



August 31, 2026

Ms. Bolormaa Amgaabazar
Country Director for Pakistan
Islamabad

Subject: Complaint Against Allegations of Irregularities in Procurement of Design, Supply, Installation, Testing & Commissioning of Turbines, Generators, Electrical System, Switchyard & Power Evacuation” of the Gabral Kalam Hydropower Project located in District Swat, Khyber Pakhtunkhwa, Funded by the World Bank under Khyber Pakhtunkhwa Hydropower Renewable Energy Development (KHRE) Project, RFB No. PK-PEDO-370110-CW-RFB)

Dear Madam,

Transparency International Pakistan has received a complaint against serious allegations of irregularities in the procurement of the Gabral Kalam Hydropower Project, funded by the World Bank under Khyber Pakhtunkhwa Hydropower Renewable Energy Development (KHRE) Project RFB No. PK-PEDO-370110-CW-RFB) (**Annex-A**).

The complainant has made the following allegations:

That:

1. The Khyber Pakhtunkhwa Energy Development Organization (PEDO) through PMO KHRE invited bids for GKHPP-E&M Works (Package 2): Design, Supply, Installation, Testing & Commissioning of Turbines, Generators, Electrical System, Switchyard and Power Evacuation on December 27, 2023 (**Annex-A**).
2. The evaluation process for the prequalification has taken place in contravention to the eligibility and qualification requirements as per the World Bank Procurement Regulations for IPF Borrowers
3. The IMPSA – BITC JV has *mis-represented its corporate status as a “private company” in the letter of Bid, whereas, on the contrary IMPSA is a state-owned entity* in violation of the requirements under the bidding documents (**Annex B & C**).
4. The available information indicates that IMPSA was acquired by the Government of Argentina in 2021 following substantial indebtedness and financial distress/bankruptcy and remained state-owned until the end of 2024 (**Annex-D**).
1. The Clause 3.3 (Financial Resources) of Qualification Criteria requires **bidders** to demonstrate adequate financial capability, as quoted below (**Annex-E**):
 - (i) *Minimum average annual turnover in Design, Supply & Installation of E & M Works/Plant of USD Twenty-five (25) million, calculated as total certified payments received for contracts in progress or completed, within the last Five (05) years, divided by Five (05) years. Each member must meet twenty percent (25%) of the requirement.*
 - (ii) *The bidder must demonstrate access to, or availability of financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet*
 - (i) *the following cash-flow requirement:*
USD Six (6) million
 - and
 - (ii) *the overall cash flow requirements for this contract and its current commitments.*



2. In fulfilling the above bidding requirement, IMPSA – BITC JV submitted the BANCOPATAGONIA Bank's reference letter (Line of Credit) to Employer. Employer verified from the bank the subject letter in September 2024 and in response bank submitted a letter which states the following and does not constitute the confirmation of Line of Credit.:

"I hereby confirm the veracity and authenticity of the attached letter. However, the foregoing does not imply any degree of acceptance about the granting of the loan line, neither the entity nor its signatories guaranteeing said granting in any way until IMPSA is awarded with the contract and the company is evaluated according to prevailing standards at the time and its credits conditions."

(Annex-F)

Transparency International Pakistan's Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie the allegations seem to be correct. Following are TI Pakistan comments:

1. The World Bank's Procurement Guidelines and the relevant bidding document clauses quoted by the complainant are unequivocal in regard that only state-owned enterprises which are legally and financially autonomous can be considered eligible, as quoted below:

"Bidders that are state-owned enterprises or institutions in the Employer's Country may be eligible to compete and be awarded a Contract(s) only if they can establish, in a manner acceptable to the Bank, that they

(i) are legally and financially autonomous

(ii) operate under commercial law, and

(iii) are not under supervision of the Employer."

2. The World Bank and the Khyber Pakhtunkhwa Hydropower Renewable Energy Development (KHRE) Project must investigate serious allegations of financial bankruptcy of the prequalified bidder.

Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Country Director World Bank to examine the allegations of the complaint to determine their veracity. If the allegations are found correct, World Bank must take appropriate action in compliance with World Bank Anti-Corruption Policies and re-initiate procurement process for the prequalification of bidders in compliance with World Bank guidelines and requirements in the RFP.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption, and achieve against Zero tolerance against corruption

With Regards,

(Advocate Daniyal Muzaffar)

Trustee/Legal Advisor

Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Advisor to PM, PM House, Islamabad
2. Chief Minister KP, CM House, Peshawar
3. Project Director, (KHRE) Project
4. Chairman, Senate Committee on Economic Affairs, Islamabad
5. Chairman, PMIC, Islamabad
6. Registrar, Peshawar High Court
7. Head, World Bank Integrity Unit



Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, and a three member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

“What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution”

Specific Procurement Notice

**Request for Bids
Plant
Design, Supply and Installation
(Two-envelope Bidding Process, Without Prequalification)**

Employer: Pakhtunkhwa Energy Development Organization (PEDO) through PMO KHRE

Project: Khyber Pakhtunkhwa Hydropower Renewable Energy Development (KHRE)

Contract title: GKHPP-E&M Works (Package 2): Design, Supply, Installation, Testing & Commissioning of Turbines, Generators, Electrical System, Switchyard and Power Evacuation

Country: Islamic Republic of Pakistan

Loan No. /Credit No. / Grant No.: IBRD-91640; IDA 67790

RFB No: PK-PEDO-370110-CW-RFB

Issued on: December 27, 2023

1. The Islamic Republic of Pakistan has received financing from the World Bank toward the cost of the Khyber Pakhtunkhwa Hydropower Renewable Energy Development (KHRE), and intends to apply part of the proceeds toward payments under the contract for “GKHPP-E&M Works (Package 2): Design, Supply, Installation, Testing & Commissioning of Turbines, Generators, Electrical System, Switchyard and Power Evacuation” of the Gabral Kalam Hydropower Project located in the Swat District of Khyber Pakhtunkhwa Province (KP). For this contract the Borrower shall process the payments using the Direct Payment disbursement method, as defined in the World Bank’s Disbursement Guidelines for Investment Project Financing, except for those payments, which the contract provides to be made through letter of credit.
2. The PEDO through PMO KHRE now invites sealed Bids from eligible Bidders for the works, including, but not limited to the below:

Design, Supply, Installation, Testing and Commissioning of Electrical, Mechanical & Hydraulic Steel Works:

- **Mechanical Works:**

Turbines, Governors, Inlet valves; HVAC System, Overhead Travelling Crane, Mobile and Gantry cranes, Draft Tube Gates, and other Auxiliary Mechanical Systems.

- **Electrical Works:**

Generators, Generator Step-Up (GSU) Transformers, HV Gas Insulated Switchgears (GIS), MV Switchgear, HV/MV/LV Cables, Control and Monitoring System, Protection System, Telecommunication, LV AC and DC System, and Auxiliaries (lighting, earthing, lightning, CCTV etc.).

- **Transmission Lines:**

3 km long 132 kV Transmission line with loop-in loop-out arrangements to be connected to 132 kV Matiltan HPP transmission line.

11 kV Transmission line to be connected to (i) Employer's residential colony (2-3 km long); and (ii) Weir (7.5 km long).

Detail Scope of Work, Quantities, location of project and other necessary information is described in the Bidding Document.

3. Bidding will be conducted through international competitive procurement using a Request for Bids (RFB) as specified in the World Bank's "Procurement Regulations for IPF Borrowers" Fourth Edition, November 2020 ("Procurement Regulations"), and is open to all eligible Bidders as defined in the Procurement Regulations.
4. Interested eligible Bidders may obtain further information from the office of "Director Project, Gabral Kalam HPP (KHRE)" and inspect the Bidding Document during office hours 0900 to 1700 Pakistan Time at the address given below.
5. The Bidding Document in English may be purchased by interested eligible Bidders upon the submission of a written application to the address below and upon payment of a nonrefundable fee of Pakistani Rupee 20,000/- or equivalent USD. The method of payment will be through cashier's check, pay order or bank draft drawn on a scheduled bank of Pakistan in favour of the "Head PMO, Construction of 88 MW Gabral Kalam Hydropower Project". The document will be sent by airmail or courier as appropriate or it may be picked up from the Employer's address given below.
6. Bids must be delivered to the address below on or before **1400 Hrs, March 01, 2024**. Electronic bidding will not be permitted. Late Bids will be rejected. The outer Bid envelopes marked "ORIGINAL BID", and the inner envelopes marked "TECHNICAL PART" will be publicly opened in the presence of the Bidders' designated representatives and anyone who chooses to attend, at the address below on **1400 Hrs, March 01, 2024**. All envelopes marked "FINANCIAL PART" shall remain unopened and will be held in safe custody of the Employer until the second public Bid opening.
7. All Bids must be accompanied by a Bid Security of USD 1.0 million or its equivalent in another freely convertible currency calculated on the base of the selling exchange rate of the State Bank of Pakistan on the date of 28 days before the deadline of bid submission.

