

April 03, 2026

TL2026/0403/1A

Lt Gen (retd) Nazir Ahmad
Chairman
National Accountability Bureau, Islamabad

Subject: Nomination of Officer as Member for Consultancy Services to Committee on Anti-Corruption/Anti-Money Laundering – Reform Action No. 11 under PMEGR

Dear Sir,

Transparency International Pakistan refers to your officer letter No. 25/1/2026/IMF/Reforms Committee/188 dated 30 March 2026 on the subject above.

It is informed that Mr. Kashif Ali, Executive Director, TI Pakistan will be the focal person providing necessary input to the high-level Task Force/Working Group under PMEGR Reform Action (RA) – 11 for Corruption Risk Assessment and identification of the ten most corruption-prone departments. He can be reached at Email: kashif.ali@transparency.org.pk, Mobile: +92-323-2648087.

Please also find enclosed briefing note on TI Pakistan's existing evidence base on corruption vulnerabilities across federal and provincial institutions, in direct support of IMF Governance Diagnostic Recommendation 11 and Reform Action (RA-11) under Prime Minister's Economic Governance Reforms (PM-EGR), which calls for a risk-based approach to identifying and addressing corruption exposure in the ten highest-risk federal agencies.

Regards,



Advocate Daniyal Muzaffar,
Trustee/Legal Advisor
Transparency International Pakistan

25
Years In The
Fight Against
Corruption

BRIEFING NOTE

Transparency International Pakistan

April 02, 2026

Submitted to:
National Accountability Bureau
(NAB)

Purpose

This note presents TI Pakistan's existing evidence base on corruption vulnerabilities across federal and provincial institutions, in direct support of IMF Governance Diagnostic Recommendation 11 and Reform Action (RA-11) under Prime Minister's Economic Governance Reforms (PM-EGR), which calls for a risk-based approach to identifying and addressing corruption exposure in the ten highest-risk federal agencies. Drawing on TI Pakistan's work through the National Corruption Perception Surveys, the Civil Society Governance Diagnostic Assessment, public procurement monitoring and legal advice center, this note maps where vulnerabilities are highest and what it suggests for priority action planning.

IMF Recommendation 11 Summary

Recommendation 11 requires the Government of Pakistan to adopt a risk-based approach to corruption vulnerabilities in federal agencies, specifically:

- Year 1: Publish an action plan targeting ten federal agencies with the highest corruption risk and macro-critical exposure, developed through a centralised, transparent, and criteria-based assessment.
- Year 2: Report annually on implementation progress and actual risk reduction outcomes in those agencies.

Responsible authorities: Cabinet Division; Ministry of Law and Justice; NAB.

Sector-by-Sector Vulnerability Assessment

The findings below draw on data from the Transparency International Pakistan (TI Pakistan) National Corruption Perception Surveys (NCPS), stakeholder evidence from the Civil Society Governance Diagnostic Assessment, and insights from public procurement monitoring and legal advice center. These sources are independently produced but reinforce each other, offering citizen-facing and institutional perspectives.

1. Police and Law Enforcement

Consistently ranked the most corrupt sector in every NCPS round since 2002. In 2025, 24% of national respondents identified police as the most corrupt institution, rising to 34% for the province of Punjab. 34% of respondents nationally reported being compelled to pay a bribe in the preceding 12 months; in the province of Sindh, 46% respondents reported that they were compelled to pay a bribe. Transgender respondents identified police corruption at 39%, the highest of any demographic group.

The data highlights the need to reduce human interaction between citizens and police through adoption of digitisation of core services such as FIR registration, issuance of police character certificates, submission of tenancy documents, and crime reporting. Evidence suggests that public perception is improved when public sector organizations proactively disclose data. However, this practice currently remains limited. At the same time, while provincially many services related to police are digitized, there is a lack of awareness which results in reliance on traditional form of police-citizens interaction, resulting in higher discretionary power and weaker oversight in the law enforcement.

Vulnerability: High public contact frequency combined with low accountability produces sustained bribery normalisation. Corruption here is structural. It is important that vulnerability and provincial risk assessment in law enforcement focuses on obtaining data around the efficacy of the internal systems in addressing corruption complaints within the police.

2. Public Procurement

Ranked second nationally in perceived corruption since 2021, with 16% of national respondents identifying tender and procurement as the most corrupt sector in 2025 (Balochistan: 23%). TI Pakistan's procurement monitoring program regularly receives complaints pertaining to violation of procurement rules and favoritism in the award of the contracts. Procurement is the key vehicle through which public sector development program (PSDP) and provincial budgets are utilized. Infrastructure development is one of the largest components of the development budget, with major projects financed and implemented at the provincial level. Corruption in the award of contracts undermines people trust in the government.

Vulnerability: Procurement corruption affects infrastructure, essential commodities, and public works spending both at provincial and federal levels. The vulnerability assessment must look at the context of infrastructure corruption risk assessment to determine the risks across the project cycle, from selection and appraisal to procurement and implementation, particularly among the agencies with large procurement portfolios such as infrastructure, energy, transport, roads, large scale dams, climate transition projects and other related public works as they carry the highest fiscal exposure.

