

21st March 2022

Mr. Maqbool Ahmad Gondal,
Managing Director,
Public Procurement Regulatory Authority,
1st Floor FBC Building Near State Bank,
Sector G-5/2, Islamabad-Pakistan.

Mr. Asim Rauf,
CEO,
Drug Regulatory Authority of Pakistan,
Telecom Foundation Complex, Mauve Area,
G-9/4, Islamabad, Pakistan.

Subject: Use of Least Cost Method in Procurement of Drugs which are registered and approved by DRAP to save annually Billion of rupees on purchase of drugs

Dear Sirs,

Transparency International Pakistan refers to its letter Ref: TL21/04/22/1A dated 22nd April 2021 to MD PPRA requesting to ensure the directives of DRAP dated 16 April 2021 for compliance of the advice of Prime Minister's Performance Delivery Unit (PMDU), to make all procurement of medicines on the lowest quoted priced medicines (approved by DRAP). **(Annex-A)**

TI Pakistan vide its letter dated 22nd April 2021 regarding the clarification on two major issues involving the alleged illegal award of tender for medicines had pointed out the following:

The directives of DRAP dated 16 April 2021 is clear to adopt Least Cost Method, for compliance of the advice of the Prime Minister's Performance Delivery Unit (PMDU), but this has not been implemented as yet. Why the PPRA has not issued the policy/document to adopt Least Cost Method for Procurement of Drugs in collaboration with Drug Regulatory Authority when it is advised by Prime Minister's Performance Delivery Unit (PMDU). **(Annex-B)**

The PPRA replied to TI Pakistan on 2nd June 2021, stated the following:

*"It is appraised that the Authority is in process of developing Standard Bidding Documents (SBDs) for the procurement of pharmaceutical goods for which feedback from the DRAP including the one issued vide letter dated 16th April 2021, be complied with subject to the fulfillment of guidelines on the quality (of the products) issued by the same authority. However, it may be ensured that the whole process is not in conflict with any provision of the PPRA framework." **(Annex-C)***

The PPRA also sent same reply to PM's Citizen portal, and on 8 June 2021 the portal informed TI Pakistan that partial relief granted, and the PM's Citizen Portal closed the complaint.

However, PM's Citizen portal reopened the TI Pakistan complaint on 15 March, 2022, and assigned the issue to PPRA to look into the TI Pakistan request, which was made on the directives of PM Pakistan to DRAP, and DRAP directives dated 16 April 2021 .

PPRA therefore, has now informed the Chairperson of TI Pakistan and also PM's Citizen portal that:



“Procuring Agencies may use any of the selection technique in term of rule 2(1) of PP Rules to ensure value for money in accordance with practices of that trade. However, Authority may issue policy/document to adopt Least Cost Method for procurement of Drugs in collaboration with Drug Regulatory Authority.” (Annex-D)

This is to point out to PPRA that all drugs approved by DRAP are quality drugs, and different branded drugs or all manufacturers are complying with DRAP minimum specified standards.

The Managing Director PPRA and CEO DRAP are requested to expedite the process of issuance of policy/document to adopt Least Cost Method for procurement of drugs in collaboration with Drug Regulatory Authority (DRAP) without further loss of time as the Prime Minister Performance Delivery Unit (PMDU) directives were issued about a year ago, in April 2021.

TI Pakistan feels that in view of the adoption of Prime Minister Performance Delivery Unit (PMDU) directives to use Least Cost Method for the procurement of Drugs, instead of any other method, will save at least Rs. 350 billion annually to the nation, and reduce the burden of extra ordinary cost of living being incurred by the citizens of Pakistan as well as to the national exchequer.

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

Ms. Yasmeen Lari
Sitara-e-Imtiaz, Hilal-e- Imtiaz
Chairperson
Transparency International Pakistan

Justice (Rtd) Nasira Iqbal
Vice Chair, Sitara-e-Imtiaz
Transparency International Pakistan

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

1. PSPM. PM House, Islamabad
2. Dr. Faisal Sultan, Special Assistant to Prime Minister on Health, Ministry of National Health Services Regulations and Coordination, Islamabad
3. Chairman, National Accountability Bureau (NAB), Islamabad
4. Registrar, Supreme Court of Pakistan
5. Chief Minister Sindh, CM House, Karachi
6. Chief Minister Punjab, CM House, Lahore
7. Chief Minister KP, CM House, Peshawar
8. Chief Minister Balochistan, CM House, Quetta