8. Attention is drawn to the Procurement Regulations requiring the Borrower to disclose information on the successful bidder's beneficial ownership, as part of the Contract Award Notice, using the Beneficial Ownership Disclosure Form as included in the bidding document.

9. The address referred to above is:

Director Project (GKHPP),
Ground Floor, NESPAK Building (PMO KHRE, PEDO),
Plot# 24, Sect B/2, Phase-5 Hayatabad, Peshawar
Khyber Pakhtunkhwa Province
Islamic Republic of Pakistan
Telephone No.: +92 91 921 9616-7
Email: proc.wbprojects@pedo.pk

GABRAL KALAM HYDROPOWER PROJECT

CONTRACT NO: PK-PEDO-370110-CW-RFB

Islamic Republic of Pakistan

IMPSA



IMPSA – BITC JV

(g) **Performance Security:** If our Bid is accepted, we commit to obtain a Performance Security in accordance with the bidding document;

(h) **One Bid Per Bidder:** We are not submitting any other Bid (s) as an individual Bidder, and we are not participating in any other Bid (s) as a Joint Venture member, and meet the requirements of ITB 4.3, other than alternative Bids submitted in accordance with ITB 13;

(i) **Suspension and Debarment:** We, along with any of our subcontractors, suppliers, consultants, manufacturers, or service providers for any part of the contract, are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the World Bank Group or a debarment imposed by the World Bank Group in accordance with the Agreement for Mutual Enforcement of Debarment Decisions between the World Bank and other development banks. Further, we are not ineligible under the Employer's country laws or official regulations or pursuant to a decision of the United Nations Security Council;

(j) **State-owned enterprise or institution:** We are not a state-owned enterprise or institution.

(k) **Binding Contract:** We understand that this Bid, together with your written acceptance thereof included in your Letter of Acceptance, shall constitute a binding contract between us, until a formal contract is prepared and executed;

(l) **Not Bound to Accept:** We understand that you are not bound to accept the lowest evaluated cost Bid, the Most Advantageous Bid or any other Bid that you may receive; and

(m) **Fraud and Corruption:** We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf engages in any type of Fraud and Corruption.

Name of the Bidder:	(*) IMPSA – BITC JV (Letter of intent to form a JV)
Name of the person duly authorized to sign the Bid on behalf of the Bidder:	NABEEL TAHIR
Title of the person signing the Bid:	Authorized representative
Signature of the person named above:	
Date signed	17 day of May, 2024

*: In the case of the Bid submitted by joint venture specify the name of the Joint Venture as Bidder

** : Person signing the Bid shall have the power of attorney given by the Bidder to be attached with the Bid



Unified Social Credit Code
91110108770437997B

Business License

Copy 3-2



Scan the QR code to visit the "National Business Credit Information Disclosure System" for more information on registration, filing, licensing and supervision

Name Beijing IWHR Technology Co., Ltd
Company Type Limited Liability Company
Legal Representative Wang Guiping
Business Scope

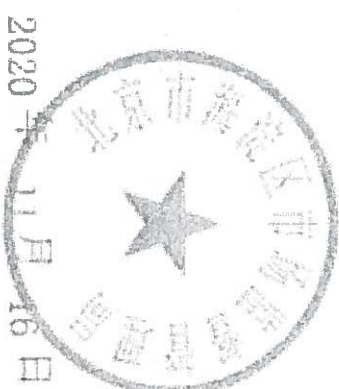
Technological development, technological service, technology transfer, technological consultation, Goods import & export, technologies import & export, acting as an agent for import & export, Sales of electro-mechanical equipment, instrument, computer, software and accessory device, construction material; Computer system service; Technological testing; Data processing(); Internet information service. (Market entities choose business projects in accordance with the law independently, carry out business activities; Internet information service and subjects to approval as required by laws can be operated after being approved by relevant administrative departments; Do not engage in business activities that are prohibited and restricted by the industrial policies of the state and the city.)

