
Munda Dam Project delayed for 2 years due to bottlenecks

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Daily Times reported that Munda Dam Project has delayed for 2 more years, consequently would result an escalation cost of USD 1.75 billion against the estimated cost of USD 1.2 billion.

Mr Ahmed Masood Chaudhry MD of Munda Multipurpose Dam Project said that the project had been delayed due to bottlenecks. He added that the MMDP sponsor, Munda Hydropower Limited has refused to work in JV with Water & Power Development Authority under public private partnership program.

He said the sponsors have obtained injunction from Islamabad High Court through an order dated June 4th 2008 that has directed the federal government and its agencies of Private Power & Infrastructure Board and WAPDA. He added that they had spent USD 15 million on the feasibility report on the project that was formally approved by PPIB and PPIB issued their approval letter to MHL on November 11th 2006.

He said that MHL was issued a letter of interest to develop MMDP located on River Swat in the NWFP. The project envisages generation of 740 MW of electricity and has a storage capacity of 1.2 million acre feet to augment the irrigation requirements of NWFP and mitigation of flood losses created by Swat River. In accordance with stipulations of the approval letter, MHL was to approach National Electric Power Regulatory Authority for tariff negotiations.

However, the Ministry of water & power prevented the sponsor to do so on the plea that the ministry was considering alternations in the feasibility developed dam parameters. Ministry of water & power failed to intimate the sponsor the extent and nature of alternations which was most essentially required to study and change in the design implications based on site conditions.

He further added that sponsor was kept in dark and suspense for more than 15 months after the feasibility approval and were unable to proceed with the project development, despite the fact that the sponsor had amply demonstrated their financial strength to develop the project including firm commitment letters from two independent international financing agencies making commitments for providing financing for the entire MMDP up to USD 1.2 billion.

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