

# Mid-Term Review of 7-Up 3

## Report

Oslo, June 2006



Project: Mid-Term Review of 7-Up 3 Project

Client: NORAD, Oslo

Period: June 2006

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## Acronyms

COMESA	Common Market for Eastern and Southern Africa (COMESA)
CONSENT	Consumer Education Trust, Uganda
CRR	Country Research Report
CUTS	Consumer Unity and Trust Society, Jaipur, India
CUTS-CIER	CUTS - Centre for Competition, Investment & Economic Regulation
EAC	East African Community (EAC)
EU	European Union
GATT	General Agreement on Tariffs and Trade
MTTI	Ministry of Tourism, Trade and Industry, Uganda
NOK	Norwegian Kroner
PAC	Project Advisory Committee
PCMU	Project Coordination and Management Unit (of CUTS)
PCP	Preliminary Country Paper (PCP)
PEAP	Poverty Eradication Action Plan
PRSP	Poverty Reduction Strategy Paper
SEATINI	Southern and Eastern African Trade Information and Negotiations Institute
TOR	Terms of reference
UCC	Uganda Communications Commission
UNCTAD	United Nations Conference on Trade and Investment
UNECA	United Nations Economic Commission for Africa
WTO	World Trade Organisation
7-Up 3	Capacity Building Policy in Select Countries of Eastern and Southern Africa Project

## 1 Executive Summary

The project is delayed, and it is not clear when Stage I will be completed. Partner institutions were identified at an early stage, but in the case of Mozambique had to be changed, which caused a delay also for the project as a whole.

Preliminary country papers for all countries except Mozambique, and an Operational Strategy Note (OSN) were prepared for the launch meeting. National Reference Groups (NRGs) were established in all countries, although with delay in Mozambique. By the end of March 2006, two rounds of meetings with the National reference groups were undertaken in all countries except Namibia and Mozambique.

The stakeholder participation has been satisfactory in some countries, but poor in others. The third round of NRG meetings will only be organised after the finalisation of the Country Research Reports (CRR), probably in mid July, but somewhat later for Mozambique and Namibia. There are indications of differences in the quality of the research work in the various countries, and efforts are made by CUTS to help the researchers finalise the CRRs. The synthesis report collating the findings from the research in each country will only be finalised when all CRRs have been prepared.

The main objectives, activities and outputs of stage I have not yet been fully achieved. Hence, it is too early to give an assessment of the impact of the project. But there are examples where fora for meetings and sharing information, as well as knowledge and networks of partners, have been used to develop capacity in specific sectors.

Given the immature framework conditions for business and consumers in the region, the project appears to be highly relevant. Some of the benefits of the project are expected to last also in the case of no further funding after project termination, thereby making the project sustainable. Terminating financial support after the end of Stage II could be a possible exit strategy. However, shifting the funding to a more targeted approach towards the specific needs of the individual partner countries could also merit consideration.

Capacity building in the field of competition policy and law appears to be well within the priorities of Norwegian development policy (private sector development, poverty orientation). The project also fits into various regional and international private sector development interventions. Compared with several other projects in the same area, 7-Up 3 seems to have a value added based on its strong focus on consumer interests. There seems to be a growing awareness of competition issues among many stakeholders, but important stakeholders still need more knowledge about this.

NORAD's grant has been disbursed nearly completely, but the financial report for May-June 2006 has not yet been received. Stage II, which will be based on the country advocacy plans and country action plans to be prepared after the research phase, will be crucial for the effect of the project. DFID has agreed to finance 35 % of the cost of Stage II. Provided that Stage I is completed satisfactorily, it is recommended that NORAD finances the remaining 65 % of Stage II.

An increase of the share of funds to local partners in Stage II from 12 % of the total should be considered to stimulate activities on the grass root level. The Stage II approach should be sharpened by closely tailoring the activities to the specific needs of the participating countries.

## **2 Background and Introduction**

### **2.1 Objectives of the Task**

NORAD has requested Scanteam to undertake a mid-term review of 7-Up 3, a two year capacity building project for competition policy and law in seven countries in Eastern and Southern Africa<sup>1</sup>. Stage I, planned for 1. January 2005 to May 2006, is devoted to research and consultation. Stage II (planned for June to December 2006) will focus on advocacy and training. The project is implemented by the Consumer Unity and Trust Society (CUTS) of Jaipur, India, in co-operation with local partners. NORAD has agreed to finance 65 % of the budgeted costs of Stage I, equalling USD 387.000, limited to NOK 2.700.000. DFID is co-financing the project with 35%.