Registered Capital
Date of Establishment
Operation Period
Company Address

RMB 30,000,000.00
December 23, 2004
From December 23, 2004 to December 22, 2034
Rm. 301, Building 2, West Block 2, A1 Fuxing Road, Haidian District, Beijing

Beijing Haidian District Administration
for Market Regulation
(seal)
November 16, 2020

Registration Authority



IMPSA

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AUTHORITIES

SHAREHOLDING COMPOSITION

63.7% of IMPSA's shares are owned by the Fondo Nacional de Desarrollo Productivo (FONDEP), a fund controlled by the Argentine Federal Government, while 21.2% of IMPSA's shares are owned by the Province of Mendoza.

The remaining percentage of its capital stock (15.1%) is privately held: 9.8% is held by an equity fund controlled by the Company's creditors and 5.3% is held by an equity trust controlled by IMPSA's original founding shareholders.

IMPSA Ownership Timeline (2021–2024)

June 2021

IMPSA is nationalized; the Argentine national government acquires **63.7%**, the Province of Mendoza acquires **21.2%**, totaling **84.9%** in public hands, following a capital injection of US \$20 million. (Wikipedia, IMPSA)

July 2021 – Mid-2024

IMPSA remains **state-controlled**, with majority public ownership (84.9%). No sale or privatization occurs during this period.

July 2024 – October 2024

The government initiates an asset transfer process due to ongoing financial losses and heavy debt (~US \$500 million). (Wikipedia)

ARC Energy (via IAF) submits the only formal privatization offer (US \$27 million + assumption of US \$576 million debt). (Wikipedia, Rio Times, El País)

February 11, 2025

Final privatization completed: shares formally transferred to ARC Energy/IAF. IMPSA is no longer state-owned. (Wikipedia, IMPSA, Reuters)

Annex-E

Factor	3 Financial Situation					
Sub-Factor	Requirement	Criteria				Documentation Required
		Single Entity	Bidder			
			Joint Venture (existing or intended)			
			All members combined	Each member	At least one member	
	completed, within the last <i>Five (05)</i> years, divided by Five (05) years					
3.3 Financial Resources	The Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet: (i) the following cash-flow requirement: <i>USD Six (6) million</i> and (ii) the overall cash flow requirements for this contract and its current commitments.	Must meet requirement	Must meet requirement	Must meet twenty percent (25%) of the requirement	Must meet forty percent (40%) of the requirement	Form FIN-3.3

Ciudad de Mendoza, 02 de Agosto de 2024

To: Pakhtunkhwa Energy Development Organization (PEDO)

RFB No: PK-PEDO-370110-CW-RFB

Ref: REQUEST FOR BID FOR GABRAL KALAM HYDROPOWER PROJECT

Of our consideration:

We have registered in our books an account opened at Branch 630 since June 1980, in the name of IMPSA S.A. (former Industrias Metalúrgicas Pescarmona SAICYF), CUIT 30-50146646-4, CBU 0340010400102725630000 with address at Carril Rodríguez Peña 2451, Godoy Cruz, Mendoza, which operates normally.

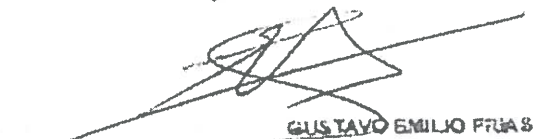
Experience to date with respect to compliance has been satisfactory.

Subject to the conditions that our entity considers and in accordance with internal regulations, we inform you that we will evaluate a loan of USD 15 million to finance the reference work.

The foregoing does not imply any degree of acceptance of the granting of the loan line, neither the entity nor its signatories guaranteeing said granting in any way until IMPSA S.A. is awarded with the contract and the company is evaluated according to the prevailing standards at that time and its credit condition.

Without another greeting to you sincerely.

For Banco Patagonia


Name: Gustavo Frías
GUSTAVO EMILIO FRÍAS
Gerente de Empresas
BANCO PATAGONIA

Designation: Oficial Empresas

Seal: