

Consumer Protection for the Vulnerable and Disadvantaged



July 5, 2021

Agenda

1. Dimensions of Vulnerability and Disadvantage
2. Affordability
3. Policy and Regulation
4. World Bank Group
5. Conclusion

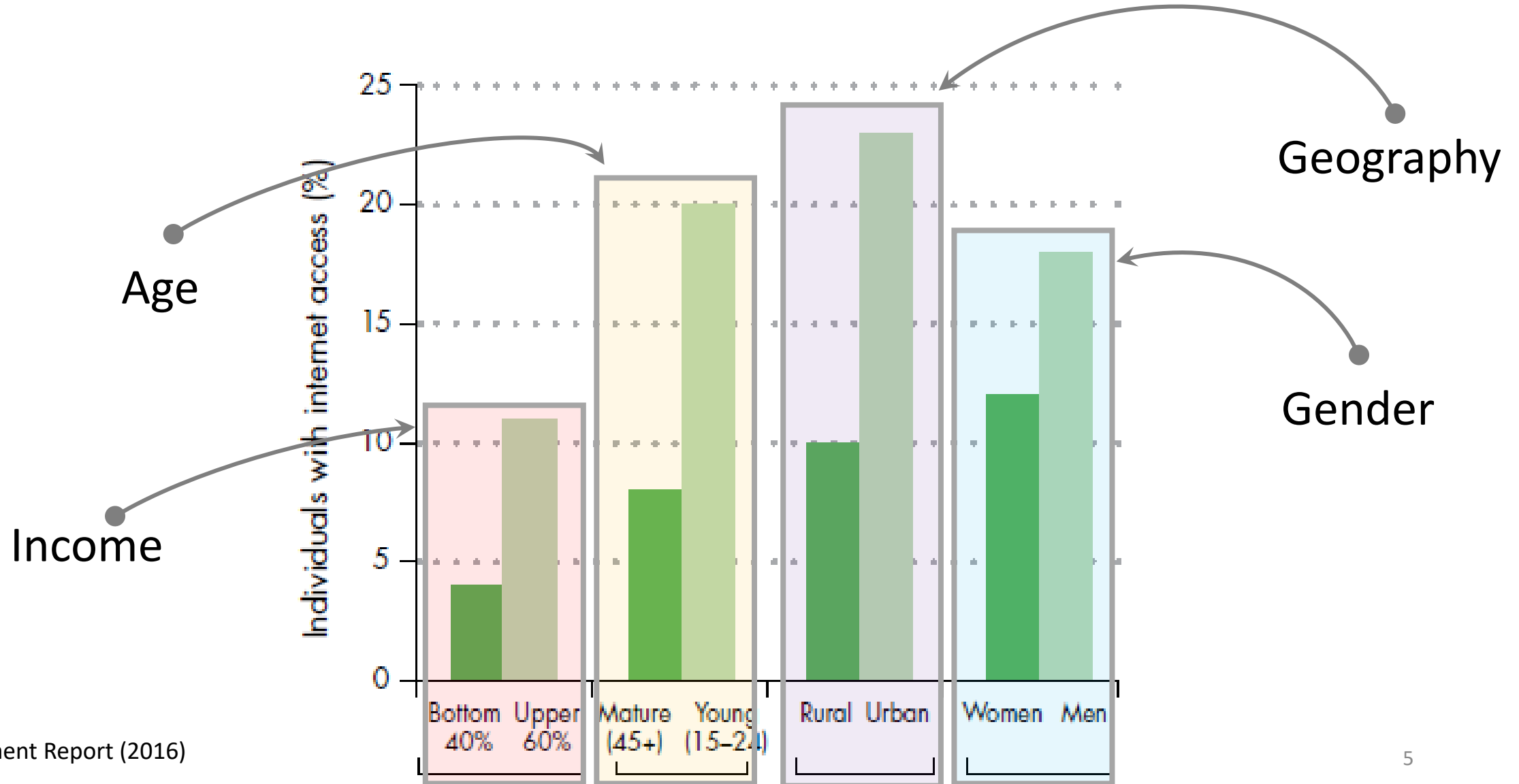
Dimensions of
vulnerability
and
disadvantage

Dimensions of Vulnerability and Disadvantage

- Poverty
- Geography
- Education
- Age
- Health
- Religion, Race, and Ethnicity
- Disability
- Gender Identity and Sexual Orientation

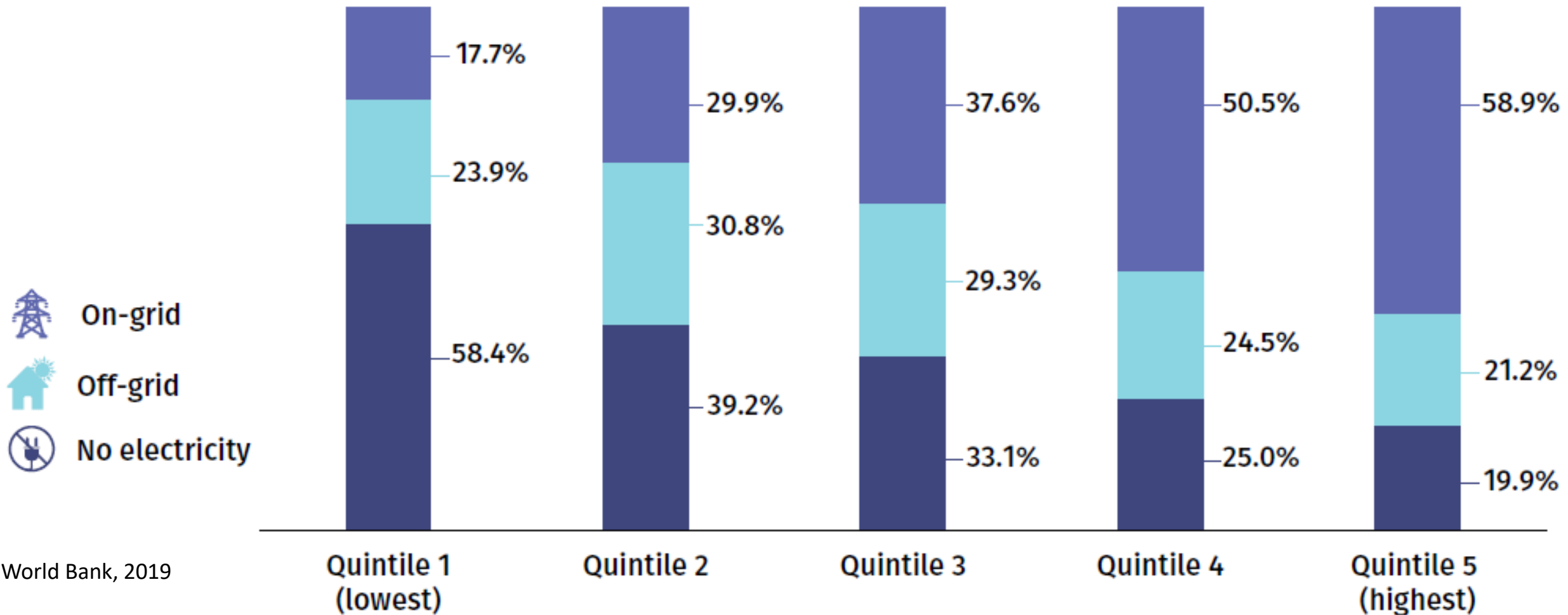
Note: these categories often overlap. People can be vulnerable or disadvantaged in multiple different ways.

