



# TRANSPARENCY INTERNATIONAL - PAKISTAN

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April 18, 2023

TIP 2023/0418/1A

Flt Lt (Retd) Khaqan Murtaza,  
DG CAA - Chairman,  
Ministry for Aviation,  
Government of Pakistan,  
Islamabad.

**Subject: Complaint Against Violation of Public Private Partnership Authority (Direct Contracting of IFIs as Transaction Advisers) Regulations, 2023 in the Outsourcing of Operations and Land Assets at Three Major Airports to the International Finance Corporation (IFC) — the private sector arm of the World Bank Group.**

Dear Sir,

Transparency International Pakistan has received a complaint against violation of Public Private Partnership Authority (Direct Contracting of IFIs as Transaction Advisers) Regulations, 2023 in the Outsourcing of Operations and Land Assets at Three Major Airports to the International Finance Corporation (IFC) — the private sector arm of the World Bank Group.

The complainant has made following allegations.

That;

1. On March 30, 2023, the federal government kicked off the outsourcing of operations and land assets at three major airports (KHI/LHR/ISB) to be run through a public-private partnership with a foreign country to generate foreign exchange reserves.
2. The government has engaged the World Bank's private-sector financing arm, International Finance Corporation (IFC), as an advisor for the outsourcing process against the principles of Transparency, and PPP Act 2017.
3. The appointment of IFC as an advisor on unsolicited basis and without open competition is a violation of the Public Private Partnership Authority Act 2017, 2022 (amendment) and Regulations 2023 and can potentially cause loss to the national exchequer.
4. The IFC will get \$6 million as success fee on completion of outsourcing of three airports, \$2 million fragmented against each airport.
5. In 2022, Pakistani airports generated about Rs. 90 billion, while over the next 30 years, the airports had a potential of generating more than Rs2,700 bn and yet the outsourcing is taking place at Rs850 bn.

**Transparency International Pakistan Comments**

Transparency International Pakistan has reviewed the allegations of the complainant, prima facie, the allegations seem to be correct.

Following are TI Pakistan's comments;

1. On 29<sup>th</sup> March 2017, the federal government enacted The Public Private Partnership Authority Act, 2017. Chapter III, clause (d) requires the implementing agency to follow competition bidding process, as quoted below:



**Chapter III: Functions of the Implementing Agency and Government Support (d) – “procure a project only through a competitive bidding process as prescribed” (Annex-A).**

2. However on 1<sup>st</sup> September 2022, the National Assembly Secretariat vide No.F.22(62)/2021-Legis.- enacted Public Private Partnership Authority (Amendment) Act, 2022.

In the said Act, after section 30, sections 31 and 32 were added, Section 31 is quoted below:

**Clause 31: Hiring of consultants and experts.**-Notwithstanding anything contained in the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), any rules and regulations made thereunder or any similar laws, the Board may, by regulations, prescribe the manner, method and procedures for-

*(a) The hiring of transaction advisers by implementing agencies in connection with public private partnership projects or certain classes thereof, and such prescribed conditions. once notified, shall govern the hiring of consultants by implementing agencies for providing such transactional advisory services to the extent prescribed therein, including with respect to the direct contracting of international financial institutions as transaction advisers for certain public private partnership projects or classes of public private partnership projects, to the extent and on such terms and conditions as prescribed therein; (Annex-B)*

3. On 6<sup>th</sup> January 2023, the federal governments vide S.R.O. 04 (I)/2023 notified The public Private Partnership Authority (Direct Contracting of IFIs as Transaction Advisers) Regulations, 2023.

But according to part II (6) (3), the federal government is to conduct the selection process through open competition, as quoted below:

**Clause 6 Selection of IFI as Transaction Adviser (3):** *In the event more than one IFI is eligible to perform or render the services, the implementing agency shall require such IFIs to provide relevant information within a period of ten days from issuance of such request (in this case, only those IFIs that provide the required information within this stipulated timeframe shall be eligible for further consideration (Annex-C).*

4. It is known that IFC is not the only IFI which has experience as Transaction Adviser, and it is mandatory that the Ministry of Privatization shall have contacted all IFI's for this project.
5. On 31<sup>st</sup> January 2023, during the 38<sup>th</sup> meeting of Board of Directors of Sindh Public Procurement Regulatory Authority (SPPRA) deliberated on the amendments in SPP Rules, 2010 to allow direct contracting with IFIs or Multilateral Development Banks for the Development of PPP Project, and decided as follow:

