

# Social Monitoring Report

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Bi-annual Social Monitoring Report  
January 2017

## PAK: MFF – Power Distribution Enhancement Investment Program (Tranche 2)

Prepared by Multan Electric Power Company, Punjab for the Asian Development Bank.

## NOTES

- (i) The fiscal year (FY) of the Government of the Islamic Republic of Pakistan and its agencies ends on 30 June.
- (ii) In this report “\$” refer to US dollars.

This social monitoring report is a document of the Borrower. The views expressed herein do not necessarily represent those of ADB’s Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

Re: Fw: Loans 2727-PAK/2972-PAK/3096-PAK: PDEIP, Tranches 2, 3 and 4 -  
MEPCO's Bi\_Annual Social Reports July-December, 2016

Jose Tiburcio Nicolas cc: Liaqat Ali

22/01/2017 07:20 PM

Ehtesham Z. Khattak, Zhang Lei, Muhammad Zeeshan, Ashfaq  
Khokhar

Dear Liaqat sb,

I have reviewed the internal monitoring reports for Tranche 2, 3 and 4 for the period July-December submitted by MEPCO. I endorse these three reports for acceptance by ADB and uploading on the ADB website.

The Tranche 2 report confirmed that civil works and compensation payments have been completed. It is suggested that a review of the restoration of the sites for the completed works be included in their next monitoring report which can also be considered as their final SMR for Tranche 2 (unless new subprojects are being proposed for this Tranche).

The Tranche 3 report noted the efforts being made to engage the plot owners on the realignment of the transmission line to find a solution to the DPs concerns. Such active engagement is a good approach and should be continued to ensure that their concerns are resolved and the subproject is implemented. However, the report also noted that in two subprojects compensation payments has been delayed. Daharanwala subproject has been completed and energized, but compensation payment made so far is for impacts from the foundation stage. Similarly, in Fagiwali subproject where civil works has been completed, no compensation payment has been made. This is non-compliant with the LARP provisions and puts the project at risk of complaints. ADB needs to call MEPCO management attention to address this issue and prioritize the completion of compensation payments in these 2 subprojects. For the rest of the subprojects where civil works is ongoing, MEPCO needs to ensure that measures are made to avoid delay in compensation payments

The Tranche 4 report indicated that for 4 subprojects, the works for the transmission has not started. Hence, no compensation payments are due at this time.

We fully support the ESU recommendation to maintain the process of communication and consultation with community representatives, planning of the T/lines construction in accordance with the LARPs, and timely pay compensation to DPs. Please ask MEPCO to seriously note and act on these recommendations and report to ADB the actions taken address these, with priority given to the 2 completed subprojects where compensation has been substantially delayed.

Regards,

Tito S. Nicolas

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Liaqat Ali

Dear Tito: Please review and provide your com...

16/01/2017 09:06:37 AM

From: Liaqat Ali/PRM/ADB  
To: Jose Tiburcio Nicolas/CWRD/ADB@ADB  
Cc: Zhang Lei/CWRD/ADB@ADB, Ehtesham Z. Khattak/PRM/ADB@ADB  
Date: 16/01/2017 09:06 AM  
Subject: Fw: Loans 2727-PAK/2972-PAK/3096-PAK: PDEIP, Tranches 2, 3 and 4 - MEPCO's Bi\_Annual Social Reports July-December, 2016

Dear Tito:

Please review and provide your comments on the SMR for the above tranches and/or clearance for disclosure.

Regards,  
Liaqat Ali, Project Analyst, Pakistan Resident Mission  
Level 8, North, Serena Office Complex, G-5, Islamabad/Pakistan  
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----- Forwarded by Liaqat Ali/PRM/ADB on 16/01/2017 09:04 AM -----

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Date: 15/01/2017 11:57 PM  
Subject: Bi\_Annual Social Reports July-December, 2016

Respected Liaqat Ali sb,  
Find Please (attached) Bi-Annual Social Monitoring Reports (July -December, 2016) of Tranche-II,III&IV in respect of MEPCO.

