

# Regulatory Procedure

## COMPLIANCE WITH ENVIRONMENTAL LAWS IN PAKISTAN



**Small and Medium Enterprises Development Authority**

**Ministry of Industries & Production**

**Government of Pakistan**

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## **INTRODUCTION OF SMEDA**

The Small and Medium Enterprises Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME development strategy. Since its inception in October 1998, SMEDA has adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved overhauling of the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

After successfully qualifying in the first phase of sector development SMEDA reorganized its operations in January 2001 with the task of SME development at a broader scale and enhanced outreach in terms of SMEDA's areas of operation. Currently, SMEDA along with sectoral focus offers a range of services to SMEs including over the counter support systems, exclusive business development facilities, training and development and information dissemination through a wide range of publications. SMEDA's activities can now be classified into the three following broad areas:

1. *Creating a Conducive Environment* ; includes collaboration with policy makers to devise facilitating mechanisms for SMEs by removing regulatory impediments across numerous policy areas
2. *Cluster/Sector Development*; comprises formulation and implementation of projects for SME clusters /sectors in collaboration with industry / trade associations and chambers
3. *Enhancing Access to Business Development Services*; development and provision of services to meet the business management, strategic and operational requirements of SMEs.

SMEDA has so far successfully formulated strategies for sectors, including fruits and vegetables, marble and granite, gems and jewelry, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy.

Along with the sectoral focus a broad spectrum of services are now being offered to the SMEs by SMEDA, which are driven by factors like enhanced interaction amongst the stakeholders, need based sectoral research, over the counter support systems, exclusive business development facilities, training and development for SMEs and information dissemination through a wide range of publications.

## **ROLE OF SMEDA LEGAL SERVICES CELL**

The Legal Services Cell (LSC) is a part of Business Development Division of SMEDA and plays a key role in providing an overall facilitation and support to SMEs. The LSC provides guidance based on field realities pertaining to SMEs in Pakistan.

LSC believes that information dissemination among the SMEs on the existing regulatory environment is of paramount importance and it can play a pivotal role in their sustainable development.

In order to facilitate SMEs at the micro level, LSC has developed user-friendly systems, which provide them with detailed description of laws and regulations including the process and steps required for compliance.

The purpose of this document is to provide SMEs either individuals or companies, with information pertaining to environmental laws which a business entity has to comply with. Entrepreneurs interested in enhancing their understanding about the procedures and rights can also use the document. For the convenience of the readers, samples of various forms, instructions on how to fill up the forms and important addresses are also included.

## **DISCLAIMER**

Information in this document is provided only for general information purpose and on an "as is" basis without any warranties of any kind. As laws and regulations are subject to change, the use of this information is at the user's own discretion. SMEDA assumes no responsibility for the accuracy or completeness of this information and shall not be liable for any loss/damages arising from its use.

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- 1) Pakistan Environmental Protection Act, 1997 (hereinafter referred to as “the Act, 1997”) is the basic environmental law of Pakistan. The apex body established under the Act, 1997 is the Pakistan Environmental Protection Council. There also exists Pakistan Environmental Protection Agency (federal agency) under the Pakistan Environmental Protection Council. Apart from the said Federal Agency Provincial Environmental Protection Agencies also exist in each province of Pakistan.
- 2) Section 12 of the Act, 1997 requires to the industries that “No proponent of a **prescribed** project shall commence construction or operation unless he has filed the Initial Environmental Examination (IEE), or, where the project is likely to cause adverse environmental effects, an Environmental Impact Assessment (EIA), with the Federal Environmental Protection Agency. IEE and EIA shall be prepared in the light of guidelines issued by the Federal Environmental Protection Agency.
- 3) Projects which are required to file IEE or EIA have been mentioned in the Pakistan Environmental Protection Agency (Review of IEE and EIA Assessment) Regulations, 2000 (hereinafter referred as “the Regulations”). The projects listed in **Schedule I (annexed herewith)** of the Regulations are required to file IEE and the projects listed in **Schedule II (annexed herewith)** are required to file EIA with the Federal Agency.
- 4) The following are the requirements for the filing of the IEE and EIA:
  - I Ten paper copies and two electronic copies of an IEE or EIA shall be filed with the federal Agency
  - II Every IEE and EIA shall be accompanied by the following:
    - (a) an application, in the form prescribed in **Schedule IV (annexed herewith)**
    - (b) copy of receipt showing payment of the Review Fee.
- 5) Fees for submission of an IEE or EIA have been listed in **Schedule III** of the Regulations, which is provided as below:

Total Project Cost	IEE	EIA
Upto Rs. 5,000,000	NIL	NIL
Rs. 5,000,001 to 10,000,000	Rs. 10,000	Rs. 15,000
Greater than Rs. 10,000,000	Rs. 15,000	Rs. 30,000

- 6) Within 10 working days of filing of the IEE or EIA, the Federal Agency shall:
- (a) confirm that the IEE or EIA is complete for purposes of initiation of the review process; or
  - (b) require the applicant to submit such additional information as may be specified; or
  - (c) return the IEE or EIA to the applicant for revision, clearly listing the points requiring further study and discussion.
- 7) As per Regulation 11 of the said Regulations, upon acceptance of an IEE or EIA for the review process, the Federal Agency shall make every effort to carry out its review of the IEE within 45 days and of the EIA within 90 days.
- 8) On completion of the review, the Federal Agency shall communicate its decision to the applicant in the form prescribed in **Schedule V (annexed herewith)** in the case of an IEE and in the form prescribed in **Schedule VI (annexed herewith)** in the case of an EIA. The said approval given by the Federal Agency shall be valid, for the commencement of construction, for a period of three years from the date of issuance.
- 9) Apart from the above requirement of filing EIA, **Industrial** units are also required to comply with the National Environmental Quality Standards (Self-Monitoring and Reporting By Industry) Rules, 2001 (hereinafter referred as “the Rules, 2001).
- 10) The Rules, 2001 have established an honor-based self-monitoring and reporting system. Rule 3 puts obligations upon all the industries to submit Environmental Monitoring Reports to the Federal Environmental Protection Agency timely and correctly.
- 11) Under rules 4, 5, 6 and 7 the industrial units have been categorized into A, B and C for the liquid effluents and into A and B for gaseous emission. The industries falling under category A are required to send their report on a monthly basis to the Federal Environmental Protection Agency. The industries falling under category B and C are required to submit their report on quarterly and biannual basis respectively.
- 12) To comply with the above requirements and for additional information you may consult with the Federal and Provincial Environmental Protection Agencies, contact details for which are annexed herewith for ready reference.

**SCHEDULE-I**  
(See Regulation 3)

**List of Projects requiring an IEE**

**A. Agriculture, Livestock, and Fisheries**

1. Poultry, livestock, stud and fish farms with total cost more than Rs. 10 million
2. Projects involving repacking, formulation or warehousing of agricultural products

**B. Energy**

1. Hydroelectric power generation less than 50 MW
2. Thermal power generation less than 200 KW
3. Transmission lines less than 11 KV, and large distribution projects
4. Oil and gas transmission systems
5. Oil and gas extraction projects including exploration, production, gathering systems, separation and storage
6. Waste-to-energy generation projects

**C. Manufacturing and processing**

1. Ceramics and glass units with total cost more than Rs. 50 million
2. Food processing industries including sugar mills, beverages, milk and dairy products, with total cost less than Rs. 100 million
3. Man-made fibers and resin projects with total cost less than Rs.100 million
4. Manufacturing of apparel, including dyeing and printing, with total cost more than Rs. 25 million
5. Wood products with total cost more than Rs. 25 million

**D. Mining and mineral processing**

1. Commercial extraction of sand, gravel, limestone, clay, sulphur and other minerals not included in Schedule II with total cost less than Rs. 100 million.
2. Crushing, grinding and separation processes
3. Smelting plants with total cost less than Rs. 50 million

**E. Transport**

1. Federal or Provincial highways (except maintenance, rebuilding or reconstruction of existing metalled road) with total cost less than Rs. 50 million
2. Ports and harbor development for ships less than 500 gross tons

**F. Water management, dams, irrigation and flood protection**

1. Dams and reservoirs with storage volume less than 50 million cubic meters of surface area less than 8 square kilometers
2. Irrigation and drainage projects serving less than 15000 hectares

3. Small-scale irrigation systems with total cost less than Rs. 50 million
- G. Water supply and treatment**  
Water supply schemes and treatment plants with total cost less than Rs. 25 million
- H. Waste disposal**  
Waste disposal facility for domestic or industrial wastes, with annual capacity less than 10000 cubic meters
- I. Urban development and tourism**
  1. Housing schemes
  2. Public facilities with significant off-site impacts (e.g. hospital wastes)
  3. Urban development projects
- J. Other projects**
  1. Any other project which filing of an IEE is required by the Federal Agency under sub-regulation (2) of Regulation 5



**SCHEDULE-II**  
(See Regulation 4)

**List of Projects requiring an EIA**

**A. Energy**

1. Hydroelectric power generation over 50 MW
2. Thermal power generation over 200 MW
3. Transmission lines (11 KV and above) and grid stations
4. Nuclear power plans
5. Petroleum refineries

**B Manufacturing and processing**

1. Cement plants
2. Chemical projects
3. Fertilizer plants
4. Food processing industries including sugar mills, beverages, milk and dairy products, with total cost of Rs. 100 million and above
5. Industrial estates (including processing zones)
6. Man-made fibers and resin projects with total cost of Rs. 100 M and above
7. Pesticides (manufacturer or formulation)
8. Petrochemical complex
9. Synthetic resins, plastics and man made fibers, paper and paperboard, paper pulping, plastic products, textiles (except apparel), printing and publishing, paints and dyes, oils and fats and vegetable ghee projects, with total cost more than Rs. 10 million
10. Tanning and leather finishing projects

**C. Mining and mineral processing**

1. Mining and processing of coal, gold, copper, sulphur and precious stones
2. Mining and processing of major non-ferrous metals, iron and steel rolling
3. Smelting plants with total cost of Rs. 50 million and above

