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# PRACTICAL CHALLENGES OF ORGANISING AND CONDUCTING INTERNATIONAL COMPETITIVE BIDDING (ICB) IN PROJECT IMPLEMENTATION UNITS: INSTITUTIONAL CAUSES OF DELAYS

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**Abstract:** This article examines the practical challenges of organising and conducting International Competitive Bidding (ICB) in Project Implementation Units (PIUs), with particular emphasis on institutional factors that delay procurement and project implementation. It analyses the effects of inadequate procurement planning, limited staff capacity, complex approval procedures, deficiencies in bidding documentation, lengthy bid evaluation, coordination problems, and weak accountability mechanisms. Evidence from World Bank project evaluations indicates that procurement delays are frequently associated with poor-quality bidding documents, difficulties in applying evaluation criteria, insufficient procurement expertise, and delayed internal decision-making. The article proposes institutional measures to improve procurement efficiency, including early procurement planning, professionalisation of PIU staff, clearer delegation of authority, standardised documentation, risk-based review, and systematic monitoring of procurement timelines.

**Keywords:** International Competitive Bidding, ICB, Project Implementation Unit, procurement delays, institutional capacity, bid evaluation, procurement planning, international financing, accountability, project management.

## Introduction

International Competitive Bidding (ICB) has traditionally been an important procurement method for projects financed by international financial institutions. It is designed to promote competition, transparency, equal treatment of eligible bidders, and efficient use of financial resources. Through international competition, implementing agencies can access a wider market of suppliers and contractors, encourage competitive pricing, and improve the quality of goods, works, and services acquired for development projects.

Despite these advantages, the practical implementation of ICB frequently involves complex administrative and institutional processes. The procurement cycle may include preparation of technical specifications, development of bidding documents, review by financing institutions, publication of procurement notices, clarification of bidding requirements, receipt and opening of bids, evaluation, approval of evaluation reports, contract negotiations where applicable, and contract award. Each stage requires timely decisions and effective coordination among the Project Implementation Unit (PIU), the implementing agency, technical specialists, procurement committees, financial authorities, and the international financing institution.

The Independent Evaluation Group of the World Bank has identified late procurement initiation, low-quality bidding documents, difficulties in evaluating bids, and lengthy internal processing as recurring sources of procurement delays. Its review of procurement performance also indicates that procurement problems can substantially extend processing times and affect the implementation of development projects. [1]

These challenges are especially significant in projects managed by PIUs, which often operate within existing government institutions but must simultaneously comply with national administrative procedures and the procurement requirements of international financing institutions. Although PIUs are established to coordinate project implementation, their effectiveness depends on the quality of institutional arrangements, staff competencies, decision-making authority, and the ability to resolve procedural problems promptly.

The purpose of this article is to identify the principal institutional causes of delays in organising and conducting ICB and to propose practical measures for improving procurement performance in internationally financed projects. The central argument is that procurement delays should not be understood solely as technical problems within the tendering process. In many cases, they reflect deeper weaknesses in organisational capacity, governance, coordination, and the distribution of decision-making responsibilities.

**Literature Review**

International procurement is governed by principles that seek to balance competition, transparency, efficiency, integrity, and value for money. The World Bank's Procurement Framework for Investment Project Financing establishes requirements and supporting guidance for procurement carried out by borrowers in projects financed by the institution. The applicable edition and procedures depend on the project's financing arrangements and the procurement documents incorporated into the relevant agreement. [2]

The Asian Development Bank similarly emphasises economy, efficiency, fairness, transparency, quality, and value for money in its procurement framework. Its guidance on strategic procurement planning highlights the importance of analysing project complexity, market conditions, risk, and institutional capacity before selecting and implementing a procurement approach. [3]

These principles suggest that procurement performance depends not only on the formal procurement method but also on the institutional environment in which it is implemented. An internationally competitive process may be formally compliant yet inefficient if technical specifications are incomplete, committee members are unavailable, approval responsibilities are unclear, or project personnel lack the necessary experience.

The literature on procurement performance can be grouped into three closely related perspectives.

The first is the procedural perspective, which focuses on compliance with procurement rules, bidding-document requirements, evaluation criteria, and review procedures. From this perspective, delays arise when documentation is incomplete, mandatory steps are repeated, or decisions do not satisfy applicable procedural requirements.