Regards,  
Muhammad ARIF  
DM(E&S) MEPCO



Sent from Yahoo Mail on Android Bi-Annual Social Reports July-December, 2016.zip

**ADB**

## Bi-annual Social Safeguard Monitoring Report

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Project Number: 2727-PK

**Islamic Republic of Pakistan: Power Distribution Enhancement Investment  
Program, Multi-Tranche Finance Facility (PDEIPMFF-Tranche-II)  
(Financed by the Asian Development Bank (ADB))**

(July - December, 2016)

Prepared by: Muhammad Arif, Assistant Manager (Social)  
Multan Electric Power Company (MEPCO)  
Multan, Pakistan  
For Pakistan Electric Power Company (PEPCO)  
Multan Electric Power Company (MEPCO)

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**Asian Development Bank**



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## 1. INTRODUCTION AND BACKGROUND OF THE PROJECT

### 1.1 BASIC DATA OF TRANCHE-II PROJECT

a.	ADB Loan No.	2727-PAK
b.	Project Title	Power Distribution Enhancement Investment Project Tranche II
c.	Borrower	Islamic Republic of Pakistan
c.	Executing Agency	Pakistan Electric Power Company (PEPCO)
e.	Implementing Agency	Multan Electric Power Company Ltd. (MEPCO)
f.	(b)Total Project Cost	US \$ 28.88 Million (Revised)
g.	ADB Loan	US \$ 23.280 Million
h.	Loan Approval Date	September 12, 2008
i.	Loan Signing Date	January 28, 2011
k.	Date of Closing	
	i) Original	September 30, 2015
	ii) Revised	December 31, 2016
l.	Date of Physical Completion	
	i) Original	March, 2015
	ii) Revised	June, 2016
m.	Elapsed Loan Period	
	i) Original	63 Months
	ii) Revised	
n.	Date of Last ADB Review Mission	05-12-2016



## 1.2 MEPCO Introduction

Multan Electric Power Company (MEPCO) is a Public Limited Utility Company, established in 1998 under Companies Ordinance 1984, responsible for distribution of Electric Power within its territorial jurisdiction in thirteen districts of Punjab Province. To meet the increased power demand and to improve the grid stations and transmission lines infrastructure MEPCO decided to approach the loaning agencies through Government of Pakistan like Asian Development Bank, World Bank and other financing sources to arrange financing. Negotiations were carried out with the Asian Development Bank and the Bank agreed to support the program through Multi Tranche Financing Facility-1 (MFF-1) to be implemented in three phases i.e. Tranche-I, II, III & IV.

## 1.3 Scope of Work

Asian Development Bank in Tranche - II financed overall 20 Nos. of projects. The detail of the subproject is as under.

- i. Construction of 02 No. of New 132 kV Grid Stations and allied Transmission Lines
- ii. Conversion of 03 Nos. of Grid Substations from 66 kV to 132 kV & allied Transmission Lines
- iii. 14 Nos. of Augmentations
- iv. Capacitors installation

Overall the proposed MFF were designed to address both investment and institutional aspects in electric power sector. Development Objectives/ Project Purpose will be fully achieved after completion of the all proposed Sub-projects.

- Construction activities of all subprojects have been completed and energized, **(Annex - I)**
- Deputy Manager (Environment) & Assistant Manager (Social) are working in Environment & Social Cell (ESC) under Chief Engineer (Development) MEPCO Multan in Project Management Unit (PMU)
- PD (GSC), Contractor(s) and other related staff have been provided continuous orientation on Environment and Social Management & Implementation of ADB

guidelines, safeguard policy statement (2009) and rules/regulations of Government of Pakistan.

## **2. PROJECT WISE SUMMARY OF THE PROJECTS UNDER ADB TRANCHE - II**

### **2.1 Miranpur (Galleywal) 132 kV New Grid Station and allied Transmission Line (Social Monitoring)**

MEPCO purchased 5.72 acres of land (**Annex-II**) from two landowners on voluntary sale bases against negotiated price for construction of new grid station and compensation payment for grid station land paid to the Affected Persons (Annex - III). Therefore, no social impacts were associated with the construction of grid station. However, there were some minor social impacts (i.e. crops damages) associated with the construction of 11.5 km transmission line that has passed through four villages and hamlets.

- Works activities of both Grid and Transmission line fully completed.
- Crops compensation has been paid to all affected households of all three stages i.e. foundation, erection and stringing stages.
- Continuous consultation meetings were carried out with general public, land owners whose land affected during construction activities of transmission line.
- Contractor planted 1200 hundred plants of different type including fruit and wood tree at the grid site. However, tree plantation not observed alongside the transmission line route.

### **2.2 Alipur Conversion of 66 kV to 132 kV Grid Station and allied Transmission Line (Social Monitoring)**

Conversion activities of 66 kV to 132 kV were carried out totally within the boundary of the existing grid station without acquiring additional land. Civil works of both grid station and transmission line completed and energized. Compensation of all three stages has been paid to all affected persons of transmission line.

