

# Resettlement Plan Due Diligence

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June 2013

## MFF 0021-PAK: Power Distribution Enhancement Investment Program – Tranche 4

Prepared by Peshawar Electric Supply Company for the Asian Development Bank.

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# **Due Diligence Document**

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**Islamic Republic of Pakistan:**      **Multitranche Financing Facility (MFF)  
For Power Distribution Enhancement  
Investment Program**

**Tranche-IV:**      **Power Transformer's Extension  
& Augmentation Subprojects**

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## **ABBREVIATIONS**

ADB	Asian Development Bank
AP	Affected Persons
DISCOs	Distribution Companies
EA	Executing Agency
PESCO	Peshawar Electric Supply Company
PMU	Project Management Unit
MFF	Multi-tranche Financing Facility
MoWP	Ministry of Water & Power
PEPCO	Pakistan Electric Power Company

## **Units**

GWh	Giga Watt Hour
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## EXECUTIVE SUMMARY

1. 1. The Government of Pakistan (the Government) has requested the Asian Development Bank (ADB) to support the Power Distribution Enhancement Investment Program (the Investment Program) and provide financing through a multi-Tranche financing facility (MFF) for \$810 million over 10 years. The Investment Program is designed to provide grid-connected customers with adequate and reliable supply of electricity. The rehabilitation, augmentation, and expansion of the eight power Distribution Companies (DISCOs) systems will increase the reliability of supply to residential, agricultural, commercial, and industrial customers in Pakistan. A reliable electricity supply will lead to social and economic benefits and improved conditions for schools, hospitals, and other social services.
2. This Investment Program will (i) improve power distribution infrastructure through system rehabilitation, augmentation, and expansion; and relieve the power system from distribution bottlenecks and constraints; (ii) enable continued operation and maintenance in accordance with best international practices; and (iii) commercialize DISCO operations. Specifically, (i) DISCOs will adhere to regulatory requirements and comply with the security standards; (ii) about 12,000 gigawatt-hours (GWh) of additional energy will be supplied through the national grid annually; (iii) the system will be capable of meeting peak demand, with electricity outages significantly reduced; and (iv) 30 million additional people will have access to electricity from the national grid.
3. Pakistan Electric Power Company (PEPCO) has been nominated by Ministry of Water and Power (MoWP) to act as the Executing Agency (EA) with each DISCO being the Implementing Agency (IA) for work in its own area. PEPCO's role in the processing and implementation of the investment program is that of a coordinator. .
4. 4. Peshawar Electric Supply Company (PESCO) will implement the Tranche-4 program which includes ten (10) extension and eighteen (18) augmentation subprojects Extension projects will add new transformers to substations, whereas augmentation will replace the existing overloaded transformers with larger capacity transformers at same location. The projects are located in the urban and rural areas of KPK. The 38 sub-projects will be implemented in Peshawar, Charsadda, Chakdara, Abbotabad, Mansehra, Swat, Swabi, Terbella, Mardan, Timergara, Lakki Marwat, Nowhera, Kohat and Haripur Districts of province KPK.
5. The extension and augmentation sub-projects will all be within the existing grid stations and will not encroach on any land outside the grid stations. All the land belongs to the PESCO.

## 1 PROJECT OVERVIEW

### 1.1 Project Background

1. The Government of Pakistan (the Government) has requested the Asian Development Bank (ADB) to support the Power Distribution Enhancement Investment Program (the Investment Program) and provide financing through a multi-Tranche financing facility (MFF) for \$810 million over 10 years. The Investment Program is designed to provide grid-connected customers with adequate and reliable supply of electricity. The rehabilitation, augmentation, and expansion of the eight power Distribution Companies (DISCOs) will increase the reliability of supply to residential, agricultural, commercial, and industrial customers in Pakistan. A reliable electricity supply will lead to social and economic benefits and improved conditions for schools, hospitals, and other social services.

2. This Investment Program will (i) improve power distribution infrastructure through system rehabilitation, augmentation, and expansion; and relieve the power system from distribution bottlenecks and constraints; (ii) enable continued operation and maintenance in accordance with best international practices; and (iii) commercialize DISCO operations. Specifically, (i) DISCOs will adhere to regulatory requirements and comply with the regulated security standards; (ii) about 12,000 gigawatt-hours (GWh) of additional energy is forecast to be supplied through the national grid annually; (iii) the system will be upgraded to meet peak demand, with electricity outages significantly reduced; and (iv) 30 million additional people will have access to electricity from the national grid by 2018.

