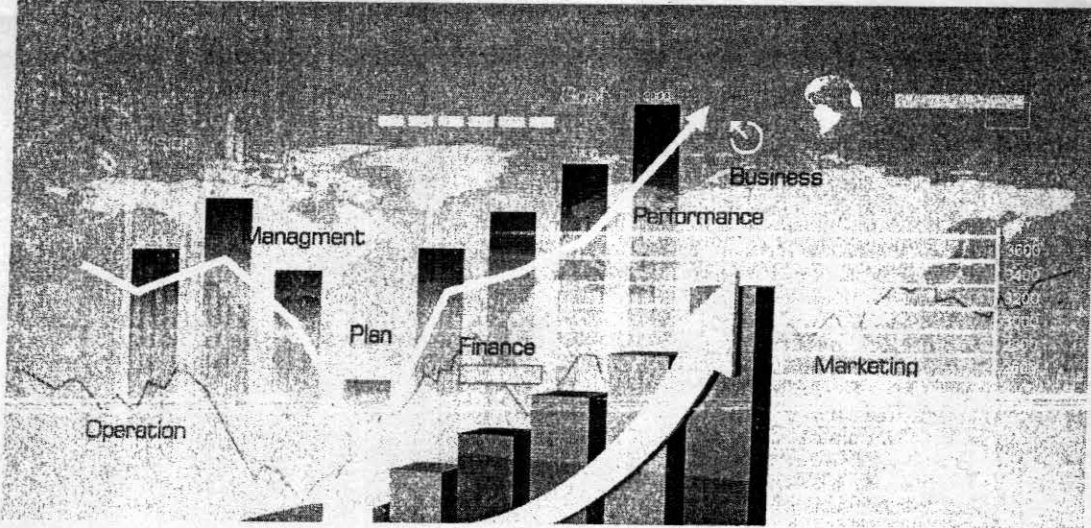


# SENATE OF PAKISTAN

1-1 B



## REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE



### REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE ONPOINT OF PUBLIC IMPORTANCE RAISED BY SENATOR HILAL-UR-REHMAN REGARDING THE "NON-PAYMENT OF COMPENSATION TO THE AFFECTEES OF MOHMAND DAM"

PRESENTED BY  
SENATOR SALEEM MANDVIWALLA  
CHAIRMAN

## SENATE SECRETARIAT

### REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE ON POINT OF PUBLIC IMPORTANCE RAISED BY SENATOR HILAL-UR-REHMAN REGARDING THE "NON-PAYMENT OF COMPENSATION TO THE AFFECTEES OF MOHMAND DAM"

I, Senator SaleemMandviwalla, Chairman of the Standing Committee on Finance and Revenue have the honour to present, on behalf of the Committee, this report onPoint of Public Importance raised by Senator Hilal-ur-Rehman regarding the "non-payment of compensation to the affectees of Mohmand dam" referred by the house on 04-8-2023 to the Committee for consideration and report.

2. The composition of the Committee is as under:

1. Senator SaleemMandviwalla	Chairman
2. Senator Sherry Rehman	Member
3. Senator Farooq Hamid Naek	Member
4. Senator MusadiqMasood Malik	Member
5. Senator SaadiaAbbasi	Member
6. Senator ZeeshanKhanzada	Member
7. Senator Mohsin Aziz	Member
8. Senator Faisal SaleemRehman	Member
9. Senator Syed ShibliFaraz	Member
10. Senator Kamil Ali Agha	Member
11. Senator Syed Faisal Ali Subzwari	Member
12. Senator Muhammad TalhaMahmood	Member
13. Senator Dilawar Khan	Member
14. Senator Manzoor Ahmed	Member
15. Minister for Finance and Revenue	Ex-Officio Member

