

KPOG/C/1-59-006/03-6/2014

NO. DGPC-CSR-3(17)/2017
Government of Pakistan
Ministry of Petroleum and Natural Resources
Directorate General of Petroleum Concessions
3rd Floor, Petroleum House, Sector G-5/2, Islamabad

Islamabad, the 22nd February, 2017

All E&P Companies,

Subject: GUIDELINES FOR UTILIZATION OF SOCIAL WELFARE FUNDS 2017.

Dear Sir,


The Social Welfare Guidelines have been revised/amended to ensure optimum utilization of Social Welfare Funds in fair and transparent manner on the welfare schemes of the people of the area. A copy of the "Guidelines for Utilization of Social Welfare Funds 2017" is enclosed.

2. It is requested to implement these guidelines in true letter and spirit to ensure utilization of funds on schemes in the specified area of interaction.
3. This supersedes previous guidelines notified on 02-07-2014.

CSOT
24/2/17

Khyber Pakhtunkhwa
Oil & Gas Company Ltd
DN No. 8388-A
Date Received 24-2-2017
Time Received 9:15 AM
Received By HA

Yours truly,


(Pirzada Shamsher Ali)
Accounts Officer (SW)
Ph: 051-9203085

Copy to:

1. Chairman, PPEPCA, No. 119-A, Street No. 37, Sector F-10/1, Islamabad.
2. The Secretary, Energy Department, Government of Sindh, Karachi. | Disseminate the
3. The Secretary, Energy Department, Government of KPK, Peshawar. | Guidelines to all
4. The Secretary, Energy Department, Government of Punjab, Lahore. | Concerned
5. The Secretary, Energy Department, Govt of Balochistan, Quetta. | DCs/DCOs.

HOO Maj Aslam _____
Matik Ms Saeeda _____
Committee members: Atzal _____
Naeem _____
Kashif _____
Zia _____

Guidelines for utilization of Social Welfare Funds 2017

The Ministry of Petroleum & Natural Resources, Government of Pakistan has been pleased to issue the following Revised Guidelines for utilization of Social Welfare Funds in and around the licence/ lease areas in a fair and transparent manner:-

1. The Social Welfare schemes shall be based on the requirement of Area, as mentioned in para-2, against the specified minimum financial obligations which will be identified and implemented by the following 'Social Welfare Committee':

MNA(s) of the Concerned Constituency	Chairman*
MPA(s) of the concerned constituency	Member
DCO/DC of the district	Member / Secretary
E&P Companies	Member
District Nazim / Chairman of the District Council	Member
Tehsil Nazim / Chairman of the Tehsil Council	Member(s)
Nazim/Chairman of concerned Union Councils	Member(s)

* In case, Area of a Block falls in more than one constituency, the MNA of the Constituency having larger part of area will be the Chairman.

2. The area of interaction of such schemes shall be in the sectors of health, education, water supply, and drainage, and will only be confined to the areas under active exploration work at the exploration stage. The additional social welfare amount to be generated due to incremental production shall be calculated on the basis of production share of each D & P Lease. This amount shall be further distributed among the Tehsil/District concerned on the basis of the lease area, falling therein.

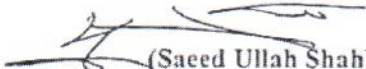
3. Cash donations will be strictly prohibited whereas supplies of material/medicines etc. will be through local dispensaries.
4. E&P companies will open a joint bank account with DCOs/DCs concerned and will deposit the Social Welfare Contribution fund within one month of signing of PCA and subsequently by 31st of January each year. The interest accrued on the deposits will also be considered as part of the social welfare fund.
5. The social welfare schemes would be executed and monitored by the DCO/DC through relevant agency under intimation to the MNA and relevant Union Council.
6. The Chairman will take the following steps while considering, evaluating and implementing the schemes to ensure transparency:-
 - (i) The social welfare obligations of E&P Companies are timely fulfilled;
 - (ii) Proposed schemes receive due publicity and inputs from the final recipients and beneficiaries or their representatives;
 - (iii) Evaluate progress and completion of welfare schemes;
 - (iv) Have public hearings for receiving local level inputs in respect of selection, completion etc. of welfare schemes.
7. Once every sixth months, the DCO/DC shall effect the publication of a notice online and in the most widely-read newspaper in the district, announcing a public hearing to solicit any comments or reservations that the inhabitants of the district in general, and the purported direct beneficiaries of the scheme in particular, may have with regard to the schemes completed, initiated, or ongoing during the preceding six months. A list of all such schemes shall be included in the public notice along with their location, budget and current status. This shall be strictly monitored by the provincial governments.

8. Such notices for public hearings shall be sent to all district level trade organizations, chambers of commerce, Bar Associations and other prominent organizations and social welfare organizations. Notices shall also be sent to the provincial ombudsmen. Such public notices of the public hearings shall also be promptly placed on the website of the district and provincial governments.
9. A report in respect of completed schemes shall be sent by the provincial governments to the Federal and Provincial Ombudsmen and to the Human Rights Cell of the Supreme Court of Pakistan on six monthly basis by end July and end January of each year.
10. In case due to topographical/habitat limitations the work cannot be carried out in a specific D&PL lease area, the company will obtain the approval of the regulatory authority (DGPC), after consulting the concerned Committees, to undertake the social welfare schemes in a locality which is adjacent/nearest to the area of activities of E & P Companies.
11. The plan covering the social welfare schemes, duly approved by the Committee for each calendar year will be submitted by the concerned DCO/DC as per prescribed format to DGPC by March 31 of that year for information only.
12. The DCO/DC shall submit bi-annual reports to the Provincial Governments and DGPC in respect of all licences/leases on their social welfare obligations towards the local community.
13. The DCO/DC shall submit including among other things, the locations, budgets and status of schemes completed, ongoing, or initiated during those six months, by end January and July each year. The district and provincial governments shall exhibit the reports on their websites for information of general public.
14. On completion of the work, a prescribed 'Completion Certificate' will be issued by the DCO/DC concerned within 30 days. Annual progress report of the previous

calendar year will also be forwarded by the DCO/DC to DGPC by March 31 of the following year alongwith a copy of completion certificate for information.

15. In case, a scheme has to be funded by more than one Operator, then DGPC will be consulted for final decision by the MNA.
16. Social welfare funds earmarked for a specific license /lease will neither be linked to the schemes of other license (s) / lease (s) nor used for schemes outside a specific license / lease without prior approval of the DGPC and concerned MNAs.
17. The DCO/DC will ensure transparency in award of social welfare contracts/works.
18. The E&P Companies will provide audit certificate annually from their statutory auditors that the due amount of social welfare obligation has been discharged by transferring to the joint account as per PCA and Social Welfare Guidelines.
19. The Auditor General of Pakistan will conduct annual audit of the accounts maintained by the concerned DCO/DC to ensure utilization of funds in a transparent and competitive manner.
20. The Ministry of Petroleum &.N.R. / Federal Government can modify these guidelines as deemed appropriate from time to time.

[No. DGPC-CSR-3(17)/2017]


(Saeed Ullah Shah)
Director General (Petroleum Concessions)