Vulnerable and disadvantaged groups have less access to utility services



The poor have the lowest levels of access to utilities

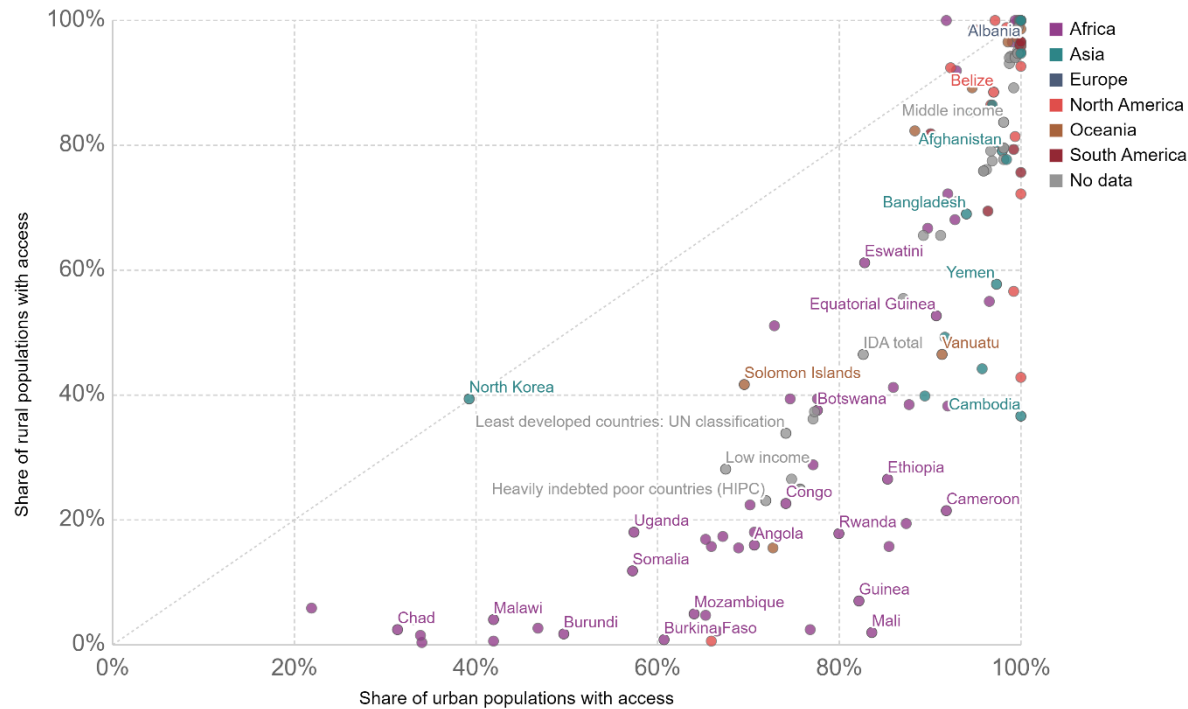
Kenya: Electricity access by expenditure quintile



People in rural areas have less access to electricity and water utility services

Share of rural vs. urban population with electricity access, 2016

Our World in Data



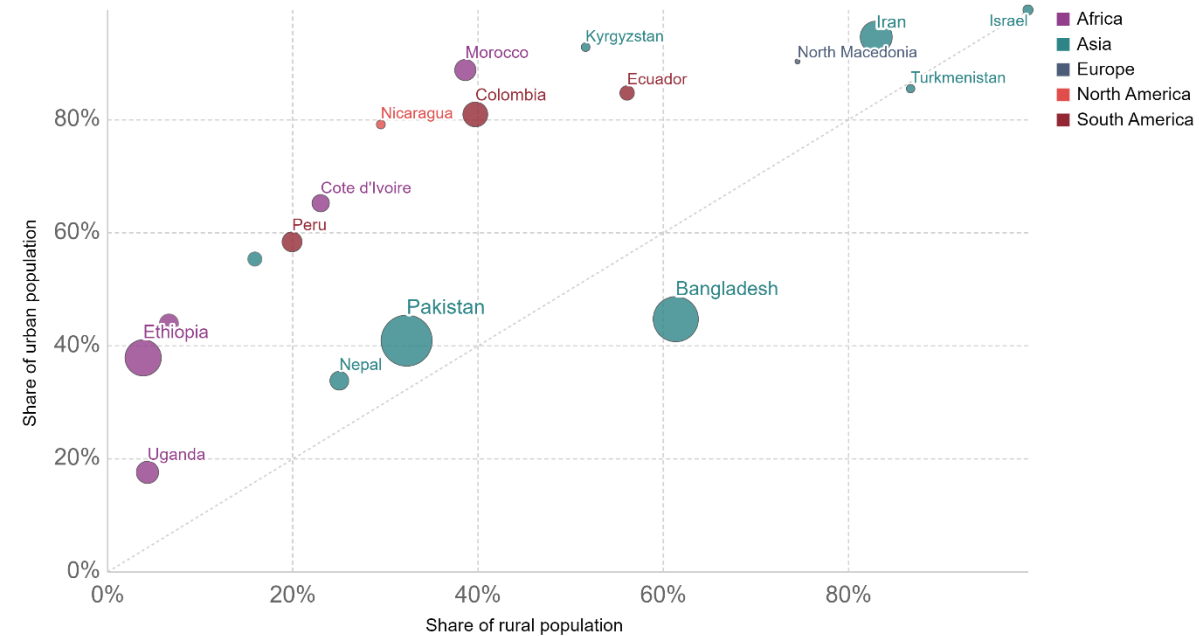
Source: World Bank, World Development Indicators (WDI)