The second is the institutional-capacity perspective, which examines the ability of implementing agencies to carry out procurement efficiently. Relevant factors include staffing levels, technical expertise, staff turnover, familiarity with international procurement procedures, and the capacity to coordinate multiple stakeholders.

The third is the governance perspective, which focuses on accountability, delegation of authority, transparency, integrity, and the effectiveness of internal decision-making. Unclear

authority, excessive approval layers, and inadequate accountability may result in prolonged processing even where procurement documents are technically sound.

For PIUs, these perspectives are interdependent. A lack of technical expertise may produce incomplete bidding documents; incomplete documents may trigger repeated reviews; repeated reviews may increase administrative workload; and unclear decision-making responsibilities may prevent the timely resolution of the resulting problems.

A World Bank project appraisal document concerning Uzbekistan identified several risks associated with procurement, including inconsistencies in government procedures, delayed signatures on evaluation reports, lengthy contract-expertise processes, and limited familiarity with World Bank procedures among implementing-agency personnel. These findings provide a relevant example of how institutional weaknesses can affect procurement in an Uzbek project context. They relate to the particular project assessed in that document and should not be interpreted as a statistical assessment of every PIU in Uzbekistan. [4]

**Research Methodology**

The article uses a qualitative analytical approach based on document review, institutional analysis, and the classification of procurement delays according to their underlying causes. It draws on international financial institution procurement frameworks, project appraisal documents, and independent evaluations of procurement performance.

The analysis focuses on the main stages of international competitive bidding: procurement planning, preparation of bidding documents, internal and external review, publication and bid submission, bid opening, evaluation, approval, contract award, and transition to contract implementation.

Delays are classified into four broad categories: planning and documentation problems; human-resource and technical-capacity constraints; administrative and governance bottlenecks; and coordination, review, and communication failures.

The study distinguishes between the duration required to conduct a procurement procedure and the avoidable delay caused by institutional inefficiency. A procurement process may legitimately require time for advertising, bidder preparation, evaluation, clarification, or mandatory review. Such periods should not automatically be classified as inefficiency. Institutional delay arises when activities take longer than reasonably necessary because of preventable errors, repeated revisions, unavailable decision-makers, unclear responsibilities, or poor coordination.

The article is a qualitative analysis and does not present original statistical estimates of average ICB duration in Uzbekistan. Its recommendations are intended as an institutional improvement framework that can be adapted to the specific requirements of World Bank-, ADB-, or other development-bank-financed projects.

**Results and Discussion**

One of the most important institutional causes of procurement delay is the late initiation of procurement activities. In some projects, procurement planning begins only after financing arrangements have been completed or after project implementation has formally started. By that

time, the PIU may still need to recruit procurement specialists, prepare technical specifications, confirm implementation arrangements, and obtain internal approvals.

The Independent Evaluation Group of the World Bank has reported that approximately half of the projects covered by its FY2017–FY2023 analysis signed their first contract toward the end of the first year of implementation. Its findings also associate late procurement initiation with reduced implementation efficiency. [1]

This problem is not necessarily caused by the ICB procedure itself. It may reflect insufficient preparation before project effectiveness, a lack of procurement readiness assessments, or an unrealistic assumption that procurement can begin immediately after project approval.

An effective procurement plan should therefore be developed alongside project design. It should identify the packages to be procured, the estimated contract values, the applicable procurement methods, the expected dates for preparing and reviewing documents, the relevant approval requirements, and the dependencies between procurement packages.

For example, a works contract may depend on completed technical designs, land acquisition, environmental approvals, or the recruitment of a supervision consultant. If these prerequisites are not addressed before bidding begins, the procurement schedule may be unrealistic or the resulting contract may not be ready for implementation.

PIUs should consequently apply a procurement-readiness assessment before launching major ICB procedures. This assessment should confirm that technical requirements, financing, institutional responsibilities, and necessary approvals are sufficiently mature to support a competitive procurement process.

The quality of bidding documents is a major determinant of procurement efficiency. Documents that contain ambiguous technical specifications, inconsistent contractual provisions, unclear qualification requirements, or evaluation criteria that are difficult to apply may require several rounds of revision.

These deficiencies can reduce competition because potential bidders may be uncertain about the scope of work, eligibility requirements, delivery conditions, or the method used to determine the successful bid. They may also create grounds for complaints, inconsistent interpretations, or rejection of bids that do not satisfy the stated requirements.

