

POWER TO THE PROVINCES: DEVOLUTION OF POWER IN PAKISTAN'S ENERGY SECTOR

Khalid Waleed

INTRODUCTION

To effectively handle the needs, wants, and complaints of regular people, there must be access to precise, up-to-date information and quick decision-making. Achieving this requires local government entities with both financial and administrative capacity. Effective governance depends heavily on the devolution of power, including delegation, localisation and decentralisation. This essay will be about delegating authority to local government entities in the power sector, proposing a set of measures that can lead to a more responsive and sustainable energy landscape in Pakistan.

DEVOLUTION OF POWER IN THE ENERGY SECTOR

Pakistan's energy sector confronts a number of difficulties, including poor infrastructure and ineffective service delivery. The central government has a heavy administrative burden in this sector, which hinders its ability to efficiently meet local energy needs. To overcome these obstacles and realise the potential benefits of decentralisation, power must be transferred to local government entities.

In the energy industry, delegation refers to the transfer

of power and duty to regional authorities. Thus, decision-making procedures can be adapted to local energy requirements and goals, enhancing responsiveness. Local governments can better handle the distinctive energy issues that their communities face by being given the information they need to make wise decisions. For instance, local government bodies can collaborate with local stakeholders, such as community leaders and energy experts, to develop targeted strategies for energy generation, distribution, and conservation. This can be achieved through effective local governments, private sector and distributed generation coupled with community grids.

Localisation in the energy sector recognizes the importance of adapting policies and services to local contexts. Different regions within Pakistan have distinct energy requirements and opportunities. Localisation allows local government bodies to develop region-specific solutions, addressing energy challenges and leveraging local resources. For example, in regions abundant with solar or wind resources, local governments can promote and incentivise the adoption of renewable energy technologies. One way to do so would be to have households in rural and urban areas rank fuels in terms of relative availability and affordability.

Decentralisation in the energy sector redistributes power and decision-making authority to lower levels of government. By bringing decision-making closer to the people, decentralisation fosters participatory democracy and local accountability. It allows citizens to have a direct say in matters affecting their daily lives, including energy-related issues. Furthermore, decentralisation empowers local governments with greater financial autonomy, ensuring resources are allocated according to local energy priorities. Local government bodies can leverage this autonomy to invest in localised energy infrastructure, prioritise energy access for underserved communities, and promote energy efficiency programs tailored to local needs. Formulation of Sindh Electric Power Regulatory Authority (SEPRa) is a recent example of decentralization.

Successful examples of devolution in the energy sector from around the world provide valuable insights. Countries that have implemented decentralised energy governance models offer lessons for Pakistan. For instance, Germany's Energiewende (energy transition) initiative has empowered local communities and local governments to lead renewable energy projects, resulting in increased renewable energy generation and local economic development. Leveraging the potential advantages of devolution in the energy sector can be accomplished by studying these cases and applying them to Pakistan's situation. Additionally, the formation of the Sindh Electric Power Regulatory Authority (SEPRa) was recently approved by the Sindh government. A crucial step towards the devolution of power in the energy sector has been made with the Sindh cabinet's adoption of a draught law for the creation of the Sindh Electric Power Regulatory Authority (SEPRa). To ensure its successful execution and satisfy the province's energy requirements, a number of opportunities and difficulties must be taken into account.

1. Enhanced Provincial Autonomy: SEPRa grants Sindh greater control over its electricity regulatory functions, enabling tailored policies and regulations to prioritise indigenous energy resources like Thar coal, wind, and solar power. This contributes to energy security and economic growth.

2. Focus on Energy Poverty: SEPRa allows Sindh to directly address energy poverty by formulating policies for affordable energy access. Localised decision-making harnesses renewable energy potential and ensures energy equity across communities.

3. Resolving Interprovincial Issues: SEPRa serves as a platform for resolving interprovincial coordination challenges in the power sector, facilitating collaboration and resource-sharing among provinces.

This benefits energy producer provinces and consumer provinces like Punjab.

4. Aligning Provincial and National Energy Goals: SEPRa's relationship with NEPRa and CPPA-G needs clarification to ensure coordination and coherence between provincial and federal energy policies. Clear guidelines promote a unified approach to energy planning and development.

5. Building Technical Capacity: SEPRa requires technical expertise and capacity building. Sindh should invest in training programs and collaborations with relevant institutions. SEPRa should engage industry experts, stakeholders, and consumer representatives for balanced decision-making.

