

(324th Session)

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

to be asked at a sitting of the Senate to be held on

Friday, the 3rd February, 2023

***Question No. 43 Senator Hilal Ur Rehman:**

(Notice Received on 20/12/2022 at 4:34 PM) QID: 40211

Will the Minister for Water Resources be pleased to state:

- (a) amount allocated and released till to date for land acquisition and resettlement for Mohmand Dam Project; and*
- (b) additional demand for funds by the concerned Department for payments to the affectees?*

Syed Khursheed Ahmed Shah: (a) The detail of amount allocated and released till date for land acquisition and resettlement of Mohmand Dam Hydropower Project is as under:

Fund allocated in approved PC-I	Fund released
Rs. 10,541.405 Million	An amount of Rs 3,965.836 million has been released to District Administrations by WAPDA, on account of land acquisition and resettlement till 25.01.2023

(b) No additional demand of funds from concerned Land Acquisition Collector / Deputy Commissioners has been received for the payment to the affectees.

Mohmand Dam Hydropower Project

1	Scope in Brief / Objectives	Hydropower, Irrigation, Flood Control and Drinking Water Supply					
2	Salient Features	Type of Dam		Concrete Faced Rockfill			
		Height of Dam		213 m			
		Gross Storage		1,293 MAF			
		Live Storage		0,676 MAF			
		Power Generation		800 MW			
		Annual Energy		2,862 GWh			
		Cultivable Command Area		18,233 Acres (Left side 12,713 Acres, Right side 5,520 acres)			
3	Financial Status	Local		Foreign		Total	
	Approved PC-4	238,009.514 million		715,48.866 million		309,558.378 million	
	PSDP Allocation for 2022-23	12,060.31 million					
	Releases FY 2022-23	7,412.062 million					
	Expenditure during the Month of December (till 28.01.2023)	4000 million		-		4000 million	
	Up to date Expenditure till 28 th January 2023	61,577.789 million		15,993.822 million		77,571.611 million	
4	Financing arrangement(Provincial / Federal)	Source of Financing		% age of Financing			
		GOP Through PSDP		37%			
		WAPDA Equity and Local & Foreign		63%			
		Commercial Loans					
5	Contractor	M/s CGGC-DESCON-JV					
6	Consultant	Mohmand Dam Consultant Group					
7	International Panel Experts (IPOE)	Sr.		Donor Agency		Amount	
		1		Mr. Bayardo Materon		CFRD Expert (Resigned and not available)	
		2		Mr. Aslam Rasheed		Hydraulics Expert	
		3		Mr. John Gummer		E&M Expert	
		4		Mr. Carlos Jaramillo		Geological & Rock Mechanics Expert	
8	Donor (if any) along with share of foreign aid in the cost	Sr.		Donor Agency		Amount (US\$ M)	
		1		Islamic Development Bank (IsDB)		180	
		2		OPEC Fund for International Fund (OFID)		72	
		3		Kuwait Fund for Arab Economic Development (KFAED)		100	
		4		Saudi Fund for Development (SFD)		240	
		Total				592	
9	Date of commencement	20th September, 2019					
10	Completion date	21st December, 2025					
11	Overall Physical Progress till 28.01.2023	22.50%					
12	Overall Financial Progress till 28.01.2023	22.38%					
	i. Total land required	8,787 Acres					
	ii. Land acquired	8,581 Acre					
13	iii. Land Acquisition Status	97% Land Acquisition for the project has been completed with no major issue. Remaining 3% Land of reservoir area would be required at the project completion and process is in progress.					
14	Contract Packages underway	Date of completion / Exp timelines		Capital Expenditure		Source	
	ICB MDHP No: 01 (Main Civil Works)	December 21, 2025		PKR. 224.463 million		PSDP WAPDA Equity Local Commercial Loans Foreign Commercial Loans	
15	Physical Progress	Activity	Project Colony (Priority I)	Project Colony (Priority II)	Access Roads (Left & Right)	Diversion Tunnels	Main Dam
		%age	76.90	56.00	68.95	49.26	0.48
		Activity	Spillways	Re-regulation Pond	Switchyard	Power Waterways	Irrigation System
		%age	21.25	50.50	33.42	9.45	3.10
16	Bottlenecks / issues impeding progress on project (if any)	Additional requirement of PSDP allocation for FY 2022- Delayed releases of payment of FEC to Contractor due to cumbersome process of codal formalities of State Bank of Pakistan. Financial Closure of Foreign donors through EAD for payment of Foreign Currency Component amounting to USD 716 Million. Delays due to COVID-19 pandemic. Frequent security threats and alerts restricting the Contractor movement Diversion scheme has been flooded and its restoration / recovery will ultimately delay the overall Project Ban on Imports & Opening of LCs for Required Material & Equipment					
17	Important Milestones (6 months – 01 year)	Expected completion of components: Right Bank Access Road Priority-I buildings Priority-II buildings Diversion Tunnels and Coffor Dams Land Acquisition for the Project					
18	Confidence Building Measures/ Local Social Uplift Plan	Sr.		Sector		Amount (PKR. Million)	
		1		Energy and Power (132 kv grid station)		700	
		2		Roads Network (3 No roads)		1,030	
		3		Drinking Water Supply		1,960	
		4		Education		576	
		5		Health		135	
		6		Sports Culture and Youth Affairs		60	
		7		Quick Impact Projects		39	
		Total				4,500	

