient to carry out their numerous functions effectively.
44. Organizing and ensuring that the functional responsibilities are properly exercised will also require an organizational strategy for the unit itself. This would also need to include coordinating activities because the unit will be required to liaise with other involved authorities such as auditors and criminal authorities as part of its monitoring functions, that is, it will need to collect and share the relevant data from such authorities.

**Scope of Functions**

45. The proposed PPL provides an adequate but not exhaustive list of functions for the MOPFi. There may be space to consider broadening this scope in the draft Regulations before they are submitted for approval. The purpose of doing so would not only be to ensure that all functions are covered appropriately but also to describe them sufficiently to allow for the functional responsibilities to be assigned adequately within the MOPFi.

46. Little is said, for example, about the provision of procurement information, although the draft PPR does mention the use of IT which would be critical for dissemination. It is not clear to what extent and how advice and technical assistance would be provided to the procuring entities, whether by way of guidelines only or by way of a help desk. It also needs to be clarified how the MOPFi avoids becoming implicated in the procurement decision-making process, how it keeps pace with international best practices, and how it interacts with the international community. Clarity on its monitoring functions and how it obtains relevant information and data, how information will be used, and coordinating with the relevant authorities is crucial. Decisions on these issues should form part of any strategic implementation plan.

**(c) Handling of Procurement Complaints**

47. In terms of complaint handling, it has been decided to create a Trust Panel consisting of members to be selected from at least three ministries. The regulatory framework provides participants in a bidding process the opportunity to present protests/complaints. While the MOPFi will be managing the process (as Registry and Secretariat to the Panel, will be handling the documentation and making logistical arrangements), it will not be involved in the decision-making process. This not only avoids any unnecessary conflict of interest but also means that there is no real impediment to the regulatory unit sitting within the MOPFi. It also provides the highest level of independence for protest reviews without the need to create a separate institution.

48. Schedule II of the draft PPR provides more detailed rules of procedure for the complaint/protest mechanism, but at the time of the writing of this policy note there was still no mechanism in place for the selection of Trust Panel members, their terms of appointment, their training, or the working of the MOPFi as Secretariat. For the system to be workable, these issues need to be clarified and set out in detail. They will all have to be considered as part of the strategic implementation plan. The arrangement must ensure that the Trust Panel has full authority and independence for resolution of complaints/protests that are brought before it.

**(iii) Operational Framework**

49. The existence of a solid legal and regulatory framework and an institutional architecture to implement it will not be adequate. At a practical level, there is a need to make the procurement system operational. While this is directly linked to the role and functions of the regulatory body established as part of the legal framework, the operational needs of the stakeholders, mainly the procuring entities, are key building blocks of the system. There may be operational requirements in the field (and they need to be investigated) but four stand out: operational tools, market practices, monitoring, and capacity building.
(a) Operational Tools

50. As indicated at the outset, the law is for lawyers and is of little interest to practitioners other than as a means of checking compliance. What practitioners require are tools to allow them to implement the requirements of the law. These consist of instructions, documents, templates, and guidance that will allow them to operationalize the PPL and PPR, although the key tools are likely to be SPDs. Section 5 of the draft PPL gives the MOPFi the responsibility to develop a comprehensive set of standardized and unified procurement and asset disposal rules, instructions, and tender documents which shall be binding for all procuring entities.

51. The SBDs are the basis for informing potential tenderers of the requirements to supply specific goods and services or to construct works, so, all information necessary must be furnished to permit tenderers to submit responsive tenders. They need to be drafted to permit and encourage maximum competition. In addition, the documents should clearly define the scope of works, goods, or services to be supplied as well as the rights and obligations of the purchaser, suppliers, and contractors. The conditions to be met for a tender to be declared responsive must also be spelled out, together with the establishment of fair and nondiscriminatory criteria for selecting the winning tender. The detail and complexity will vary according to the size and nature of the contract but, generally, they should include an invitation to tender; instructions to tenderers; the form of tender; tender security requirements; the conditions of contract; advance payment guarantees; performance security requirements; technical specifications and drawings; a schedule or requirements for the goods, works, or services; and the form of contract. Well-drafted SPDs will effectively take the parties through the procurement process and ensure compliance. Experience has shown that these are more valuable, in terms of good procurement, than just relying on the legal and regulatory framework itself.

52. The standardization of the SPDs will also mean consistency of application and interpretation so that tenderers will be aware of what is expected, what forms need to be completed, what documents are to be provided, and how tenders are to be submitted. It removes uncertainty from the process and facilitates bidding.

53. The SPDs contain not only the tender documents themselves (that is, those that relate to the submission of tenders) but also draft contract documentation, which is also standardized. It is important for participants in the procurement process to know the specific conditions under which they will perform a contract before they submit a price for performing the contract because conditions of the contract will often have an impact on their ability to bid, on what they can offer, and on pricing. The draft contract will provide the information that enables tenderers to understand the allocation of risk between parties to a contract as well as other obligations that the signatories to the contract will undertake.

