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TI Pakistan experience with the Integrity Pact – Cases,
Impact and Impact Measuring

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Main Successes of application of Integrity Pact

1. An Example of an Integrity Pact is the IP agreement between the Karachi Water and Sewerage Board and Transparency International Pakistan in relation to the award of contracts for the Greater Karachi Water Supply Scheme, Phase V, Stage II, 2nd 100 MGD, K III Project.

2. Since June 2004, Public Procurement Rules are made and applicable in Pakistan at the federal Govt. level, which are based on the main features of TI IP, and a IP is also mandatory which is reduced to One Page Commitment by all bidders.

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Main Successes of application of Integrity Pact

3. TI Pakistan with assistance of TI has been able to get a directive issued from the Prime Minister of Pakistan in April 2006, to all the 4 Provinces of Pakistan to adopt Public Procurement Rules 2004. Governor Sindh has already issued an Ordinance on the formation of Public Procurement Regulatory Authority in Sindh, and currently TI Pakistan is assisting Govt. of Sindh to adopt the Public Procurement Rules 2004.

Main challenges of the application of the Integrity Pact

1. Resistance from all departments on the application of Public Procurement Rules 2004.
2. Lack of technical capacity to use the Public Procurement Rules 2004.
3. Resistance from bidders/clients who have vested interest.
4. Resistance from World Bank, specially in procurement of Services.

What concrete results has the application of IPs had in different contexts?

1. As a result of a well-managed procurement process in KWSB, K-III Project, including an IP, the total cost of Consultancy Contract awarded at US \$ 1 million against estimated cost of US \$ 4 million, and the Construction Contracts awarded, over the period 2002-2003 was 18.5% less than the cost estimate, and the Project was completed within planned period of 4 years, and completed in June 2006.

2. Under the MOU Signed between TI Pakistan and Pakistan Steel on the application of Integrity Pact, on the procurement of 250,000 Tons of Metallurgical Coke Contracts were awarded by Pakistan Steel at US \$ 37.5 million, against estimated cost of US \$ 100 million in 2005-6, net savings to Pakistan Steel of US \$ 62.50 million.

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What concrete results has the application of IPs had in different contexts?

3. Under the MOU Signed between TI Pakistan and Ministry of Irrigation & Power, Govt. of Sindh, on the application of Integrity Pact in the award of Consultancy Contract Engineering Design and Monitoring & Evaluation Consulting Services for Assuring Water Supply to Karachi Up gradation Keenjhar Lake System, in 2006 against estimated cost of US \$ 1.73 million, , the Contract was awarded on US \$ 0.96 million.

What could be indicators to measure the impact of IPs?

1. Savings in the cost of project awarded.
2. Saving in the period of Contract Awards.
3. Savings in the Cost of Completed project.
4. Completion period of the project within estimated time of completion of the Project.

Is there a method to estimate Savings due IP application? What is this method based on? Do we have results from using such a method?

TI Pakistan has quoted the cost and time savings, which could be taken as the method of estimated savings due to the application of IP