**SPPRA Board Decision:** *“The Board, after threadbare discussions, concluded if the proposed amendment is approved, then it will open floodgates for procuring agencies to hire services of IFIs through direct contracting without open competitive bidding which is against the spirit of the SPP Rules 2010 as it is enacted for regulating public procurement of goods, services and works in public interest.....” (Annex-D)*

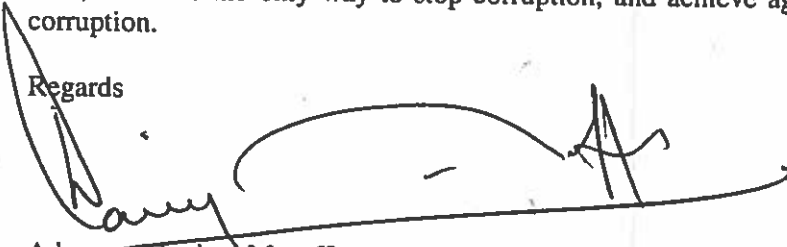
**Transparency International Pakistan Recommendations**

TI Pakistan requests the Director General for Aviation to examine the allegations of the complaint in light of The Public Private Partnership Authority Act Regulations, 2023 and if found correct issue directives to the concerned departments to ensure compliance with PPP Act Regulations 2023 and issue open tender for the selection of IFI as Transaction Adviser in Outsourcing of Operations and Land Assets at Three Major Airports.

The Director General of Aviation must also ensure that the proper competitive and transparent process is adopted in the Outsourcing of Operations and Land Assets at Three Major Airports, to avoid loss to the national exchequer, as violation of rules may deem the procurement as mis-procurement.

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

Regards

  
Advocate Daniyal Muzaffar,  
Trustee/Legal Advisor  
Transparency International Pakistan

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

1. PSPM, Prime Minister House, Islamabad
2. Minister, Ministry of Aviation, Islamabad
3. Minister, Ministry of Privatisation, Islamabad
4. Finance Minister, Ministry of Finance and Revenue, Islamabad
5. Chairman Public Accounts Committee, National Assembly, Islamabad
6. Chairman, NAB, Islamabad
7. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
8. Registrar Supreme Court of Pakistan, Islamabad
9. Chairman, PPP Authority, Islamabad

**Note:**

This is to clarify that Transparency International Pakistan is not the complainant. It acts as whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, Justice Syed Mansoor Ali Shah in his landmark judgment in case of *Ataullah Malik v. Federation of Pakistan* includes following order;

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.

(d) procure a project only through a competitive bidding process as prescribed; and

(e) monitor and Implement the project in accordance with the public private partnership agreement.

(3) The implementing agency shall submit the bid documents and the project proposal for approval of the Board.

(4) Once the project proposal is approved by the Board, the implementing agency shall procure the project in accordance with the provisions of this Act.

14. Approval of project support. – (1) The implementing agency, requiring the project support to implement the Project, shall submit all relevant documentation to the Board for consideration. The implementing agency shall submit an undertaking that the project falls within the spending limit notified by public private partnership authority from time to time.

(2) The Board shall review the project proposal and evaluate the need and amount of Government support requested and send its recommendations to the Federal Government for provision of project support.

#### CHAPTER IV

##### Legal and Contractual Frameworks

15. Contents of public private partnership agreements. – (1) The contents of a public private partnership agreement shall be such as may be prescribed.

(2) Notwithstanding anything contained in sub-section (1), the implementing agency may follow the if applicable laws on the following issues, namely:--

(a) the scope of activities Of the parties to the agreement;

(b) the duration of the agreement;

(c) the payment arrangements for the private party, including where applicable, the factors based on which and the manner in which user charges or tariffs may be revised;

(d) the rights and obligations of the parties and the respective risks, to be borne by each party;

(e) the penalties for non-compliance with the provisions of the public private partnership agreement;

(f) dispute resolution mechanisms;

(g) exit clauses specifying procedure of early termination of the public private partnership agreement;

this Act which shall not be inconsistent with the provisions of this Act and, if prescribed, any rules made thereunder.”.

16. **Amendment of section 29, Act VIII of 2017.**—In the said Act, in section 29,—

- (a) the word, “in respect of matters relating to the projects” shall be omitted; and
- (b) after the words “regulations made” at the end, the word “thereunder” shall be inserted.

17. **Insertion of new sections 31 and 32, Act VIII of 2017.**—In the said Act, after section 30, the following new sections 31 and 32 shall be added, namely:—

“31. **Hiring of consultants and experts.**—Notwithstanding anything contained in the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), any rules and regulations made thereunder or any similar laws, the Board may, by regulations, prescribe the manner, method and procedures for—

- (a) the hiring of transaction advisers by implementing agencies in connection with public private partnership projects or certain classes thereof, and such prescribed conditions, once notified, shall govern the hiring of consultants by implementing agencies for providing such transactional advisory services to the extent prescribed therein, including with respect to the direct contracting of international financial institutions as transaction advisers for certain public private partnership projects or classes of public private partnership projects, to the extent and on such terms and conditions as prescribed therein; and
- (b) the hiring of international and local consultants and experts by the Authority, and such prescribed conditions, once notified, shall exclusively govern the hiring of consultants and experts by the Authority.

32. **Prior consent of the Board with respect to certain legal actions.**— Notwithstanding anything contained in any law for the time being in force, no legal action shall be initiated against any member, officer or official by any government agency for acts of omission or commission in his official capacity, pertaining to this Act, or the rules or regulation made thereunder, unless the said agency obtains prior consent of the Board by an intimation in writing to the Board along-with supporting evidence to the charges. The Board shall

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constitute an inquiry committee for the purpose, which shall determine whether there is a *prima facie* cause for the legal action on the charges. The committee shall give its findings and recommendations to the Board and the decision of the Board on the matter, whether to allow the proposal legal action or not shall be deemed to be final.”.

**PART II**

**Approval of Transaction for Direct Contracting of IFIs as Transaction Advisers**

3. **Approval of Transaction for Direct Contracting of IFIs.—**(1) Pursuant to Section 31 of the Act, implementing agencies may, in accordance with the approvals process set out in these Regulations, hire an IFI on direct contracting basis to provide such transaction advisory services as may be agreed in the Advisory Services Agreement.

4. **Applicability.—**Implementing agencies may request for approval for hiring of IFIs as transaction advisers under these Regulations for projects satisfying any one of the following criteria:

- (a) projects that are of large-scale (*i.e.* project cost of which exceeds PKR 10 Billion);
- (b) projects that are complex in nature and for which transaction advisers of requisite high quality are generally not available within Pakistan; or
- (c) projects that have not been undertaken before under the PPP mode at the federal level within Pakistan.

5. **Approval Process.—**(1) An implementing agency desirous of hiring an IFI to provide transaction advisory services for a PPP transaction shall submit a request to the Board, providing the concept of the proposed PPP transaction and the rationale for hiring an IFI.

(2) The Board shall, upon receipt of the request, evaluate the request to determine whether it is sufficiently sound and compliant with the requirements of these Regulations, so as to justify hiring of an IFI for providing transaction advisory services for the proposed PPP transaction. The Board may approve (including conditional approval) or reject the request, or return it to the implementing agency with comments (and allowing resubmission in the event the deficiency is curable).

(3) The Secretary of the Board shall forward the decision of the Board to the implementing agency promptly, and in no event, later than fifteen (15) working days of such decision.

**PART III**

**Direct Contracting of IFIs as Transaction Advisers**

6. **Selection of IFI as Transaction Adviser.—**(1) Subject to the Board's approval of the request for hiring an IFI, the implementing agency shall commence the selection process under sub-regulation (2).

Amended C

(2) While conducting the selection process, the implementing agency may, *inter-alia*, consider the following aspects with respect to the capabilities of the IFI:

- (a) ability to develop projects that guarantee long-lasting benefits for the public;
- (b) number of previous transactions (similar to the proposed PPP transaction) directly handled by the IFI; and
- (c) experience possessed by key team members in handling transactions similar to the proposed PPP transaction.

(3) In the event more than one IFI is eligible to perform or render the services, the implementing agency shall require such IFIs to provide relevant information within a period of ten days from the issuance of such request (in this case, only those IFIs that provide the required information within this stipulated timeframe shall be eligible for further consideration).

(4) Subsequently, the implementing agency shall negotiate with respect to the required transaction advisory services with eligible IFI(s) in order to discuss the terms upon which such IFIs may be engaged.

(5) After discussions and negotiations as above, the implementing agency shall select an IFI for provision of transaction advisory services with respect to the PPP transaction, recording reasons for the decision with respect to the selection of the particular IFI.

(6) Thereafter, the implementing agency shall negotiate advisory fees with the selected IFI, which may be a combination of milestone-based payments and success-fee (to be paid at financial close).

(7) Notwithstanding anything to the contrary contained in these Regulations, an IFI may be hired by an implementing agency pursuant to these Regulations for no more than three PPP transactions at a time. It shall be the responsibility of the implementing agency to ensure that the IFI being selected under these Regulations is not already providing transaction advisory services with respect to three PPP transactions (which have yet to achieve financial close):

Provided, however, that in the event the implementing agency considers it necessary to hire such an IFI, the implementing agency may, through its line ministry, seek an exemption from the Federal Government by providing reasons for such exemption.

**7. Advisory Services Agreement.**—(1) An implementing agency hiring an IFI under these Regulations shall be required to execute an Advisory

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**MINUTES OF 38<sup>th</sup> MEETING OF BOARD OF DIRECTORS OF SINDH PUBLIC PROCUREMENT REGULATORY AUTHORITY**

The 38<sup>th</sup> meeting of Board of Directors of Sindh Public Procurement Regulatory Authority (SPPRA) was held on Tuesday, 31<sup>st</sup> January, 2023 at 3:00 PM under the Chairmanship of Mr. Mukesh Kumar Chawla, Chairman, SPPRA Board / Minister-Excise, Taxation & Narcotics Control Department, Food Department and Parliamentary Affairs in the Committee Room of the office of DG Excise, Taxation and Narcotics Control Department, I.I. Chundrigarh Road, Karachi. (Attendance sheet at Annexure-I).

The meeting started with the recitation from the Holy Quran. Thereafter, the Chair welcomed all the participants and requested Managing Director, SPPRA to present the agenda of the meeting.

NOTE: Draft minutes were circulated among the Members for input as decided in the meeting and the same have been incorporated in the minutes.

**Agenda Item No. 1**

**CONFIRMATION OF MINUTES OF 37<sup>th</sup> MEETING OF THE BOARD**

The Managing Director, SPPRA placed the minutes of 37<sup>th</sup> meeting of the Board, duly approved by the Chairman SPPRA Board, and circulated them amongst the members for confirmation.

Mr. Nisar Hussain Abro, Addl. Secretary (B&E), Finance Department drew the attention of Chair towards the minutes of previous meeting, wherein, the point of view of Finance Department was not recorded. He said that in the last meeting, it was pointed out that Finance Department had released 100% allocation of Rs. 150.00 Million in last financial year along with additional funds of Rs. 10.00 Million. However, expenditure incurred was reported around Rs. 166.00 Million which is beyond the revised allocation of Rs. 160.00 Million. He sought clarification for the expenditure in excess. As per policy, receipts were required to be deposited into designated account of Government and not utilized for other purposes. Similarly, for current financial year there is an allocation of Rs. 150.00 Million, and SPPRA may approach Finance Department for any budgetary enhancement, for consideration as per policy, as the forum cannot enhance budget.

In this respect, it is clarified that as per Section 9(1) of SPP Act, 2009, there shall be a fund to be known as the SPPRA fund which shall vest in the Authority and shall be utilized by the Authority to meet the charges in connection with its functions under this Act. Moreover, Section 9(2) of the Act defines that the "Fund" shall be comprising such sums as Government may allocate in annual

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Syed Adil Gilani raised objection that input from Members was not obtained before issuance of the minutes of the meeting and other Members also seconded his view. Accordingly, following procedure was discussed for the issuance of minutes of the meeting:

- Draft minutes of the meeting to be submitted to the Chairman, SPPRA Board.
- After approval of the Chairman, the minutes would be circulated amongst members for their input, if any.
- The minutes, after incorporating the input, would again be submitted to the Chairman, SPPRA Board for final approval.
- Then the same shall be submitted to members for their signature on each page of the minutes.
- Once all Members sign each page of the minutes, the same would be issued and circulated amongst all Members.

While draft minutes were circulated among the Members for their input, Syed Adil Gilani, representative of TI Pakistan, opined that agenda regarding amendment in SPPRA APT Regulations, as mentioned in the draft minutes, was not discussed and requested that the same may be placed in next meeting of the Board. Mr. Manzoor A. Memon, renowned professional from Management and financial sector and Mr. Arif Osmani, nominee of PEC seconded the opinion of Syed Adil Gilani. These Members also sought to delete the first two points from the procedure for approval of minutes. Mr. Tanzil Pirzada, Member from Civil Society opined that APT Regulations were not approved by the Board. He suggested that a committee may be constituted to investigate as to who has changed the minutes of meeting, the procedure of taking the post from the purview of SGA&CD. He also opined that new proposed changes in recruitment may also be checked.