The World Bank's Independent Evaluation Group has identified low-quality procurement documents and difficulties in applying evaluation criteria among the recurring issues associated with delayed procurement. Its analysis indicates that procurement activities affected by processing problems can take substantially longer than activities without such issues. [1]

In institutional terms, poor document quality may result from a lack of coordination between procurement officers and technical specialists. Procurement personnel may understand the formal requirements of the financing institution but lack the technical information needed to describe the required goods or works accurately. Conversely, technical specialists may be familiar with project requirements but unfamiliar with international bidding-document structures and procurement terminology.

This problem can be reduced through joint preparation and review of bidding documents. Technical specialists should be responsible for the accuracy and completeness of technical requirements, while procurement specialists should ensure that the documents comply with the applicable procurement framework. Legal and financial specialists should review contractual provisions, payment arrangements, securities, taxes, and risk allocation where relevant.

The PIU should also use a structured quality-assurance checklist before submitting documents for internal or financier review. The checklist should cover consistency between technical specifications and the bill of quantities, clarity of qualification criteria, completeness of evaluation methodology, consistency of contract conditions, and alignment with the approved procurement plan.

A PIU's procurement performance depends heavily on the experience and availability of its personnel. International competitive bidding requires more than familiarity with general purchasing procedures. Staff may need to understand international standard bidding documents, qualification and evaluation rules, eligibility requirements, bid-security arrangements, conflict-of-interest provisions, complaint procedures, and financier-specific review requirements.

Inadequate staffing can create delays at every stage of the procurement cycle. A single procurement specialist may be responsible for several large contracts, while also managing reporting obligations, responding to review comments, updating procurement plans, and coordinating contract awards. Where there is no adequate backup, the absence or departure of one staff member can interrupt the process.

The Uzbekistan-related project appraisal document discussed above identified limited experience with World Bank procurement procedures among implementing-agency staff as a procurement risk and proposed training and specialist support as mitigation measures. [4]

Capacity constraints can be particularly serious when project documents must be prepared or reviewed in English while local staff have limited proficiency in the language. Differences in terminology may lead to misunderstandings concerning eligibility, technical compliance, evaluation methodology, and contractual obligations. International procurement guidance also identifies language-related capacity as a potential source of procurement risk in some projects. [5]

Short-term training may improve familiarity with formal procedures, but it is not always sufficient to address recurring institutional weaknesses. PIUs need a sustainable approach to professional development that includes practical exercises, mentoring, review of completed procurement cases, and access to experienced specialists for complex or high-value contracts.

Staff retention is equally important. When trained personnel leave, institutional knowledge may be lost, and replacement staff may need considerable time to become familiar with the project and its procurement history. Implementing agencies should therefore maintain organised procurement files, standard operating procedures, decision logs, and handover protocols.

Another significant cause of delay is the number and complexity of internal approvals required before a procurement decision can be implemented. In some institutional arrangements, procurement documents and evaluation reports must pass through multiple departments, committees, senior officials, or interministerial bodies, even where the applicable rules do not require every level of approval.

The resulting delay is often administrative rather than technical. The evaluation may be complete, and the procurement specialist may have prepared the necessary report, but the process cannot proceed because the relevant committee has not convened, a member has not signed the minutes, or a responsible official has not issued a decision.

A World Bank project appraisal document concerning Uzbekistan specifically identified delays associated with large interministerial evaluation committees and the signing of evaluation reports. The document also described internal procedural inconsistencies and lengthy contract-expertise processes as risks to procurement and implementation. These observations demonstrate how decision-making arrangements can affect procurement timelines in a particular project context. [4]

The underlying institutional problem is the absence of a clear relationship between responsibility and authority. A PIU may be held accountable for timely procurement but lack the authority to finalise decisions within a defined period. Conversely, multiple bodies may share approval responsibilities without a clear rule specifying which body is accountable for delay.

The solution is not to remove necessary controls or weaken transparency. Rather, it is to distinguish mandatory approvals from duplicative administrative steps. Each stage should have a defined purpose, an authorised decision-maker, a submission requirement, and a reasonable processing period.

Delegation of authority should be documented in the project operations manual or another appropriate governance instrument. Where decisions must be taken by a committee, the implementing agency should establish a predictable meeting schedule, ensure that members have sufficient procurement expertise, and provide a mechanism for resolving cases when a member is unavailable.

