

## **Experts propose to declare Bhasha Dam a public limited company**

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LAHORE: The energy sector experts have floated a proposal of declaring Bhasha Dam Project a public limited company and offer its shares to the public for sale.

They said the public should buy these shares for dividends besides owning the dam. "A share price of Rs 10 to 20 can be ideal," they said, adding that this would be a better option than asking for donations.

However, some other circles have apprehended a refusal of the proposal by the Water and Power Development Authority (WAPDA), saying they might lose control over it since shareholders would have a say in the management affairs of the dam.

They also pointed out that any such situation would also be unacceptable to the governments of Khyber Pakhtunkhwa and Gilgit-Baltistan as a public limited company with partial private shareholding because the federal government would not be able to provide net hydro profit to the provinces under the Constitution. They might get some water use charge which, if we go by the example of AJK and Mangla Dam, would be lower than the net hydro profit.

However, the proponents of the proposal are of the view that if the provincial governments are prudent enough, they can make their supporters to buy more shares for more dividends.

According to these circles, another option can be the limitation of the company for completion period of the project and subsequently hand over the distribution of water to the provinces as per the IRSA formula. Giving net profit to provincial governments for their non-developmental budgetary expenditure should be replaced with maximum share to people of that province in the form of shares. Torch bearers of provincial rights (having enough money) should be made to buy these shares and local chambers of commerce should be directed to campaign for this purpose by the Chief Justice. This will make the dam a public property, they stressed.

It may be noted that the Ethiopian government had also sought public contribution for a dam but the energy sector experts have pointed out that a project worth \$4 billion of Ethiopian government cannot be compared with a project worth over \$16 billion.

Out of 4 billion dollars for the Ethiopian dam, they said, some \$2 billion was financed by Chinese banks in the form of plant and machinery. The residual amount is being raised by introducing a bond by the government (a very systematic and organized way of raising funds).

“If we follow the same model, we need at least 50 percent to be raised through foreign financial institutions since our economy doesn’t have the strength to generate such funds on their own,” they added.

Furthermore, they said, there are other economic indicators like Ethiopia having a GDP of slightly less than \$90 billion compared to close to \$300 billion of Pakistan. “So, we are way ahead but at the same time we are looking forward to build the highest-RCC based water reservoir in the world.”

They said the Ethiopian dam has been under construction since 2011 with no certain completion date in sight while the target given to public through bonds is a mere \$2 billion, which means raising \$16 billion through public finance is a long process that may spread over decades.

The Chief Justice fund has raised slightly over Rs 3.2 billion so far that includes salaries of the armed forces and government departments. Meanwhile, a personal request by the Prime Minister has brought a handsome foreign remittance to the account but from a professional standpoint the energy experts are not convinced that focusing solely on public finance would bring us funds to build Diamer Basha Dam.

Instead, they have proposed of diverting these Rs 3 billion to start construction of economical small water reservoirs than waiting forever for collection of \$16 billion to start with a huge dame like Diamer Basha since the water crises is looming large and we need to move forward by taking effective measures to address the water crisis.

They have warned that sentiments are respected but huge capital intensive projects of dams are not built in donations. A concrete financial plan has to be developed if it is to be materialized, they concluded.