Resettlement Plan Due Diligence

June 2013

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

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

Due Diligence Document

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Islamic Republic of Pakistan: **Multi-Tranche 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
LESCO	Lahore 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

EXECUTIVE SUMMARY

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. Lahore Electric Supply Company (LESCO) will implement the Tranche-4 program which includes thirty five (35) extension and thirty two (32) augmentation subprojects at overloaded substations. Extension projects will add new transformers to substations, whereas augmentations will replace existing overloaded transformers with larger capacity transformers at the same location. The projects are located in the urban and rural areas of Punjab. The 67 sub-projects will be implemented in Lahore, Sheikhupura, Nankana Sabib, Kasur and Okara Districts of Punjab.

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 LESCO.

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.

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

Tranche-IV LESCO Subprojects				
Project No	**Associated Project**	**Name of Grid Station**	**Type of Project**	**New Transformer Size**
L 1	**—**	132 kV Allama Iqbal Town	Extension	1x 40 MVA
L 2	**L 46**	132 kV Ayesha	Extension	1x 26 MVA
L 3	**—**	132 kV Bhai Pheru	Augmentation	1x 40 MVA (1x 26 MVA Spare)
L 4	**L 34**	132 kV Bhai Pheru	Augmentation	1x 40 MVA
L 5	**L 45**	132 kV Bata Pur	Extension	1x 26 MVA
L 6	**L 29**	132 kV Boghiwal	Augmentation	1x 40 MVA
L 7	**L 47**	132 kV Bhikki	Extension	1x 26 MVA

Tranche-IV LESCO Subprojects				
Project No	**Associated Project**	**Name of Grid Station**	**Type of Project**	**New Transformer Size**
L 8	**L 55**	132 kV Chung	Augmentation	1x 40 MVA
L 9	**—**	132 kV Defense	Extension	1x 40 MVA
L 10	**L 16**	132 kV DHA (Phase V)	Extension	1x 26 MVA
L 11	**L 18**	132 kV Ellah Abad	Extension	1x 26 MVA
L 12	**L 14**	132 kV Farooq Abad	Extension	1x 26 MVA
L 13	**L 30**	132 kV Green View	Augmentation	1x 40 MVA
L 14	**L 12**	132 kV Green View	Augmentation	1x 40 MVA
L 15	**—**	132 kV Ghazi New	Extension	1x 40 MVA
L 16	**L 10**	132 kV Garden Town	Augmentation	1x 40 MVA
L 17	**—**	132 kV Gulshan-e- Ravi	Extension	1x 40 MVA
L 18	**L 11**	132 kV Haveli Lakha	Augmentation	1x 40 MVA
L 19	**L20**	132 kV Haveli Lakha	Augmentation	1x 40 MVA
L 20	**L 19**	132 kV Hujra Shah Muqeem	Extension	1x 26 MVA
L 21	**L 48**	132 kV ICI Public	Extension	1x 26 MVA
L 22	**L 35**	132 kV Kasur	Augmentation	1x 40 MVA
L 23	**L 27**	132 kV Kasur	Augmentation	1x 40 MVA
L 24	**—**	132 kV Kasur New	Extension	1x 40 MVA
L 25	**—**	132 kV Kahna Nau	Extension	1x 40 MVA
L 26	**—**	132 kV Khuddian	Extension	1x 40 MVA
L 27	**L 23**	132 kV Kot Radha Kishan	Extension	1x 26 MVA
L 28	**L 58**	132 kV Lefo	Augmentation	1x 40 MVA
L 29	**L 6**	132 kV Narang	Augmentation	1x 26 MVA
L 30	**L 13**	132 kV Narang	Augmentation	1x 26 MVA
L 31	**L 49**	132 kV Nankana	Extension	1x 26 MVA
L 32	**L 50**	132 kV Nankana	Extension	1x 26 MVA

Tranche-IV LESCO Subprojects				
Project No	**Associated Project**	**Name of Grid Station**	**Type of Project**	**New Transformer Size**
L 33	**L 57**	132 kV PWR	Augmentation	1x 40 MVA
L 34	**L 4**	132 kV Pattoki	Extension	1x 26 MVA
L 35	**L 22**	132 kV Raiwind	Extension	1x 26 MVA
L 36	**L 54**	132 kV Rehman Park	Extension	1x 26 MVA
L 37	**L 60**	132 kV Renala Khurd	Extension	1x 26 MVA
L 38	**L 39**	132 kV Said Pur	Extension	1x 26 MVA
L 39	**L 38**	132 kV Said Pur	Augmentation	1x 40 MVA
L 40	**L 59**	132 kV Sabza Zar	Extension	1x 26 MVA
L 41	**L 53**	132 kV Shadman	Extension	1x 26 MVA
L 42	**—**	132 kV Shahdara New	Extension	1x 40 MVA
L 43	**L 61**	132 kV Shahdara Scarp	Extension	1x 26 MVA
L 44	**L 63**	132 kV Sharaqpur Rd (SKP)	Extension	1x 26 MVA
L 45	**L 5**	132 kV Shalamar-I	Augmentation	1x 40 MVA
L 46	**L 2**	132 kV Shalamar-I	Augmentation	1x 40 MVA
L 47	**L 7**	132 kV Shalamar-II	Augmentation	1x 40 MVA
L 48	**L 21**	132 kV Shalamar-II	Augmentation	1x 40 MVA
L 49	**L 31**	132 kV Shah Kot	Augmentation	1x 40 MVA
L 50	**L 32**	132 kV Shah Kot	Augmentation	1x 40 MVA
L 51	**L 64**	132 kV Sheikhupura	Extension	1x 26 MVA
L 52	**L 65**	132 kV Sheikhupura (Indst)	Extension	1x 26 MVA
L 53	**L 41**	132 kV Town Ship	Augmentation	1x 40 MVA
L 54	**L 36**	132 kV Walington Mall	Augmentation	1x 40 MVA
L 55	**L 8**	132 kV Wan Radha Ram	Extension	1x 26 MVA
L 56	**L 66**	132 kV Warburton	Extension	1x 26 MVA
L 57	**L 33**	132 kV Walgan Sohail	Extension	1x 26 MVA

Tranche-IV LESCO Subprojects				
Project No	**Associated Project**	**Name of Grid Station**	**Type of Project**	**New Transformer Size**
L 58	**L 28**	132 kV Walgan Sohail	Extension	1x 26 MVA
L 59	**L 40**	220 kV Bund Rd	Augmentation	1x 40 MVA
L 60	**L 37**	220 kV Bund Rd	Augmentation	1x 40 MVA
L 61	**L 43**	220 kV Ravi	Augmentation	1x 40 MVA
L 62	**—**	220 kV Ravi	Augmentation	1x 40 MVA (1x 26 MVA Spare)
L 63	**L 44**	220 kV Sarfaraz Nagar	Augmentation	1x 40 MVA
L 64	**L 51**	220 kV NKLP	Augmentation	1x 40 MVA
L 65	**L 52**	220 kV NKLP	Augmentation	1x 40 MVA
L 66	**L 56**	220 kV NKLP	Augmentation	1x 40 MVA
L 67	**—**	220 kV Kala Shah Kaku	Extension	1x 40 MVA

Table 1. 2 Summary of Sub-Project Works under Tranche-IV

ABSTRACT			
Rating of Power T/F (MVA)	**Projects (No's)**		
	Augmentation	**Extension**	**Total**
40	30	9	39
26	2	26	28
13	—	—	0
Total	**32**	**35**	**67**

2 SCOPE OF LAND ACQUISITION AND RESETTLEMENT

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 LESCO.

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 35 extension and 32 augmentation subprojects will be carried out within 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 within 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. **132 kV Allama Iqbal Town:** The Extension (1x40 MVA) subproject will be located entirely within the existing grid station, having total area of 9 Canal and 5 Marla, and located in District Lahore.

2. **132 kV Ayesha:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station, having total area of 12 Canal and 6 Marla, and situated in District Sheikhupura.

3. **132 kV Batapur:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station that is located in District Lahore.

4. **132 kV Bhikki:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station, acquiring total area of 8 Acres and situated in District Sheikhupura.

5. **132 kV Defense:** The Extension (1x40 MVA) subproject will be located entirely within the existing grid station having area of 47 Canal located is in the Defense colony District Lahore tehsil Cantt.