***Question No. 44 Senator Mushtaq Ahmed:**

(Notice Received on 28/12/2022 at 2:26 PM) QID: 40152

Will the Minister for Energy (Petroleum Division) be pleased to state:

- (a) whether there is any proposal under consideration for import of crude oil from Russia, if so, the proposed date of agreement indicating the volume and rate of the said commodity; and*
- (b) the tentative date on which the said transaction / import will be made?*

Mr. Musadik Masood Malik: (a) High level meetings were held between Pakistani and Russian delegates on trade of petroleum products in the month of January, 2023. Long-term contract for the import of crude oil to meet up to 20% of Pakistan's crude oil import requirements is under discussion with Russia. Matters including commercial terms, crude oil specification, freight arrangements and insurance coverages, will be discussed in upcoming meetings.

(b) Tentative timeline for imports can be ascertained after due deliberation and understanding on the aforementioned issues/matters with Russians.

***Question No. 45 Senator Mushtaq Ahmed:**

(Notice Received on 28/12/2022 at 2:27 PM) QID: 40153

Will the Minister for Energy (Power Division) be pleased to state:

- (a) the total amount payable to the Government by the Karachi Electric on account of electricity supply;*
- (b) the amount paid by KE to the Government during last year; and*
- (c) the schedule laid down by the Government to recover the pending amount of dues and the progress made up till now?*

Mr. Khurram Dastagir Khan: (a) The total amount payable to the CPPA-G/ NTDCL by the Karachi Electric on account of electricity supply is Rs. 490 billion by 31-12-2022.

(b) K-Electric has paid Rs. 85,133 billion to CPPA-G during last year *i.e.*, 2021-22.

(c) In order to resolve various issues between the GoP and K-Electric including recovery of pending amount, Prime Minister's Office has already constituted a Task Force under the chairmanship of Mr. Shahid Khaqan Abbasi, MNA and Federal Minister for Finance & Revenue, Federal Minister for Energy, Federal Minister for Maritime Affairs, Minister for State (Petroleum Division), Secretary, Finance Division, Secretary, Power Division, Secretary, Petroleum Division, Chief Secretary, Government of Sindh, Additional Secretary (CF), Ministry of Finance as its members.

Once the Taskforce finalize its recommendations for recovery of pending dues, same will be adopted after approval of the Federal Cabinet accordingly.

***Question No. 46 Senator Mushtaq Ahmed:**

(Notice Received on 29/12/2022 at 2:19 PM) QID: 40247

Will the Minister Incharge of the Prime Minister's Office be pleased to state that:

- (a) *Foreign Direct Investment in Pakistan has decreased by 43% during the last one year, 17.3% in February, 2022 and 52% from July to October 2022, if so reasons thereof; and*
- (b) *the steps taken/ being taken for increasing FDI during the last one year?*

Chaudhry Salik Hussain: (a) • As per SBP data, during last year 2021-22, Net FDI stood at US\$ 1,867.8 million which is 2.6% higher than corresponding period 2020-21 amount US\$ 1,820.8 million.

• While, in the month of February 2022, FDI decreased 33.7% to US\$ 90.8 million from US\$ 137.0 million and Net FDI during July-October 2022 decreased to 45.5% to US\$ 396.0 million from US\$ 726.5 million.

- However, Net FDI during current financial year 2022-23 (July-Dec) decreased 58.7% to US\$ 460.9 million from US\$ 1,114.8 million as compare to corresponding period 2021-22 (July-Dec).