The main purpose of this review is to enable NORAD to decide if it should provide funding for Stage II. According to the terms of reference (TOR) included in Annex A, the review shall clarify i.a. the extent to which the objectives for Stage I have been met, define potential areas for improvement, and assess the likelihood that undertaking Stage II would allow the project's purpose to be fulfilled.

### **2.2 Methodology**

The methodology used for the review comprises a desk study of project documents and a field visit to Uganda. Persons interviewed and other stakeholders which have been contacted by telephone or e-mail are listed in Annex B. Due to the limited time and resources available, interviews have been restricted to stakeholders in Uganda.

### **2.3 Structure of Report**

The Report contains two substantive chapters:

- Chapter 3 provides an overview of the progress on the main components;
- Chapter 4 examines the objectives and results of the activities.

Chapter 5 contains conclusions and recommendations. There are 5 annexes: TOR, list of informants, documents consulted, list of partner organisations and Project Concept. Special reference is made to 3 annexes presenting detailed analyses; Annex F: Achievement of objectives, Annex G: Project activities, Annex H: Project outputs.

### **2.4 Acknowledgements and Disclaimer**

This review was carried out by Mr. Erik Holtedahl (team leader) and Mr. Karstein Haarberg of Scanteam, Norway. During the visit to Uganda, the consultants received support from Government officials and offices, donor representatives, NGOs and local community members, for which the team would like to express its sincere gratitude. The report and its findings are the sole responsibility of the consultants and do not necessarily reflect the views of the national authorities or any other organisation or informant listed in the report.

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<sup>1</sup> Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia and Uganda.

### **3 Examination of the Extent of Progress on the main components of Stage I**

#### **3.1 Preparatory phase**

##### **Identifying partner institutions**

Partner institutions in all selected countries were identified by CUTS before the start-up of the project. According to the project proposal, the identified institutions were potentially the best to work on competition policy issues, but in general lacking capacity on competition policy. It was therefore not possible to find institutions that had significant experience in the area. The partner institutions are listed in Annex D. There were certain delays in the conclusion of agreements with partner organisations and consequently in the disbursement of financial means to the same.

The partner institution in Mozambique did not perform satisfactorily, and had to be changed. This caused a delay in this country and for the project as a whole.

##### **Preparing the Operational Strategy Note**

The first draft of an Operational Strategy Note (OSN) was prepared in March 2005 and discussed at the launch meeting (see below) with donors and other stakeholders in the same month. The OSN is available on the project webpage ([www.cuts-international.org/7up3.htm](http://www.cuts-international.org/7up3.htm)).

##### **Commissioning background papers on each project country**

Preliminary Country Papers (PCPs) on competition policy in all seven project countries except Mozambique were prepared by the partner institutions before the project launch meeting. The papers were discussed at the meeting (see below), and are available on the project webpage

##### **Organising a launch meeting**

The launch meeting of the project was delayed in comparison with the plan and took place in Entebbe, Uganda, on March 22-23 2005. The meeting was attended by partner organisations from all participating countries except Mozambique. The hosting nation, Uganda, had a much wider representation than the other participating countries. There were also participants from several other African countries as well as other parts of the world.

A seminar was organised after the opening session during which researchers from the partner institutions presented the PCPs. Representatives of CUTS, project partners, the project advisory committee (PAC), development partners and experts then conducted a workshop to discuss the project implementation structure, the OSN and the methodology for preparation of the Country Research Reports. Comments were also received on ways of enriching the research output/methodology of the project.

Due to late start up, some of the activities earmarked for the preparatory stage could not be accomplished in time, and had to be carried over to the Interaction Phase.

### 3.2 Interaction Phase (Dialogues and Seminars)

The interaction phase of the project should i.a. include the following activities:

- Participatory research, with inputs from National Reference Groups (NRG)
- Discussion and debate on research findings involving key stakeholders (NRG)
- Consultation with outside experts and regional authorities
- Assessment of capacity building needs ( during 3<sup>rd</sup> NRG meeting)

National Reference Groups are to play an important role in the in Stage I of the project, and were established in all countries, although with delay in Mozambique.