3. Pakistan Electric Power Company (PEPCO) has been nominated by Ministry of Water and Power (MOWP) to act as the Executing Agency (EA) with each DISCO being the Implementing Agency (IA) for work in its own area. PEPCO's role in the processing and implementation of the investment program is that of a coordinator.

4. Peshawar Electric Supply Company (PESCO) will implement the Tranche-4 program in the shape of ten (10) extension and Twenty-eight (28) augmentation subprojects, in the urban and the fringes areas of province KPK. The 38 sub-projects will be implemented in Peshawar, Charsadda, Nowshera, Chakdara, Swat, Swabi, Abbotabad, Mansehra, Haripur, Mardan, Kohat and Lakki Marwat districts.

## 2 SCOPE OF LAND ACQUISITION AND RESETTLEMENT

5. The extension and augmentation sub-projects will all be within the twenty five existing Grid stations and will not encroach on any land outside the grid stations. All the land belongs to the PESCO.

**Table 2. 1 Component of Tranche-IV Sub-Projects**

Tranche-IV PESCO Subprojects				
Project No	Associated Project	Name of Grid Station	Type of Project	New Transformer Size
P 1	—	132 kV Abbottabad	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 2	—	133 kV Abbottabad	Augmentation	1x 40 MVA (1x 13 MVA Spare)
P 3	P 26	132 kV Charsadda	Augmentation	1x 40 MVA
P 4	P 27	132 kV Hayatabad	Augmentation	1x 40 MVA
P 5	P 28	132 kV D.I Khan	Augmentation	1x 40 MVA

Tranche-IV PESCO Subprojects				
Project No	Associated Project	Name of Grid Station	Type of Project	New Transformer Size
P 6	P 29	132 kV Swabi	Augmentation	1x 40 MVA
P 7	P 30	132 kV Swat	Augmentation	1x 40 MVA
P 8	P 31	132 kV Swat	Augmentation	1x 40 MVA
P 9	P 32	132 kV Peshawar Cantt	Augmentation	1x 40 MVA
P 10	—	132 kV Peshawar Cantt	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 11	P 33	132 kV Jamrud	Augmentation	1x 40 MVA
P 12	P 34	132 kV Jamrud	Augmentation	1x 40 MVA
P 13	P 35	132 kV Shahibagh	Augmentation	1x 40 MVA
P 14	P 36	132 kV Chakdara	Augmentation	1x 40 MVA
P 15	—	132 kV Shabqadar	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 16	—	132 kV Tangi	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 17	—	132 kV Pabbi	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 18	P 37	132 kV Nowshera City	Augmentation	1x 40 MVA
P 19	—	132 kV Nowshera City	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 20	—	132 kV Jalala	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 21	—	132 kV Haripur	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 22	P 25	132 kV Jehangira	Augmentation	1x 40 MVA
P 23	P 38	132 kV Mansehra	Augmentation	1x 40 MVA
P 24	—	132 kV Hattar	Augmentation	1x 40 MVA (1x 26 MVA Spare)
P 25	P 22	132 kV Gadon Amazai	Augmentation	1x 26 MVA (1x 13 MVA Spare)
P 26	P 3	132 kV Rajjar	Extension	1x 26 MVA
P 27	P 4	132 kV Tajazai	Extension	1x 26 MVA
P 28	P 5	132 kV Pezu	Augmentation	1x 26 MVA (1x 13 MVA Spare)
P 29	P 6	132 kV R.B Tarbela	Extension	1x 26 MVA

Tranche-IV PESCO Subprojects				
Project No	Associated Project	Name of Grid Station	Type of Project	New Transformer Size
P 30	P 7	132 kV K. Khela	Extension	1x 26 MVA
P 31	P 8	132 kV Daggar	Extension	1x 26 MVA
P 32	P 9	132 kV Rehman Baba	Augmentation	1x 26 MVA (1x 13 MVA Spare)
P 33	P 11	132 kV S. Naurang	Extension	1x 26 MVA
P 34	P 12	132 kV Warsak	Extension	1x 26 MVA
P 35	P 13	132 kV S. Chashma	Extension	1x 26 MVA
P 36	P 14	132 kV Timergara	Augmentation	1x 26 MVA (1x 13 MVA Spare)
P 37	P 18	132 kV Nowshera Indst	Extension	1x 26 MVA
P 38	P 23	132 kV Batal	Extension	1x 26 MVA