Reasons for Decline in FDI

- Covid-19 Pandemic
- High cost of doing business in the country;
- Macroeconomic pressures such as Current Account Deficit and Balance of Payment Deficit
- Disruption in Food and Energy Prices due to Russia-Ukraine Crises

(b) Government is taking all possible steps and making efforts to attract FDI into the country and facilitate investors. Following are the steps being taken to increase FDI in Pakistan:

- Improving business climate through initiatives such as Pakistan Regulatory Modernization Initiative and other sector reforms;
- Supporting establishment of Special Economic Zones (SEZs) to promote industrialization in the country;
- Online Investment Facilitation Services like facilitating the issuance of Work Visa, approvals of Branch/ Liaison Office, Security Clearance and Issuance of Airport Entry Passes;
- Addressing investor grievance through a special Cell connected to online Portal;
- Creation of Projects Portal and Incentives' Portal on the BOI's web site for the facilitation of potential investors. Detail are at **Annex-I**.

*Source: State Bank of Pakistan (SBP).

Prime Minister's Office
Board of Investment

Detail of Steps Taken/ Being Taken to Enhance the FDI

Improving Ease of Doing Business

BOI, in consultation with all the relevant Ministries/Agencies and the Provincial Governments, is working on a comprehensive strategy to further improve Ease of Doing Business in Pakistan. According to World Bank, Doing Business 2020 Report, Pakistan has consistently making efforts to improve business environment in the country. Since 2016, numbers of reforms have been implemented to improve investment climate in the country. Resultantly, Pakistan improved 39 positions in EODB ranking in the last two years and placed at 108th position. Pakistan also recognized as the top reformer in the South Asia and sixth reformer in the world.

Improving Business Climate through Pakistan Regulatory Modernization Initiative

Government has launched "Pakistan Regulatory Modernization Initiative" to transform the regulatory landscape across federal, provincial and local governments. PRMI is a comprehensive reform initiative that brings together all provinces, territories, and their respective departments to map, simplify, eliminate and automate regulatory landscape to reduce burden on businesses and elevate Pakistan among the top destinations for investment. Main objective of PRMI is to reduce the compliance burden of businesses, improve the effectiveness of regulatory regime and establish an online "One Stop Shop" i.e. Pakistan Business Portal (PBP). PBP will enable businesses to get regulatory requirements of investment sectors, submit their applications electronically and pay online fees/ charges to obtain required licenses/ permits.

Supporting to Establish Special Economic Zones (SEZs)

Government has promulgated Special Economic Zones Act and the main objective of this act is to attract both local and foreign investment in the country and to enhance industrialization process. Income tax and Custom duty exemptions are allowed to the developers and enterprises located in these SEZs. Apart from fiscal incentives, other non-fiscal incentives like gas, electricity and other utilities are being provided at the zero-point of the Zones.

Integration of Investor's Grievance Cell with Citizen Portal

BOI has integrated investor's grievance cell (foreign/ local) with citizen portal introduced by the Prime Minister's Office to further enhance the investors' confidence on government's resolve to solve their problems.

Investment Facilitation Services

BOI has developed online portal titled "Pakistan Online Visa System (POVS)" for processing and recommending work visa cases of foreign expatriates employed by the companies. BOI also made easy the registration of Branch and Liaison Offices through "Branch Liaison Management Information System (BLMIS)" for online receipt and processing of branch/ liaison office b.

Project Portal

Establishment of Projects Portal having various public sector projects for offering to the potential investors.

Incentives' Portal

Incentives database has been developed which is single point information for investors having information on incentives for various sectors.

***Question No. 49 Senator Bahramand Khan Tangi:**

(Notice Received on 18/01/2023 at 9:35 AM) QID: 40314

Will the Minister for Energy (Power Division) be pleased to state whether there is any proposal under consideration to increase the electricity tariff for commercial and industrial consumers, if so, details thereof?

Mr. Khurram Dastagir Khan: As of now, no such proposal has been approved by the Government to raise the tariff for commercial and industrial consumers. Routine QTA and FPA are applied as determined by NEPRA on Quarterly and Monthly basis. Whenever, any increase is approved by the competent forum, it will be duly published.

***Question No. 50 Senator Bahramand Khan Tangi:**

(Notice Received on 18/01/2023 at 9:36 AM) QID: 40315

Will the Minister for Water Resources be pleased to state the progress made till date on the construction of new hydroelectricity dams during the last three years with project wise details?

Syed Khursheed Ahmed Shah: During last three years, works on following five (05) hydropower projects have been commenced:

- (i) Diamer Basha Dam
- (ii) Mohmand Dam
- (iii) Tarbela 5th Extension HPP
- (iv) Harpo Hydropower Project
- (v) Attabad Lake Hydropower Project

These projects shall add 6918.5 MW to the country's installed hydropower capacity cumulatively. Works on the Mohammad Dam were started in 2019 and that of Diamer Bhasha commenced in 2020. Similarly, Works on Tarbela 5th extension and Attabad Lake began in 2021 and 2022 respectively. The component wise progress of each project, been made till date is attached at **Annex-A**.

Annex-A

Sr. No	Project Name	Location	Commencement	Gross Storage (MAF) / Installed Capacity (MW)	Status
1.	Diamer Basha Dam	On Indus River near Chilas, Khyber Pakhtunkhwa & Gilgit Baltistan	August 2020	8.1 / 4,500	<ul style="list-style-type: none"> The Contract for Main Dam Works (MW-1) was signed on 13.05.2020 and works commenced on 07.08.2020. Preliminary works including construction of Shatial – Thor Nullah Bypass, Right Bank Periphery Road, Project Colony in Thor Valley, Composite Model Village-II at Harpan Das, Cadet College at Darang Das are in progress. Excavation work on Dam Abutment and Diversion Tunnel is in progress. Other works such as Permanent Access Bridge, Diversion Canal, Permanent Access Roads and Tangir HPP (21 MW) are also under construction. Overall physical progress of the Project is 9.58%. 32,805 acres of land (91.32 %) out of 35,924 acres has been acquired.
2.	Mohmand Dam	On Swat River about 5 km upstream of Munda Headworks, Khyber Pakhtunkhwa	September 2019	1.239 / 800	<ul style="list-style-type: none"> Contract Agreement for Construction of Civil Works including Design, Supply and Installation of Electrical and Mechanical Works and Hydraulic Steel Structures was signed with M/s CGGC-DESCON JV on 26.03.2019. Construction activities on various project components i.e. Main Dam, Diversion Tunnel, Powerhouse, Spillway, Switchyard, Access Roads, Project Colony, Gated Spillway, Power Intake & Waterway, Re-Regulation Pond, Permanent Access Roads, Quarry Development, Project Colony and Irrigation Scheme are in progress. Overall physical progress of the Project is 22.50%. 8,581 acres of land (97%) out of 8,787 acres has been acquired.
3.	Tarbela 5 th Extension HPP	Tarbela Dam on Indus River, District Swabi, Khyber Pakhtunkhwa	August 2021	– / 1,530	<ul style="list-style-type: none"> Tarbela 5th Extension HPP was awarded to M/s Power Construction Corporation of China Ltd (M/s PCCCL) on 06.05.2021 and Contractor mobilized at site on 09.08.2021. Work is in progress on various fronts i.e. Intake area, T5 outlet area, Powerhouse and switchyard, culverts and Penstock. Overall physical progress achieved is 9%.

4.	Harpo Hydropower Project	On Harpo Nullah, District Skardu, Gilgit Baltistan	July 2019	— / 34.5	<ul style="list-style-type: none"> • Consultancy of Harpo HPP was awarded to Harpo Consultants JV (M/s Tractebel Engineering GmbH and M/s NDC) on 26.04.2019 for Detailed Engineering Design & Preparation of Tender Documents in Phase-I as well as Construction & Commissioning in Phase-II. • The Consultants commenced their services on 25.07.2019 and have submitted draft Resettlement Action Plan (RAP), Engineer's cost estimates, initial Environmental Examination (IEE), Environmental Social Management Plan (ESMP) and Pre-qualification Evaluation Report. • The Section-IV of land acquisition issued on 16.09.2022 and demarcation of land in coordination with District Administration completed on 12.12.2022. • Preparation of 1st Revised PC-I is under process.
5.	Attabad Lake Hydropower Project	On Hunza River, Hunza District, Gilgit Baltistan	July 2022	— / 54	<ul style="list-style-type: none"> • ECNEC approved the PC-I amounting to Rs. 21,246.166 Million in its meeting held on 11.08.2021 and Administrative Approval was conveyed by the MoWR on 25.10.2021. • Consultancy of Attabad Lake Hydropower Project was awarded to Attabad Hydropower Consultants (AHMC), having M/s NESPAK as lead Consultant for Review of Feasibility Study, Procurement of EPC Contractor and Contract Management & Administration. • The Consultants have commenced their services since 07.07.2022. • Section-IV of land acquisition has been issued by the District Administration in August, 2022 and demarcation of land has been completed. • Draft Prequalification Documents for procurement of EPC Contractors prepared by AHMC are under review.

ISLAMABAD,
the 2nd February, 2023

MOHAMMAD QASIM SAMAD KHAN,
Secretary.