By the end of March 2006, two rounds of meetings with the National reference groups were undertaken in five project countries (Botswana, Ethiopia, Malawi, Mauritius and Uganda). Initially, there was a delay in implementing the project in Namibia due to the failure of identifying an advocacy partner in the country. Hence, an agreement to carry out the advocacy activities was signed with the partner organisation, NEPRU. Namibia, which is one of the few countries in the region already having a national competition law, will organise the second NRG by the end of June 2006.

In Mozambique, the first NRG meeting was held only in January 2006. The second meeting will be organised after receipt of the draft country research report.

Reports from all first meetings of the NRGs have been received. The meetings were largely dedicated to introducing the project to the members of the NRG and receiving initial feedback from the latter. The stakeholder participation was satisfactory in some countries, but poor in others, notably Namibia. Reports from the second meeting of the NRGs have been received from Botswana, Ethiopia, Malawi, Mauritius and Uganda.

Based on experience from earlier 7-Up projects, the NRG meetings were generally designed as half day events to make them attractive for busy NRG members to participate actively. The meetings were attended by approximately 20-30 participants. The extent of professional exchanges appears to have varied from country to country.

According to the OSN, the NRG meetings would be scheduled such that representatives of CUTS' Project Coordination and Management Unit, PCMU, would be able to attend all or some of the meetings. Representatives of PCMU were present at 8 of the 12 of the NRG meetings (1<sup>st</sup> and 2<sup>nd</sup> round together) held thus far in the project countries.

In addition to the NRG meetings, there have also been professional contacts between partner organisations and members of the NRG between meetings. Members of NRGs have received bulletins and policy papers prepared by the project. The dialogue with the NRG is obviously useful, although the extent of the dialogue varies from country to country.

A third round of NRG meetings of NRG meetings will be organised after the finalisation of the CRRs with the following objectives:

- Identify specific capacity building and training requirements in the project countries to be taken up in the Stage II of the project



- Develop and discuss strategies of how to sensitise the government for incorporating the outcomes from the research into its public policy-making process, and thereby to try to address possible competition concerns.

### **Regional authorities**

The project established useful linkages with regional authorities like COMESA and EAC, and intergovernmental organisations in the region like the UNECA.

### **3.3 Research Phase**

Country Research Reports (CRR) for each of the seven countries as well as the synthesis report should inter alia include the following subjects:

- an analysis of the macro-economic and institutional context of competition and economic regulation, including government policies and the national, regional and global dimensions of competition policy,
- market structures to identify competition abuses and distortions, and
- incorporation of cross-sectional perceptions on competition nationally.

The CRRs haven't yet been finalised. The reasons are among other things delays in undertaking the field surveys, which were originally planned for December 2005-January 2006, but could only be concluded in the end of February/March.

Preliminary analyses of the above topics are included in the Preliminary Draft Reports, which, with the exception of Mozambique, were prepared for the Regional Conference in Addis Abeba in March 2006. The Preliminary Draft Reports for five countries (Botswana, Malawi, Mauritius, Namibia and Uganda) are available on the project web-page. No minutes have been prepared for the regional conference, but some information on the conference is presented on the project web-page, notably the outcomes of the panel discussion on "Promoting a Healthy Competition Culture". A 2-day training workshop for the competition agency in Ethiopia was held in conjunction with the regional conference in order to accommodate specific requirements of this agency.

The Preliminary Draft Reports are being revised, and according to CUTS are expected to be finalised by mid July except for Mozambique.

According to CUTS' report of March 2006, a lot of effort is "required from CUTS to help the researchers finalise the CRRs, as some of them lack analysis of policy issues from the standpoint of competition". CUTS researchers have reviewed the draft CRRs, and send comments to the partners for improving the reports.

Draft CRRs have also been sent to members of the 7-Up3 Project Advisory Committee, some of who have reviewed the CRRs. Following this, their comments have been forwarded to the researchers for revising/refining the CRRs.

A representative of CUTS will spend a week in Mozambique tentatively in the first half of July to help prepare the Mozambique CRR.

A synthesis report collating the findings from the research in each country is to be finalised by CUTS as soon as all the final CRRs have been prepared. The synthesis

report will recommend specific issues for future research and help identify capacity building needs in the project countries.