54. In many countries, the SPDs of donors are often used as templates or models for the creation of national SPDs to accompany the national legal framework. There is, however, a risk as these SPDs are designed for donor-funded contracts and hence tend to be appropriate for large-value contracts or to specialized contracts frequently funded by the donors. At a national level, countries may need simpler SPDs that are appropriate for the types of contracts that they award. This may be run-of-the-mill low-value goods and services or specialized contracts for specific purposes. In designing the implementation strategy, it is thus necessary to bear in mind not only the average value of contracts (there will always be exceptions for which donor SPDs or other tailored documentation may be appropriate) to capture the most frequent level of contracting but also the types of contracts awarded so that appropriate SPDs are developed to meet the most pressing needs of the procuring entities concerned.
55. In addition to the SPDs, there will usually be a need to develop guidance on a range of issues derived from frequently asked questions (FAQs), which will assist the procuring entities to make the greatest use of the legal provisions and ensure compliance. This could be guidance on things such as planning and market assessment or contract management or could involve more detailed explanations of some of the more sophisticated procurement methods such as FAs or methods involving IT. In designing the implementation strategy, it will be necessary to identify those areas of potential weakness that could benefit from further guidance.

56. In some countries like Vietnam and Ghana, regulators have gone so far as to create procurement manuals or handbooks which serve as practical guidance to the whole procurement cycle. They typically take the procuring entities through the procurement process in laymen’s terms, using relevant examples and illustrations, providing flowcharts, attaching templates and, of course, referring to the relevant parts of the legal and regulatory framework. These are encouraged internationally and are generally perceived as an ideal way of providing the practical guidance needed to ensure compliance. This should also be considered as part of any strategic implementation plan by the MOPFI.

57. Procuring entities also need tools to assist them with identifying and addressing risks brought about by market conditions and practices.
(b) Market Practices

58. It is tempting for procuring entities (and the Government) to conduct procurement only from their own point of view, as if the rules affect the Government only. It is important to recognize that there are broadly two parties to every procurement scenario: the purchasers (government entities) and sellers (the bidders, mainly private sector actors). Whatever the Government does have consequences for the market in which the purchasers and sellers operate. The degree of the effect is dependent on that market. In a few cases, it may be that the purchasers can manipulate the market but, for the most part, purchasers also need to respond to market conditions. A failure to understand that reality will have negative consequences for the purchaser, usually in terms of cost, time, and quality.

59. In terms of implementation, there are some critical issues to consider. For example, markets for different goods and services operate under different conditions. There may be more or fewer suppliers; products and services may be available on a commodity basis, intermittently or only from limited sources, or at certain periods; certain markets may be cartelized or subject to corruption; some goods and services may be available only from abroad; some goods and services may present specific risks (environmental or security), be subject to external risks such as inflationary pressures or exchange rate risks, or require specific measures (security or special transport/insurance); and some purchases may be one-off and others subject to continuous maintenance or management.

60. In terms of the bidders, their ability to operate in those markets is an important matter. Do they have access to the relevant markets? Is credit available? What are the costs of doing business? Do they have ready access to imported goods? Do they have the capacity or support where necessary? Have they been informed of the legal and regulatory framework for procurement? Can they access the tools they require? Have they been trained in responding to the requirements of procuring entities? Due consideration to these issues is critical in the context of Myanmar where due to its long isolation, widespread nationalization of industries, and closure of outside markets and investors, private entrepreneurship has been heavily suppressed and distorted. As a result, market institutions and government capacity to regulate them are nascent and trade and investment relations are limited, while the country’s human capacity is low.

61. The procuring entities have to be sensitized to understand that they do not control markets but act in such manner to encourage and attract bidders. Governments may have a big budget, they are not the only purchasers (except for specific products and services, for example, roads, railways, and defense products). The more difficult procuring entities make selling to government, the more obstacles they put in the way of bidders, and the harder it will be to attract the best bidders. Ultimately, this leads to higher costs and/or lower quality. Requirements such as production of original certificates, registration, completion and delivery of forms, purchase of tender securities, and problems such as delayed payments all impose costs for bidders, and these costs will be reflected in the prices offered. All costs must be covered before a profit can be made. If bidders cannot make a profit, they will not bid. Invariably, some of these requirements are necessary in the case of public buyers, but an excess of expensive conditions will increase the costs and discourage bidders.

62. For these reasons, successful implementation implies good knowledge of the market and market practices. Market risk assessments need to be conducted to determine the conditions of the markets and the various risks involved to determine how best to design a purchaser’s procurement strategy. This might involve better planning; more market research; more flexible/realistic choice of procurement methods, qualification criteria, and evaluation criteria; and more tailored contract management approaches. The operational tools considered above will also need to provide procuring entities with the means to address problems associated with market practices.
(c) Monitoring

63. Under Chapter-3 of the proposed PPL, the MOPFI has also been delegated responsibility for the monitoring and oversight of public procurement, together with asset disposal activities on behalf of the Union Government. These include the collection and establishment of data and information on public procurement; disposal of assets; and the monitoring of the performance of procuring entities, tenderers, and contractors. This is to ascertain the efficiency and compliance with the law. It is also required to prepare and report annually on public procurement and asset disposal performance to the Union Government (Cabinet).

64. It is important to define ‘monitoring’ carefully to outline the scope of activities that will need to be carried out. The term is often the cause of some confusion when translated into the Myanmar local language, where direct translation equates monitoring with ‘auditing’ or other forms of direct control/supervision. The Union Attorney General has explained that the existing laws do not allow any one Ministry to exercise direct control/supervision over others. Parenthetically, this is not the case and the PPL does not provide the MOPFI with powers of audit or control, leaving such functions to the usual authorities.