6. **132 kV DHA (Phase-V):** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station that is located in District Lahore tehsil Cantt.

7. **132 kV Ellah Abad:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station acquiring total land of 63 Canal and 5 Marla which is located in District Okara.

8. **132 kV Farooq Abad:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station, having area of 22 Canal and 7 Marla which situated in District Sheikhupura.

9. **132 kV Ghazi New:** The Extension (1x40 MVA) subproject will be located entirely within the existing grid station that is located in District Lahore.

10. **132 kV Gulshan-e-Ravi:** The Extension (1x40 MVA) subproject will be located entirely within the existing grid station that is located in the District Lahore.

11. **132 kV Hujra Shah Muqeem:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station having total land of 7.5 Acres and situated in District Okara, tehsil Depal Pur and town Hujra Shah Muqeem.

12. **132 kV ICI Public:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station and situated in District Lahore.

13. **132 kV Kasur New:** The Extension (1x40 MVA) subproject will be located entirely within the existing grid station, consist on 40 canal of land that is situated in District Kasur.

14. **132 kV Kahna Nau:** The Extension (1x40 MVA) subproject will be located entirely within the existing grid station that is situated in District Lahore.

15. .**132 kV Khuddian:** The Extension (1x40 MVA) subproject will be located entirely within the existing grid station, covering area of 4 Acres and situated in District Kasur.

16. **132 kV Kot Radha Kishan:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station, having land of 63 Canal and 3 Marla which is situated in District Kasur.

17. **132 kV Nankana:** The Extension (2x26 MVA) subprojects will be located entirely within the existing grid stations, having total area of 67 Canal and situated in District Nankana Sahib.

18. **132 kV Pattoki:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station covering area of 97 Canal and 19 Marla and situated in District Kasur tehsil Pattoki.

19. **132 kV Raiwind:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, acquiring total land of 8 Acres and situated in district Lahore tehsil Raiwind.

20. **132 kV Rehman Park:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station that is situated in district Lahore.

21. .**132 kV Renala Khurd:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, covering total area of 2 Acres and situated in district Okara Tehsil Renala Khurd.

22. **132 kV Said Pur:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, having total land of 2 Acres which is situated in district Lahore.

23. **132 kV Sabza Zar:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station having total area of 5182 meters and situated in District Lahore.

24. **132 kV Shadman:** The Extension (1x26 MVA) subproject will be located entirely within the existing grid station, covering total area 19 Canal and situated in District Lahore.

25. **132 kV Shahdara New:** The extension (1x40 MVA) subproject will be located entirely within the existing grid station, having area 14 Canal and 7 Marla which is situated in District Lahore at Shahdara town.

26. **132 kV Shahdara Scrap:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, having area 11 Canal and 10 Marla, and situated in District Lahore at Shahdara.

27. **132 kV Sharaqpur Road (SKP):** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, consist on 40 Canal and 8 Marla situated in tehsil sharaqpur district Sheikhupura.

28. **132 kV Sheikhupura:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, consist on 32 Canal of land and situated in District Sheikhupura.

29. **132 kV Sheikhupura (Indst):** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, having total land 4.5 Acres and situated in District Sheikhupura.

30. **132 kV Wan Radha Ram:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, having total land of 8 Acres and situated in District Kasur.

31. **132 kV Warburton:** The extension (1x26 MVA) subproject will be located entirely within the existing grid station, consist on 8 Acres of land and situated in District Nankana Sahib Tehsil Warburton.

32. **132 kV Walgan Sohail:** The extension (2x26 MVA) subprojects will be located entirely within the existing grid station, having total land of 8 Acres and situated in District Nankana Sahib.

33. **132 kV Kala Shah Kaku:** The extension (1x40 MVA) subproject will be located entirely within the existing grid station situated in District Sheikhupura.

34. **132 kV Bhai Pheru:** The Augmentation (2x40 MVA) along with (1x26 MVA) spare, subprojects will be located entirely within the existing grid station, consist on 5 Acres of land and situated in District Kasur Tehsil Phool Nagar (Bhai Pheru).

35. **132 kV Boghiwal:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station situated in District Lahore.

36. **132 kV Chung:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having land of 16 Canal and 12 Marla and situated in District Lahore.