OurWorldInData.org/energy-access • CC BY

Share of urban vs. rural population using safely managed drinking water, 2015

Our World in Data

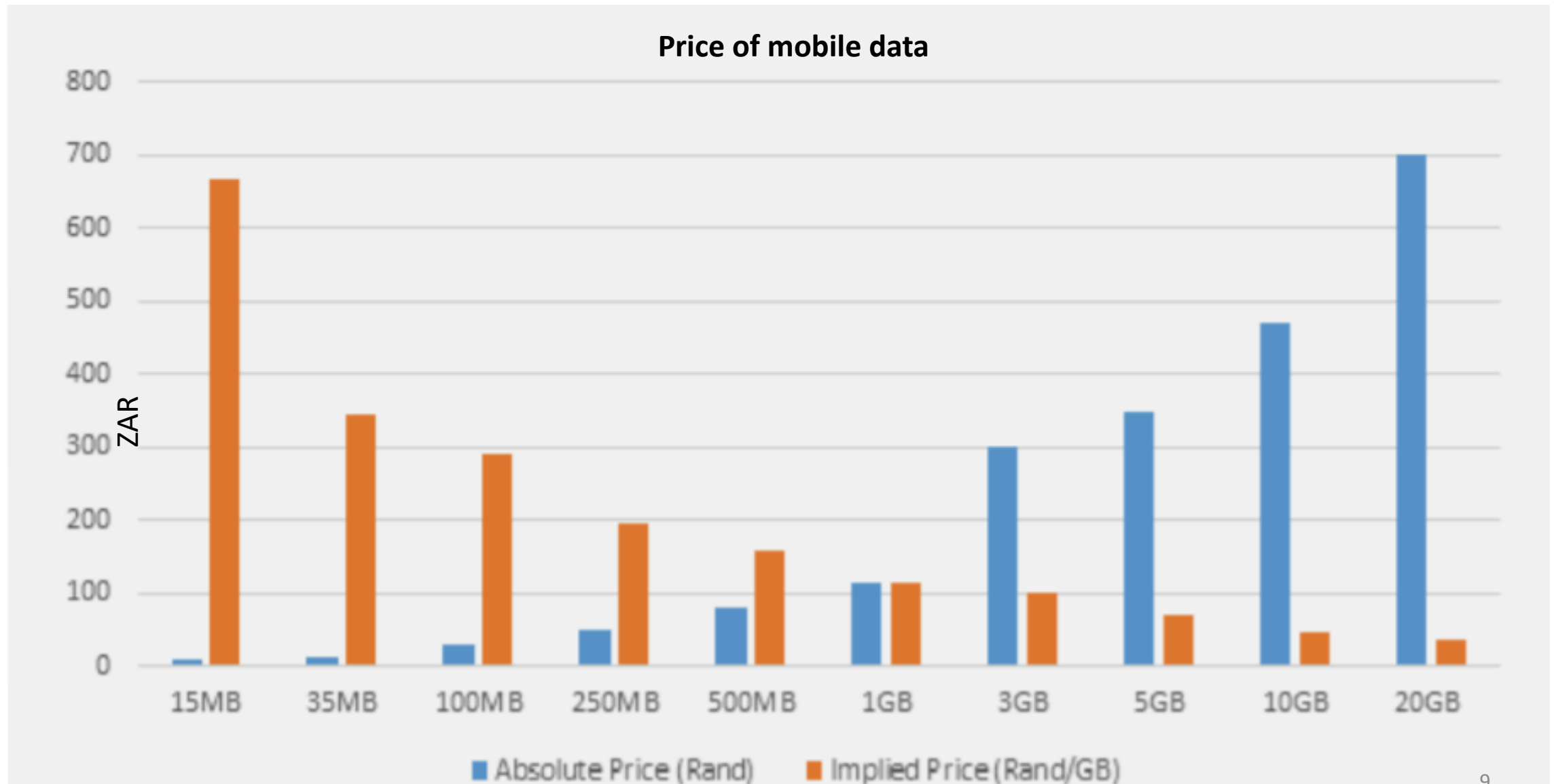
A safely managed drinking water service is one that is located on premises, available when needed and free from contamination.