3. The Committee considered the Bill in its meetings held on 23<sup>rd</sup> & 30<sup>th</sup> August, 2023, 20<sup>th</sup> September, 2023 and 4<sup>th</sup> October, 2023. The attendance of 23<sup>rd</sup> August, 2023 meeting is as follows:-

i. Senator SaleemMandviwalla	Chairman
ii. Senator Sherry Rehman	Member
iii. Senator SaadiaAbbasi	Member
iv. Senator Faisal SaleemRahman	Member
v. Senator Kamil Ali Agha	Member
vi. Senator Dilawar Khan	Member

5. Dr. Ehtisham, DC Mohmand briefed the committee on the Point of Public Importance raised by Senator Hilal-ur-Rehman regarding the "non-payment of compensation to the affectees of Mohmand dam" referred by the house on 4-8-2023. He stated that the district administration was provided two billion eight hundred and fifty-one million rupees for distribution to the affectees of the Mohmand dam. Out of that hundred and nineteen crores are yet pending to be distributed. Out of the Hundred and nineteen crore, one hundred and seventeen crores are in litigation between two tribes, EsaKhail and BurhanKhail, which went





to the high courts and is now back to the refereeing courts. The remaining 2 crores will be distributed on as needed basis. The chairman committee inquired that all the land for the dam is acquired? DC Mohmand replied that 99% of all land has been acquired. As soon as courts make their decision, we are ready to pay the amount.

6. The Mover attended the meeting held on 30<sup>th</sup> August, 2023 the attendance is as follows.

i.	Senator Saleem Mandviwalla	Chairman
ii.	Senator Sherry Rehman	Member
iii.	Senator Saadia Abbasi	Member
iv.	Senator Zeeshan Khanzada	Member
v.	Senator Kamil Ali Agha	Member
vi.	Senator Mohsin Aziz	Member
vii.	Senator Dilawar Khan	Member
viii.	Senator Manzoor Ahmed	Member
ix.	Ms. Shamshad Akhtar, Minister for Finance and Revenue	Ex-officio Member
x.	Senator Hilalur Rehman	Mover

7. Senator Hilalur Rehman discussed the Mohmand Dam project and expressed his appreciation for the project and its potential benefits for the region, particularly in terms of electricity generation. The scheme for the project was approved by the Executive Committee of National Economic Council (ECNEC) on 18<sup>th</sup> July, 2018. However, he raised concerns regarding the compensation and incentives promised to the affected citizens. He mentioned that the incentives received by the people affected by the dam project were not in line with what was originally approved in PC-1. He highlighted the signing of an agreement on 26<sup>th</sup> December, 2018, among the District Administration, Wapda, and two former MNAs, during which the affected people were allegedly told that their land would be taken forcefully if they did not agree to hand it over. Senator Hilalur Rehman informed that the compensation offered to landowners appeared to be significantly lower than what was initially approved in PC-1.

8. In PC-1, it was stated that 4.9 million rupees per acre would be provided for agricultural land, 9 lacs 88 thousand rupees for barren land, and around 13 lacs rupees for irrigation land. However, the agreement for 7,532 acres of land was signed on a 30 rupees stamp paper. Senator Hilalur Rehman's concerns revolved around ensuring fair compensation and transparency in the implementation of the Mohmand Dam project.


9. The Chairman Committee and Senator Kamil Ali Agha acknowledged that the use of a 30 rupees stamp paper might not be the central issue. However, they agreed that the key concern was the significant price difference between the compensation originally approved in PC-1 and the actual amount received by the affected citizens.