**D. Transport**

1. Airports
2. Federal or Provincial highways or major roads (except maintenance, rebuilding or reconstruction of existing roads) with total cost of Rs. 50 million and above
3. Ports and harbor development for ships of 500 gross tons and above
4. Railway works

**E. Water management, dams, irrigation and flood protection**

1. Dams and reservoirs with storage volume of 50 million cubic meters and above or surface area of 8 square kilometers and above
2. Irrigation and drainage projects serving 15000 hectares and above

**F. Water supply and treatment**

Water supply schemes and treatment plants with total cost of Rs. 25 million and above

**G. Waste Disposal**

1. Waste disposal and/or storage of hazardous or toxic wastes (including landfill sites, incineration of hospital toxic waste)
2. Waste disposal facilities for domestic or industrial wastes, with annual capacity more than 10000 cubic meters

**H. Urban development and tourism**

1. Land use studies and urban plans (large cities)
2. Large-scale tourism development projects with total cost more than Rs. 50 million

**I. Environmental Sensitive Areas**

All projects situated in environmentally sensitive areas

**J. Other projects**

1. Any other project for which filing of an EIA is required by the Federal Agency under sub-regulation (2) of Regulation 5
2. Any other project likely to cause an adverse environmental effect

**Schedule IV**  
(See Regulation 8(2)(a))  
**Application Form**

1	Name and address of proponent		Phone: Fax: Telex:	
2	Description of project			
3	Location of project			
4	Objectives of project			
5	IEE/EIA attached?	IEE /EIA	Yes / No	
6	Have alternative sites been considered and reported in IEE / EIA?			Yes / No
7	Existing land use		Land requirement	
8	Is basic site data available, or has it been measured	(only tick yes if the data is reported in the IEE /EIA)  Meterology (including rainfall) Ambient air quality Ambient water quality Ground water quality	Available Yes / No  Yes / No Yes / No Yes / No	Measured Yes / No  Yes / No Yes / No Yes / No
9	Have estimates of the following been reported?	Water balance Solid waste disposal Liquid waste treatment	Estimated Yes / No Yes / No Yes / No	Reported Yes / No Yes / No Yes / No
10	Source of power		Power requirement	
11	Labour force (number)	Construction: Operation:		

Verification. I do solemnly affirm and declare that the information given above and contained in the attached IEE/EIA is true and correct to the best of my knowledge and belief.

Date \_\_\_\_\_

Signature, \_\_\_\_\_  
name and designation  
of proponent  
(with official stamp/seal)

**Schedule V**  
(See Regulation 12)  
**Decision on IEE**

1. Name and address of proponent \_\_\_\_\_
2. Description of project \_\_\_\_\_
3. Location of project \_\_\_\_\_
4. Date of filing of IEE \_\_\_\_\_
5. After careful review of the IEE, the federal Agency has decided: -

(a) to accord its approval, subject to the following conditions:

or

(b) that the proponent should submit an EIA of the project, for the following reasons-

(Delete (a) or (b), whichever is inapplicable)

Dated \_\_\_\_\_

Tracking no. \_\_\_\_\_

Director General  
Federal Agency  
(with official stamp / seal)

**Schedule VI**  
(See Regulation 12)  
**Decision on EIA**

6. Name and address of proponent \_\_\_\_\_
7. Description of project \_\_\_\_\_
8. Location of project \_\_\_\_\_
9. Date of filing of EIA \_\_\_\_\_
10. After careful review of the EIA, and all comments thereon, the Federal Agency has decided: -

(a) to accord its approval, subject to the following conditions:

or

(b) that the proponent should submit an EIA with the following modifications: -

or

(c) to reject the project, being contrary to environmental objectives, for the following reasons:

(Delete (a) / (b) / (c), whichever is inapplicable)

Dated \_\_\_\_\_  
Tracking no. \_\_\_\_\_

Director General  
Federal Agency  
(with official stamp / seal)



**List Federal and Provincial Environmental Protection Agencies**

1. Pakistan Environmental Protection Agency  
Pak-EPA, Plot No. 42, Street No. 6, H-8/2,  
Islamabad  
Phone: +92-51-9250718  
Fax: +92-51-9250715  
Web: [www.environment.gov.pk](http://www.environment.gov.pk)
  
2. Environmental Protection Agency-Sindh  
Government of Sindh  
ST-. 2 / 1,  
Sector 23, Korangi Industrial Area,  
Karachi  
Phone: 021-35065950  
Fax: 021-35065940
  
3. Environmental Protection Agency-Punjab  
Government of Punjab  
Gate No,8,  
National Hockey  
Stadium, Hafeez  
Kardar Rd, Block  
E-2, Near Gaddafi  
Stadium, Gulberg  
III, Lahore  
Phone: 042-99232230  
Fax: 042-99232236
  
4. Environmental Protection Agency-KPK  
Government of KPK  
3<sup>rd</sup> Floor, Old Courts Building,  
Khyber Road,  
Peshawar  
Phone: 091-9210263  
Fax: 091-9210280

5. Environmental Protection Agency-Balochistan  
Government of Balochistan  
Opp Sos. Village,  
Samangli Road,  
Quetta  
Phone: 081-9202484  
Fax: 081-9201180