Source: WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP) OurWorldInData.org/water-access • CC BY

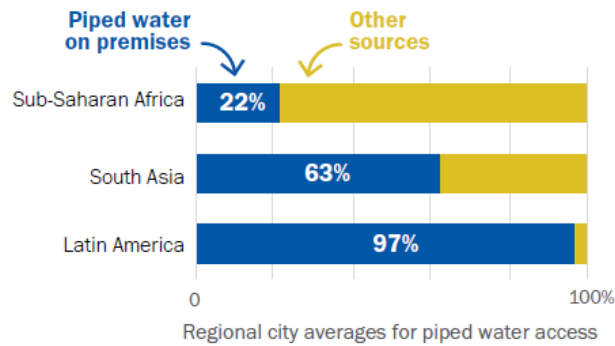
Affordability

The poor pay higher prices for internet access

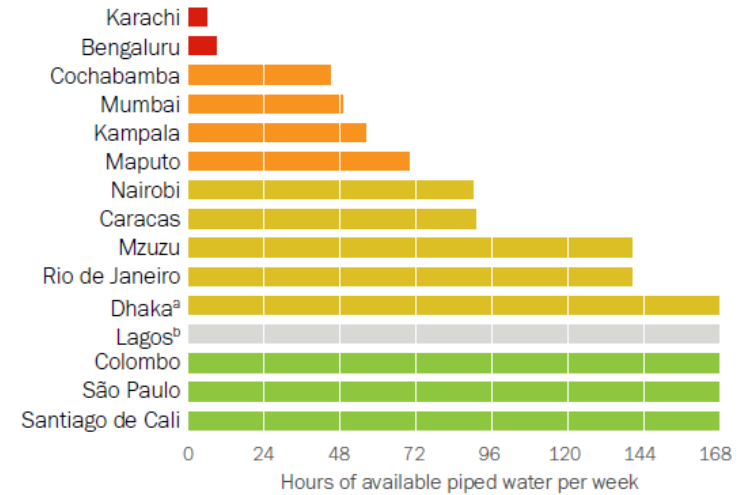


The poor pay more for water and often get a low quality of service

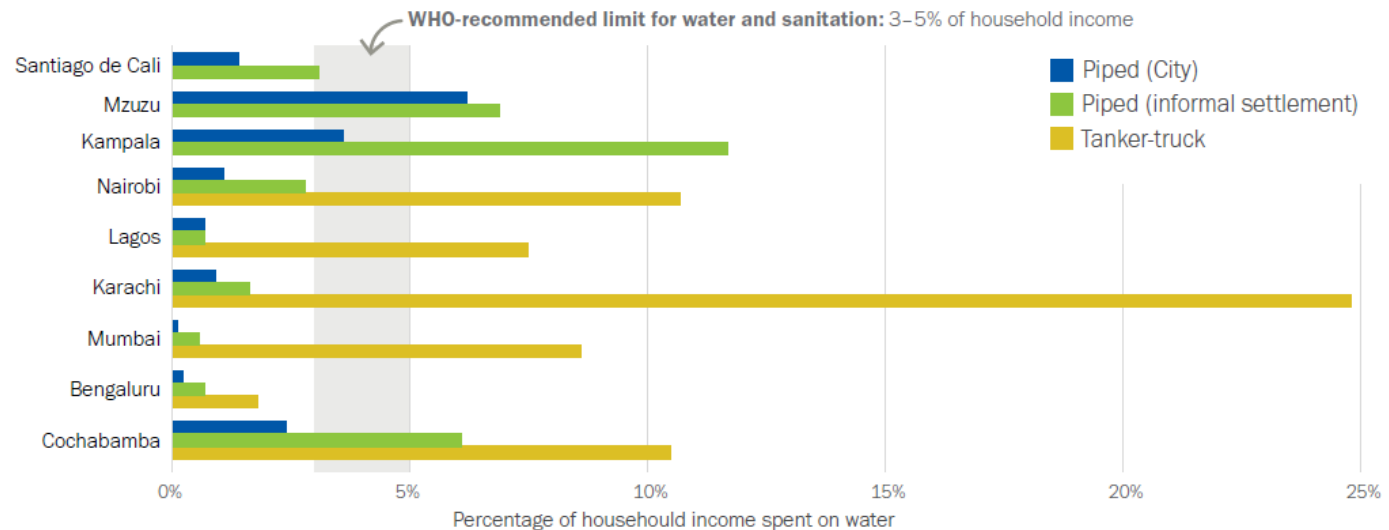
1. Access to public piped water in cities varies greatly by region. On average, almost half of all households in cities in the global South lack access to piped utility water.



2. For households with access to piped water, intermittent service is common, which lowers water quality. Out of 15 cities, 12 have intermittent water supply—as low as 1 hour for 1.5 days of the week in some informal settlements.