10. Senator Hilal Rehman further emphasized the issue of the price gap by highlighting that two former MNAs had written and agreed upon a land rate of 3 lac rupees per acre, whereas the rate quoted in PC-1 was 9 lac 88 thousand rupees. Additionally, one of the former MNAs had publicly stated during the Prime Minister's visit to the area that the land would be given for free. Senator Hilal Rehman emphasized that the land was not without owners to offer for free or at a reduced price.
11. The Deputy Commissioner (DC) of Mohmand, Dr. Ehtisham, elaborated on the land acquisition process in tribal areas like Mohmand is under specific regulations for land acquisition, and these areas are considered unsettled. The land acquisition act in these regions dictates that land should be acquired at a pre-fixed rate or the average rate of the land over the last year. Therefore, the rate mentioned in the PC-1 was considerably high. However, in 2018, during negotiations that involved tribal leaders and representatives from Wapda, it was agreed upon that agricultural land would be compensated at 6 lac rupees per acre, while barren land would be compensated at 3 lac rupees per acre. Further, the two former MNAs who signed the agreement did so as heads of the Jirga, not in capacity of MNAs. The DC also mentioned that land acquisition for the Mohmand Dam project had taken place at these negotiated rates in 2018. Subsequently, in 2023, land was acquired for the Marble Estate at the rate of 2 lac 60 thousand rupees per acre, which was lower than the previous negotiated rates. He emphasized that the land for the Mohmand Dam project was largely inaccessible and barren, and the negotiated rates were considered fair at the time.
12. Furthermore, Dr. Ehtisham explained that the cost savings from the land acquisition process were used for community development projects in tribal areas, known as CBM projects undertaken by Wapda. These projects aimed to provide social development benefits to the local tribes.
13. Answering the Chairman Committee's inquiry, Asim Rauf Khan, the General Manager of Mohmand Dam Hydropower Project (MDHP) at Wapda, confirmed that the PC-1 estimates are indeed just estimates and are not necessarily followed exactly. The final actual cost is provided in the PC-4. Senator Hilal Ur Rehman raised a question about why the PC-1 was not revised from ECNEC (Executive Committee of National Economic Council) to reflect the lower compensation rates. The Chairman Committee clarified that revisions to the PC-1 can only be made upwards, not downwards. Senator Hilal Ur Rehman pointed out that while the rate for the structure might vary, the compensation for land should remain consistent. He mentioned that the compensation had been reduced from 10 billion 54 crore rupees to 3 billion 75 crore rupees.



14. Senator SaadiaAbbasi inquired whether the agreements were made based on the rates mentioned in the PC-1. DC Mohmand explained that the District Administration was not consulted during the process, and Wapda had sent a letter in 2018 after the PC-1 was completed, requesting a negotiation of rates for the required 7,530 acres of land. The District Administration then provided a cost estimate based on prevailing land rates. The DC emphasized that if the rates mentioned in the PC-1 had been followed by his predecessor, who had negotiated the price at 3 and 6 lac rupees, would have questioned why other areas in Mohmand are at 2 lac rupees per acre, while the land for Mohmand Dam has been acquired at 10 lac rupees per acre.
15. The Chairman Committee responded to Senator Hilal's concern by noting that it appears to be a situation that has already progressed significantly, with the land acquisition process having been completed. DC Mohmand further explained that 58% of the total compensation has already been distributed to the landowners. Even if no distribution had occurred, once the award is signed, the DC does not have the authority to change it. Any revisions or changes would need to be directed by the High Court or a Referee Court, and if they issue such directions, the administration would comply.
16. The Chairman Committee agreed that addressing this issue at this stage, after the land acquisition process has been completed and disbursements have already occurred, is not a feasible solution. Senator HilalurRehman's suggestion to pay prices according to the rates mentioned in PC-1 was responded by Mr. AmjadMahmood, the Additional Finance Secretary, that PC-1 estimates are not binding and may not accurately reflect the current market value of the land. Senator SaadiaAbbasi emphasized that land acquisition follows a specific legal process, and the Committee does not have the authority to override those established laws. Senator HilalurRehman argued that the economic benefits of the Mohmand Dam, which generates 815 MW of electricity, should be taken into account when determining land compensation. He informed that the amount asked for the land represents just two days' worth of earnings from the dam.
17. Representatives from the tribal heads provided the Committee with an intricate account of the land compensation issue tied to the Mohmand Dam project. He emphasized their long-standing collaboration with the government, dating all the way back to 1953 when the dam's survey was initiated. In 2018, when the actual dam construction commenced, their cooperation continued. However, they were taken aback by the lack of transparency in the land compensation process. They expressed their desire to review the PC-1, a document containing cost estimates, but their request was denied. Shockingly, they claimed that a

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former Member of the National Assembly (MNA) from Charsadda had presented them with a PC-1, which they later discovered to be a counterfeit document. Compounding their concerns, the representatives disclosed that they had not yet received payment for the land they had given up. The entire process had been a source of considerable anguish and frustration for them.