### 2.3 Fatehpur Conversion of 66kV to 132 kV Grid Station and allied Transmission Line (Social Monitoring)

Conversion activities of 66 kV to 132 kV were carried out totally within the boundary of the existing grid station without acquiring additional land. Civil works of both grid station and transmission line completed and energized. Compensation of all three stages has been paid to all affected persons of transmission line.

### 2.4 Kameer 132 kV New Grid Station (DDR) (Social Monitoring)

MEPCO purchased land for construction of new grid station on willing-seller, willing-buyer bases and has paid compensation to the landowner (**Annex IV**). Therefore, land acquisition or involuntary resettlement impacts not involved in the construction of new grid station. Grid station connected with Yousif wala - Arifwala 132 kV transmission line passing within the boundary of newly constructed grid. Therefore, impacts related with transmission line also not involved. Grid station completed and energized

### 2.5 Noorsar Conversion of 66 kV to 132 kV Grid Station (DDR)

Conversion of the Noorsar grid station is being carried out within the existing boundaries of it, already owned by the MEPCO. Therefore, no land acquisition and resettlement impacts are involved in the conversion of the substation. The construction of transmission is not involved; therefore, DDR has been prepared for this sub projects.

## 3. Summary of Physical Works and Compensation Status

Sr. No.	Name of Subproject	Compensation Status	Remarks
1	Kameer 132 kV New Grid Station	Paid	<p><b><u>Grid Station</u></b></p> <ul style="list-style-type: none"> <li>Land has been purchased on willing seller willing buyer basis and after negotiation compensation amounting <b>Rs. 6,446,738/-</b> against land acquired has been paid to the affected person(s).</li> </ul> <p><b><u>Transmission Line</u></b></p> <ul style="list-style-type: none"> <li>All works executed within the boundary of grid station therefore land is not acquired for</li> </ul>

Sr. No.	Name of Subproject	Compensation Status	Remarks
			this subproject.
2	Norsar 132 kV (conversion from 66 kV to 132 kV) Grid Station	Not applicable	<ul style="list-style-type: none"> <li>All works carried out within the boundary of existing grid station therefore land is not acquired for this subproject.</li> </ul>
3	132 kV Miranpur (Gallyewal) New Grid Station and Allied T/L	Paid	<p><b><u>Grid Station</u></b></p> <ul style="list-style-type: none"> <li>Compensation payment <b>Rs. 6,435,000/-</b> against the grid station land has been paid to the affected person(s).</li> </ul> <p><b><u>Transmission Line</u></b></p> <ul style="list-style-type: none"> <li>Crops compensation of all stages has been paid to all affected Persons.</li> </ul>
4	Fatehpur 132 kV (conversion from 66 kV to 132 kV) grid station and allied T/L	Paid	<p><b><u>Grid station</u></b></p> <ul style="list-style-type: none"> <li>All works carried out within the boundary of existing grid station therefore land not acquired for this subproject.</li> </ul> <p><b><u>Transmission Line</u></b></p> <ul style="list-style-type: none"> <li>Crops Compensation of three stages has been paid to all affected persons.</li> </ul>
5	Alipur 132 kV (conversion from 66 kV to 132 kV) grid station and T/L	Paid	<p><b><u>Grid station</u></b></p> <ul style="list-style-type: none"> <li>All works civil works carried out within the boundary of existing grid station therefore land not acquired for this subproject.</li> </ul> <p><b><u>Transmission Line</u></b></p>

Sr. No.	Name of Subproject	Compensation Status	Remarks
			<ul style="list-style-type: none"> <li>Crops Compensation of three stages has been paid to all affected persons</li> </ul>

#### 4. Involuntary Resettlement Identification and Categorization

There were 03 out of 20 Projects which fall in **Category-B** (01 No. of New Grid Stations and allied T/Lines and 02 No of T/Lines for conversion of 66 KV to 132 KV grid stations) required short **LARP** preparation, implementation, monitoring and uploading/ posting at ADB and MEPCO official website. While 02 Nos. of subprojects fall in **Category-C**, does not require any LARP as projects are being executed within the boundary of already existing grid stations.