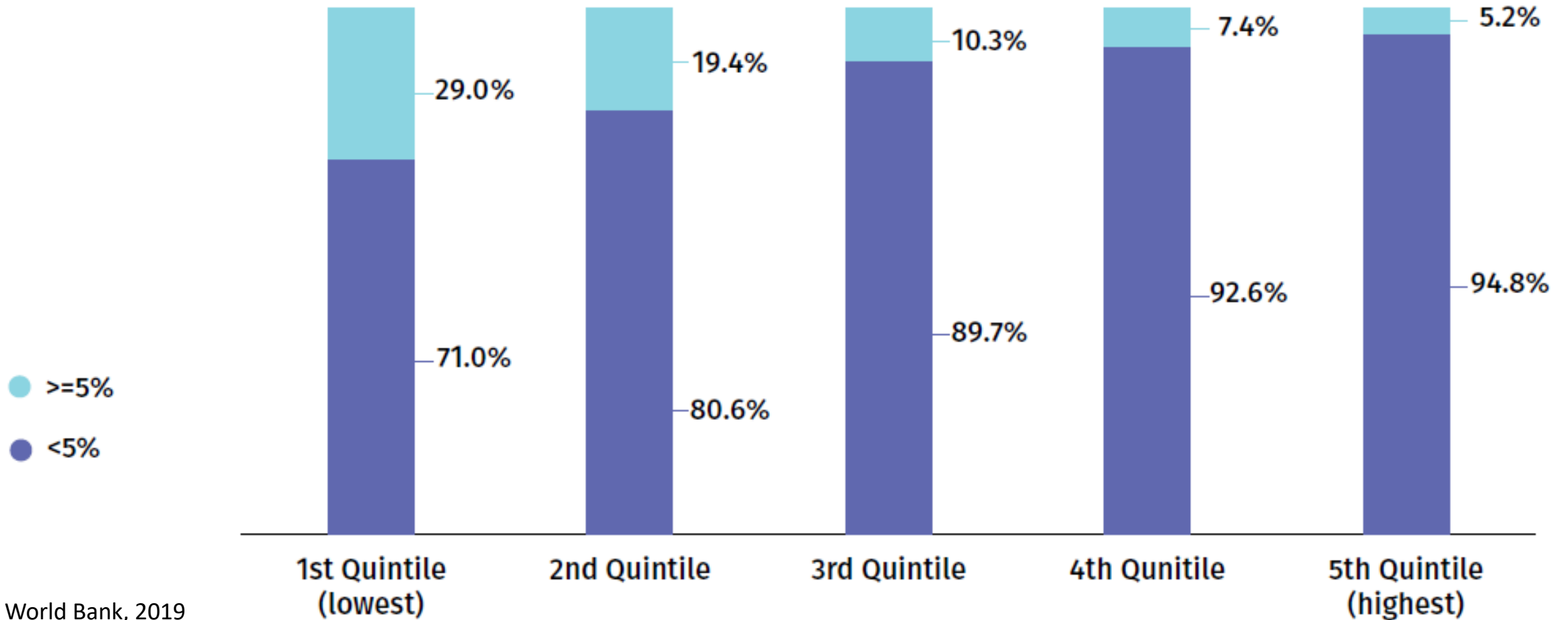


3. Piped water is often the most affordable water, especially compared to tanker truck water and other private vendors. Tanker truck water costs up to 52 times as much as piped utility water.



Even for those connected to the grid, the poor spend a greater % of their incomes on electricity

Kenya: Electricity payment as a % of household income by quintile



Policy and Regulation

Priorities for protecting the vulnerable and disadvantaged: Coverage and Access

- Addressing geographical vulnerability and disadvantage in access to utilities
 - Rural vs Urban
 - Regional
- Priority: expansion coverage and access
- Investment, operating efficiency, roll-out into disadvantaged areas
- Going beyond the grid/fiber/traditional technologies to expand access to the vulnerable and disadvantaged
- Financial and operational sustainability: The vulnerable and disadvantaged do not benefit from utility connections that are not working

Priorities for protecting the vulnerable and disadvantaged: Tariffs and Affordability

- Progressive tariff structures that support vulnerable and disadvantaged consumers
- Lifeline tariffs that are set at appropriate levels: balancing social stability, affordability, fairness, energy efficiency as well as cost recovery
- Payment mechanisms to support poor, vulnerable and disadvantaged groups
- Innovation in service delivery (e.g. service kiosks, pre-payment meters, flow limiters, frequent meter readings and mobile payment mechanisms)

Priorities for protecting the vulnerable and disadvantaged: Policy focus

- Pro-poor strategy and policy focus
- Explicit policy on poor and vulnerable consumers (rights of access, fair treatment, redress)

2019

- **71% out of 195 regulators worldwide had an ICT accessibility framework**
- **52% in Africa**

Example: The South African regulator, ICASA, has a Consumer Advisory Panel which includes representatives of people with disabilities. It also has a comprehensive Code for People with Disabilities, listing many requirements

Source: Digital Regulation Handbook and Platform: <https://digitalregulation.org/consumer-affairs/>