**Table 2.2 Summary of Sub-Project Works under Tranche-IV**

ABSTRACT			
Rating of Power T/F (MVA)	Projects (No's)		Total
	Augmentation	Extension	
40	24	—	24
26	4	10	14
13	—	—	0
<b>Total</b>	<b>28</b>	<b>10</b>	<b>38</b>

## 2.1 Scope and Rationale for Land Acquisition

### 2.1.1 Site Identification

6. As indicated above no new land will be acquired for the project. The 10 extension and 28 augmentation subprojects will be carried out with in the existing grid stations. The extension subproject includes delivery and connection of new transformer while augmentation includes replacement of existing transformer with a transformer of higher capacity with in the existing grid stations.

For sub-projects selection following criteria was adopted:

- Technical justification.
- Financial and economic viability, and
- Minimal residual environmental and social impacts.



### 2.1.2 Location and Scale of Project

1. **P.1 & P.2 132 kV Abbotabad:** The Augmentation (2x40 MVA) subproject will be located entirely within the existing grid station. Abbotabad is the summer camp of the province and also the head quarter of Hazara Division.
2. **P.3 132 kV Charsadda:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located to the east side of the Charsadda to Mardan Road.
3. **P.4 132 kV Hayatabad:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located to the north side of the Peshawar City to Jamrud Road.
4. **P.5 132 kV D.I.Khan:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located in the main city of D.I.Khan.
5. **P.6 132 kV Swabi:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located to the west side of Mardan Road.
6. **P.7 & P.8 132 kV Swat:** The Augmentation (2x40 MVA) subproject will be located entirely within the existing grid station that is situated on the main Saidu Sharif road. The valley is also named as Switzerland of Asia after its natural beauty and pleasant climate.
7. **P.9 & P.10 132 kV Peshawar Cantt:** The Augmentation (2x40 MVA) subproject will be located entirely within the existing grid station that is in the Defense colony near Gora Qabristan on Khyber Road.
8. **P.11 & P.12 132 kV Jamrud:** The Augmentation (2x40 MVA) subproject will be located entirely within the existing grid station that is located in Hayatabad on Jamrud Road.
9. **P.13 132 kV Shahibagh:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located to the north side of the Ring Road Peshawar.
10. **P.14 132 kV Chakdara:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located on the main GT road (Nowshera- Chitral road).
11. **P.15 132 kV Shabqadar:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located in Charsadda.
12. **P.16 132 kV Tangi:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located in the Charsadda.
13. **P.17 132 kV Pabbi:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located on the Pabbi- Cherat road.
14. **P.18 & P.19 132 kV Nowshera City:** The augmentation (2x40 MVA) subproject will be located entirely within the existing grid station that is in Nowshera city on main GT Road.
15. **P.20 132 kV Jalala:** The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located on Nowshera-Chitral road about 15km from Mardan.
16. **P.21 132 kV Haripur:** The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located about 50km from Hasanabdal.
17. **P.22 132 kV Jehangira:** The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located on Nowshera - Rawalpindi road about 10km from Nowshera Cantt.

18. **P.23 132 kV Mansehra:** The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located in Mansehra city on main GT road.
19. **P.24 132 kV Hattar:** The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station that is located on the main road from Haripur to Hattar industrial estate.
20. **P.25 132 kV Gadon Amazai:** The Augmentation (1x26 MVA) subproject will be located entirely within the existing grid station that is located to the west side of the Sawabi and 10 KM away from Peshawar.
21. **P.26 132 kV Rajjar:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station located on the route to Charsadda-Tangi 2 km from main Charsadda bazar.
22. **P.27 132 kV Tajazai:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station that is located 20km short of Lakki Murawat.
23. **P.28 132kV Pezu:** The Augmentation 1x20/26 MVA subproject will be located entirely within the existing grid station that is located in Lakki Murawat.
24. **P.29 132 kV RB Terbella:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station that is located on Swabi-Ghazi road near Terbella reservoir.
25. **P.30 132 kV Khwazakhela:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station located on Shangla road.
26. **P.31 132 kV Daggar:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station located in the main Buner City.
27. **P.32 132 kV Rahman baba:** The augmentation (1x20/26 MVA) subproject will be located entirely within the existing grid station located on Ring Road.
28. **P.33 132 kV S.Naurang:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station situated in Bannu city.
29. **P.34 132 kV Warsak:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station situated in District Peshawar.
30. **P.35 132 kV Sakhi Chashma:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station located on Bachgai Road about 2 km away from PESCO H/Q.
31. **P.36 132 kV Timergarah:** The augmentation (1x20/26 MVA) subproject will be located entirely within the existing grid station situated in District Lower Dir.
32. **P.37 132 kV Nowshera Indst:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station located in Nowshera City.
33. **P.38 132 kV Battal:** The extension (1x20/26 MVA) subproject will be located entirely within the existing grid station located on Main Karakoram Highway about 60 KM away from Mansehra city.