However, other Members / representatives agreed on the draft minutes, circulated amongst them. Hence, as per Section 7(5) of SPP Act, 2009 the decision of the Board has been taken by the majority of its members, in attendance.

**Decision:**

*The majority of the Members of the Board (5 out of 9 Members presented in the meeting excluding representatives) decided as under;*

*The minutes of 37<sup>th</sup> meeting of the Board held on 14.12.2022 and 15.12.2022 has been approved with directions to MD-SPPRA to ensure the compliance of policies of Finance Department as well as SPP Act, 2009. The Board further*

Minutes of 38<sup>th</sup> Meeting of SPPRA Board held on 31.01.2023

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authorized Chairman SPPRA to issue necessary directions to MD SPPRA for amendment in Appendix-A of SPPRA Employees APT Regulations 2020 regarding method of appointment for the post of Procurement Specialist (BS-19) as proposed, subject to the Chairman's visit to SPPRA office and his consequent decision, as he may deem fit".

The members also seconded the procedure for the approval of the minutes of its meetings.

**NOTE:**

On 1<sup>st</sup> February, 2023, the Chairman, SPPRA Board, along with Mr. Ghanwar Ali Khan Isran, MPA / Member SPPRA Board, visited SPPRA office and discussed staff related issues at length. MD SPPRA explained that the post of "Procurement Specialist" is a non cadre post and required to be filled as per APT Regulations. She further explained that as per SPPRA Employees APT Regulations the post was required to be filled through initial appointment. However, once the amendment in SPPRA Employees APT Regulations 2020 was approved, the SPPRA staff who have reached promotional stage would be promoted and it would set the ball rolling for promotion process of SPPRA employees. This would benefit of the Authority in the long run as the staff posted by SGA&CD usually gets itself transferred at any worthwhile opportunity which impedes the smooth working of the Authority. Mr. Ghanwar Ali Khan Isran seconded the view point of MD SPPRA and supported the proposed amendment in the regulations.

The Chair granted approval for amendment in SPPRA APT Regulations as proposed in the Meeting and also directed MD SPPRA to initiate the process of promotion of staff of the Authority.

**Agenda Item No. 2**

**AMENDMENTS IN SPP RULES, 2010 TO ALLOW DIRECT CONTRACTING WITH INTERNATIONAL FINANCIAL INSTITUTIONS OR MULTILATERAL DEVELOPMENT BANKS FOR THE DEVELOPMENT OF PPP PROJECTS**

MD SPPRA apprised the Members of the Board that SGA&CD (vide letter No. SO(B)/SGA&CD/-10-29/2022-23 dated 18<sup>th</sup> January, 2023) forwarded a Summary to Chief Minister Sindh, moved by Finance Department, regarding amendments / insertion in Rule-86 of the SPP Rules, 2010 to allow Direct Contracting with International Financial Institutions or

Minutes of 38<sup>th</sup> Meeting of SPPRA Board held on 31.01.2023

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Multilateral Development Banks for the development of PPP Projects for necessary recommendations. The proposed insertion in Rule-86 was as under:

**"86. Hiring of International Financial Institutions.** (1) Notwithstanding anything contained in these rules, including Part-III (Procuring Consulting Services), a procuring agency may engage International Financial Institutions or Multilateral Development Banks on a direct contract basis for provision of consultancy or transaction advisory service in relation to public-private partnership projects, subject to the approval of the Public Private Partnership Board of such contract, including financial terms thereof, such as the amount retainer of milestone fee and the percentage or amount of success fee, as applicable, regardless, whether such fee is payable by the procuring agency or by winning bidder.

(2) The Procuring Agency, while seeking approval under sub-rule (1), shall submit a written confirmation of the interested International Financial Institution or Multilateral Development Bank to the Public Private Partnership Policy Board, to the effect that such Institution or Bank, as the case may be, is generally recognized with Pakistan being its member country

Chair and other Members sought clarification from the representatives of Public Private Partnership Unit, Finance Department for insertion of new Rule for Direct Contracting with IFIs. Mr. Amanullah Bhatti, Director PPP Unit explained that Government of Pakistan has recently amended the Public Private Partnership Authority Act, 2017 by inserting a new section enabling direct hiring of IFIs as transaction advisors for certain PPP Projects. He further explained that this agenda was also placed before the PPP Policy Board in its 38<sup>th</sup> meeting held on 26.10.2022 wherein the PPP Policy Board acknowledged the need for a legal framework enabling direct engagement of IFIs for transaction advisory services through an amendment in SPP Rules, 2010.