18. In response to these challenges, they made several demands:

- i. They insisted on receiving compensation rates in line with those stipulated in the PC-1 for the Bhasha Dam project. Their rationale was that the Mohmand Dam, currently one of the world's highest dams with capacity to produce more electricity than Bhasha Dam.
- ii. They raised issues related to land leasing of some areas. They explained that while they had received rent for the first three years of a five-year lease agreement, no payments were forthcoming for the fourth and fifth years. Furthermore, they disputed the government's decision to award the land to them in the sixth year, asserting that no such agreement had been reached.
- iii. They highlighted concerns regarding the allocation of funds generated from the CBM projects. Allegedly, these funds were meant to finance projects benefiting local communities, but to date, no money had been spent on any such initiatives.
- iv. The representatives took issue with the hiring practices of certain companies involved in the dam project. They claimed that while these firms were employing both skilled and unskilled laborers, none were being recruited from their community, despite the close proximity of their lands to the construction site.
- v. They further added that the government had extended its land usage beyond the initially agreed-upon boundaries by 500-1000 meters, an issue they believed warranted additional compensation for the land under government control as the land is not accessible for the locals.

19. The tribal representatives elaborated on the circumstances surrounding the land agreement, emphasizing that only two representatives had been involved in negotiations on their behalf. This arrangement, they argued, was grossly inadequate considering that the decision affected approximately 45,000 people. Additionally, they informed that one of their representatives was not even a resident of the Mohmand area, further exacerbating the issue of representation. Furthermore, they highlighted that when 66 families were relocated due to

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the dam construction, the government had announced a resettlement package for each family. However, this commitment had not been fulfilled, leaving them feeling deprived and marginalized.

20. Senator HilalurRehman chimed in, pointing out specific instances of perceived unfairness in compensation rates. For instance, one individual had received only 4,71,000 rupees for his house, while significantly higher rates were being charged for different types of dwellings – 6,000 rupees per square meter for mud houses and 14,000 rupees for properly built houses. Moreover, the tribal representatives shared their efforts to seek resolution through the legal system. Despite obtaining a favorable ruling from a five-member bench of the Supreme Court, the funds due to them had still not been disbursed. They also mentioned that they had brought this issue before the Senate Standing Committee on Planning previously, but no tangible progress had been made.

21. The Chairman Committee suggested referring the matter to the Standing Committee on Planning or Water, given its multifaceted nature. The Additional Secretary Finance suggested convening a joint meeting with the Standing Committees on Water, Planning, and Finance, believing that a collaborative approach would be more effective in resolving the issue.

22. The DC Mohmand addressed several key points concerning the land acquisition for the Mohmand Dam project. Firstly, he clarified that only 7,530.5 acres of land had been acquired for the project, and no additional land had been taken beyond this agreed-upon area. Regarding compensation rates, the DC explained that the compensation rate for non-agricultural land was set at 3 lac rupees per acre, while agricultural land was compensated at 6 lac rupees per acre. He also emphasized that 58% of the total payment to landowners had already been disbursed, leaving 41% of the land's payments pending. Of the 41% stated, 99.77% of the land in question is under litigation among the tribes present here.

