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## PART-I

GOVERNMENT OF SINDH  
SINDH ENVIRONMENTAL PROTECTION  
AGENCY

Karachi dated the 16th December, 2014.

### NOTIFICATION

No. EPA/TECH/739/2014. In exercise of the powers conferred by section 36 of the Sindh Environmental Protection Act, 2014, the Environmental Protection Agency with the approval of the Government of Sindh is pleased to make the following rules, namely: -

1. Short title and commencement.

- (1) These rules may be called the Sindh Sustainable Development Fund (Procedure and Utilization) Rules, 2014.
- (2) They shall come into force at once.

2. Definitions.

- (1) In these rules, unless there is anything repugnant in the subject or context:
  - (a) "Act" means the Sindh Environmental Protection Act, 2014;
  - (b) "Board" means the Sindh Sustainable Development Fund Board constituted under section 6;

- (c) "Chairperson" means the Chairperson of the Board;
  - (d) "Committee" means a Committee of the Board constituted under sub-section (6) of section 9;
  - (e) "Fund" means the Provincial Sindh Sustainable Development Fund established under section 9;
  - (f) "Member" means a member of the Board;
  - (g) "project proposal" means a proposal for institutional strengthening of Agency, awareness, consultancy charges for assistance to the Agency to performing its functions provided in the Act, conducting studies concerning to environmental issues and for environmental improvement under sub section (3) of section 9;
  - (h) "Secretary" means the Secretary of the Board; and
  - (i) "section" means a section of the Act.
- (j) All other words and expressions used in these rules but not defined shall have the same meanings as are assigned to them in the Act.

### 3. Meeting of the Board.

- (i) The Board shall meet as often as necessary but shall at least once in each quarter.
- (ii) The meetings of the Board shall be presided over by the Chairperson and in his absence the members present shall elect from amongst themselves a Member to preside the meeting.
- (iii) The date of the meeting of the Board shall be communicated in writing to the members by the Secretary at least fifteen days before the date of the meeting.
- (iv) Special meeting shall be convened by the Chairperson at any time considering the matter of an urgent nature; provided further that where in the opinion of the Chairperson it is not possible to convene a meeting to consider such urgent matter, it may be circulated to the members and a decision thereon taken in accordance with the views of the majority of the total membership.
- (v) To constitute a quorum at a meeting of the Board, the member or members present shall be seven.
- (vi) Members shall not be paid any remuneration for their services by the Board other than daily allowance and / or travelling allowance for attending meetings of the Board.

### 4. Agenda of the meeting.

- (i) An agenda listing the matters or business to be brought before the meeting, along with an explanatory memorandum or working paper for each matter prepared by the proposers, shall be communicated in writing to the members by the Secretary along with the notice of the date and place of the meeting.

- (2) Subject to sub-rule (3), any member may propose to the Secretary any matter for inclusion in the agenda for a meeting.
- (3) Any matter referred to in sub-rule (2), shall –
  - (a) fall within the scope of the functions and powers of the Board as specified in section 8 of the Act; and
  - (b) be supported by an explanatory memorandum or working paper which clearly and precisely presents the relevant facts and the issues, proposals requiring decision and, in case of a proposal submitted to the Board for sanction of financial assistance, shall contain such information and details in such format as may be determined by the Secretary.
- (4) The Chairperson may disallow inclusion of any matter in the agenda which in his opinion fails to meet the conditions specified in sub-rule (3).
- (5) The Secretary shall communicate to the proposer the reasons for the decision to disallow inclusion of any matter in the agenda.

#### 5. Decisions of the Board.

- (1) The Board shall make every effort to take decisions by consensus, failing which decision shall be taken by majority of votes.
- (2) Each member of the Board shall have one vote, but in case of equality of votes, the Chairperson or the person presiding the meeting, shall have a casting vote.
- (3) All decisions of the Board shall be recorded in a minutes book maintained by the Secretary and shall be authenticated by the signature of the Chairperson or of such other member as may have been authorized by the Board by a resolution.

#### 6. Committee of the Board.

- (1) The Board may for facilitating the performance of its functions and ensuring efficient operation of the Fund, constitute Committees of its members including at least one non-official member and entrust them with such functions as it may deem fit.
- (2) The Chairperson of a Committee shall be appointed by the Board at the time of constitution of the Committee.
- (3) A Committee shall meet on such date and at such place as may be specified by the Chairperson of the Committee.
- (4) One-half of the total members of the Committee shall constitute a quorum for its meeting.
- (5) The recommendations of the Committee shall be submitted to the Board for approval.

7. Filing of project proposals.

(1) All project proposals for sanction of financial assistance from the Fund shall –

(a) clearly state the environmental objectives sought to be achieved under sub-section (3) of section 8;

(b) be accompanied by –

(i) a feasibility report of the project which covers the points contained in the guidelines mentioned in Schedule-I;

(ii) necessary guarantees, securities or proof of availability of equity funds or of essential inputs required for implementation of the project, and for its subsequent operation and maintenance; and

(iii) a non-refundable preliminary examination fee, at rates mentioned in Schedule-II.

(2) All project proposals shall be addressed to the Board and shall be filed with the Secretary.

(3) Each proposal shall be duly entered in a register maintained for the purpose by the Secretary.

