

Written by Shumaila Ahmed

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ISLAMABAD: The government has reversed its earlier decision to appoint Wapda Chairman Syed Ragib Shah as the power sector coordinator due to which the whole power sector was put under the umbrella of the Water and Power Development Authority by de-notifying the appointment on Tuesday.

The Ministry of Water and Power has virtually succumbed to the huge pressure of the World Bank and ADB, which had earlier threatened to halt their credit lines of Rs300-400 billion for reversing the power sector reforms and putting all the entities under the umbrella of Wapda, a senior official of the Ministry of Water and Power told The News.

Pakistan breached the IMF loan's terms by reversing the power sector reforms and bringing the unbundled power sector entities (Discos and Gencos) under Wapda.

Yes, huge pressure was mounted by the Economic Affairs Division (EAD) to which the three international donors World Bank, ADB and USAID had written a letter threatening to halt their credit line for power sector reforms, which had been reversed with the notification of the appointment of Wapda chairman as the power sector coordinator. They had asked for the revival of the power sector reforms.

The official said the decision of reversing the power sector reforms also irked the deputy chairman Planning Commission. The official at the EAD confirmed that after the donors threat, the caretaker prime minister was sensitized who ultimately ordered the secretary water and power to de-notify the appointment of Wapda chairman as the power sector coordinator. When contacted, a Wapda spokesman said that he was unaware of the development. Pakistan is currently experiencing the worst-ever loadshedding of 18-20 hours in urban areas and 22 hours in rural areas. The bleeding power sector may face a deficit of Rs792 billion in the ongoing current financial year because of the slow implementation of power sector reforms.

However, some officials say the government's decision to bring the whole power sector under Wapda has saved it from total collapse. The government had earlier appointed Wapda Chairman Syed Ragib Shah as the power sector coordinator with the intention of turning around the power sector, whose transmission system is also on the verge of collapse.

Meanwhile, while chairing a high-level meeting on the power situation, the prime minister directed the Finance Ministry to release Rs20 billion to the power sector to make available furnace oil for thermal generation, and to this effect directed the Ministry of Water and Power to take immediate measures to improve the power situation and use all available resources to ensure power generation was optimized so that minimum loadshedding was carried out in the country.

The meeting was called to discuss the power situation in the country after the prime minister took cognizance of reports of excessive loadshedding in the country appearing in the media.

Courtesy: The News