



TRANSPARENCY INTERNATIONAL-PAKISTAN

28th August 2012

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-35390408, 35390409, Fax: 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

Mr. Muhammad Tariq Malik,
Chairman,
National Database and Registration Authority,
Islamabad.

Sub: News Report about the Outsourcing of NADRA records blaming Minister of Interior, who was personally involved in facilitating the deal, for being reckless with the outsourcing of the data of millions of Pakistanis overseas –TI-P letters dated 16th July 2012 & 10th August 2012 and NADRA letter dated 23rd July 2012 & 27th August 2012.

Dear Sir,

Transparency International Pakistan has examined NADRA's detailed reply received vide letter No. NADRA/PMO/58 dated 27th August 2012 to the allegations reported in print media on 14th July 2012, to TI Pakistan's letter sent to you for comments/clarification on 16th July 2012.

At the outset, TI Pakistan would like to inform you that Article 19-A of the Constitution of Pakistan makes the right to access of information pertaining to a public authority a fundamental right. Justice Syed Mansoor Ali Shah in his landmark judgment *Ataullah Malik v. Federation of Pakistan* laid down the following on 03rd February 2011:

"Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable". PLD 2010 Lahore 605.

According to NADRA's reply, the procedure used by them in this procurement is summarized below;

1. That in 2009 through public advertisements in leading newspapers (Dawn and The News International), NADRA invited Expression of Interest (EOI) for operations relating to Issuance of Smart National Identity Card for Overseas Pakistan (NICOP) and Pakistan Origin Cards (POC) in the United Kingdom and Europe ("the Project").
2. That thereafter, after thorough evaluation and due scrutiny, the Bid submitted by International Identity Services (IIS) was found adequate and, hence, the Contract for the Project was awarded to IIS.
3. That IIS was established as a Special Purpose Vehicle (SPV) company by its sponsors, namely, Howard Denton International (HDI). Therefore, NADRA thoroughly evaluated the credentials of Howard Denton International and when satisfied that it met the requisite criteria, the Project was awarded to IIS.



4. That since the monetary value of the Contract was not expressed as a lump sum figure being merely projections dependent on different variables, NADRA is continuously assessing the financials of the Contract and as it is reasonably found/ascertained that the Contract's value shall in all kind likelihood exceed Rs. 50,000,000/- (Rupees Fifty Million only), a copy of the Contract will certainly be forthwith shared with NAB.
5. That the observation in your letter regarding the purported involvement of an Indian national, Mr. Asish Patel, is not correctly conceived. As per IIS, the said Mr. Patel does not work for it, but for a company which was hired by IIS to develop the latter's website Mr. Patel is a British national who neither possesses nor has previously possessed an Indian passport and has also statedly never travelled to India.
6. That NADRA gave a detailed presentation regarding the Project to all stakeholders, including the country's premier security/intelligence agency Security clearance for the Project has been duly procured from inter alia the Inter-Services Intelligence (ISI).
7. That it has been observed in your letter that the Minister of Interior was involved in facilitating the award of the Project to IIS. Suffice it to say that NADRA is a credible organization of international repute and standing and the Project was awarded after an open competitive bidding process through the well-recognized processes of duly publicized EOI and RFP as explained above.
8. That it is worthy to mention that at no stage whatsoever was the security, confidently or integrity of data of overseas Pakistanis ever going to be compromised or handed over to any other party, including IIS. NADRA's software being used for the Project does not allow storage of data on any system apart from its own database, which is housed at Islamabad. The very moment a system operator enters/punches the data, the same is irretrievable on that system and can then only be accessed at the National Data Warehouse. However, even though the secrecy and safety of the data was fool-proof, NADRA, considering satisfaction of the people to be of utmost importance, signed an Addendum to the Contract in June, 2012 whereby it was inter alia agreed that the system operators entering data would be NADRA employees and no employee of the IIS would render such services.
9. That NADRA is also reviewing the feasibility and extent of NADRA itself undertaking the outsourced activities. That no financial transaction has been carried out till date and NADRA has not paid any amount to IIS under the Contract.

Based on the above clarifications given by the Deputy Chairman NADRA, the procedure as prescribed by the Public Procurement Rules, 2004 seems to have been adopted, and the allegations reported in the news report dated 14th July 2012 prima facie does not appear to be correct.



TI Pakistan appreciates your detailed response to its letter dated 16 July 2012, and requests you to please continue to follow Public Procurement Rules, 2004 in all procurements in your department, which will result in awards of all contracts to the lowest evaluated responsive bidders.

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

With regards,

Syed Adil Gilani,
Adviser

Copies forwarded for the information:

1. Chairman, Public Accounts Committee, Islamabad.
2. Registrar, Supreme Court of Pakistan, Islamabad.
3. Chairman, NAB, Islamabad.
4. Auditor General, Islamabad.
5. Managing Director, PPRA, Islamabad - with a request to take action under section 5(2) (a) "*monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to, procurement*" and under section 5(2) (i) of the PPRA Ordinance 2002.