(4) The Secretary shall issue a receipt in respect of the project proposal to the person filing it.

(5) Depending on availability of funds, the Board shall invite project proposals at least twice a year.

8. Appraisal of project proposals.

(1) The Secretary shall carry out a preliminary examination of the project proposal, and if it is found to be eligible for financial assistance under sub-section (3) of section 8, shall admit the project for submission to the Board for consideration in its next meeting.

(2) The detailed appraisal of the project proposal shall be carried out by the Appraisal Committee constituted by the Board which shall be chaired by the Secretary and another member to be nominated by the Board; provided that the Chairperson may in a particular case extend the appraisal period of three months if the nature of the proposals so warrants.

(3) In carrying out the detailed appraisal, the Appraisal Committee shall associate local and or foreign consultants, bank or other financial institutions; payment of which shall be made out of the project examination fee.

(4) The appraisal report prepared by the Appraisal Committee shall be submitted to the Board for consideration in its next meeting.

9. Criteria for sanction of financial assistance.

(1) In sanctioning financial assistance for eligible projects, the Board shall observe the following criteria:–

- (a) the project may be designed to make a significant contribution to protection of the environment, or prevention of pollution or promotion of sustainable development;
  - (b) at least sixty percent of the cost of the project shall be provided by the proponent;
  - (c) financial assistance shall normally be confined to procurement of foreign and or local plant, machinery and equipment only; provided that such assistance shall be sanctioned for procurement of local plant, machinery and equipment where this is equally cost effective;
  - (d) priority shall be given to --
    - (i) a project designed to mitigate and avert environmental effect caused by more than one existing industrial unit jointly sponsored by the concerned units and recommended by the concerned industrial association;
    - (ii) a project designed to mitigate an adverse environmental effect sponsored by a proponent who is already giving a pollution charge in respect thereof;
    - (iii) projects involving joint venture or partnership between a Government Agency and the private industrial sector or a Non-Governmental Organization (NGO), Community Based Organization (CBO) or Village Based Organization (VBO) in which the private sector or NGO or CBO or VBO has the lead role;
    - (iv) a project designed for training staff in environmental matters including monitoring and analyses, for building public awareness of their environmental rights and obligations, and for meeting requirements for certification under international environmental standards such as the ISO.
- (2) As far as possible, the Board shall endeavor to ensure that the total financial assistance sanctioned industry-wise in a year, is proportional to the pollution charges paid by each industry:

Provided that this criteria shall not apply to a project-specific assistance channelized through the Fund:

Provided further that within each industry, priority shall be given to a project which is more cost-effective in terms of the mitigation which is designed to achieve as compared to investment plan.

#### 10. Sanction of financial assistance.

- (1) The Board may sanction financial assistance for any project, subject to such terms and conditions as it may deem fit in the circumstances of each case, including conditions relating to mode and period for utilization of the assistance, and security for repayment.

- (2) If the Board rejects a proposal for financial assistance, it may, in its discretion, direct that the whole or a portion of the project examination fee be refunded to the proponent.

#### 11. Post-sanction formalities

- (1) The proponent of the project shall complete all legal formalities including security documentation mentioned in the sanction letter within one month of the receipt thereof:

Provided that the period for completion of formalities may be extended by the Chairperson in particular case if the circumstances so warrant.

- (2) The procurement of local and/or foreign equipment under the sanctioned financial assistance shall be made by the Procurement Committee constituted by the Board in accordance with the Sindh Public Procurement Authority Rules, 2010.

#### 12. Implementation

- (1) All projects financed from the Fund shall be executed and implemented by the Agency.
- (2) The Agency shall identify the problems, if any, encountered by a project during implementation and recommend remedial measures for approval of the Board.
- (3) The Agency shall submit quarterly progress reports for information of, and where necessary action by, the Board.

#### 13. Audit and accounts. -

- (1) The amounts credited to the Fund shall not lapse at the end of a financial year and shall be available for utilization at any time.
- (2) The accounts of the Fund shall be audited annually within six months of the close of the financial year by an Auditor General of Pakistan or external auditor appointed by the Board.
- (3) The annual audit report of the Fund shall be submitted for consideration and review by the Board which shall present the same to Government.

#### 14. Annual Report.

The Board shall publish every year an Annual Report comprising inter-alia the audited accounts and a performance evaluation based on the progress reports submitted by the Agency.

**15. Repeal and Savings.**

- (1) The provisions of the Provincial Sustainable Development Fund Board (Procedure) Rules, 2001 and Provincial Sustainable Development Fund (Utilization) Rules, 2001, to the extent of the Province of Sindh are hereby repealed.
- (2) All orders made, notification issued, actions taken under the repealed Rules shall remain in force until amended, altered or repealed by the provisions of these Rules.

**DIRECTOR GENERAL  
SINDH ENVIRONMENTAL PROTECTION  
AGENCY**

SCHEDULE-I  
(See rule 3(1)(b)(i))  
**Guidelines for Feasibility Report**

SCHEDULE-II  
(See rule 3(F)(b)(i))

Rates for preliminary examination fee and project examination

Preliminary Examination Fee	Rs. 10000
Project Examination Fee	Rs. 50000