27 Pakistan

Metropolitan Water Supply Project (Khanpur I)

The Khanpur water purification plant constructed under this project

Outline of Loan Agreement

Loan Amount / Disbursed Amount	12,518 million yen / 12,442 million yen
Loan Agreement	March 1989
Terms & Conditions	Interest rate 2.5% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	October 2000

Project Outline

Construction of the waterworks facilities was undertaken with Khanpur Dam as its water source, in response to the increasing water demand in the Islamabad metropolitan area, including Rawalpindi and farming areas in the vicinity due to the progress in urban development.

Results and Evaluation

Through this project, sluice gate and water conveyance facilities, water purification plants, pumps and electrical equipment, and water storage facilities were constructed. As approximately eight years were spent in land acquisition, the completion of the project's implementation schedule was delayed by approximately 7 years.

Although at the time of planning, the water supply volume per day was projected for one-thirds to be supplied to Islamabad and two-thirds to be directed to Rawalpindi, the actual results for both since completion of works in 2000 are falling below the projected targets. Particularly, the water supply for Rawalpindi is only 20% to 30% of the planned volume, and in the present condition, the project's realization of effects is insufficient. Although the main cause of this is the fact that the water levels of the Khanpur Dam is decreasing due to drought, and that purified water production cannot proceed according to plan, another factor is that the construction of water distribution pipes (not financed by ODA loans) in the Rawalpindi region has been delayed.

The population increase in Islamabad is progressing more quickly than predicted, and to meet the water demands of the future, the execution of the recommendations made by JBIC in the Special Assistance for Project Sustainability (SAPS) implemented in 2000, such as securing water sources and rehabilitating pipe networks, is a primary issue.