65. Perhaps the distinguishing feature is that audit or control takes place in the context of an individual contract award procedure, that is, a single contract award procedure is being ‘monitored’. Monitoring needs to be seen in a much broader context. The role of monitoring can be perceived as a means of collecting data on public procurement from contracting entities subject to the legal framework and other sources. This is with the purpose of serving the Government and the Parliament with reports and information on the status of public procurement in the country. It is thus a mechanism used to collect statistics and information on the whole system with a view to identify systemic problems and trends. The value of identifying a breach of the rules in a single contract award procedure through monitoring (which may in any event be identified more efficiently by other means) is insignificant when compared to the possibility of being able to spot, for example, the common failures of all procuring entities in one or more areas of implementation or of regional problems. It is, of course, more difficult to collect such information. Additionally, the level of detail, the sources of information, and the elements to be monitored should be set out in the strategic implementation plan to enable the function to operate as intended.

66. Data are key and, at the most fundamental level, this is really a question of maintaining an information flow based on the steps to be taken in any procurement transaction. It requires a step-by-step guide on the activities that need to be taken, the time taken to complete the activities, and by whom. This then needs to be transposed into a system of maintaining data on those steps to identify what has been done (and whether it was done at the right time) and what remains to be done in a way that guarantees technical efficiency (that is, timeliness) of the procedure. Traditionally, such data management has been done manually but, increasingly, IT options are being used to develop computer-based management information systems (for example, Management Information System or Procurement Management Information System). These are computer-based information and data flow systems that are used within an organization and consist of the network of all communication channels including components that collect, manipulate, and disseminate data or information. The adoption and implementation of e-Procurement would contribute significantly to increased data retention and retrieval and should be given careful consideration. The procurement law anticipates and makes provision for the use of e-Procurement.

67. Before deciding on strategy, there is the need to know what data are available, now and soon, and how the data will be collected. This also relates to questions of open data or open contracting initiatives where all procurement-related information is made available and transparent online. Myanmar needs to decide whether to adopt this standard or not. It will also be important to consider the question of coordination. Other authorities are also involved both in the procurement process and
in the supervision of procurement, for example, other MOPFI departments, the Trust Panel, the auditing authority, and other authorities involved in prosecuting corruption offences and other economic crimes. It will be necessary to set up a system of information exchange so that all relevant data can be analyzed and used as a basis for system improvement.

68. In terms of what is to be monitored, it is to be noted that there is no single performance standard and that the method of measuring performance will depend wholly on the context within which it is being operated and on what the MOPFI deems as appropriate (and possible) to monitor. There are three main levels of performance measurement in the case of procurement. They are (a) the national level where the purpose is to assess the performance of the national public procurement system (this could be either on the grounds of appropriateness and carried out against benchmarks, such as MAPS, or it could be transactional and represent an aggregation of the results of all procuring entities); (b) the procuring entity level where the purpose is to assess the performance of the procurement organization and operations; and (c) the contract management level where the purpose is to assess the performance of the delivery of an individual contract. To a large extent, the results of the transaction-level assessment would be aggregated to provide information for the procuring entity-level assessment (data would be collected at the level of the individual procurement transactions and collated to provide an overview of the performance of the contracting entity).

69. There are close links among all these three levels of performance measurement but the objectives and methodologies for measuring performance may well differ. Each level affects the other. Thus, the design of the legal and regulatory framework at the national level will affect the operational environment at the level of the contracting authority; the performance at the transactional level will affect the overall performance of the contracting entity and, where these results are fed into a national monitoring system, may well suggest changes to that legal and regulatory framework. All these issues need to be considered at a strategic level and the MOPFI will need to decide what exactly it will monitor.

70. The starting point will be to monitor the overall performance of the procuring entities. Performance measurement at the level of the procuring entity will, in general, be transaction based. Performance reviews of each individual procurement will be consolidated to provide an overall picture of the performance of the entity, and this may then be weight aggregated to provide a general picture at the national level. The principal benefit of a performance measurement system adapted to the activities of procuring entities is that the MOPFI would be able to determine the factors to be considered in measuring the degree of efficiency and effectiveness not only of the individual procuring entities but also of procurement operations as a whole. By deciding what is (or may be) measured, the MOPFI, through close engagement with other entities, will be able to design a monitoring system suited to its needs.

71. Generally, both purchasers and regulators care about timeliness (for example, time taken to complete the bidding processes, the incidence and size of schedule overruns, the level of bidding processes that are successfully awarded as opposed to failed or cancelled) and quality (whether the quality of goods, works, and services received meets its needs) as well as price (for example, whether savings have been made). The MOPFI may also be keen to measure broader performance indicators based on regulatory requirements. These may include things such as the transparency (for example, the extent of publication of invitations for bids, contract awards, existence of contract implementation information, and data on procurement operations) and fairness (whether bidders have equal access to opportunities and bids are evaluated objectively, equally, and transparently) of their operations. Cost-effectiveness may be another indicator which, in addition to timeliness and quality data, may include assessing the results of the bidding processes open to competition or the number of bids received for different bidding processes. It may also include the number of processes used in purchasing the same or similar items together with the associated costs.
What is to be measured will depend on where the MOPFI has identified weaknesses and what its (strategic) objectives are. By definition, it will be a bespoke tool even if, in general terms, most of the areas requiring measurement will be very similar. In structuring a performance measurement system, there will be a number of key components such as the following:

- **Determination of performance areas.** These will generally be selected with the aim of addressing the critical components of the procurement system.

- **Selection of performance indicators.** The selection of performance indicators is usually associated with output indicators where quantifiable factors are used to measure the performance of a system, for example, pricing data to demonstrate savings or time-based data to demonstrate efficiency gains.

- **Determination of baselines.** A key activity is to prepare a baseline against which performance will be measured with respect to each main performance area and individual indicators.

