



Pakistan Water and Power Development Authority

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LF-213/2021/ 2356-59

Dated: 04/08/2021

Ms. Yasmeen Lari,
Chairperson,
Transparency International – Pakistan

Subject: Allegation of loss of Rs. 55 Billion to the Exchequer, delay in completion of Karachi 260 MGD-K0IV Water Supply Project and Design Change by WAPDA, due to introduction of GRP/Steel to benefit Pipe Suppliers, resulting in increase in cost from Rs. 45 Billion to over Rs. 100 Billion.

Dear Madam,

We, *Pakistan Water and Power Development Authority* (hereinafter “WAPDA”) are writing to you, Transparency International – Pakistan (hereinafter “TI-P”), in response to your letter dated 8th June, 2021 (hereinafter the “**Letter dated 08.06.2021**”), concerning the subject cited above, in the following manner:

1. At the very outset, it is important to point out that WAPDA, established in 1958, has made tremendous contributions to the power/energy sector of the country. In particular, under the chairmanship of Lt. General Muzammil Hussain, WAPDA has made tangible progress in the completion of several mega developmental projects, including the Diamer Basha Dam, Mohmand Dam, and Dasu Dam – which has also been acknowledged by the honorable Supreme Court of Pakistan.
2. Despite such recognition from the honorable Supreme Court of Pakistan, your Letter dated 08.06.2021 casts several aspirations about WAPDA and its performance, which are contrary to the established facts. It appears that TI-P has been misled, in this regard, by certain mala fide individuals, who wish to damage Pakistan.
3. Other false allegations, made in your Letter dated 08.06.2021 relate to technical aspects of various projects, including the K-IV Water Supply Project (hereinafter the “**Project**”), being undertaken by WAPDA. Since TI-P does not have the requisite technical and expertise to accurately comment on the technical aspects of WAPDA’s projects, it is clear, once again, that TI-P has been misled with regards to such aspects, by alleged complainants who want to derail these project and stall Pakistan’s progress.
4. Briefly, in response to some of the false and frivolous allegations leveled by TI-P, through its Letter dated 08.6.2021, it is pertinent to point the following facts;

Project under the management and control of Karachi Water and Sewerage Board/ Government of Sindh
(GoS) from 2007 to 2018

- i. Initially, the Project was supervised and administered by the Government of Sindh (hereinafter the “GoS”), through Karachi Water and Sewerage Board (KW&SB), in 2007.
- ii. The Feasibility Study of the Project was concluded in 2007, whereas the Design Report was completed after a lapse of 07 years, in 2014.
- iii. Subsequently, the Design and Supervision Consultancy Agreement was awarded to M/s OCL, in 2015, by way of which, the Project was designed at the capacity of producing 260 MGD. Also, the contract for Civil and E&M Works was awarded to FWO, in 2016. However, the Project could not attain completion, owing primarily to the negligent planning and designing, done without carrying out any field investigations.
- iv. However, in July 2018, the GoS deliberated upon the Feasibility Report of the Project, and relying on the same, directed to halt the Project. This was also necessary in light of outstanding issues concerning land acquisition and release of funds.

Review of Design for the Project and its consequent assignment to WAPDA

- v. Thereafter, M/s FWO proposed to increase the capacity of the Project, from 260 MGD to 650 MGD, based on the canal system. In the same premise, the Project Director of the Project, sought a third-party review/opinion from M/s NESPAK, regarding the viability of the proposal of FWO in expanding the Project, as well as to review the design consultancy for the Project.
- vi. Pursuant thereto, NESPAK presented its findings and observation, confirming certain irregularities, defects, and design flaws.
- vii. Thereafter, in May 2019, M/s NESPAK was formally assigned to the Project, to conduct a 3-months study for vetting of the Project reports and cost analysis. Accordingly, NESPAK submitted its revised Detailed Technical and Engineering Review for the Project, which was circulated to and deliberated upon by the concerned offices.
- viii. However, the Federal Government intervened and, on 23.09.2020, assigned the entire Project, along with the Revised Study Report, to WAPDA. The codal formalities of transferring the Project to WAPDA were completed within 07 months. This included:
 - a. Authorization / Anticipatory Approval by ECNEC for change of executing authority from KW&SB to WAPDA – 21.01.2021
 - b. Administrative Approval by the MOWR – 09.04.2021.
- ix. Furthermore, it is imperative to mention that WAPDA has taken over the Project, with an aim to provide 650 MGD (instead of 250 MGD), to the residents of Karachi, which may

justify the escalation in cost(s) of the Project. The same is duly reflected in the Supreme Court's Order dated 16th June, 2021 (hereinafter the "SC Order"), passed in CMA No. 770-K of 202, in the following terms, wherein the Chairman WAPDA apprised the court regarding the increase in capacity of the Project:

9. "Chairman, WAPDA has appeared and filed a report about K-IV Project for supply of additional water of 650 MGD to Karachi. He states that consultant for the project has already been appointed and all plans/ drawings have been prepared and now its is to be executed by the contractor." [Emphasis Added.]

- x. It is pertinent to mention that the responsibility/liability to clear the Right of Way, for the Project, lies with the GoS. In fact, it is brought to your attention that the above mentioned SC Order, further states, inter alia, that:

"9. ... Learned Advocate General Sindh has assured that there would be no obstruction in this regard.

10. ... Both the learned Attorney General for Pakistan so also Advocate General Sindh state that they will instruct their respective Governments not to create obstruction in the flow of funds for completion of K-IV Project by the WAPDA and ensure that this very project is not delayed at all." [Emphasis Added.]

- xi. As such, WAPDA has no reason or intention of delaying the Project, once land acquisition is completed and sufficient funds are provided. In fact, till date, WAPDA has taken the following significant measures in regards to the Project:

- a. WAPDA has taken over the Project, with an aim to provide 650 MGD (instead of 250 MGD), to the residents of Karachi, thereby justifying the escalation in cost(s) of the Project. To this end, WAPDA has executed essential components of the Project w.r.t its objectives, current scenario, and existing design failures.
- b. Detailed report with Implementation Plan has been submitted on 25.11.2020.
- c. WAPDA has briefed the worthy Prime Minister, on 26.11.2020, as well as the Minister of Planning, Development and Special Initiatives (PD&SI), on 26.11.2020, concerning the Project.
- d. Draft of the Position Paper, concerning the Project, has been submitted to MoWR on 03.12.2020.
- e. WAPDA carried out conditional assessment surveys, and prepared conceptual study, in January, 2021, to identify and address issues concerning implementation of gravity-based canal, and possible ways forward.

5. As mentioned earlier, since TI-P does not have any in-house technical expertise to accurately understand the technical aspects of WAPDA's projects, or details concerning its designs, it is clear that TI-P has been misled by the alleged complainant(s).
6. Importantly, Letter dated 08.06.2021 does not reveal TI-P's source or alleged complainant behind, who has motivated these mala fide allegations.

In the circumstances, through the instant letter, WAPDA requests TI-P to kindly disclose the names and particulars of its alleged informers/complainants, who have motivated the mala fide, false and defamatory Letter dated 08.06.2021, so that WAPDA can initiate appropriate legal action against such individuals and entities.

Thanking you in advance for your cooperation, in this regard.

Regards,

On behalf of WAPDA.


Director (Legal)
Wapda

Copy forwarded to:

1. General Manager (C&M) Water WAPDA, WAPDA House Lahore.
2. General Manager (Project) South WAPDA Hussainabad, Hyderabad.
3. Project Director, K-IV Project Karachi.