

MINUTES OF THE 27TH MEETING OF THE IMPLEMENTATION COMMITTEE
FOR REORGANIZING THE FEDERAL GOVERNMENT
HELD ON 13-03-2020

The 27th meeting of the Implementation Committee was held on 13-03-2020 at 12:00 p.m. in Institutional Reforms Cell (IRC), the P.M. Office. It was chaired by Dr. Ishrat Husain, Advisor to the Prime Minister on Institutional Reforms and Austerity. The list of the participants is **Annexed**. The agenda of the meeting was as under: -

- (i) Update by M/o Federal Education and Professional Training on the following entities:
 - a. BECS and NCHD
 - b. PNCU
 - c. NTP
 - d. Girls Guide and Boys Scout Associations
- (ii) Discussion on creation of new PAOs in Federal Government by Finance Division and proposal by DG IRSA, Ministry of Water Resources
- (iii) Briefing on performance of Saindak Metal Company and its transfer to GOB by Petroleum Division
- (iv) Discussion on Training Institutes

Agenda Item No.III Briefing on performance of Saindak Metal Company and its transfer to GOB by Petroleum Division

2. Managing Director, Saindak Metals Ltd. (SML), who is on this position since 2008, briefed the Committee about the background of the public entity. He informed the Committee that the entity is earning profit. The Chair commented that in the past it caused millions of rupees of loss to the government exchequer. The Chair asked the representative what the total investment of the Federal Government was and how much the annual return is in approximation. The representative told that total investment of the Federal Government is Rs.29.234 billion and its share in profit is Rs.1.1 billion. The total profit paid to all stakeholders is more than Rs. 2 billion. He further stated that in 1990, an agreement was signed with M/s China Metallurgical Construction Corporation (MCC) on 50% sharing of profits. On the query of the Chair as to what tools of monitoring have been adopted, the representative stated that all activities are well-documented and verified by different Government agencies i.e. Customs,

EPZA, FBR and Directorate General of Mines & Minerals, Govt. of Balochistan. He briefly explained the following mechanisms: -

- Commodities entering or taken away from the project area are documented by both the EPZA and Customs Authorities at project site.
- Products for sale are weighed and sampled by SGS laboratories.
- Accounts of Contractor are audited by a reputed Pakistani chartered accountant firm (A.F. Ferguson & Co.), appointed in consultation with SML.

3. He further stated that NAB also conducted an investigation and concluded it with the remarks of 'good'. The Committee observed that instead of exporting blister copper, there must be some local value addition. The representative further stated that in compliance with Cabinet Committee's decision under Aghaz-e-Haqooq-e-Balochistan (AHB) package, SML has paid 30% profit share to Government of Balochistan and that amounts to Rs.4,368.761 million out of the 50% share of the Federal Government. The question before the Committee was whether or not the Federal Government should make further investment after the expiry of instant lease that is going to be completed on October 31, 2022. Concurrently, the case of transferring its ownership to GoB and redeeming of the Federal Government investment was also presented before the Committee. The observations of the Finance were also brought before the Committee. These, inter alia, were as under:-

- a) The transfer of project ownership free of cost may have implications for Federal Government investments in similar projects located in other provinces as they may seek similar dispensation for their projects such as Tarbela and Oil & Gas sector projects.
- b) The Project being of highly technical nature encountered several problems at the time of operation. The operation of the project by GoB would require sound technical capacity which does not seem to exist within GoB.

4. The Committee thoroughly discussed the matter and observed that it is the only project in the country producing blister Copper [containing copper, gold and silver metals] from indigenous ore of Saindak area. This legendary project is making exemplary contributions to the community development and unprecedented revenue contribution and profit sharing with the Government of Balochistan. Therefore, before taking any final decision, each and every aspect is required to be thoroughly examined.

Agenda Item No.1 a) Update by M/o Federal Education and Professional Training on BECS and NCHD

5. The Ministry of Federal Education and Professional Training informed the Committee as under:-

- Provinces are reluctant/dillydallying the acceptance of BECS and NCHD schools and teachers. (Reference CCI meetings and IPEMC meeting minutes).
- The MoFEPT has proposed to shift all schools and teachers from BECS to NCHD.
- The proposal is to shift NCHD and BECS teachers to the recurring budget till provinces finally take over the schools and teachers.
- BECS regular posts are to be shifted to Directorate General of Religious Education (DGRE).

The matter was discussed in detail. The rest of the agenda items i.e. b, c & d of the Ministry were deferred.

6. The discussion on agenda items No.(ii) & (iv) was also deferred.

DECISIONS:

1. The Ministry of Energy (Petroleum Division) should take all aspects of the project into account and make exhaustive deliberation. The Ministry should also take input from Dr. Arshad Mahmmod, Additional Finance Secretary (Exp) and present their proposals before the Implementation Committee after two months.
 2. The Chief Secretaries and Secretaries of Education from all the provinces will be invited in a future meeting of the Implementation Committee to streamline the transfer of BECS and NCHD teachers to the provinces at the earliest.
 3. The Committee recommended that the issue of pending payment of the salaries of the BECS and NCHD teachers be referred to the CDWP and recommended the payment of pending salaries of six months to the teachers.
7. The meeting ended with a vote of thanks to and from the Chair.

List of participants of the 27th Meeting of Implementation

Committee held on 13-03-2020

- i. Dr. Ishrat Husain, Advisor to the PM on Institutional Reforms & Austerity.
- ii. Mr. Shafqat Mahmood, Minister for Federal Education & Professional Training.
- iii. Syed Fakhar Imam, Chairman, Special Committee of the National Assembly on Kashmir.
- iv. Dr. Safdar Sohail, Special Secretary, Cabinet Division, Islamabad.
- v. Mian Asad Hayaud Din, Secretary, Petroleum Division, Islamabad.
- vi. Mr. Muhammad Ashraf, Secretary, M/o Water Resources, Islamabad.
- vii. Dr. Sajid Yoosufani, Secretary, M/o Federal Education & Professional Training, Islamabad.
- viii. Mr. Awais Manzur Sumra, Additional Secretary, Establishment Division, Islamabad.
- ix. Dr. Arshad Mahmmod, Additional Finance Secretary (Exp), Finance Division, Islamabad.
- x. Mr. Muhammad Khalid Idrees Rana, Secretary, IRSA, M/o Water Resources, Islamabad.
- xi. Rao Irshad Ali Khan, Member, IRSA, M/o Water Resources, Islamabad.
- xii. Mr. Muhammad Iqbal, Director General (Minerals), Petroleum Division, Islamabad.
- xiii. Syed M. Mehar Ali Shah, Joint Secretary (W), M/o Water Resources, Islamabad.
- xiv. Mr. Muhammad Umer Aziz, Joint Secretary, M/o Law & Justice, Islamabad.
- xv. Mr. Qamar Zaman, Joint Secretary, Institutional Reforms Cell (IRC).
- xvi. Mr. Muhammad Raziq Sanjrani, Managing Director (SML), Petroleum Division, Islamabad.
- xvii. Mr. Umbreen Arif, Technical Advisor, M/o Federal Education & Professional Training, Islamabad.
- xviii. Ms. Lubna Said Ghias, Deputy Secretary (Coord), Establishment Division, Islamabad.
- xix. The Deputy Secretary, IRC, Prime Minister's Office, Islamabad.