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Adapting to Changes in the Procurement Legal Framework

Sri Lanka's Procurement Reform Journey

11th Asia Pacific Public Electronic Procurement Network (APPeN) Conference
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Presentation Overview

From procedures to a broader public-sector reform agenda

Procurement Reforms Timeline

Procurement reforms is a continuing process

Key Reforms in Sri Lanka's Public Procurement Framework

Modernizing the framework for stronger planning, governance and digital procurement.

Key Performance Challenges in Procurement Reform

Managing the transition from reform design to implementation

Practical insights relevant to other APPeN member countries

Strengthening oversight, accountability and PFM integration

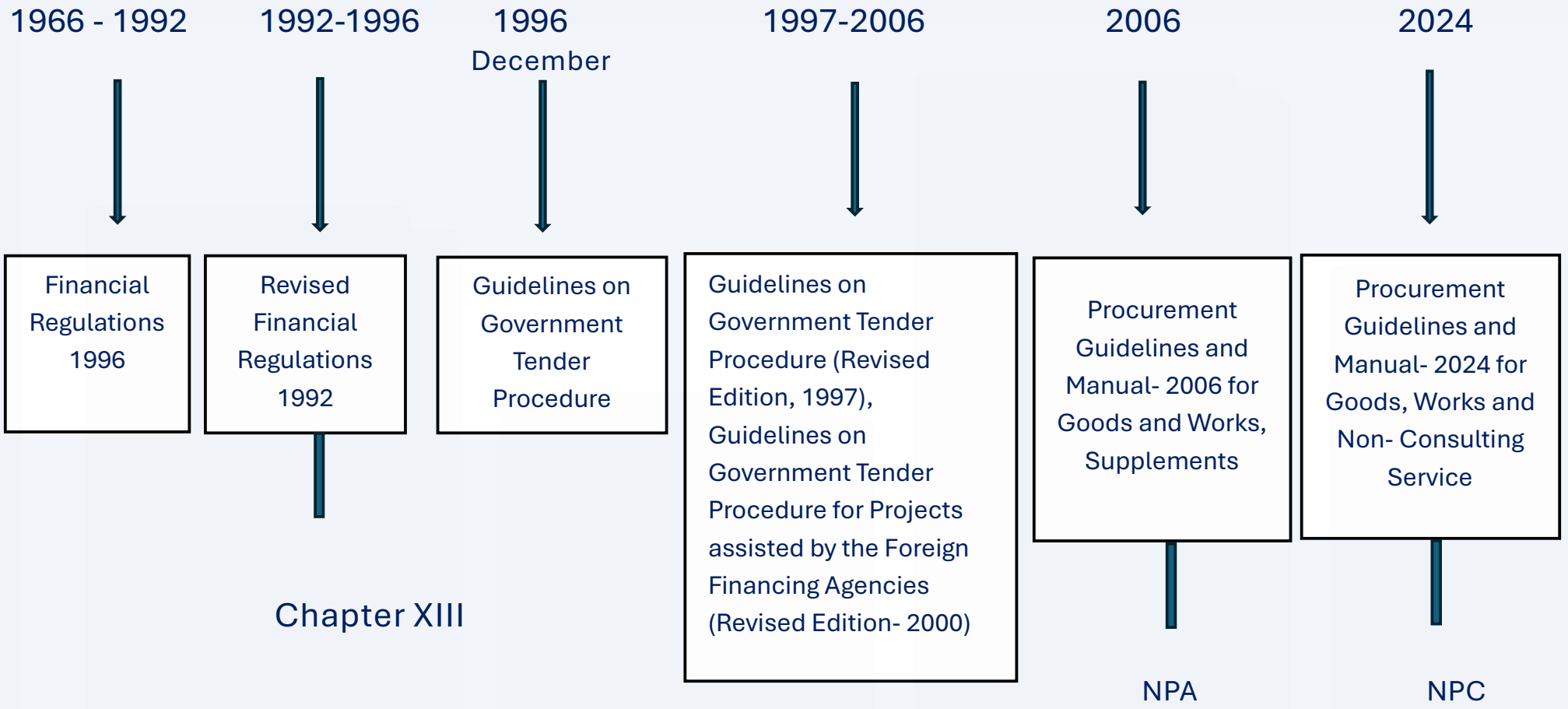
Ongoing and Planned Reform Initiatives

Strengthening procurement through law, competition, transparency and digitalization

What Had to Adapt First?

