



## Regional Cooperation for Energy Security in South Asia



CUTS has taken up the initiative to understand the current scenario of regional cooperation among Southern and Central Asian countries in the energy sector and propose the way forward to harmonise the regulatory mechanism within the region to encourage trade, investment and knowledge sharing for energy cooperation.

The purpose is to achieve a consensus and build awareness among the government departments, ministries, businesses, civil society organisations (CSOs) and other organisations/agencies for regional energy integration.

As part of the initiative, CUTS is organising a series of conferences with the support of and partnership with relevant partners, such as Friedrich-Ebert-Stiftung (FES India & Pakistan), Sustainable Development Policy Institute (SDPI), Pakistan etc. with the aim to create a platform for dialogue among relevant stakeholders to achieve greater cooperation, coordination and integration for sharing of energy resources.

The first event in the series was organised in Islamabad, Pakistan on May 22, 2014, with focussed on 'Trans-boundary Cooperation in the Energy Sector in South and Central Asia' especially between Afghanistan, India, Iran, Kazakhstan and Pakistan.

The second event was organised in Kolkata, India on August 07-08, 2014 involving countries like Bangladesh, Bhutan, India and Nepal to initiate dialogues among South Asian countries and non-state actors on regional cooperation for energy security within the region.



Dignitaries at the meeting on 'Regional Cooperation for Energy Security in South Asia' at Kolkata, on August 07-08, 2014

Issues related to trade, investment and knowledge sharing were discussed and the purpose was to understand the current/future initiatives and discuss the strategic role that India would need to play due to its geographical presence within the region. The event featured national and international experts from polity, international organisations, media, regulatory agencies, academia, among others.

The opening session on August 07, 2014 was on the topic of 'Political Economy Dimensions of Transboundary Energy Cooperation'. Many countries in the region do not have sufficient resources to meet their energy needs and thus, rely on imports which additionally need to be affordable in order to sustain the economic growth. This session focussed on the current energy scenario in the countries and the critical role of policymakers in strengthening regional energy trade.

Plenary I on August 08, 2014 addressed the issue of 'Existing Initiative and Policies' in the countries as currently this trade is majorly limited to electricity imports to India from Bhutan and Nepal and the recently started export of electricity

from India to Bangladesh. This session focussed on the current energy trade scenario among these countries with the key concern areas as highlighted below:

- The status of energy trade initiatives
- Existing institutions, policies, regulations and their impact on energy trade
- Benefits of regional energy trade
- Steps to enhance energy trade

The Plenary II tackled the issue of 'Potential Future Initiatives' as energy trade in the region would be a logical way forward to overcome the shortages. However, this potential remains largely untapped due to certain political, economic and security concerns in these countries. This session covered the potential initiatives, projects in the pipeline and the future of energy trade in the region. The session included the following key concern areas:

- Constraints faced in the progression of the energy trade projects
- Reforms required to enhance the scope of energy trade
- Barriers to improving industry investments and way forward

[www.cuts-ccier.org/ECSA](http://www.cuts-ccier.org/ECSA)

## Documentary on Power Theft ‘Katiyabaaz’

CUTS alongwith Globalistan Films Pvt. Ltd., the production company and rights holders of a video documentary ‘Katiyabaaz (Powerless)’ (2013) is organising outreach programmes to generate awareness amongst the public as well as high-impact stakeholders on issues related to electricity theft.

‘Katiyabaaz (Powerless)’ (2013) is an award winning documentary that narrates the story of the conflict between the citizens of Kanpur and its bankrupt electricity supply company, and it is narrated through the eyes of two protagonists – a woman bureaucrat and an electricity thief whose actions contribute heavily to the electricity utility’s losses.

CUTS organised a screening for selected Members of Parliament, media and embassies in New Delhi on August 13, 2014. The screening was well attended by media and representatives from several embassies. Further, CUTS organised the screening in the capital of three states of India, namely Kolkata, West Bengal on August 21, 2014; Lucknow, Uttar Pradesh on August 25, 2014; and Patna, Bihar on September 13, 2014 respectively to engage with policymakers.

The screenings were organised with support from local partners, i.e. Consumer Guild for Uttar Pradesh and Nidan for Bihar involving high profile participants from state governments, discoms, district administration, academic institutions, consumer groups, media and other key stakeholders, to apprise them about the issues raised in the documentary. The purpose of the screening was to reach out to relevant stakeholders and sensitise them about the issues highlighted in the documentary, so as to initiate a debate/discussion among stakeholders on the serious issue of ‘Electricity Theft’ and its negative impact on producers and consumers.



Dignitaries at the screening of a pre-release documentary on power theft ‘KATIYABAAZ’ at New Delhi, on August 03, 2014

## Enhancing Social and Economic Welfare in Developing Countries

The project entitled ‘Competition Reforms in Key Markets for Enhancing Social and Economic Welfare in Developing Countries’ (CREW) is being undertaken with the support from DFID (UK) and BMZ (Germany) facilitated by GIZ (Germany).