##### 4.1 Impact of Land Acquisition and Involuntary Resettlement

Name of Project	Land Acquisition Status	Category of subproject	Status of LARP/DDR	Status of Compensation
Miranpur (Galleywal) 132 kV New Grid Station	Land for grid station has been purchased willing seller willing buyer bases.	This project fall in category B	As this subproject falls in <b>category B</b> therefore a short LARP has been prepared and uploaded on MEPCO website both in Urdu and English	<u>Grid Station</u> Compensation for grid station land has been paid <u>Transmission Line</u> Compensation of all stages has been paid.
Fatehpur	Conversion of 66 kV to 132 kV grid station are being executed on existing grid station therefore	This project fall in <b>category B</b>	As this subproject falls in <b>category B</b> therefore a short LARP has been prepared and uploaded on	<u>Grid Station</u> Compensation for grid station not applicable <u>Transmission Line</u> Compensation of all three stages has been

	no land is acquired for this subproject		MEPCO website both in Urdu and English	paid to all affected persons.
Alipur	Conversion of 66 kV to 132 kV grid station are being executed on existing grid station therefore no land is acquired for this subproject	This project fall in <b>category B</b>	As this subproject falls in <b>category B</b> therefore a short LARP has been prepared and uploaded on MEPCO website both in Urdu and English	<b><u>Grid Station</u></b> Compensation for grid station is not applicable <b><u>Transmission Line</u></b> Compensation of all stages has been paid to APs.
Kameer 132 kV new grid station	Land for grid station has been purchased willing seller willing buyer bases.	This project fall in <b>category C</b>	As this subproject falls in <b>category C</b> therefore a short DDR has been prepared and uploaded on MEPCO website both in Urdu and English	<b><u>Grid Station</u></b> Compensation for grid station has been paid <b><u>Transmission Line</u></b> Not Applicable
Noorsar	Conversion of 66 kV to 132 kV grid station are being executed on existing grid station therefore no land is acquired for this subproject	This project fall in <b>category C</b>	As this subproject falls in <b>category C</b> therefore a short DDR has been prepared and uploaded on MEPCO website both in Urdu and English	<b><u>Grid Station</u></b> Not Applicable <b><u>Transmission Line</u></b> Not Applicable

## **5. Social Safeguard Awareness & Trainings**

Several Environmental Training sessions were organized at each subproject site for implementation of Environmental Management Plan. Awareness sessions with m/S Siemens, M/S Al-Fazl and M/S Neie-Alhussain's sub-contractor have conducted for environmental and social safeguard awareness and ADB's Environmental guidelines which need be implemented on subproject sites.

## **6. Public Consultation**

All subprojects were completed in 2015 except Alipur which energized in November, 2016. Therefore, Public consultation meetings conducted with Displaced/affected Persons and community members in last quarter for Ali Pur Grid Station and Transmission Line is as under:

- Meetings and contacts with the APs was a continuous process, project got delay because one land owner got stay order and after many consultation meetings and negotiation, he agreed to proceed work activities. After completion the physical activities compensation of crops/tree damages paid to all affected Persons for both erection and stringing activities.
- Permission/consent from the formers (APs) were taken for erection and stringing works.
- Contractor/workers were instructed to take into the account of local norms and values.
- People were informed about the Crops/trees damages and their compensation payment and process and finally they were paid compensation.

## **7. CONCLUSION AND RECOMMENDATIONS**

### **7.1 Conclusions**

Grids and transmission lines of all subprojects under ADB tranche-II, have been completed. Crops compensation of all stages has been paid to all affected persons of three subprojects. Overall, it is observed that timely provision of crops compensation to the affected person create less resistance and hinders which lead to timely completion of the projects. Contractors were directed to make sure the provision and use of all safety gadgets/PPEs. On site orientation/training session were arranged for the use of PPEs. They were also instructed to take into the account of local norms and values. However frequently trainings/orientations session of the contractor(s) and GSC officers made them realize towards the adoptability and implementation of Environment and Social Management Plan more effectively.

### **7.2 Crops Compensation Assessment Methodology**

There is no SOP available to pay crops compensation before the damages occurred. MEPCO use a traditional way to make crops damages assessment and compensation disbursement. ADB collaboration with WB drafted an SOP for crops compensation. MD PEPCO has accord approval after duly vetted by the legal director PEPCO. The same has been submitted in BOD for approval. After approval from BOD implementation of SOP and process of crops compensation may get smooth and easy. MEPCO is reluctant to "pay before damages" as it has to fulfill departmental procedures and the formalities mentioned above. MEPCO pay crops compensation to the affected Persons in three installments i.e. Foundation, Erection and String work.