The World Bank's focus on Vulnerable and Disadvantaged people



World Bank Group mission

Our Mission

To end extreme poverty:

By reducing the share of the global population that lives in extreme poverty to 3 percent by 2030.

To promote shared prosperity:

By increasing the incomes of the poorest 40 percent of people in every country.

Examples of projects with explicit focus on vulnerable and disadvantaged

- **Rwanda Digital Acceleration Project:** will increase access to broadband, select digital public services and strengthen the digital innovation ecosystem in Rwanda. Disability quotas for targeting will be set for many of the schemes financed such as ensuring minimum reach to people with disabilities through targeting specific households for affordable smartphones.
- **Log In Georgia Project:** will bring broadband internet infrastructure in 1,000 rural settlements of Georgia and connect more than half a million residents by 2025. This program will include digital literacy programs for groups that are at risk of being digitally excluded.
- **Digital Ethiopia Foundations Project:** will extend access and increase digital opportunities (entrepreneurship), including for disadvantaged people.

Protecting the Disadvantaged and the Vulnerable

“Disadvantaged or vulnerable” refers to those individuals or groups who, by virtue of, for example, their **age, gender, race, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or indigenous status**, and/or dependence on **unique natural resources**, may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project’s benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon whom they depend.

Conclusion

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- Protecting vulnerable and disadvantaged customers through provision of:
 - Access
 - Reliable services
 - Affordable prices
- Balancing protecting the needs of consumers and ensuring the financial and operational viability of services providers
- Explicit policy and regulation focused on the needs of the vulnerable and disadvantaged



Thank you