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**Roundtable:
Consumer protection and the transition to clean energy**

Presentation

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How can regional organizations support developing countries in addressing consumers' needs in connection with the clean energy transition?

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Outline

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3. Energy Markets in COMESA
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The Clean Transition Dilemma

- Ready access to affordable energy is essential for both economic growth and sustainable human development.
- Potential benefits of the clean energy transition for developing economies are well documented: cheaper sources of power, healthier fuels, climate-resilient food production, and job creation (*Babayomi et al, 2022*).
- However, clean energy transition comes at a high financial cost to all economies, and transition will be particularly harder for countries with less financial resources. Poor consumers in these countries may be hit hard. However, not transitioning is not a solution as with the climate change issues caused by exploitation of unclean energy, food production has been highly affected due to floods and droughts, ultimately leading to high food prices hitting vulnerable consumers more.
- Concerted efforts towards addressing costs of transitioning to clean energy may help in alleviating the burden.
- COMESA Member States are at different levels of development, have uneven resource endowments, with differing geography and technological capacities.
- UN-ESCAP: ***“Regional cooperation to mobilize capacities, knowledge, technology and investment, as well as to establish regional markets is an essential part of the sustainable energy transition.”***

The Role of Regional Organisations?

- Regional organisations have the potential for fostering trust and cooperation among nations, at least within a certain region, by creating common or aligned interests at a higher level. Usually, opportunities and challenges are similar for countries in a certain region, and it therefore becomes easy to coordinate efforts towards a common goal.
- Typically operate within the broader framework of agreements seeking to establish integrated markets for the benefit of the citizens of all the member countries.
- As signatories to the regional agreements, member countries have an obligation to refrain from activities that would jeopardize the achievement of regional markets and can be taken to task by the other member countries or regional institutions.
- When the effects at national level may not be sufficient to motivate Government intervention but the aggregated harm across the Member States is high, regional organisations have the potential to increase incentives for policy and enforcement actions.

Energy Markets in COMESA...

"The COMESA region is a paradox of energy: richly endowed with power generating natural resources of which only few are harnessed, thus resulting in severe power shortfalls."

Ethiopian State Minister of Water, Irrigation and Energy H.E Dr. Frehiwot Woldehana

- Need for cooperation and coordination to eliminate market failures and imperfections:
 - consumer attention to first costs rather than life-cycle costs;
 - unfair behaviours and misinformation; and
 - fiscal policies that distort competition and discourage gains in energy productivity or reward inefficient energy consumption.

Role of COMESA Competition Commission as regional consumer protection authority

- Educate and empower through advocacy activities across Member States (policy makers, businesses, consumers)
- Enforcement – monitor and investigate cross-border practices, and provide redress mechanism
 - Wide mandate covering protection from false or misleading misrepresentations; unconscionable conduct in consumer and business transactions; non-compliance to product safety standards and supply of unsafe goods.
 - Competition mandate also takes into consideration impact of agreements in improving access to or introducing clean and affordable energy products for consumers in the Common Market.

Role of COMESA Competition Commission as regional consumer protection authority

- Advocate for transition to clean energy solutions that will be efficient and clean thereby consistent with the UN Guidelines on the right to a clean environment.
- Changing laws at COMESA level and advocating for change to consumer laws at national level to add provisions that result in the enforceability of environmental norms and financial implications to the consumer.
- Changes to laws at COMESA and national levels to include environmental and clean energy technologies as a public interest considerations during conduct and merger assessment (of course with the exception of cartels).

Role of COMESA Competition Commission as regional consumer protection authority

- In order to ensure that customers are protected from poor quality products, require standards that the region can use as a benchmark - in collaboration with the Member States, the COMESA Competition Commission is developing a regional early warning system for unsafe and substandard products entering the region.
- Further, the Commission has established the COMESA Consumer Protection Committee where those matters are discussed and therefore ensuring speedy permeation at national level.

Other projects in COMESA

- Renewable energy solutions, including stand-alone solar systems and mini-grids, are playing a steadily growing role in expanding electricity access in off-grid areas and strengthening supply in already connected areas.
- However, proliferation of low quality of solar energy products which have eroded the confidence in the reliability of solar energy as a viable solution to electrification challenges in the region – COMESA has developed **regional policy frameworks** that will assist Member States to improve the quality of solar products that are allowed into the region

Other projects in COMESA

- Promoting ease of doing of business across borders through predictable duty regimes.
- A number of Member States (Zimbabwe, Malawi, Zambia and Rwanda) have reduced import tariffs on solar equipment which the result of reduced prices to the benefit of consumers.
- Enhancement of **a Sustainable Regional Energy Market, thus promoting energy trade and investment** in the region.
 - COMESA vision is to achieve an integrated framework for the development and utilization of renewable energy/ energy efficiency in the region.
 - Considered a necessary instrument that will create an enabling environment to promote investment in the energy sector, hence achieving access to affordable, reliable, sustainable and modern energy services.

Call for greater cooperation

1. In this transition, lots of consumer violations like unfair prices, greenwashing, bait advertising, and other forms of misrepresentations are likely to surface. We are already observing this.
2. Cooperation in sensitising consumers and Governments on the importance of clean energy is therefore a must. A bigger voice is better than an insignificant and barely noticeable voice.
3. Closer cooperation among international consumer protection agencies is a prerequisite for effective enforcement of consumer protection laws.

Thank You



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