3. Excise, Taxation and Land Records

Taxation has a high exposure to discretionary decision-making and direct citizen interaction in Pakistan. Routine functions such as tax assessments, property valuation, and land mutations involve significant lower-level discretion with limited oversight, creating space for rent-seeking. Citizens report harassment by tax officials, including arbitrary notices, delays, and informal payment demands, particularly affecting those with limited capacity to challenge such practices. In land administration, weak and fragmented record systems, mutations further enable manipulation and collusion. These factors make the sector one of the most corruption-prone in Pakistan.

Vulnerability: Taxation is critical to the IMF program itself, and revenue mobilisation is a core condition. Major critical functions are performed at lower levels, where, arbitrary interpretation of tax rules, and discretionary powers undermine fiscal targets, investor confidence and public trust.

4. Under Valuation in Commercial Imports

Determination of values in Valuation Rulings (VR) at a lower value than international & domestic market values is another area that raises transparency concern. Hundreds of valuation Ruling are in the field. It is reported that low values are fixed in VRs. This needs a comprehensive review of the whole procedure of valuation rulings, which is a major issue in the commercial imports. There is significant undervaluation in exports to keep dollars outside and then use it for undervaluation of imports.

Vulnerability: Under-invoicing of imports does not only deprive the government of revenue but also compromises the competitiveness of domestic industry; thereby, impacting exports, employment and incomes adversely.

5. Judiciary

The judiciary ranks third nationally in perceived corruption in 2025 (14%), with Punjab at 17% and KP at 18%. Delays in corruption case disposal were cited by 14% of respondents as a primary corruption driver, ranking among the top three causes nationally alongside lack of accountability and restricted access to information. The NCPS 2023 reveals that the average expenditure on bribery was highest in the judiciary, amounting to an average of Rs. 25,846. These statistics highlight the need for systemic reforms to reduce

discretionary authority in the lower judiciary and judicial processes to improve access to justice for ordinary citizens of Pakistan.

Petty corruption or clerical corruption in the lower judiciary is a significant bottleneck, one that increases the cost of litigation for ordinary citizens in Pakistan. From case filing, case list, dates, obtaining documents, order, etc, corrupt practices are reported at these different steps where more human interaction and demand for bribes is involved. This also raises concern that for citizens who are unable to pay a bribe, access to justice becomes financially unaffordable, leading to exclusion.

Vulnerability: Delayed judicial processing functions as structural bottleneck. Where courts move slowly on corruption cases, deterrence collapses across all other sectors.

6. Inconsistencies in Procurement Framework

The PPRA Rule-38B allows procuring agencies to accept a Single responsive bid in goods, works and services on certain conditions. PPRA Rule 38B is misused by the procuring agencies and contradicts the very essence of open, fair and competitive procurement. It provides an opportunity for procuring agencies to award contracts worth Billions on a single bid basis. Therefore, to ensure transparency in the procurement process, it is imperative that a complete ban on single bid tendering is enforced, and procuring agencies make decision with due diligence and in compliance with general principles of procurement like economy, efficiency and value for money. There should also be no fee for grievance application to PPRA, and it should be eliminated.

The independent procurement policies framed by the State Owned Entities (SOEs) under Section 17(2) of the State-Owned Enterprises (Governance and Operations) Act, 2023, have allowed the SOEs to bypass Pakistan Public Procurement Regulatory (PPRA) Authority Rules, compromising the essence of fair and competitive procurement processes. It is imperative that the guidelines are issued for SOEs which must emphasize compliance with PPRA ordinance and PPRA Rules 2004 as opposed to SOEs independent procurement guidelines in line with the SOEs Act 2023. Any customisation of procurement guidelines deemed in contravention of PPRA rules must be made prohibited.

Vulnerability: The inconsistent application of procurement rules and inherent weaknesses and the scale of financial resources spent through public procurement makes this sector highly vulnerable.

Cross-Cutting Drivers — Criteria for Agency Risk Assessment

Three structural conditions increase corruption risk across all agencies, and as per TI Pakistan’s findings, should be built into the criteria used to select and rank the ten priority agencies under IMF Recommendation 11 and Prime Minister’s ERG RA 11:

Driver	TI Pakistan Evidence	Implication for Rec 11
Discretionary power without oversight	11% cite this as a top corruption cause (NCPS). 23% want to limit discretionary power as an immediate measure. Diagnostic calls for a government-wide digitisation roadmap to automate public services and minimise discretion (Rec. 18).	<i>Agencies with unilateral discretion and no digitised processes rank higher in risk.</i>
Opacity and Right to Information gaps	Restricted access to information is often cited as a top driver of corruption. TI Pakistan studies recommend mandatory disclosure, publication of decisions and records, and strengthened RTI implementation across all jurisdictions (Recs. 40–44).	<i>Agencies with poor RTI compliance and no disclosure carry higher systemic risk.</i>
Weak accountability of oversight bodies	TI Pakistan Diagnostic propose for non-partisan oversight, statutory timelines for audit completion, and an strong oversight (Recs. 15, 16, 28).	<i>The action plan must include oversight bodies.</i>