- **Performance measures.** There are several ways of measuring performance depending on the nature of the indicator used. Output indicators can normally be measured by means of a numerical system (for example, savings achieved in units of currency), while input indicators such as the quality of the procedural framework normally require a systematic assessment by qualified assessors, which may be complemented by surveys, for example, by designating levels of satisfaction (for example, acceptable, partially acceptable) or levels of achievement (A, B, C,...). The main challenge is to determine the baseline and the assessment key for the chosen indicator (what is good and what is bad).

- **Setting of performance targets.** These may be based on past performance or on desired results.

- **Collection/reporting of results.** The organization of performance measurement activities is a critical factor for the successful implementation of the system.

With regard to the latter point, the MOPFI is required to report annually, but it will also need to devise other reporting mechanisms to be able to address the weaknesses in the system revealed by the monitoring process and enable it to make consequential amendments to the legal and regulatory framework, operational tools, or capacity-building program, as the case may be. The weaknesses identified will point to the best solutions by way of remedial actions. The MOPFI will also need to decide how to manage these data and whether and how to make the findings public. At a broader level, the MOPFI should consider the interaction of the public authorities with the private sector, the existence of discussion forums, the role of civil society, and the extent of social accountability mechanisms.

**Capacity Building**

The goal of public procurement is to award timely and cost-effective contracts to qualified contractors, suppliers, and service providers for the provision of goods, works, and services to support the national and local governments and public services operations, in accordance with principles and procedures established by the PPRs. To achieve this, Myanmar needs qualified, knowledgeable, and skillful staff within government entities to manage procurement. Given Myanmar’s approach of devolution in the implementation of procurement, this poses increased capacity challenges. Though no assessment has been carried out to determine the extent of the problem with hard data, the shortage of skilled procurement practitioners and other resources in subnational governments is obvious to the entire government system. For most donor-funded projects, including the World Bank, international consultants have been hired to support implementing the entities’ procurement management needs.
75. Capacity building is thus generally required on all fronts to further develop the human capital involved in public procurement, including training procurement professionals to manage procurement transactions on behalf of public entities and capacitating private sector suppliers, contractors, and service providers to prepare quality and responsive bids. Procurement entities face limited capacity with a dearth of qualified and experienced procurement practitioners in public procurement and limited exposure of the few local experts to international procurement practices. This is because the reform of the public procurement is new, and Myanmar has been isolated from international procurement markets for some time.

76. There is currently no sustainable strategy in place to provide training to develop the capacity of the Government and private sector participants to understand the law and rules and how they should be implemented. Chapter-3 of the proposed PPL gives the MOPFI a role to play here. It states that the “MOPFI should specify and make arrangements for training courses to promote and develop public officials in gaining knowledge and expertise concerning Public Procurement and Asset Disposal in compliance with the law.” It may perform these duties independently or in collaboration with the relevant public and private agencies. Fortunately, the draft PPL does not require the MOPFI to provide the training, but only to foresee and facilitate the training. Opportunely, the MOPFI has recently established a PFM Academy as a functional and sustainable place of learning for government officials to build their capacity in PFM. It is strongly recommended to leverage the institution to create sessions for training in public procurement given that procurement has strong links with PFM activities. This calls for the academy to develop a capacity-building strategy based on which fit-for-purpose curricula and training materials can be prepared.

77. Developing a capacity-building strategy for procurement requires a need for conducting training needs assessment, which should be both quantitative and qualitative. It will be quantitative in the sense that it will need to provide an assessment of the numbers of procurement officers and other trainees (at different levels of the administration) who require training. It will need to be qualitative in two respects. First, it will need to distinguish between the needs of the target audiences. These may, for example, be procurement officers, technical experts, executive decision-makers, auditors, and private sector bidders. Second, there will also be a need to identify the gaps in existing training with respect to the nature, value, and type of procurement conducted. This is a question of identifying what procurement capacities need to be developed within the procurement function of the category of procurement officers in question. This is particularly important if the resulting training is to encompass competence and compliance training.

78. Most capacity-building programs that form part of a procurement reform strategy focus, in the short term, on compliance with the legal and regulatory framework. Where there are new rules and procedures and new documentation to work with, there will be an immediate need for familiarization with the new system and a need to ensure that procurement officers can and do comply with the new procedures. Where there is little existing capacity or where there is no recognized procurement cadre, using the (new) rules and procedures as a framework for the delivery of training makes a great deal of sense. The danger is that this is where the training also stops. In most cases, procurement training never extends beyond compliance with the rules and regulations.

79. On grounds of cost and time, one of the limitations of such capacity-building programs is the primary focus on compliance which tends to lead to a peculiarly rule-based system of training that places formality and compliance at the forefront of the program. Training based on compliance with procedural rules does not ultimately address the quality of the resulting procurement. In addition to compliance training, therefore, it would be preferable to consider introducing more far-reaching competence training as a long-term strategy. This would include strategic planning, demand management, supply market analysis, tools and methods for market surveys, supply chain management, procurement planning, budgeting, preparation of tender documents, evaluation of bids, tools for simultaneously evaluating quality and price, supplier performance management, and
contract and project management. The idea is to get away from the notion that procurement involves only the tactical and operational activities involved in the processing of purchase orders and to recognize that it also shapes the business environment and influences organizational objectives, policies, and values. The objective is to take a broader and more strategic approach to procurement and recognize that procurement is a means of achieving a specific outcome desired by the organization and is not merely a mechanical process to be followed.