Marking the end of Phase I, i.e. research phase, second round of National Reference Group (NRG) meetings in the project countries (Ghana, India, The Philippines and Zambia) were held in May, June and July 2014 respectively.



Dignitaries at the NRG-II meeting at New Delhi on July 02, 2014

NRG II meeting for India was held in New Delhi, India on July 02, 2014. Apart from discussing the findings of the research, various key issues from both the sectors; i) Wheat (Staple Food in India); and ii) Bus transport were discussed. Some of the key issues discussed were the inability of the states to encourage private participation in the wheat sector and the need for the overhauling of the Motor Vehicles Act to infuse competition in the bus transport sector.

NRG II meeting for Ghana was held in Accra on July 25, 2014. The key issue for the Maize sector (staple food in Ghana) was the inability of farmers to avail credit facilities and their lack of awareness of the welfare schemes being run by the government. The meeting highlighted the need for Ghana to have a national competition regime to tackle the anticompetitive practices prevalent in the country.

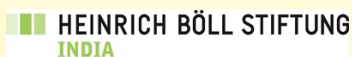
The outline of ‘Framework for Competition Reforms’ was also presented in these meetings and marked the beginning of Phase II (Validation Phase) of the project.

<http://www.cuts-ccier.org/CREW>



## Critical Dimensions of Indian Investments in Africa

CUTS, with support from Heinrich Boll Stiftung Foundation, is implementing a project entitled 'Critical Dimensions of Indian Investments in Africa' (IIA) during December 01, 2013-October 31, 2014. The project will attempt to analyse the impact of Indian investments in select African countries (Ethiopia, Kenya, Uganda and Zambia) in agriculture and mining sector, make use of the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) as well as other applicable rules and regulations.



Following the completion of secondary and primary data analysis, a review meeting was held in Nairobi on September 11-12, 2014, to take stock of the findings and interact with country partners on the progress of the project. The objective of the meeting was to review the findings of the project which would ultimately benefit the partners in finalising the country specific reports.

Each country partner presented the findings of their respective project country and shared the challenges faced in obtaining the data and drafting the country specific report. The inputs gathered from the meeting will help partners streamline their reports.

[www.cuts-ccier.org/iiia/index.html](http://www.cuts-ccier.org/iiia/index.html)

## Adoption of Regulatory Impact Assessment Framework in India

CUTS is implementing a project entitled 'Facilitating the Adoption of Regulatory Impact Assessment (RIA) Framework in India' with support from The British High Commission, New Delhi. The project will run in two cycles of around one year each, and each cycle will be followed by advocacy and capacity building exercises for the Central Government and regulatory agencies.



In this context, a launch and a NRG meeting was organised in New Delhi on August 21, 2014, with the objective of involving stakeholders, subject experts, policymakers, media, etc.

The launch meeting was divided into two sessions. In the first session, presenters explained the need for RIA especially in financial sector and overview of the project respectively. The meeting was followed by a panel discussion wherein participants emphasised on the need and significance of RIA framework.

Following the launch was NRG meeting, wherein, the group emphasised that the objective of the project must not be lost sight of, which is to sell the idea that the use of good RIA methodologies improves the quality of regulations in terms of the outcomes they produce. The NRG strongly recommended that attention of the project should be towards mapping the processes that had been used for developing the regulations, making amendments, etc.

The NRG also stated that the project should be carried on in two stages. First stage would be analytical and evaluatory in nature, while in the second, RIA could be introduced on a pilot basis with some early adopters.

[www.cuts-ccier.org/BHC-RIA/](http://www.cuts-ccier.org/BHC-RIA/)

### Advocacy

## Comments on the RBI Draft Guidelines for Licensing of Payment Banks

The Reserve Bank of India (RBI) released draft guidelines for licensing of payment banks (Guidelines), for public comments. CUTS provided its comments on the Guidelines on August 28, 2014, covering the areas of consumer protection, regulation, etc.

The Guidelines provide that payment banks would be able to offer services through various channels and third parties, such as point-of-sale terminal locations. CUTS suggested that in such case, Guidelines must provide for strict consumer protection and accountability principles. Further, RBI must ensure that the payment banks are adequately ring-fenced from the activities they perform on behalf of their promoters.

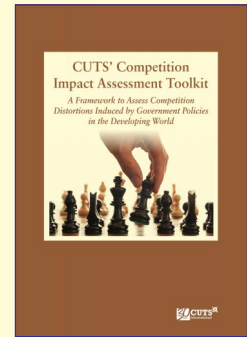
The Guidelines are silent on the issue of service charges for access to services like balance enquiry, withdrawal from ATM etc. While the payment banks must be able to charge fee for providing services, it must be ensured that such charges are disclosed and clarified upfront in unequivocal terms to the consumers.