Align processes, clarify roles, simplify procedures, digitize effectively, and continuously improve procurement

Evolution of Sri Lanka's Public Procurement Regulatory Framework



Sri Lanka: Procurement Guidelines 2006 vs. 2024

Key Changes in Sri Lanka's Public Procurement Framework

Area	2006 Guidelines	2024 Guidelines
Legal & Institutional Framework	Issued by the National Procurement Agency (NPA)	Formulated by the National Procurement Commission (NPC), a constitutional body established under Article 156B
Scope & Structure	Guidelines and Manual, subsequently amended through 40 Supplements	Updated and more consolidated framework supported by a new Procurement Manual, with provisions for modern areas including e-procurement and sustainability
Procurement Planning	Required procurement planning, including the Master Procurement Plan , Detailed Procurement Plan, Procurement Time Schedule	Introduces better planning tools (Master Procurement Plan, Annual Proposed Procurement Plan , Detailed Annual Procurement Plan , Preparatory Plan ,Procurement Time Schedule)
Procurement Management	No explicit requirement for a dedicated procurement management division	Requires establishment of a dedicated Procurement Management Division (PMD)
E-Procurement	Primarily paper-based framework; no provision for electronic submission and processing of bids	Provides a framework for electronic procurement processes
Blacklisting	Fraud and corruption were not expressly identified as specific grounds for blacklisting	Strengthens the framework by expressly providing for fraud, corruption and other prohibited practices as grounds for blacklisting

Procurement Governance: New & Strengthened Review Arrangements

2024 Guidelines

Committee / Mechanism	Key Role
Variation Review Committee	Reviews significant variations to ensure that changes in scope, cost and time are properly examined and justified.
Acceptance Committee	Ensures that goods, works or services are verified against contractual requirements before acceptance.
Independent Appeal Committee	Provides an independent review mechanism for appeals relating to procurement sanctions/debarment, supporting procedural fairness.
Procurement Committees / BECs	Strengthened decision-making and Bid evaluation within the revised authority limits and institutional responsibilities.

Procurement Governance: Higher Delegation, New Institutional Arrangements

Procurement Committee Authority Limits — 2006 vs. 2024 Government of Sri Lanka Funded Procurements

Procurement Level	2006	2024
High-Level (Cabinet-Level) Procurement Committee	Above Rs. 100 Mn	Above Rs. 750 Mn
Ministry Procurement Committee	Up to Rs. 100 Mn	Up to Rs. 750 Mn
Department / Project Procurement Committee	Up to Rs. 25 Mn	Up to Rs. 400 Mn
Regional Procurement Committee	Up to Rs. 5 Mn	Up to Rs. 50 Mn

The Core Challenge: Managing the Transition

A new legal framework has to be translated into day-to-day practice

Legal & Regulatory Change

- Moving from the 2006 framework to the 2024 framework
- Translating new requirements into practical procedures
- Managing areas where further legal reform is still required

Business processes

- Revising existing procedures to align with the new framework
- Ensuring consistency while institutions are adapting
- Maintaining procurement continuity during the transition

Institutional Roles & Responsibilities

- Adapting institutions to new roles and higher delegated authority
- Clarifying responsibilities between procurement committees, TECs and oversight bodies
- Ensuring coordination across institutions

Digital Transformation

- Aligning e-GP systems with reformed procurement processes
- Avoiding simply digitizing existing manual complexities
- Ensuring user readiness and system adoption

People & Capacity

- Different levels of understanding and readiness among procuring entities
- Need for continuous training on the new framework
- Managing resistance to changes in established practices

Practical insights relevant to other APPeN member countries

Practical lessons Sri Lanka can share with other reforming systems

01

Independent oversight strengthens procurement integrity

Sri Lanka's National Procurement Commission (NPC) demonstrates how independent oversight can promote fair, transparent and accountable procurement.

02

Crisis can create momentum

Economic and governance pressures can accelerate procurement reforms

03

Sanctions need due process

Explicit sanctions for fraud and false information should be supported by fair review, appeal arrangements and consistent enforcement

04

Connect procurement and PFM

Link procurement planning and commitments with budgets, cash and expenditure management to improve fiscal discipline.

Ongoing and Planned Reform Initiatives

Procurement reform is increasingly linked to fiscal discipline, transparency and digital systems

Public Procurement Law

International good practice and explicit beneficial ownership disclosure requirements.

Competition

Eliminate procurement contracts awarded through a non-competitive process.

Beneficial ownership & reporting

Disclose UBO information for emergency/reconstruction procurement; publish semi-annual cyclone-related procurement and spending reports.

e-GP

Appoint a new vendor through competitive bidding and agree on a time-bound rollout; full rollout expected by December 2028.

ITMIS integration

From July 2026, central government purchase orders must be generated through ITMIS to strengthen commitment control and prevent commitments without budget/cash.

e-Procurement Monitoring System (ePMS)

NPC's primary operational tool is the e-Procurement Monitoring System (ePMS) , a centralized, web-based platform

What Had to Adapt First?

Legal change creates the direction; implementation determines the outcome

01 Business processes

Clarify and align the procurement workflow

02 Institutional roles

Ensure responsibilities and duties are understood

03 User capacity

Build awareness and practical capability

04 Platform/Digital systems

Configure technology to support the intended process

Technology should support procurement reform — not simply automate existing complexity.
Reform the process → clarify roles → simplify where possible → digitize → improve continuously

Procurement reform is not a single event.

It is a continuous process of aligning

RULES • INSTITUTIONS • SYSTEMS • PEOPLE

Thank you

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