Bid evaluation is one of the most sensitive stages of international competitive bidding because the outcome directly affects competition, fairness, and the use of project resources. The evaluation committee must apply the criteria stated in the bidding documents consistently and objectively. Depending on the procurement, the process may require examination of eligibility, qualification, technical compliance, arithmetic accuracy, price adjustments, and other stated criteria.

Delays occur when committee members lack sufficient experience, are unable to devote adequate time to the evaluation, or disagree about how the stated criteria should be interpreted. Additional problems arise when evaluators request information that the bidding documents did not require, apply inconsistent standards to different bidders, or repeatedly revise an evaluation report without a clear record of the reasons.

The World Bank's evaluation of procurement performance reports that bid and proposal evaluation is frequently perceived by project teams as a source of delay. It also identifies difficulties in applying evaluation criteria and the availability of committee members as recurring problems in some procurement settings. [1]

The World Bank project appraisal document concerning Uzbekistan identified possible government intervention in procurement decisions as a project risk and emphasised clear definitions of stakeholder responsibilities and compliance with the applicable procurement framework. [4]

PIUs should maintain documented decision-making procedures, declarations of conflicts of interest, secure procurement records, and appropriate channels for procurement complaints. Internal audits and reviews should focus on compliance with established requirements and the quality of decisions rather than introduce additional approval stages without a clear purpose.

An effective accountability system makes it possible to identify who is responsible for preparing, reviewing, recommending, and approving each procurement decision. This reduces both the risk of improper influence and the tendency to postpone decisions because responsibility is uncertain.

The institutional causes discussed above have consequences that extend beyond the procurement department. Delays in awarding contracts can postpone construction, equipment delivery, consultancy services, and other activities that depend on timely procurement. In projects with interdependent components, a delay in one contract may affect the entire implementation schedule.

For example, if the recruitment of a design consultant is delayed, the preparation of technical documentation may also be postponed. This can prevent the launch of a works contract. If a works contract is awarded late, the construction period may extend beyond the originally planned schedule, potentially affecting project completion and the achievement of development objectives.

Procurement delays can also increase administrative costs. PIU personnel may need to repeat document reviews, update procurement plans, extend bid-validity periods where permitted, and respond to additional questions from bidders or financing institutions. In some circumstances, market conditions may change between the preparation of bidding documents and contract award, requiring the implementing agency to reassess estimates or funding arrangements in accordance with applicable rules.

**Conclusion**

International Competitive Bidding remains an important instrument for promoting competition and transparency in projects financed by international financial institutions. However, its effectiveness depends not only on the formal procurement rules but also on the institutional capacity of the Project Implementation Unit and the wider governance arrangements within which procurement takes place.

The analysis identifies six principal institutional causes of ICB delays: late procurement initiation, inadequate bidding-document quality, limited professional capacity, excessive or unclear approval procedures, inefficient bid evaluation, and weak coordination among project stakeholders. Integrity risks and uncertainty about accountability may further complicate decision-making.

These problems are interconnected. Insufficient planning may result in incomplete documents; incomplete documents may lead to repeated reviews; limited staff capacity may prolong those reviews; and unclear approval responsibilities may prevent the timely resolution of outstanding issues. Consequently, addressing one stage in isolation is unlikely to eliminate delays across the entire procurement cycle.

The most effective response is an integrated institutional approach. PIUs should begin procurement preparation early, improve document quality assurance, recruit and retain qualified procurement professionals, establish clear decision-making responsibilities, organise evaluation

committees effectively, and introduce systematic monitoring of procurement milestones. Coordination with financing institutions should be structured around defined review procedures and documented communication.

The article also emphasises the importance of distinguishing between necessary procedural time and avoidable institutional delay. Competitive procurement requires sufficient time to ensure fairness, transparency, and compliance. Efficiency should therefore be achieved by reducing repeated work, administrative inactivity, unclear responsibilities, and preventable errors rather than by bypassing required safeguards.

In conclusion, the timely implementation of ICB depends on the institutional ability to translate procurement rules into clear, coordinated, and accountable administrative action. Strengthening PIU capacity and improving governance arrangements can reduce avoidable delays, support more predictable contract awards, and contribute to the effective implementation of internationally financed development projects.

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