23. The DC further informed that some parts of the area were inaccessible due to a Chinese camp's security. However, he assured that this is a temporary hindrance and would be resolved. Regarding resettlement and compensation for the tribes living within the dam's construction area, the DC mentioned that Wapda had provided substantial compensation, including payments for houses, crops, and trees. This was the largest resettlement plan in the history of Pakistan for these people which provided 60 lac rupees per household. Originally there were 47 households, the district administration conducted an operation 2 weeks back and evacuated 25 families. However, 41 households are still remaining as families have divided themselves into more units, who are now demanding the resettlement package as



well. The families originally present there were paid 60 lac rupees, while 4 lac rupees were paid to the families that came later, as per the legal procedure. However, he stressed that any remaining compensation disputes or grievances should be addressed in court, as the District Administration and WAPDA had no authority to reopen past and closed transactions. Many cases have already been forwarded to the court for resolution.

24. Senator HilalurRehman raised concerns about the compensation issue and highlighted that some individuals had accepted payments under protest, while others had refused to accept any compensation as a form of protest. Furthermore, he underscored that in the context of the massive scale of the Mohmand Dam project, the outstanding 7 billion rupees should not be considered an insurmountable problem.

25. Senator HilalurRehman also highlighted the issue of the fund allocated for the CBM project in 2018. He informed that, given the impact of inflation, the allocated funds would no longer suffice to complete even two projects of the same scale today. The discussion was concluded as follows: (i) The Chairman Committee expressed that the matter was essentially a closed transaction, leaving limited room for further action. (ii) Senator Kamil Ali Agha concurred with the notion that the only viable recourse at this point would be to pursue legal action. (iii) The DC Mohmand reiterated that Section 18 of the relevant act clearly outlined that he could only refer such matters to the courts. The Chairman Committee concluded that the agenda item would be revisited in the next meeting to explore potential avenues for resolution and further deliberation.

26. The Committee again considered the bill in its meeting held on 20<sup>th</sup> Sep, 2023. The following members of the Committee attended the meeting:

i.	Senator SaleemMandviwalla	Chairman
ii.	Senator Sherry Rehman	Member
iii.	Senator Farooq H. Naek	Member
iv.	Senator SaadiaAbbasi	Member
v.	Senator ZeeshanKhanzada	Member
vi.	Senator Kamil Ali Agha	Member
vii.	Senator Mohsin Aziz	Member
viii.	Senator Dilawar Khan	Member
ix.	Senator Manzoor Ahmed	Member





27. The Chairman Committee announced that Mover, Senator Hilal-ur-Rehman had requested to defer the matter under discussion since he was unable to attend the meeting today. Therefore, the agenda item was deferred.

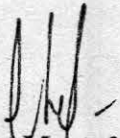
28. The Committee again discussed the agenda in meeting held on 4<sup>th</sup> October, 2023 and the following members attended the meeting.

i.	Senator SaleemMandviwalla	Chairman
ii.	Senator SaadiaAbbasi	Member
iii.	Senator ZeeshanKhanzada	Member
iv.	Senator Kamil Ali Agha	Member
v.	Senator Syed Faisal Ali Subzwari	Member
vi.	Senator Dilawar Khan	Member

29. The Chairman Committee mentioned that Senator Hilal-ur-Rehman had requested to defer the agenda item once again. However, he expressed concern about the repeated deferrals as the agenda item had already been deferred thrice. Senator SaadiaAbbasi suggested seeking input from the representatives present at the meeting to understand the available remedies for the aggrieved party.

30. Dr. Ehtisham, the Deputy Commissioner (DC) Mohmand, reiterated his position that the issue is a past and closed transaction, and any enhancement of the award can only be done through the Referee Court or High Court. Without directions from the Courts, no other body has the power to enhance the award. Chairman Committee asked if there have been precedents where such awards have been increased in the past. DC Mohmand informed the Committee that in most cases, the awards have been increased. He also mentioned that the aggrieved party has already taken the matter to Court, and it is currently under trial.

31. Senator SaadiaAbbasi proposed that the Committee should dispose of this agenda item since the matter is already under litigation. The Committee agreed and disposed of the matter.

  
(Iffat Mustafa)  
Secretary Committee

  
(Senator SaleemMandviwalla)  
Chairman Committee