A Mid Term Review Report which, according to the OSN should be made by CUTS based on the results of the discussions in the Regional Conference will be made available by Mid July.

The project research activities are delayed, especially in Mozambique, where the main reason seems to be initial problems with the local partner organisation. In Namibia, there are indications of limited interest for the project among some stakeholders. There are also indications of relatively wide differences in the quality of the research work in the various countries.

## **4 Objectives and results**

### **4.1 Achievement of objectives for Stage I**

Detailed comments on the achievement of objectives as described in the project concept note are given in Annex F. In general it may be concluded that the project objectives for stage I have not yet been fully completed, but are in the process of being achieved, although to a differing extent in the participating countries. Work on some Stage I objectives is to be continued during the advocacy and training phases of the project (Stage II).

### **4.2 Project development regarding inputs, budget, activities and output**

#### **Inputs**

The main input into the project, apart from financial support from donors, is human resources of the following categories:

##### *Advisers*

The project is guided by an international advisory committee comprised of experts in the field. The consultation is done through e-mail and at meetings where the committee members are invited. In addition, coordination has been maintained with United Nations Conference on Trade and Development (UNCTAD), the World Bank, World Trade Organisation (WTO), European Commission and other agencies.

##### *Research and Coordination Staff*

CUTS implements the project in collaboration with its Africa Resource Centres in Lusaka and Nairobi. The Project management team includes a project coordinator and two project assistants. They are supported by the regular staff of CUTS both at a junior and the peer level. In addition, consultants are engaged to work on the project.

##### *Partner Institutions*

A partner institution (research institute, university department or NGO) has been appointed in each of the seven countries. All partner have nominated a contact person who will be expected to carry out/supervise the local studies and feed the same into the larger project.

#### **Budget**

According to the project proposal dated 08.12 2004, on which NORAD based its funding decision, the budget for stage I amounts to USD 595.420 and for stage II USD 382.340, or a total of USD 977.760. NORAD and DFID agreed to finance 65 and 35 % respectively of the stage stage I budget. The amount agreed by NORAD for stage I corresponds to a sum of USD 387.000, but is not to exceed NOK 2.700.000.

According to the Contract between NORAD and CUTS, disbursements will take place in three instalments. NORAD has received three invoices from CUTS in the following amounts:

**Table 1: Invoices and disbursements**

<b>Instalment no</b>	<b>Invoice amount</b>	<b>Amount in USD</b>	<b>Amount paid in NOK</b>
1	USD 78.662,36	USD 78.662,39	NOK 479.683
2	GBP 148.000,-	USD 272.288,71 <sup>2</sup>	NOK 1.780.884
3	USD 31.700,-	USD 31.700,-	NOK 192.752
Sum		USD 382.651,10	NOK 2.453.319

It appears that the NORAD grant as expressed in USD has been disbursed nearly completely without reaching the maximum limit expressed in NOK.

NORAD has received financial statements from CUTS up to and including March 2006 at a total amount of GBP 157.750. The next financial statement for the period April-June 2006 is due by the end of June. When assessing the use of the financial means which have been disbursed, it is a complicating factor that different currencies are used when calculating, invoicing, disbursing and reporting (INR, USD, NOK and GBP). Since stage I is not yet finished, it is too early to undertake a final assessment of the use of funds.

According to the contract, the auditing report is due by the end of stage I.

DFID allocated GBP 100 000 for the project to the end of last financial year (end March 2006), which has been almost completely spent. A further GBP 90 000 is allocated for the current financial year.

Of the amount spent from project start up to and including March 2006, GBP 44.228 or approximately 28 % of the total, has been spent on local partners (budget chapter 8). This is in conformity with the budget contained in the proposal of 08.12.04.

### **Activities**

As in the case of project objectives, the degree of completion of project activities as described in the OSN varies from country to country. There are some delays in carrying out the planned activities of the stage, in particular in Mozambique. A detailed description of project activities is included in Annex G. Reference is also made to chapter 3.

### **Outputs**

According to the OSN, the project outputs of Stage I should be in accordance with table 2 below. As in the case of objectives and activities, there are some delays.