37. **132 kV Green View:** The Augmentation (2x40 MVA) subprojects will be located entirely within the existing grid stations situated in District Lahore.

38. **132 kV Garden Town:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station situated in District Lahore.

39. **132 kV Haveli Lakha:** The Augmentation (2x40 MVA) subprojects will be located entirely within the existing grid station situated in District Okara tehsil Depal Pur.

40. **132 kV Kasur:** The Augmentation (2x40 MVA) subprojects will be located entirely within the existing grid stations covering total 32 Canal of land and situated in District Kasur.

41. **132 kV Lefo:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station situated in District Lahore.

42. **132 kV Narang:** The Augmentation (2x26 MVA) subprojects will be located entirely within the existing grid stations, having total land of 7 Acres and 6 Marla and situated in District Sheikhupura Tehsil Muridke.

43. **132 kV PWR:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having total land 3 Acres and 2 Canal and situated in District Lahore.

44. **132 kV Said Pur:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, consist on 2 Acres of land and situated in District Lahore.

45. **132 kV Shalamar-I & Shalamar-II:** The Augmentation (4x40 MVA) subprojects will be located entirely within the existing grid stations where Shalamar-I having land 23 Canals with Complex and Shalamar – II consist on 12 Canal and 7 Marla and both are situated in District Lahore.

46. **132 kV Shahkot:** The Augmentation (2x40 MVA) subprojects will be located entirely within the existing grid station, have total land of 74 Canal and situated in District Nankana Sahib tehsil Shahkot.

47. **132 kV Township:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, covering total land of 47 Canal and 5 Marla and situated in District Lahore.

48. **132 kV Walington Mall:** The Augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, have total land 8 Canal and situated in District Lahore.

49. **132 kV Bund Road:** The Augmentation (2x40 MVA) subprojects will be located entirely within the existing grid station situated in District Lahore.

50. **220 kV Ravi:** The Augmentation (2x40 MVA), subproject will be located entirely within the existing grid station and situated in District Lahore.

51. **220 kV Sarfaraz Nagar:** The Augmentation (1x40 MVA) subprojects will be located entirely within the existing grid station situated in District Lahore.

52. **220 kV NKLP:** The Augmentation (3x40 MVA) subprojects will be located entirely within the existing grid station situated in District Lahore.

3 RESETTLEMENT IMPACTS

3.1 Socio & Demographic impacts

3.1.1 Number of houses to be displaced

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

3.1.2 Number of Directly Affected Persons (AP's)

No people are living on the project sites, hence there are no persons directly affected.

3.1.3 Number of Indirectly Affected Persons (AP's)

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

3.1.4 Loss of Agricultural Area / Cropland

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

3.1.5 Loss of Orchards

There are no losses of orchards

3.1.6 Loss of water courses

No watercourses exist in the subproject areas.

3.1.7 Loss of trees

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

3.1.8 Loss of structures / buildings

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

3.1.9 Loss of individual and community livelihoods

There are no losses of livelihoods (see 3.1.2 and 3.1.3).

3.1.10 Loss of forest land

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

3.1.11 Damage or disturbance to government installations

The area / grids belong to LESCO 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.

3.1.12 Damage or disturbance to utility lines

There will be no disturbance to the utility lines.

3.1.13 Loss of grazing and fishing activities

There is no loss of grazing and fishing activities (see 3.1.4).

3.1.14 Summary

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 that is caused by the subprojects

3.2 Community's Overall Response to the Proposed Sub-Project

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 subprojects are summarized as follows:

3.2.1 Project Awareness

The majority of the beneficiary communities were found to be aware of the Project activities,

3.2.2 Effects on business and living conditions

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

3.2.3 Job Opportunities

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

3.2.4 Suitability of Proposed site

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

3.2.5 Socio-Economic Survey

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

3.2.6 Indigenous People

There are no indigenous people in the project area.

3.2.7 Gender Impacts

During the discussions with the 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.

3.2.8 Resettlement Budget

This is not applicable for any of the sub-projects. (See 3.1.14)

3.2.9 Implementation Schedule

This is not applicable, see above.

4 MONITORING & EVALUATION

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

5 IDENTIFICATION AND SELECTION OF ALTERNATIVE SITES

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