80. Considering the implementation strategy, therefore, it will be important to decide what form capacity building will take. Will it be based on compliance training or will it also consist of competence training? If it covers competence, how far will this go? Would it, for example, be designed to create a cadre of professionally qualified procurement officers with the appropriate credentials? If this is the case, then it will also be necessary to liaise with other stakeholders in the system such as the ministry responsible for the civil service and those responsible for national qualifications to see whether it is possible to create a competency framework for Myanmar within which professionalization can take place. The choices will have significant implications for the method of delivery of any capacity-building program, the extent of intervention necessary, the time needed to create such a system, and the resources required.

81. In addition to broader capacity building, there will clearly be a need to address immediate capacity-building needs. Once a structure has been decided for the MOPFI, the staff responsible for procurement will need, for example, to receive specialized training for their new roles and responsibilities. Other stakeholders such as the members and support staff of the Trust Panel will also need specialized training to allow them to adjudicate fairly on complaints and engender trust in the procurement system.

(iv) Accountability Framework

82. A well-functioning procurement system operates with integrity by having appropriate controls that support the implementation of the system in accordance with the legal and regulatory framework. It should also have appropriate measures to address the potential for corruption in the system.

83. The proposed PPL and Rules address accountability for effective control and audit systems of public procurement operations. The accountability framework is made up of some complementary activities which require coordination. The proposed PPL and Rules address accountability in various ways, but successful implementation must be focused on ensuring coordination. At a fundamental level, the proposed PPL and Rules themselves impose accountability and this will be implemented partly through the activities described earlier, for example, ensuring management responsibility; providing the necessary implementation tools; having an effective regulatory body, enforcement mechanism, and monitoring system; and ensuring professional procurement capacity throughout the country.

84. In particular, the enforcement mechanism (established as a Trust Panel) is a key entity in ensuring accountability. It is foreseen in the proposed PPL and Rules but requires much more in terms of procedural rules and operational rules before it can function properly. These are elements of implementation which need to be pursued swiftly.

85. The proposed PPL also addresses the roles of complementary authorities—those responsible for auditing, anti-corruption, and criminal prosecution. There is no need to duplicate the activities of these authorities within the MOPFI, as regulatory body, but it is important that these roles are carried out and that there is coordination among the relevant authorities. Reporting lines need to be established in practice. For example, instances of fraud or corruption identified by procuring entities or by the MOPFI need to be reported to the anti-corruption or criminal authorities, and the reports of
the audit authorities need to be made available to the regulator for monitoring purposes. It is only when these links are formalized and operational that implementation can be improved.

86. Even though strictly speaking, these control authorities responsible for audit, anti-corruption, and criminal prosecution are not directly part of the procurement reforms, they should benefit from additional capacity building designed specifically with public procurement in mind. This will enhance their ability to respond to the requirements of the proposed PPL and Rules and assist the regulatory unit in its implementation functions and improvement of the procurement system.

87. Additional implementation actions might also be foreseen. Codes of ethics should be incorporated into operational rules of procurement officers by the procuring entities or designed as part of the overall system implemented by the regulatory authority. These could also be reinforced through the capacity-building programs to be set in place. On the supply side, bidders should also be made to develop and train their staff to abide by the business code of ethics. Evidence of such documents should be attached to their bids as part of the qualification requirements. In addition, provisions defining prohibited practices such as conflict of interest acts, unfair competition, and fraud and corruption and the like as defined in the law, as well as requirement of bidders to observe high standard of ethics, should be specified in the SBDs and associated contract templates to operationalize them.

88. Transparency is a key element of accountability and runs through the procurement system from publication of procurement plans, contract opportunities, availability of bidding documents containing qualification and award criteria to contract awards, recording and reporting requirements, and so on. However, imposing such requirements alone is not enough; mechanisms and tools need to be provided to allow for publication and transparency. Implementation thus requires consideration of how, where, and when information will be published and made available to whom. The tools (usually through the internet) will then need to be established and made operational to optimize transparency.

(v) Contract Management

89. Contract management is a critical component of the procurement cycle, and by extension budget implementation. Requisite controls should be in place to ensure that funds are available on time and are used only for the intended purposes. If there are issues in the budget planning and approval process, such issues should be identified well in advance (for example, during project preparation) and appropriate arrangements put in place. Experience in the World Bank- and Japan International Cooperation System-funded projects have shown that while it has taken, on average, over 360 days from the launching of bids to bid evaluation, it took between 108 and 220 additional days to have contracts approved and signed after bid evaluation. In addition, undue delays, sometimes more than six months after approval of invoices and payment certificates in making contractual payments, put the procurement entities at contractual default, potentially also affecting contractor cash flow, resulting in contract implementation delays and other complications.

90. Effective contract management is essential for the delivery of the intended outcomes. Value for money is achieved through the application of effective contract management to ensure successful execution of the contract and ensure that the deliverables are met as agreed in the contract. In this regard, the procurement law makes adequate provisions to ensure that procurement will not just end at contract award but ensure that the desired output for each procurement package is achieved within budget, quality, and proposed time frame.

91. Achieving this involves managing contracts that are made as a part of legal documentation of forging work relationships with suppliers, contractors, and consultant and this requires special skills for managing, executing, and analyzing the management of contracts efficiently. Effective management of contracts may require the development of a contract management plan with key
performance indicators and milestone events. The procurement entity then monitors the performance and progress of contracts, in accordance with the contract management plan.

92. Contract management involves several experts including procurement staff, financial management, and relevant technical experts. It is therefore important to structure procurement management to involve these experts throughout the procurement cycle, including the upstream design/specifications and the downstream contract management phase. It will be best practice to develop a contract management manual covering goods and work procurement as well as consultancy services contracts as a guide for efficient contract delivery.