## **2.2 Resettlement Impacts**

### **2.2.1 Number of houses to be displaced**

4. No houses exist on the project sites and the area is not inhabited, therefore there are no resettlement issues related with housing.

### **2.2.2 Number of Directly Affected Persons (AP's)**

5. No peoples are living on the project sites, hence there are no directly affected.

### **2.2.3 Number of Indirectly Affected Persons (AP's)**

6. As there will be no work in the adjoining areas, there will be no indirect effects.

### **2.2.4 Loss of Agricultural Area / Cropland**

7. The grid stations land have no agriculture use, therefore there is no loss of agricultural area or any cropland.

### **2.2.5 Loss of Orchards**

8. There are no losses of orchards.

### **2.2.6 Loss of water courses**

9. No watercourses exist in the subproject areas.

### **2.2.7 Loss of trees**

10. Tree plantations exist within the grid stations and in the surrounding areas. No tree will be removed for the erection of new transformers.

### **2.2.8 Loss of structures / buildings**

11. No loss of structures / buildings will occur due to the implementation of the sub-projects.

### **2.2.9 Loss of individual and community livelihoods**

12. There are no losses of livelihoods. (see 2.2.2 and 2.2.3)

### **2.2.10 Loss of forest land**

13. The work being carried out within the existing grid stations does not incur loss of forestlands.

### **2.2.11 Damage or disturbance to government installations**

14. The area / grids belong to PESCO with allied structure and equipment. The installation / erection of transformers will be carried out with in these grid stations. This will improve bring improvement to the overloaded substations.

### **2.2.12 Damage or disturbance to utility lines**

15. There will be no disturbance to the utility lines.

### **2.2.13 Loss of grazing and fishing activities**

16. There is no loss of grazing and fishing activities. (see 2.2.4)

### **2.2.14 Summary**

17. The project falls under **Category-C** therefore, no resettlement plan is required as there is no private land acquisition or acquisition of other assets. There is no displacement of people and there is no loss of income is caused by the subproject.

## **2.3 Community's Overall Response to the Proposed Sub-Project**

18. The major concern of the community is of load shedding. Some residents also demanded employment of local persons during the erection / installation period. The local communities' responses to the subproject are summarized as follows:

### **2.3.1 Project Awareness**

19. The majority of the beneficiary communities were found aware of the Project activities.

### **2.3.2 Effects on business and living conditions**

20. Almost all of the community expect a positive impact of the sub-project in terms of improved voltage and reduced load shedding.

### **2.3.3 Job Opportunities**

21. The communities requested to be hired for unskilled to semi-skilled jobs during the construction and operation of the project activities.

### **2.3.4 Suitability of Proposed site**

22. The present sites are suitable for extension and augmentation of power transformers.

## **2.4 Socio-Economic Survey**

23. No socio-economic survey was required for this project as this fall in Category-C as per ADB Guidelines.

## **2.5 Indigenous People**

24. There are no indigenous people in the project area.

## **2.6 Gender Impacts**

25. During the discussion with community it was observed that women's status was considered to be much below that of men. They were not allowed to move freely and have low participation in decision making for socio economic activities.

## **2.7 Resettlement Budget**

26. This is not applicable for any of the sub projects. (see 2.2.14)

## **2.8 Implementation Schedule**

27. This is not applicable, see above.

### **3 MONITORING & EVALUATION**

28. The Monitoring & Evaluation activities of this sub-project will be limited to monitoring the implementation of construction. It will be ensured that the contractors, vendors and economic activities include the employment of local labor force in the construction and post construction activities.

### **4 IDENTIFICATION AND SELECTION OF ALTERNATIVE SITES**

29. No studies of alternative sites are required as the subproject do not involve any involuntary resettlement and social and economic loss to any section of the society or the grazing rights of the indigenous peoples. No activity for the compensation or relocation is planned under the subproject.