

### INCLUSIVE GREEN ECONOMY NETWORK-EAST AFRICA

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## FOR IMMEDIATE RELEASE KAMPALA, UGANDA

# PRIVATE SECTOR & CIVIL SOCIETY PLAYERS DEMAND CONSUMER PROTECTION LAW

The Inclusive Green Economy Network-East Africa (IGEN-EA) has written to the Minister of Trade, Industry and Cooperatives, Hon. Francis Mwebesa, calling on him to ensure that his ministry completes and tables the Consumer Protection and Management Bill before parliament for debate and enactment.

The network members wrote to the minister on June 5, 2023 following delays by the Ministry of Trade to complete the Consumer Protection Bill and table it before parliament for debate and enactment.

Mr. Dickens Kamugisha of Africa Institute for Energy Governance (AFIEGO), a member organisation of IGEN-EA, says, "In November 2022, the Parliament of Uganda discussed a motion by the Bukoto West MP, Hon. Muhamad Ssentayi, on drafting a Consumer Protection and Management Bill."

Hon. Ssentayi belongs to parliament's Tourism, Trade and Industry Committee. The purpose of the bill would be to protect consumers in Uganda from false advertisement, predatory pricing, and sub-standard products among others.

Mr. Kamugisha adds, "During the debate, the Deputy Attorney General, Hon. Jackson Kafuuzi, noted that the Government of Uganda [GoU] was in the process of preparing a similar bill. Following debate on the aforementioned motion, Hon. Ssentayi was tasked by the Speaker of Parliament, Hon. Anita Among, to draft a Consumer Protection and Management Bill and present it to parliament for debate within two weeks for its first reading.

Since that November 2022 parliamentary debate however, neither the GoU through the Minister of Trade, Industry and Cooperatives nor Hon. Ssentayi have presented the Consumer Protection and Management Bill before parliament for debate and enactment."

Ms. Fidelis Murungi of Friends with Environment in Development (FED), a member organisation of IGEN-EA, says, "The lack of a consumer protection law is undermining clean energy access, Uganda's climate change mitigation and women empowerment efforts. The Minister of Trade should therefore treat the completion, debate and enactment of the Consumer Protection and Management Bill as an urgent matter. All Ugandans should join hands and demand that a law to protect consumers is put in place no later than October 2023."

On June 5, 2023, the network submitted a <u>memorandum of proposals</u> for the Consumer Protection and Management Bill to Hon. Mwebesa. The memorandum made proposals to address some of the following challenges:

- Expensive grid power which sees Uganda's household electricity prices being the seventh (7<sup>th</sup>) highest in Africa<sup>1</sup>. The high electricity prices are contributed to by corruption that sees government officials signing electricity sector agreements that favour companies over Ugandans;
- Expensive off-grid equipment such as good quality solar home systems, solar irrigation equipment and others contributed to by lack of tax subsidies. The current subsidies only cover some components of solar equipment;
- Further, high cost of doing clean energy business due to high bank lending rents with Bank of Uganda noting that the rates stood at 20.24% in February 2023. The high cost of doing business translates into high prices for good quality off-grid solar equipment;
- In addition, sub-standard off-grid solar products with the Uganda National Bureau of Standards (UNBS) indicating that 70%<sup>3</sup> of the solar energy products that are sold in Uganda are sub-standard; and
- Poor off-grid solar waste management practices<sup>4</sup>.

The network made the following proposals to address the above challenges:

 The Consumer Protection and Management Bill should provide that an independent multistakeholder committee that discusses Power Purchase Agreements (PPAs) and concessions

<sup>&</sup>lt;sup>1</sup> Statista (December 2021): Household electricity prices in Africa as of December 2021, by country; <a href="https://www.statista.com/statistics/1277594/household-electricity-prices-in-africa-by-country/">https://www.statista.com/statistics/1277594/household-electricity-prices-in-africa-by-country/</a>

<sup>&</sup>lt;sup>2</sup> BoU (2023); *Performance of the economy monthly report March* 2023: https://www.finance.go.ug/sites/default/files/Publications/POE-2023-03-MAR.pdf

<sup>&</sup>lt;sup>3</sup> UNBS (2021); *UNBS sensitises stakeholders on new solar standards ahead of massive enforcement*: <a href="https://blog.unbs.go.ug/?p=11817#:~:text=Following%20a%20research%20done%20by,enforcement%20of%20min imum%20quality%20standards">https://blog.unbs.go.ug/?p=11817#:~:text=Following%20a%20research%20done%20by,enforcement%20of%20min imum%20quality%20standards</a>.

<sup>&</sup>lt;sup>4</sup> Kinally C. (2022); Off-grid waste in Sub-Saharan Africa: Market Dynamics, barriers to sustainability and circular economy solutions: <a href="https://www.sciencedirect.com/science/article/pii/S0973082622001405#t0020">https://www.sciencedirect.com/science/article/pii/S0973082622001405#t0020</a>

before they are signed is put in place to address corruption and protect consumers from high power tariffs.

• The Minister of Trade should recommend that the GoU amends Uganda's tax laws to provide for tax waivers on solar accessories such as solar water pumps, solar lanterns, etc.

• In addition, the bill should provide procedures through which the Bank of Uganda can, in consultation with consumers and financial institutions, cap bank lending rates.

• Further, the bill should task UNBS to set mandatory and uniform warranties for all off-grid solar equipment and that a certain percentage of UNBS' budget should go to consumer education and enforcement of off-grid solar energy standards.

• In addition, that the bill should require the Minister of Environment to work with the National Environment Management Authority (NEMA) to put in place guidelines to manage off-grid solar energy waste among others.

Mr. Benard Mbaine of the Uganda National Renewable Energy and Energy Efficiency Alliance (UNREEA), a member organisation of IGEN-EA, says, "We are partners with government as we are working towards a common goal, which is increasing clean energy access. We therefore hope that our proposals will be considered."

Enactment of a Consumer Protection law will also support the Ugandan government to achieve the commitments it made under the 2016 Compact Agreement. The agreement was signed between the government of Uganda and the UK government to improve and expand access to off-grid solar energy services, especially for vulnerable groups such as women and the poor.

### **ENDS**

### **ABOUT IGEN-EA**

IGEN-EA is a network of private sector and civil society players that are promoting green economic alternatives for sustainable development which addresses human rights and climate change concerns in Uganda and East Africa at large. IGEN-EA promotes the following green economic alternatives: clean energy, tourism, agriculture and fisheries as well as natural resources management.

IGEN-EA is hosted by AFIEGO.

Website: <a href="https://www.igen-ea.org/">https://www.igen-ea.org/</a>

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