According to the Guidelines, new entities will not be eligible to apply for licence of payment banks. This might end up preventing entry of new but innovative and technologically sound genuine entities, thereby thwarting the objective of high class-low cost saving and payment services.

Comments are available at:

[www.cuts-ccier.org/pdf/CUTS\\_Comments\\_on\\_the\\_RBI\\_Draft\\_Guidelines\\_for\\_Licensing\\_of\\_Payment\\_Banks.pdf](http://www.cuts-ccier.org/pdf/CUTS_Comments_on_the_RBI_Draft_Guidelines_for_Licensing_of_Payment_Banks.pdf)

## CUTS' Competition Impact Assessment Toolkit: A Framework to Assess Competition Distortions Induced by Government Policies



Due to the anticompetitive outcomes in the formulation and implementation of many government policies, there is a need to scrutinise and assess them on the touchstone of competition and the impediments they are likely to cause to the market process. To achieve this, a review of government policies at both the state and central levels therefore becomes essential. The toolkits devised earlier by countries and institutions are indeed useful in this respect. While the Competition Assessment Framework devised by DFID is a market study, the Competition Assessment Toolkit of the OECD assesses the impact of government policies on competition.

This Toolkit is a complement to the previous ones in that it focuses on competition distortions caused by government policies based on the additional elements of the competition principles. It is important however to note that a complete competition impact assessment should ideally require the preliminary competition analysis of sector selection, market definition and structure analysis.

### Bill Blow-up

## The National Judicial Appointments Commission Bill, 2014 *Feathering the old hat or buying the new one*

The National Judicial Appointments Commission Bill, 2014 (NJAC Bill) that seeks to replace the present collegium system of judges choosing judges, was passed by the Lok Sabha on August 13, 2014 and by the Rajya Sabha on August 14, 2014. The NJAC Bill, which is currently pending for President's assent, was introduced in conjunction with the Constitutional (121<sup>st</sup> Amendment) Bill, 2014, which gives constitutional status to the proposed Commission (NJAC or Commission).

The Commission is the proposed body responsible for the appointment and transfer of judges of the higher judiciary {Supreme Court (SC) and High Courts (HC)} in India. The Constitutional Amendment Bill, if ratified by half the state legislatures in India and assented by the President of India, will become an Act. A new Article 124A (which provides for the composition of the Commission) will be appended in the Constitution, if the amendment is ratified.

[www.cuts-ccier.org/pdf/The\\_National\\_Judicial\\_Appointments\\_Commission\\_Bill\\_2014.pdf](http://www.cuts-ccier.org/pdf/The_National_Judicial_Appointments_Commission_Bill_2014.pdf)

### Representations

**Jyoti Katiyar** participated in the 'Impact Evaluation: Making Impact Evaluation Matter' workshop cum conference organised by 3ie (International Initiative of Impact Evaluation) with Philippines Institute of Development Studies (PIDS) and Asian Development Bank (ADB) in Manila, Philippines on September 01-05, 2014. She delivered a poster presentation on 'Ex- post Regulatory Impact Assessment (RIA) in Emerging Economies'.

**Rijit Sengupta** participated and made a contribution on 'The Benefits of Competition Policy on Consumers' at the UNCTAD Inter-governmental Group of Experts Meeting on Competition Law and Policy in Geneva on July 08-10, 2014.

### Advocacy through Media

#### Curb inflation through competition reforms

Livemint, July 22, 2014

*Pradeep S Mehta*

Reforms are required across the board to create a culture of competition in India. At present, it is largely missing. Competition reforms and existence of an effective competition regime can help growth and curb inflation. More and effective competition can generate new innovations which is a major driver of economic growth. There is enough empirical evidence that higher product market competition can reduce inflation over time. Competition can increase supply—more choice for consumers at affordable and fair prices.

[www.cuts-ccier.org/Article-Curb\\_inflation\\_through\\_competition\\_reforms.htm](http://www.cuts-ccier.org/Article-Curb_inflation_through_competition_reforms.htm)

#### From Yojana Aayog to Vikas Aayog

The Hindu Business Line, July 05, 2014

*Pradeep S Mehta*

The Plan panel needs to reinvent itself as a professionally run organisation providing inputs to states. The new government means business and many of our institutions will be restructured. Empowered states would mean that the Planning Commission in its present form will undergo an overhaul to enable every state to grow without depending upon the mercy of the Central government. However, shutting down the Plan body will be a case of throwing out the baby with the bathwater.

[www.cuts-ccier.org/Article-From\\_Yojana\\_Aayog\\_to\\_Vikas\\_Aayog.htm](http://www.cuts-ccier.org/Article-From_Yojana_Aayog_to_Vikas_Aayog.htm)