

Resettlement Plan Due Diligence

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

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

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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

Prepared by: Environment & Social Safeguards Section
Project Management Unit (PMU)
HESCO, Pakistan.

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ABBREVIATIONS

ADB	Asian Development Bank
AP	Affected Persons
DISCOs	Distribution Companies
EA	Executing Agency
HESCO	Hyderabad 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. 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. HESCO's role in the processing and implementation of the investment program is that of a coordinator.

4. Hyderabad Electric Supply Company (HESCO) will implement the Tranche-IV which includes six (6) extension and thirteen (13) augmentation subprojects, at overloaded substations. Extension projects will add new transformers to substations, whereas augmentation will replace the existing overloaded transformers with larger capacity transformers at same location. in the urban and rural areas of Sindh. The 19 sub-projects will be implemented in Hyderabad, Jamshoro, Mirpur Khas, Nawabshah, Sanghar, Tando Allahyar, Tando Muhammad Khan and Umar Kot Districts of Sindh.

5. The extension and augmentation sub-projects will all be within the nineteen (19) existing grid stations and will not encroach on any land outside the grid stations. All the land belongs to the HESCO.

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. HESCO's role in the processing and implementation of the investment program is that of a coordinator.

4. Hyderabad Electric Supply Company (HESCO) will implement the MFF Tranche-4 program in the shape of six (6) extension and thirteen (13) augmentation subprojects, in the urban and the fringes areas of Sindh. The 19 sub-projects will be implemented in Hyderabad, Jamshoro, Mirpur Khas, Nawabshah, Sanghar, Tando Allahyar, Tando Muhammad Khan and Umar Kot District of Sindh Province.

2 SCOPE OF LAND ACQUISITION AND RESETTLEMENT

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

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 six extension and thirteen 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.

Table 2.1 Component of Tranche-IV Sub-Projects

Tranche-IV HESCO Subprojects				
Project No	Associated Project	Name of Grid Station	Type of Project	New Transformer Size
H 1	—	132 kV Ghangramori	Extension	1 x 40 MVA

Tranche-IV HESCO Subprojects				
Project No	Associated Project	Name of Grid Station	Type of Project	New Transformer Size
H 2	H 4	132 kV Gulshan Shahbaz	Extension	1 x 13 MVA
H 3	H 5, H 13	132 kV Jamshoro	Augmentation	1 x 26 MVA
H 4	H 6, H 2	132 kV Jamshoro	Augmentation	1 x 26 MVA
H 5	H 3	132 kV Kohsar	Augmentation	1 x 40 MVA
H 6	H 4	132 kV Kohsar	Augmentation	1 x 40 MVA
H 7	—	132 kV Mirpur Khas	Augmentation	1 x 40 MVA (1x 13 MVA Spare)
H 8	H 17	132 kV N-Shah2	Augmentation	1 x 26 MVA (1x 13 MVA Spare)
H 9	H 18	132 kV NTPS	Augmentation	1 x 40 MVA
H 10	—	132 kV Qasim Abad-2	Extension	1 x 40 MVA
H 11	H 14	132 kV Shahdad Pur	Augmentation	1 x 40 MVA
H 12	—	132 kV Sanghar	Augmentation	1 x 40 MVA (1x 13 MVA Spare)
H 13	H 3	132 kV Shalmani	Extension	1 x 13 MVA
H 14	H 11	132 kV SP Chakar	Extension	1 x 13 MVA
H 15	H 16	132 kV Tando Allahyar	Augmentation	1 x 40 MVA
H 16	H 15, H 19	132 kV Tando Jam	Augmentation	1 x 26 MVA
H 17	H 8	132 kV Tando Adam	Augmentation	1 x 40 MVA
H 18	H 9	132 kV Tando Muhammad Khan	Augmentation	1 x 26 MVA
H 19	H 16	132 kV Umar Kot	Extension	1 x 13 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	8	2	10
26	5	—	5
13	—	4	4
Total	13	6	19

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. **H.1 132 kV Changramori**: The extension (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 6 Acre & 33 Ghunta and situated in district Hyderabad tehsil Latifabad.
2. **H.2 132 kV Gulshan Shahbaz**: The extension (1x13 MVA) subproject will be located entirely within the existing grid, having total area 94 Acre & 44 Ghunta station and located in tehsil & district Jamshoro.
3. **H.3 & H.4 132 kV Jamshoro**: The augmentation (2x26 MVA) subprojects will be located entirely within the existing grid stations, having total area 9 Acre & 31 Ghunta and situated in tehsil & district Jamshoro.
4. **H.5 & H.6 132 kV Kohsar**: The augmentation (2x40 MVA) subprojects will be located entirely within the existing grid stations, having total area 8 Acre and situated in district Hyderabad tehsil Latifabad
5. **H.7 132 kV Mirpur Khas**: The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 22 Acre & 34 Ghunta and situated in tehsil & district Mirpur Khas.
6. **H.8 132 kV NawabShah-2**: The augmentation (1x26 MVA) subproject will be located entirely within the existing grid station, situated in tehsil & district Nawabshah.
7. **H.9 132 kV NTPS**: The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 4 Acre & 54 Ghunta and situated in district Hyderabad and tehsil Latifabad.
8. **H.10 132 kV Qasim Abad-2**: The extension (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 4 Acre & 57 Ghunta that is located in district Hyderabad tehsil Latifabad.
9. **H.11 132 kV Shahdad Pur**: The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 8 Acre & 14 Ghunta and situated in district Sanghar and tehsil Shahdad Pur.
10. **H.12 132 kV Sanghar**: The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 6 Acre & 39 Ghunta and situated in tehsil & district Sanghar.
11. **H.13 132 kV Shalmani**: The extension (1x13 MVA) subproject will be located entirely within the existing grid station that is situated in district Jamshoro tehsil Manjhand.
12. **H.14 132 kV SP Chakar**: The extension (1x13 MVA) subproject will be located entirely within the existing grid station, having total area 10 Acre & 21 Ghunta and situated in district Sanghar tehsil Shahpur Chakar.
13. **H.15 132 kV Tando Allahyar**: The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 8 Acre & 21 Ghunta and situated in tehsil & district Tando Allahyar.
15. **H.16 132 kV Tando Jam**: The augmentation (1x26 MVA) subproject will be located entirely within the existing grid station, having total area 8 Acre and situated in tehsil & district Hyderabad.
14. **H.17 132 kV Tando Adam**: The augmentation (1x40 MVA) subproject will be located entirely within the existing grid station, having total area 16 Acre & 07 Ghunta and situated in district Sanghar and tehsil Tando Adam.

15. **H.18 132 kV Tando Muhammad Khan:** The augmentation (1x26 MVA) subproject will be located entirely within the existing grid station, having total area 7 Acre & 32 Ghunta and situated in tehsil & district Tando Muhammad Khan.
16. **H.19 132 kV Umar Kot:** The extension (1x13 MVA) subproject will be located entirely within the existing grid station, having total area 7 Acre & 30 Ghunta and located in tehsil & district Umar Kot.

2.2 Resettlement Impacts

2.2.1 Number of houses to be displaced

2. 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)

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

2.2.3 Number of Indirectly Affected Persons (AP's)

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

2.2.4 Loss of Agricultural Area / Cropland

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

2.2.5 Loss of Orchards

6. There are no losses of orchards.

2.2.6 Loss of water courses

7. No watercourses exist in the subproject areas.

2.2.7 Loss of trees

8. 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

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

2.2.9 Loss of individual and community livelihoods

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

2.2.10 Loss of forest land

11. 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

12. The area / grids belong to HESCO 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

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

2.2.13 Loss of grazing and fishing activities

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

2.2.14 Summary

15. 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

16. 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

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

2.3.2 Effects on business and living conditions

18. 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

19. 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

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

2.4 Socio-Economic Survey

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

2.5 Indigenous People

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

2.6 Gender Impacts

23. 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

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

2.8 Implementation Schedule

25. This is not applicable, see above.

3 MONITORING & EVALUATION

26. 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

27. 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.