



TRANSPARENCY INTERNATIONAL-PAKISTAN

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7th June, 2014

Mr. Khuwaja Muhammad Asif,
Federal Minister for Water & Power,
Government of Pakistan,
Islamabad.

Sub: News on 6th January, 2014 that Ministry to seek exemption from PPRA Rules and that the Govt. is considering 'direct contracting' to spur investment in power sector.

Dear Sir,

Transparency International Pakistan refers to its letter dated 27th January, 2014 and a Reminder has also been sent to you dated 20th March, 2014 on the cited subject, and unfortunately no response received from the Minister.

This request of exemption from Tendering of Power Projects, and to be awarded based on MoU costs, from you if proved to be true and approved by Economic Coordination Committee (ECC), may amount to the biggest Corruption Scam in the history of Pakistan, and the nation will not spare the wrongdoers.

We refer to the news article published in 'Dawn' on 6-6-2014 which says that "*scope and applicability of the PPRA rules should exclude procurements where private sector financing, export credit scheme, concessional credit, suppliers or buyers credit, BOO, BOOT modes are involved as they do not include recourse to public funds and public procurements as defined under the PPRA Rules.*"

The Amendments in the PPRA Rules 2004 for Development of Infrastructure Power Projects in the Private Sector', were suggested by the Acting Secretary, Mr. Saif Ullah Chattha, who has been removed from the post recently.

We request the Minister in the name of Rule of Law, to immediately withdraw this amendment in the PPRA Rules, which is a direct contradiction to the Prime Minister, Mian Nawaz Sharif's declared policy "Zero Tolerance against Corruption".

MoU of US \$ 35 billion signed with China cannot be implemented at the whims and wishes of anyone, be it Secretary, Minister or the Prime Minister, as law of necessity has been buried by the Supreme Court in NRO case.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,

Sohail Muzaffar
Chairman

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Mr. Khurshid Shah, Leader of Opposition & Chairman, PAC, National Assembly, Islamabad.
3. Chairman, NAB, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Managing Director, PPRA, Islamabad.