93. To increase transparency in contract delivery, especially for civil works in remote areas, citizens and civil society oversight of procurement is essential. Either or both of the two groups could play an important role in scrutiny and monitoring. They can further increase the transparency of government activities and, as such, restore public trust. In some countries, the legal and regulatory frameworks allow for citizens, under clearly specified conditions signing a statement of confidentiality, to act as observers in procurement proceedings.

94. In recent times, many countries have adopted the application of innovative techniques such as geo-tagging in the monitoring of performance and contract completion. In Myanmar, the World Bank has worked with PAPRD some three years ago on geo-tagging and progress monitoring of the civil works project using Open Data Kit (ODK) for rapid iteration. They also provided extensive training for the staff where the whole process, including form writing, was learned. In addition to the improved transparency, monitoring, and data collection, the PAPRD, under the energetic leadership of the now Director General (Planning), intends to promote this tool to expand monitoring coverage of contracts which can be of immense benefit to the Government and people of Myanmar to gain value for money for public funds. It will be important for the MOPFI/Treasury Department responsible for the drafting of SBDs to make the use of geo-tagging and satellite imagery compulsory for public contracts. The text and clauses to this effect have already been drafted and used under the current Government Procurement Directive and it would be easier to adopt them in the new SBDs to be developed under the new regulatory framework.

C. KEY POLICY RECOMMENDATIONS

95. Based on the above policy analysis, the MOPFI will need to consider the key steps that could be taken in devising an implementation strategy to make the new system operational. It may even benefit from consulting other stakeholders to clarify some of the issues outside their mandate.

96. Prioritizing and carefully implementing certain core activities will serve as a good foundation for an effective public procurement system in Myanmar. Selecting the priorities is a necessary choice given the limited resources and tight schedule available for the rollout of the law once it is enacted by Parliament. Work on some of the activities do not necessarily have to wait until the law is passed. The MOPFI can put together a small team to develop an action plan and identify those activities that may need involvement of other ministries and agencies to play a role.

97. Given that implementing procurement reforms needs to be approached over a long period, the policy note proposes a strategic approach to phase the implementation in a way that could put the procurement system on a solid footing to effectively and efficiently deliver value for money with integrity in the long run. The priority areas that this policy note considers critical and needs the MOPFI’s close action immediately include the following:

   (a) Creation of relevant institutional bodies for public procurement in Myanmar. To ensure that the procurement reform, and by extension, implementation of the PPL becomes successful,
there is the need for a strong institutional setup to ensure that the obligations prescribed in the law/legal and regulatory framework are properly discharged.

**Creation of a regulatory unit for public procurement.** First, the MOPFI should create an institution to be solely in charge of the normative/regulatory and oversight functions. In other words, there is an urgent need to start thinking about the establishment of a Public Procurement Regulatory Unit with oversight of public procurement, possibly a unit within the Treasury Department. This unit will be responsible for procurement normative, regulatory, and oversight functions within the public sector and will also coordinate with other related units like planning, budget, and treasury to implement a cohesive financial management system. When created according to the current arrangement, it will report to the Director General of the Treasury Department. The Public Procurement Regulatory Unit should have to be staffed with qualified staff with clearly defined roles and responsibilities. It would be good to start working toward its creation to ensure that the law, when enacted, will have a ‘home’ to receive it and ensure that it is implemented. A consultant may be needed to help design an organization chart (organogram) with suggested staffing levels, their roles and responsibilities, job definition, and how it ties into the general civil service structure. (Reference: Chapter 3, Section 6 of the Law). The regulatory unit, once established, would also facilitate the establishment of other new administrative bodies required by the law to play specific functions, especially the Trust Panel.

**Establishment and operation of Trust Panel.** Second, it is important to, as early as possible, establish mechanisms that enable effective oversight of official actions to prevent and sanction misbehavior and ensure that the Government received the goods, works, and services it purchased. It will be important for the MOPFI to draft separate documents on the operations of the Trust Panel including an organogram, membership, roles and responsibilities, administrative support, rules and procedures for complaint handling and so on, and training materials for the Trust Panel (once established) and procuring entities, all these before the passage of the law. Detailed guidance for procuring entities on handling of operational complaints, identification of appropriate debarment/blacklisting mechanisms; and enforcement and debarment procedures should also be developed. Stakeholder consultation could be organized to discuss the draft when ready (Chapter 13).

**Integrity requirements.** To forestall high level of integrity in operational procurement, provisions defining prohibited practices such as conflict of interest acts, unfair competition, and fraud and corruption and the like as defined in the law, as well as requirement of bidders to observe high standard of ethics should be specified in the SBDs and associated contract templates to operationalize them.

**Organizational adjustments within procuring entities.** Finally, it will be useful to make some organizational adjustments within the procuring entities to meet the expectation of the PPL. After the law is passed, there is a need to support the organizational arrangements that provide effective support for implementation of the new law and the accompanying rules as well as monitor implementation progress. The procuring entities will have to be supported to establish tender and asset disposal committees (Chapter 4, Section 7) as well as guidance on arrangements to form tender evaluation committees for each tender that is floated. The MOPFI should consider drafting a guidance note on the complete roles and procedures for the tender evaluation committees to facilitate their work when the law is passed. Also, according to the duties and functions of each procuring entity (Chapter 4, Section 5), the procuring entities may have to establish a procuring unit and delegate those functions and responsibilities to it while holding it accountable for execution of the functions.
(b) **Finalization of implementing rules.** The ministry, through the procurement regulator, is mandated to develop and issue implementing rules to fulfil the objectives and facilitate the implementation of the provisions of the procurement law (Chapter 3, Section 6). Currently, there is a rough draft of the Rules that needs to be enhanced. It has gaps to be filled. The regulatory unit’s first assignment will be to finalize this document and ensure consistency with the PPL and any changes before its enactment, as well as other existing laws, regulations, and practices.