Mr. Asif Ikram, Secretary IT Department, stated that if direct contracting was allowed to IFIs, then there was possibility that firms might charge high prices as compared to competitive bidding rates. He further commented that Rule-86 of the SPP Rules, 2010 was deleted vide SGA&CD Notification dated 13.10.2017 hence, this should be inserted at some other appropriate place.

Syed Adil Gilani, Representative of TI Pakistan endorsed the view of Secretary IT and advised that IFIs must be hired through open competitive bidding process. He further added that in Federal Government, a separate Authority ie Public Private Partnership Authority is regulating the PPP Project whereas, in Government of Sindh, PPP Project are being regulated by SPP Rules, 2010, containing a comprehensive chapter for PPP Projects.

Minutes of 38<sup>th</sup> Meeting of SPPRA Board held on 31.01.2023

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Dr. Saeed Ahmed Memon, Member from Management & Financial Sector on SPPRA Board endorsed the opinion of Secretary IT and Syed Adil Gilani.

Dr. Saeed Ahmed, Member from Civil Society, added following remarks which were circulated among all Members in the meeting:

"Rule-86 in the SPP Rules, 2010 as proposed will override all of the remaining provision of Rule-1 to 85 of the SPP Rules, 2010. It means SPP Rules, 2010 shall be ineffective / inoperative because of proposed insertion in Rule-86, which is against the purpose of the SPP Act, 2009 as it is enacted for regulating public procurement of goods, services and works in public sector. It is settled principles of law that Rules may not be framed beyond the purpose and scope of the Act and Rules are always framed to carry out the purpose of the act. Section 21 of the SPP Act, 2009 provides that Government shall have the power to grant exemption to procurement of an object or class of objects in the national interest from the operation of this Act or any other law or rules or regulations made thereunder regulating public procurement. Therefore, proposed insertion in Rules is nothing but to exercise such powers which are vested rights of Government as provided under section 21 of SPP Act, 2009. He suggested that in order to achieve the propose Section 18, the Sindh Public Private Partnership Act, 2010 may be amended accordingly by the Sindh Provincial Assembly. It is pertinent to mention that such provision for PPP Projects is inserted by Government of Pakistan, through Act of parliament".

**Decision:**

*The Board, after threadbare discussions, concluded if the proposed amendment is approved, then it will open floodgates for procuring agencies to hire services of IFIs through direct contracting without open competitive bidding which is against the spirit of the SPP Rules, 2010 as it is enacted for regulating public procurement of goods, services and works in public interest. Besides, it is a settled principle of law that Rules may not be framed beyond the purpose and scope of the Act and Rules are always framed to carry out the purpose of the act. The proposed insertion in the SPP Rules, 2010 gives the right to the Procuring Agencies to exercise such powers which is the vested right of Government, as provided under Section 21(1) of SPP Act, 2009.*

*However, it was further decided that the matter shall be referred to the Provincial Cabinet for deliberations in the light of observations of SPPRA Board as mentioned above.*

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**Agenda Item No. 3**

**AMENDMENT IN SPPRA REGULATIONS FOR PROCUREMENT OF WORKS**

MD SPPRA apprised that the Board in its 37<sup>th</sup> Meeting constituted a committee to review the amendments proposed in Clause 2.16 and 7.9 of the SPPRA Regulations for Works.

The Committee held its meeting and reviewed the Regulations proposed for amendments. Recommendations of the Committee were placed before the Board for consideration and approval of the Board.

Regulation Clause #	Existing Clause	Proposed Clause
2.16	(i) Experience and past performance:  Experience as prime contractor in the execution of at least one to three projects within the last five years:  (a) Of similar nature and complexity comparable to the proposed contract(s).	<b>Experience and past performance:</b>  Experience in similar nature of work(s) executed during the last five years:  i. At least one similar nature of work having minimum cost 80% of the estimated cost of the work; or  ii. At least two similar nature works each having minimum cost 50% of the estimated cost.
7.9(i)	Experience in similar works	
2.16	(iv) Financial – Documentary evidence of financial position, e.g. a bank statement or audited accounts of the last two to three years. Annual turnover for construction be either equal or twice the estimated cost of project.	<b>Financial –</b>  Average Annual Financial Turn-over not less than equivalent cost of the scheme/project during last five years.
7.9(i)	iii. Annual Turnover (not less than bid cost)	

**Decision:**

*"The Board unanimously approved the amendments in Clause 2.16 and 7.9(i) of SPPRA Regulations for procurement of works as recommended by the Committee".*

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Additional Agenda Item No. 2

NOMINATION OF TWO MEMBERS OF REVIEW COMMITTEE UNDER RULE-32(2)(C) OF THE SPP RULES, 2010

MD SPPRA apprised that as per Rule-32(2)(c) of the SPP Rules, 2010, Review Committee shall comprise "Two private members represented on SPPRA Board". Further, as per Rule-32(3) of the Rules "the private members shall be selected by the SPPRA Board for a period not exceeding two years".

She informed the Members that SPPRA Board in its 33<sup>rd</sup> meeting held on 7<sup>th</sup> May 2019 has nominated Syed Adil Gilani, representative of TI Pakistan and in its 34<sup>th</sup> meeting held on 23<sup>rd</sup> September, 2020 has nominated Mr. Manzoor A. Memon, as Members of Review Committee for a period of two years. Accordingly, two years period of both private members of the Board as Member of Review Committee has been completed. Hence, the composition of Review Committee is incomplete thus unable to perform its functions.

In order to complete the composition of the Review Committee and to dispose of the Review Appeals in accordance with the SPP Rules, 2010, it was proposed that two Members for Review Committee may be nominated among the private Members on SPPRA Board.

The Chair proposed that the Members previously nominated by the Board for Review Committee may continue till nomination of new Members by the Board. All other Members endorsed the proposal of the Chair.

While circulating the draft minutes for input, some Members / representatives inquired that this agenda was neither part of the Working Paper nor discussed during the meeting, however, it was informally discussed between Syed Adil Gilani and Chairman at the end of the meeting whereas, as per Rule 32(3), private members shall be selected by the SPPRA Board. However, no observation from any Member in writing has been received.

Decision:

*"The Board unanimously decided that Syed Adil Gilani and Mr. Manzoor A. Memon, who were previously nominated by the Board as Members for Review Committee under Rule-32(2)(C) read with Rule-32(3) of the SPP Rules, 2010, shall continue till nomination of new Members by the Board"*



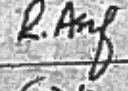

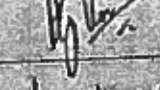


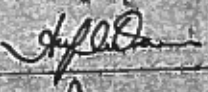
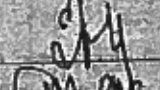


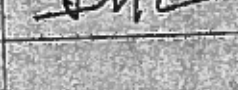
The meeting ended with a vote of thanks to and from the Chair.

Minutes of 38<sup>th</sup> Meeting of SPPRA Board held on 31.07.22

RA  
SPPRA  
Chairman

Saidur  
[Signatures]

**38<sup>th</sup> Meeting of SPPRA Board held on 31.01.2023**  
**List of Members / Representatives**

S.No.	Name and Designation	Signatures
1	Mr. Mukesh Kumar Chawla, Chairman SPPRA Board	
2	Mr. Ghanwer Ali Khan Isran, MPA	
3	Mrs. Rubina Asif, MD-SPPRA / Secretary of Board	
4	Mr. Asif Ikram, Secretary, Information Science & Technology Department	
5	Syed Adil Gilani, Representative Of TI Pakistan	
6	Dr. Saeed Ahmed, Member from Civil Society	
7	Mr. Tanzeel Pirzada, Member from Civil Society	
8	Mr. Manzoor Ahmed Memon, Professional from Financial & Management Sector	
9	Engr. Arif Osmani Nominee of PEC	
10	Ms. Kiran Shaikh, Addl. Secretary, W&S Department	
11	Mr. Nisar Ahmed Abro, Addl Secretary, Finance Department	
12	Mr. Ghulam Ali Soomro, Addl. Secretary, Irrigation Department	
13	Mr. Jamshed Alam Memon, Addl. Secretary (GA), SGA&CD	
14	Mr. Abdul Majid Shah, Deputy Secretary, P&D Department	