6. Overcoming Financial Challenges: Sindh should develop mechanisms to ensure adequate funding for SEPRa's operations while maintaining transparency and accountability. Balancing financial autonomy with equitable resource allocation promotes balanced energy development.

In Sindh's energy sector, the creation of SEPRa is a key step towards devolution of power. It gives the province a chance to tackle its particular energy problems, support renewable energy sources, and achieve energy equity. To ensure coherence and prevent fragmentation, good coordination between SEPRa, NEPRa, and other federal authorities is essential. Realising the full benefits of devolution in Sindh's energy sector would depend on overcoming technical, financial, and interprovincial cooperation obstacles. The development of Sindh's economy can be accelerated by SEPRa by carefully planning, collaborating, and putting an emphasis on long-term sustainable solutions.

ADVANTAGES AND CHALLENGES

Numerous benefits come with the devolution of power in the energy industry, including the chance for local decision-making and responsiveness. Given that local government entities have a thorough awareness of the region's energy requirements and resources, decentralisation makes it possible for more effective energy planning and implementation. They can efficiently manage energy resources, lower transmission and distribution losses, and improve the dependability of the energy supply by developing and putting into place tailored policies and programmes.

Devolution additionally encourages the use of renewable energy on a local level, facilitating sustainable energy practises. Local governments are in a good position to recognise and take use of possible sources

of renewable energy, such as solar, wind, hydro, or biomass, that are unique to a certain region. These authorities may lessen Pakistan's dependency on fossil fuels, cut greenhouse gas emissions, and help Pakistan meet its climate change obligations by encouraging renewable energy projects.

Devolution also promotes better energy infrastructure planning, which takes into account the opportunities and problems unique to each region. Local government authorities can evaluate and prioritise infrastructure needs through a localised strategy, guaranteeing fair access to energy for all areas. Increased electrification rates in rural and underserved areas are encouraged by this focused investment in transmission and distribution networks and better energy saving measures.

Devolution's implementation does, however, present several difficulties that must be overcome. To guarantee coherence and avoid fragmentation, it is crucial to strike a balance between central control and local autonomy. A coordinated national energy policy framework should direct local governments' decision-making to prevent inconsistencies and maintain a united approach towards national energy goals, even while local governments need flexibility in handling local energy concerns.

It becomes essential to increase the competence and technical proficiency of local government bodies in order to facilitate efficient decision-making. Local politicians and administrators should receive training and assistance to help them understand complicated energy systems, create appropriate energy strategies, and manage energy projects. Collaborations with academic institutions, research labs, and overseas partners can help capacity-building efforts.

Furthermore, preventing regional imbalances requires finding a balance between fiscal autonomy and the distribution of financial resources. While it is appropriate for local governments to have the power to distribute funds according to regional priorities, processes must be in place to guarantee openness, responsibility, and equity in the allocation of financial resources. This strategy supports balanced energy growth across the nation and prevents resource concentration in particular areas.

RECOMMENDATIONS AND CONCLUSION

Stakeholder involvement and participatory methods are crucial for the effective implementation of devolution in Pakistan's energy industry. Effective energy

policies must be developed and put into action with the active participation of local communities, civil society organisations, businesses, and energy professionals. Transparency, inclusion, and ownership in the decision-making process can be encouraged by routine consultations, public hearings, and feedback channels. In order to improve the knowledge and abilities of local government officials and administrators in the energy sector, capacity-building programmes should also be implemented. To support learning, the sharing of best practises, and innovation, this can include workshops, training programmes, and knowledge-sharing platforms.

Devolution in the energy sector has major long-term advantages. In addition to advancing sustainable energy practises, it also strengthens democratic procedures and gives local communities more autonomy. Devolution lays the way for a more robust and responsive energy landscape in Pakistan by addressing local energy demands. It creates the groundwork for inclusive economic growth, environmental sustainability, and an improvement in everyone's standard of living.

In conclusion, Pakistan's energy industry presents enormous potential for successful administration through the devolution of authority. Delegation, localisation, and decentralisation are strategies Pakistan can adopt to reap the rewards of customised decision-making, address regional energy issues, and give local populations more control over their energy future. It is a critical step in creating a nation with a more egalitarian and sustainable energy industry. Delegating power to the provinces can help Pakistan as it continues its energy transition journey.

The author is a Research Fellow at the Sustainable Development Policy Institute (SDPI), Islamabad and can be reached at khalidwaleed@sdpi.org. He tweets @Khalidwaleed_.