(c) **Development of tool to facilitate implementation of the PPL.** Section 5 of the draft PPL imposes a duty on the MOPFI to develop the required tools to facilitate implementation of the PPL.

- **Development of SPDs.** The procuring entities are mandated to use the SPDs developed by the procurement regulator in drafting specific tender documents (Chapter 5, Section 13). The MOPFI has already developed some draft SPDs but we may have to look beyond the general SPDs and start working on sector-specific SPDs like health and educational textbooks. The regulator will have the duty to review these and other existing SPDs and ensure that there is consistency with the procurement law when finalizing them.

- **Development of procurement and contract management manuals.** To provide guidance to procurement practitioners in line with the requirements of the legal and regulatory framework, the MOPFI will in addition develop procurement and contract management manuals: Chapters 7, 9, and 10 of the draft law provides for the different procurement approaches, and contract management and assets disposal requirements. There is the need to develop detailed step-by-step procedures on how each of these requirements to facilitate better understanding of staff involved in procurement responsibilities.

- **Preparation of public procurement audit manual.** The Office of the Union Auditor General is also mandated to conduct post-audit on public procurement and asset disposal activities (Chapter 15, Section 66). It is necessary to develop a public procurement audit manual and training materials to build the capacity of staff of the Office of the Union Auditor General given that this would be the first time they would be conducting such exercises.

- **Development of separate guidance for procurement under emergency situations.** It is important for Myanmar to develop a separate manual to guide how procurement should be conducted in an emergency. The current COVID-19 pandemic has reinforced the need for countries to be prepared to take quick actions when emergency situations occur. The use of a traditional approach for procurement could lead to the loss of life and property and cannot efficiently support the delivery of outputs. In this regard, the development of detailed guidance and procedures to handle procurement under emergency situations like outbreak of pandemic diseases, flooding and landslides, and so on is highly recommended as part of the procurement tools being developed to support implementation of the procurement law when enacted.

- **Development of code of conduct document.** Public officials involved in procurement activities are expected to abide by a certain code of conduct (Chapter 12). It would be suitable to start drafting a code of conduct for procurement to guide public officials involved in procurement once the law is passed. Though the law does not touch on the need for code of ethics for bidders, the MOPFI should consider asking all bidders interested in government business to develop and show evidence of availability of code of conduct for staff of their businesses.

(d) **Development of a communication strategy and establishment of a help desk.** To ensure that all relevant stakeholders receive complete and well-informed facts and education on the
procurement law, associated guidance, and its requirements, a well-designed communication strategy is required. Also, given that the procurement law will be new to most practitioners and the procurement market at large, participants may want to seek clarifications and explanations to be in conformity with the law. In this regard, the information that goes out must be uniform and simple to understand. It is recommended that a help desk is set up by the MOPFI and personnel trained to provide timely information, when requested. This will help build confidence and trust in the public procurement system.

(e) **Awareness creation and training of stakeholders on the PPL and implementing rules.** Once the law is passed, there will be an urgent need to create awareness among stakeholders and train specific stakeholders on the application of the law based on their roles. The scope of work would include (i) identifying relevant stakeholders and conducting stakeholder mapping and analysis; such stakeholders may include the Union Government; regional governments, agencies, state-owned enterprises using government budget, auditors, bidders, private sector businesses, chambers of commerce, professional associations, and academia, among others; (ii) identifying a pool of candidates (trainers) within the MOPFI to conduct awareness programs; (iii) with the support of a consultant, carrying out training needs assessment of target stakeholders and developing targeted awareness programs; (iv) training a pool of trainers for awareness programs; and (v) delivering the awareness programs on the PPL and the PPR.

(f) **Website development.** To promote transparency, establish a single website hosted by the procurement regulator that will be a source of all public procurement information in the country. The website which should be easily and freely accessible shall host all legal and regulatory document including the PPL, the PPR, and other associated documents. The regulator should also publish all SPDs, along with guidance, including manuals and FAQs. The website should have the capability of publishing all procurement opportunities by all procurement entities, as well as contract award information for all categories, and methods of procurement. Complaints received by the Trust Panel and status of resolution as well as reports displayed on the website will greatly enhance accountability. Finally, it will be a good source of public procurement information through reports on performance and data analytics carried out by the regulator. Procurement information displayed on this site should preferably be in open data format to allow for data integration with other PFM systems.

(g) **Capacity building.** Given the existing low procurement capacity within the public service in Myanmar, one important strategic direction of the procurement reform should be the building of procurement capacity. A sustainable approach would be to shy away from the traditional practice of short-term, ad hoc training courses or workshops. The following are recommended steps which could serve as a guide to develop a strategy for sustainable capacity building:

- As no data exist at the national level on the level and extent of capacity that presently exists, the first approach will require the MOPFI to carry out a detailed assessment of the country’s procurement training needs (skills gap analysis).

- Based on the assessment, develop alternate approaches and modalities for sustainable strategy to build the capacity of government and private sector participants to understand the rules and regulations and how they should be implemented. The strategy should carefully consider short-term, medium-term, and long-term needs as well as availability of required resources.

