

NATIONAL ASSEMBLY SECRETARIAT
(Public Accounts Committee Wing)

No.F.1(1)/2010-JSPAC

Islamabad, the 29th September, 2010

✓ **Chairman,**

Transparency International – Pakistan,
5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority,
Karachi

Subject:- **VIOLATION OF PUBLIC PROCUREMENT RULES 2004 – RFO FOR SERVICES OF CONSULTANTS FOR UNDERTAKING INDEPENDENT REVIEW OF PROCUREMENT FUNCTIONS.**

Dear Sir,

Kindly refer to your letter dated 8th May, 2010 address to the Deputy Director, Business Support Services Department (Procurement Division), State Bank of Pakistan raising issues concerning evaluation methodology followed by the State Bank of Pakistan (SBP) for its procurements of services of insurance company, under PPRA Rules 2004 adopted internally by the State Bank of Pakistan with approval of its Board of Directors.

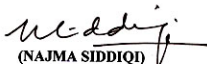
2. The State Bank of Pakistan was asked to submit a comprehensive report on the matter and they have responded that their Board of Directors voluntarily adopted PPRA 2004 as notified by the Federal Government in May 2005, although they are not applicable to State Bank of Pakistan which is an autonomous body.

3. Notwithstanding the above, Central Board of Directors of SBP in its meeting held on 15th May, 2005 approved the proposal to adopt the Public Procurement Rules 2004, as notified by the M/O Finance in place of the Bank's own Standard Rules and Regulations for bringing conformity with the government procurement procedures and for the sake of enhanced transparency. Moreover the amendments so far made in the PPRA Rules have also been adopted by the State Bank through approval of its Board.

4. The above statement of SBP has been studied by the Chairman, Public Accounts Committee who is of the opinion that the concerns of the Transparency International- Pakistan are misplaced in so far as the procedures being followed at State Bank of Pakistan are concerned, especially as they conform to PPRA Rules and best practices followed domestically and internationally. We would of course welcome any further comments on the matter from Transparency International – Pakistan.

With Regard,

Yours sincerely,


(NAJMA SIDDIQI)
Joint Secretary (PAC & C-II)
Tel No. 9207225