### **7.3 Recommendations**

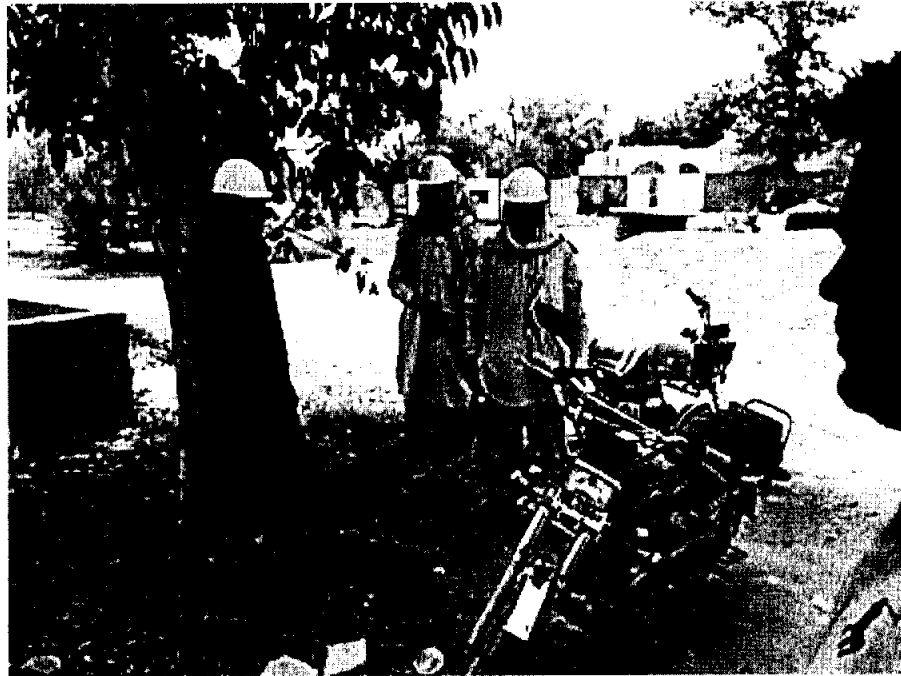
From the findings of the Monitoring Visits, the following mitigation measures are proposed to be implemented in order to minimize any potentially significant impacts:

- Implementation of SOP is necessary for timely provision of crops compensation.
- It is recommended that the process of communication and consultation with the community representatives is aggressively maintained.

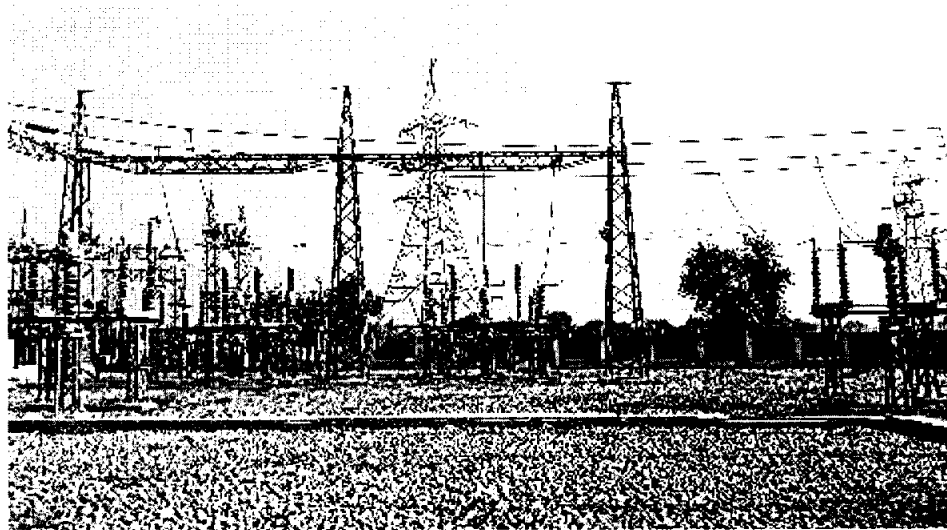


- Construction work of new T/lines should be planned in accordance with LARPs and DDRs to minimize the impacts of construction activities.
- Intra department coordination and cooperation can be helpful to compliance and implementation of LARPs.
- To avoid any accident contractor should make the use of PPEs compulsory.
- Timely compensation to the affected persons can avoid any hindrance and may lead towards in time execution of the project.
- It is also observed that contractor(s) does not give value to environmental and social aspects and considered it unnecessary burden over them.
- All pertinent bills with reference to EMP management should be vetted by the Environmental and Social Safeguard section after on site verification

**Photographs**



Photograph 1: Workers at Alipur Grid Station Site



Photograph 2: Yard and Transmission Line completed at Alipur Grid Station Site



Photograph 3: Distribution of Crops Compensation to the Affected Persons of Ali Pur Transmission Line.



Photograph 4: Distribution of Crops Compensation to the Affected Persons of Ali Pur Transmission Line of erection and stringing works



Photograph 5: Distribution of Crops Compensation to the Affected Persons of Miranpur Transmission Line of erection and stringing works