



TRANSPARENCY INTERNATIONAL PAKISTAN

Strives to build a better country to live in

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is signed on 3rd day of April 2005 between Transparency International Pakistan and the Ministry of Irrigation (MOI&P) Government of Sindh for the Implementation of the "Integrity Pact" and Transparency in Procurement Systems in the Department of Irrigation and Power GoS.

Transparency International, is a non-governmental organisation, dedicated to government accountability, and curbing the international and national corruption. Through over 98 independent National Chapters, Transparency International bring together people of integrity in civil society, business and government, to work as coalitions for Systemic reforms. Transparency International do not " name names" or attack individuals or investigate, but focus on building systems that combat corruption.

Transparency International national chapter Transparency International Pakistan aims at Building a coherent National Integrity System, to institutionalize efforts to curb corruption. The ultimate goal of this system is to make corruption a "high risk" and " low return" undertaking. It is designed to prevent corruption from occurring in the first phase, rather than relying on punishment after the event. Because corruption tends to be the result of SYSTEMATIC failures. The primary emphasis of Transparency International Pakistan is on reforming the system, rather than blaming the individuals.

The "Integrity Pact" is an Integral Part of the National Accountability Bureau initiative towards Shafaff Pakistan, the National Anti Corruption Strategy approved by the Cabinet on 20th September 2002 & 5th October 2002, its Implementation mechanism approved by the President 24th October 2002. The Integrity Pact is a tool developed by Transparency International, which ensures that all activities and decisions of public offices are transparent and that the projects/works are implemented, services are provided or taken, and goods/materials are supplied without giving taking or allowing for any kind of benefit, financial or otherwise. Justification of the decisions taken is provided without discrimination to all parties concerned or to any individual or institution/organization.

Considering that all Companies and Organizations in Pakistan share a responsibility to combat bribery in all forms and manifestations, it is agreed:

That the Department of Irrigation & Power Government of Sindh will work with Transparency International Pakistan for the application of Public Procurement Rules 2004 and the "Integrity Pact" in the Department of Irrigation & Power Government of Sindh.

To sign this Memorandum of Understanding between Transparency International Pakistan (TI-Pakistan) and the Ministry of Irrigation (MOI&P) for the Implementation of the "Integrity Pact" and Transparency in its Procurement Systems.

That MOI&P along with TI-Pakistan will work jointly for the implementation the recommendations in the NACS involving Transparency in procurement, and Public



Procurement Rules 2004 and incorporate them in PEC & World Bank Standard Bidding Documents. It is also agreed that the MOI&P will establish an accountability in all its dealings and try to provide all the necessary Checks and Balances in its effort towards an all encompassing Transparent Procurement System. The process will comprise the formation of a Coordination Committee to implement the Integrity Pact in all Procurement Contracts.

That in case the MOI&P fails to carry out the above agreed-upon recommendations Transparency International Pakistan has the right to withdraw from this Memorandum of Understanding and declare the same through a public announcement. Such withdrawal shall be effective 30-days after the date of the receipt of a notification given by TI-Pakistan to the MOI&P to this effect.

The Coordinating Committee.

This committee to be set up by MOI&P, shall consist of a three members comprising 3 Officials of MOI&P, with responsibilities related to the Administration, Financial and Technical (Procurement & Contracts) Departments, and two Representative of TI-Pakistan. Procurement Specialist of TI Pakistan shall act as its Chairman. The Coordinating Committee will:

1. Identify and list all issues of transparency and evaluation of tenders criteria in the procurement bidding documents, including the discretionary conditions of exiting in the contract documents and make the necessary changes where necessary..
2. Prepare ways and means to be included in Contract Documents to eliminate/reduce delays to a bare minimum (Time base decisions with predictable milestones) and in approvals by providing mandatory time frames for submittals by consultants/contractors and approvals by client/consultants.
3. Introduce approval systems to process and award contracts, as well as complete the Projects at the most economical cost and within the scheduled time.
4. Incorporate the Directives of the NACS & PPRA with regards to Procurement and Contracting.

Herein after it is agreed that;

- ☐ All important decisions be made public.
- ☐ Information on all important activities including auditor's report should be made easily accessible to all.
- ☐ MOI&P will periodically make public their sources of income and revenues.
- ☐ For this purpose, Transparency International Pakistan will provide experts' services to MOI&P without any cost to the MOI&P.
- ☐ MOI&P has the responsibility to inform the local public and all interested individuals / institutions / organizations / Vendors and others about the activities carried out under this Agreement.



- ☐ In accordance with the proposed Pact, Transparency International Pakistan will provide experts' services for 3-months, and vetting of the Procurement Documents prepared on the basis of Procurement Manual for another 3 month, beginning from 3rd April 2005, which may be renewed on mutual understanding.
- ☐ Team of Experts of TI Pakistan and MOI&P will prepare "Ministry of Irrigation Procurement Manual".
- ☐ The Procurement Manual will comprise of all the Standard Bidding Documents on procurement of Works, Goods & Services, based on International Standards, World Bank, FIDIC and Pakistan Engineering Council, duly amended to comply with the Transparent Procurement Procedures, recommended by the National Accountability Bureau in the National Anticorruption Strategy 2002, and fully compliant to the Public Procurement Rules 2004.
- ☐ That all information relevant to providing Transparency Procurement procedures shall be provided to the Coordination Committee by the MOI&P and all its related departments. It shall include documents which are in addition to those that are allowed under the Freedom of Information Ordinance 2002.

Sardar Nadir Akmal Khan Leghari
Sardar Nadir Akmal Khan Leghari
Minister for Irrigation & Power
Government of Sindh

Nooruddin Ahmed
Nooruddin Ahmed
Managing Trustee
Transparency International Pakistan

Ashfaq Memon
Ashfaq Memon
Secretary Irrigation & Power
Government of Sindh

Syed Adil Gilani
Syed Adil Gilani
Procurement Specialist &
Secretary General
Transparency International Pakistan

Date: Sunday 3rd April 2005



Integrity Pact

DECLARATION OF FEES, COMMISSIONS AND BROKERAGE ETC. PAYABLE BY THE SUPPLIERS/CONTRACTORS OF GOODS, SERVICES & WORKS

_____ [the Seller/Supplier/Contractor] hereby declares its intention not to obtain or induce the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Sindh (GoS) or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoS) through any corrupt business practice.

Without limiting the generality of the foregoing, [the Seller/Supplier/Contractor] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or including the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS, except that which has been expressly declared pursuant hereto.

[The Seller/Supplier/Contractor] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoS and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[The Seller/Supplier/Contractor] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to GoS under any law, contract or other instrument, be voidable at the option of GoS.

Notwithstanding any rights and remedies exercised by GoS in this regard, [the Seller/Supplier/Contractor] agrees to indemnify GoS for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoS in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [the Seller/Supplier/Contractor] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS.