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Government of Pakistan
Ministry of Petroleum & Natural Resources

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Revised Social Welfare Guidelines

The Ministry of Petroleum & Natural Resources, Government of Pakistan have 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 based on the requirement of Area against the specified minimum financial obligations will be prepared by E&P Companies in consultation with the local administration.
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. However, in cases where exploration and production is going on simultaneously then priority shall be given to the exploration areas.
3. Cash donations and supplies of material/medicines etc. will be discouraged.
4. The social welfare schemes will be endorsed by the concerned MNA within one week after receipt of schemes from E&P companies. If the company does not receive response from the concerned MNA within the stipulated time, his concurrence will be assumed so as to pass on the benefit of social welfare schemes to the inhabitants of the area in line with the spirit of the Policy.
5. The social welfare schemes will be monitored by the local administration at the level of the District Coordination Officer (DCO)/ Deputy Commissioner.
6. 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 January each year. DCOs/DCs will not un-necessarily delay signing of cheques and shall sign the cheques within one (1) week after receiving complete requisition from E&P companies.
7. The concerned E&P companies and DCOs/DCs will take the following steps while preparing, evaluating and implementing the schemes to ensure transparency:-

- i) the social welfare obligations of E&P Companies are timely fulfilled and in case of any failure, report the matter to DGPC instantly;
 - 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.
8. Once every sixth months, the DCO 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.
 9. 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.
 10. 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.
 11. In case due to topographical/habitat limitations the work cannot be carried out in a specific concession / lease area the company will obtain the approval of the Regulatory Authority (DGPC) to undertake the social welfare schemes in a locality which is adjacent/nearest to the concession/ lease area.
 12. The plan covering the social welfare schemes, duly endorsed by the MNA(s) concerned for each calendar year will be submitted by the concerned company as per prescribed format to DG PC by March 31 of that year for information only.

13. The welfare schemes will be executed by the E&P Companies and monitored by DCOs/ DCs.
13. The E &P Companies shall submit half yearly reports to the concerned DCOs/DCs, Provincial Governments and DGPC in respect of all licences/leases on their social welfare obligations towards the local community, including among other things, the locations, budgets and status of schemes completed, ongoing, or initiated during those six months, by end January and end 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 to E&P company by the DCO/DC concerned within 30 days. Annual progress report of the previous calendar year will also be forwarded by the E&P companies to DGPC by March 31 of the following year along with a copy of the completion certificates for information.
15. In case, a scheme has to be funded by more than one Operator, then DGPC will be consulted for final decision.
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.
17. Un-discharged obligation of relinquished license (s) / lease (s) can be spent in other licence(s)/Lease(s) with the prior written approval of DGPC.
18. Operator will ensure transparency in award of social welfare contracts/works.
19. The E&P Companies will provide audit certificate (as attached) annually from their statutory auditors that social welfare work obligation has been discharged as per PCA and Social Welfare Guidelines.
20. The M/o Petroleum &.N.R. / Federal Government can modify these guidelines as deemed appropriate from time to time.