- **Institutionalization of national procurement training regime.** Identify a national institution that will be mandated to develop and deliver a sustainable national
capacity development program for public procurement. The recently established PFM Academy within the MOPFI is a suitable candidate given the close link that public procurement has with general PFM. It will also foster integrating public procurement systems with other PFM systems.

- **Development of a competency framework.** The national institution charged with the responsibility of capacity building and training shall develop competency frameworks that ensure that the level of procurement competence among government officials within the procurement entities is consistent with their procurement responsibilities as developed and agreed with the Union Civil Service Board. Relevant curricula would be developed along the competency framework.

- In the short term, it will be important for the strategy to consider identifying and quickly training trainable persons to form a core mass of professional within the Government who can apply the requirements of the procurement law effectively. The first batch of identified staff could also be used to train other trainers to help the MOPFI to support the rolling out of a comprehensive training program for the entire country. This is intended to fill the minimum required procurement staffing in procurement entities across the country.

- Following the quick trainings and for the trained personnel to further strengthen and gain better practical experience as opposed to just theoretical knowledge, the MOPFI should include the option of mentoring provided by few technical assistants embedded within high volume ministries and departments. This is a sure way of building capacity in procurement practice and mentoring.

- **Training of Union Office of Auditor General.** The public procurement process for all procurement entities should be completely auditable and every transaction or action should be traceable. To ensure proper conduct of procurement audit, the Union Office of Auditor General should be given specialized training to enhance its ability to conduct ex ante audits of procurement entities’ activities as part of the overall audits of public service institutions.

- **Professionalizing the procurement function.** In the medium to long term, consider reforming the civil service in the area of professionalizing the procurement function. This would be done by considering the development of career paths along with job descriptions, and establishing the qualifications required for each position created in civil and public service. This will enhance procurement performance/outputs leading to improved procurement outcomes. It will also ensure that procurement training and information programs for government officials and for private sector participants are consistent with demand.

(h) **Consider developing and using e-Procurement.** Globally, the use of technology like e-Procurement systems is currently being explored to facilitate the procurement management in many developing countries. Development and use of an e-Procurement system would be a good starting point worth considering, given the low level of knowledge on procurement among civil servants and other public institutions in Myanmar. Besides the benefits of efficiency, timeliness, and transparency that it brings, it will also provide readily available tools to support standardization, recording of receipts and budget tracking, inventory management, purchase of commonly used goods and disposal and provide required data for analysis to make evidence-based decisions within procurement entities. Further information on e-Procurement development, sequencing, and technology choice are provided in a separate paper on IT strategy for Myanmar.
(i) **Introduction of sustainable procurement.** As the world is facing an unprecedented impact from climate change, many governments are seeking to implement actions to mitigate the risks associated with it. Embedding sustainability into procurement can help support the objectives of the GOM to integrate environmental and social considerations into the procurement process, with the goal of reducing adverse impacts upon health, social conditions, and the environment, thereby saving valuable costs for public sector organizations and the community at large. In this regard, it will be prudent at this early stage of procurement policy implementation to develop guidance which supports the application of sustainable procurement tools to help procurement entities embed sustainability into their procurement processes. This should cover early supplier engagement to allow the market to understand and prepare a response to tender requirements; the selection of sustainable suppliers; the inclusion of relevant and proportionate requirements in the specification; and the evaluation of relevant and proportionate award criteria to address issues like climate risk and adaptation, job creation, gender and equity, and so on. It will also be appropriate to consider climate change adaptation in certain contracts, but it can be a potentially significant issue.

(j) **Contract management.** In establishing procurement units in the various procurement entities, it will be important to structure procurement management to involve cross-cutting experts, particularly relevant technical staff throughout the procurement cycle, including the upstream design/specifications, and the downstream contract management phase. It will also be important to develop a contract management manual covering goods and works procurement as well as consultancy services contracts, specifying the roles and responsibilities of person involved for efficient contract delivery.

To increase transparency of government activities through enhanced monitoring of performance and contract completion, the use of a geo-tagging tool jointly developed and piloted by the World Bank and Project Appraisal and Progress Reporting Department (PARPD) should be adopted. Along with geospatial data, it will greatly facilitate monitoring and contract management while building transparency and trust. Consequently, it will be important for the MOPFi/Treasury Department to make the use of geo-tagging compulsory for public contracts. The text and clauses to this effect have already been drafted and used under the current Government Procurement Directive, and it would be easier to adopt them in the new SBDs to be developed under the new regulatory framework.

(k) **Knowledge exchange.** Given the Treasury Department’s lack of experience with delegated responsibility of a procurement regulator in Myanmar, it will be helpful if there is a twinning arrangement with another country in East Asia with experience in implementing procurement reforms for knowledge exchange. There will be no need for Myanmar to reinvent the wheel but rather learn quickly to facilitate its own implementation process.

(l) **Other implementation considerations.** Given that procurement continues to experience several innovations, including the use of IT in approaching the market, Myanmar should also develop medium- to long-term plans to keep up with technological advancement and other best practices. Some suggested areas worth considering include the use of an FA for commonly procured items across government institutions and for medicines.

(m) **Road map for implementation.** Finally, to ensure that each of the above recommended activities are properly planned, implemented, and monitored, the MOPFI should develop a comprehensive road map and implementation/action plan taking into consideration detailed description of sub-activities required, detailed resources including responsible persons and budget required, timelines, and expected outputs. Such an implementation plan would facilitate tracking of achievements, help recognize challenges, and overall contribute to proper accountability.