



TRANSPARENCY INTERNATIONAL-PAKISTAN

19th May 2010

Altaf Ahmad Chaudhry,
Chairman,
National Highway Authority,
NHA HQ, 27, Maave Area, G-8/1,
Islamabad.

Fax: 051-9260404

**Sub: Subj: Allegation in News paper of NHA selling to EOBI investing M-9 Motorway
Karachi-Hyderabad at Rs 27 Billion against NHA Charter**

Dear Sir,

Transparency International Pakistan has been regularly pointing out to NHA violations of Public Procurement Rules 2004, latest letters were sent on 10th April 2010, 7 May 2010 and 13 May 2010 which have not been responded by NHA to TI Pakistan nor to PPRRA.

We quote the Supreme Court order given on 28th April 2010, in the case of award of multibillion dollar LNG contract to GDF-Suez, in which the **SC has announced that it is the duty of the Court to ensure the application of Public Procurement Rules 2004.**

We refers to the news published in 19th May News papers that Employees Old-age Benefit Institution (EOBI) to purchase the Hyderabad-Karachi Motorway (M-9) project worth Rs27 billion (approx) from the National Highway Authority, an exercise not allowed under NHA Act 1991 nor under the EOBI ordinance

TI Pakistan request NHA to please clarify whether the following allegations made in the news report are correct or not.

1. EOBI is purchasing over Motorway against the Rules. Chairman National Highway Authority confirmed to The News on Tuesday that EOBI had moved a proposal to take over M-9 project and the matter was lying with the competent authority.

2. Altaf Ahmad Chaudhry, chairman National Highway Authority confirmed to The News on Tuesday that EOBI had moved a proposal to take over M-9 project and the matter was lying with the competent authority. "Nothing has been finalised yet and everything will be cleared in next three to four days", said the chairman adding: "We will take the proposal to the prime minister as they are interested". He mentioned that EOBI wants to take over the project but NHA is waiting for the green signal.

3. Altaf mentioned that PSDP has allocated funds for M-9 and two packages were awarded but after the EOBI's offer we have stopped the rest of the packages of PSDP. When asked whether the chairman EOBI Zafar Iqbal Gondal who had served as Member Finance under Altaf Chaudhry had any role in this strange investment, chairman NHA preferred to keep mum. "I have no comments to offer over this question". He said at present NHA was the proprietor of M-9 and handing over to EOBI will be decided in the next few days.

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4. NHA Ordinance 1991, Section II, 4. Purpose and Functions of Authority clearly defines the mandate of NHA, the purpose and functions of the Authority shall be to plan, promote, organize and implement programs for construction, development operation, repairs and maintenance of National Highways and Strategic Roads specially entrusted to it by the Federal Government, or by a Provincial Government or other authority concerned. The Ordinance does not permit any other department to own, build, maintain Motorway in Pakistan, nor does it allows NHA to sell motorway.

TI Pakistan therefore request for a clarification of the above allegations, so that matter may be resolved in accordance with the laws of Pakistan. NHA is also requested to provide the Evaluation Reports of Consultancy and Works Tenders, which are reported to be finalized and soon to be awarded, but are not declared on PPRA website, which is against the Law of PPRA Ordinance.

TIP would like to advise NHA that it is in its own interest to observe Public Procurement Rules 2004 in all procurements as from 28th April, the Supreme Court of Pakistan has announced taking the responsibility of across the board implementation of Public Procurement Rules 2004

With regards,


Syed Aadi Gilani,
Chairman,
Transparency International Pakistan

Copies forwarded for information and necessary action to;

1. Chairman, Public Accounts Committee, Islamabad.
2. Auditor General Pakistan, Islamabad.
3. Registrar, Supreme court of Pakistan
4. Chairman, NAB, Islamabad
5. Managing Director PPRA, Islamabad.