**Table 2. List of outputs Stage I**

<b>NO</b>	<b>TYPE OF OUTPUT</b>	<b>COMMENTS</b>
<b>1</b>	<b>Research reports and documents</b>	

<sup>2</sup> According to the exchange rate of 1,8397898 used in the project proposal dated 08.12.2004

	Preliminary country reports (PCP):	Finalised
	Final country research reports (CRR)	Not yet finished
	Country Advocacy Plan	To be prepared when CRRs have been finished and reviewed
	Comparative study (synthesis report)	To be prepared by the Core Researcher when CRRs have been finished and reviewed
<b>2</b>	<b>Newsletters</b>	
A	Bimonthly electronic letters	5 newsletters prepared. Available on website.
B	Quarterly newsletters	Developed in continuation with CUTS-CCIER' newsletter 'ReguLetter'.
C	Occasional publications, briefing papers etc.	5 policy briefs have been elaborated and made available on the project web-page.
<b>4</b>	<b>Various meetings</b>	
	Project Launch Meeting	Completed. See 3.1. above
	National Reference Group Meetings	Some delays. Some meetings not yet conducted. See 3.2. above
	Regional conference	Completed. See 3.3. above
	Project final meeting	To be held in December 2006 (Stage II)

A more detailed description of project outputs is included in Annex G.

#### **4.3 Potential areas for improvement.**

The review shows that there are delays in the implementation of the project in the partner countries. A full analysis of the reasons for the delays can only be given when Stage I is completed, but there are indications that this may partly be due to limited financial support for the work to be carried out in the partner countries. 28 % of the project funds go to the partners (budget chapter 8), as planned in the project proposal. For the second stage of the project, a smaller part (only about 12 %) of the funds has been planned for this budget line. According to CUTS, the reasons for this is that stage II in comparison with stage I lays emphasis on advocacy activities and not so much on research, and funds are also planned for training activities and a final

meeting. The consultant nevertheless believes that an increase of the share of funds to local partners should be considered in order to stimulate activities on the grass root level in addition to working with other donors who could be interested in specific capacity building activities of competition and and regulatory policy at the national level.

We do see that CUTS needs to undertake work to facilitate and assist the partners, but at the same time we believe that the planned funding structure could be improved. If more funding is channeled to the partner countries, it will be possible to undertake more activities in terms of advocacy and training locally.

The Stage II approach should be sharpened by tailoring the activities to the needs in the specific countries, which may vary substantially. Based on impressions from the field visit to Uganda we think that a targeted approach towards parliament, policy makers and decision makers would be more effective than traditional seminars.

#### **4.4 Impact, relevance and sustainability**

It is too early to give a full assessment of the impact of this programme since the first stage has not been completed. However, we do see examples in Uganda where the fora for meetings and sharing information, as well as the knowledge and networks of local partners, have been used to develop the capacity in specific sectors.

Given the difficult framework conditions for business and consumers in the region, the project appears to be highly relevant. For instance, this applies to Uganda, which was visited by the consultants, where several sectors of the economy (for instance telecom) are in rapid development. The fact that Parliament has received a draft competition bill, but failed to put it into effect for several years, strengthens our opinion that the project is relevant.

Some of the benefits of the project are expected to be continued also in the case of no further funding, thereby making the project sustainable. The effects would for instance be improved knowledge of local partners and their staff as well as that of some of the stakeholders that have gained knowledge which will be useful in their future work in the area of competition policy and law. However, we believe that Stage II will be useful to enhance the sustainability of the project, in particular by providing training to select stakeholder group representatives.

#### **4.5 Stage II and fulfillment of the project purpose**

Stage II with its focus on advocacy and training will be crucial for the effect of the project. Outputs specified in the operational strategy document indicate that a country advocacy plan and a country action plan will be prepared after the research phase. Without such a second stage, the effect of the project will most likely be relatively limited.

#### **4.6 Exit strategies of the project**

Given the present funding structure and the fact that most CUTS partners have some internal capacity, we believe that simply terminating financial support after the end of this project could be a possible exit strategy. However, shifting the funding to a more

targeted approach towards the specific needs of the individual partner countries could merit consideration.

#### **4.7 7-Up 3 Project and Norwegian development policies**

Norwegian development policies, for instance the NIS II strategy, emphasise private sector development. Competition policy is in this respect relevant and important, since it may contribute to preventing the poor segment of the consumers from being negatively affected by monopolistic or oligopolistic market behavior. The project may in the end have a poverty reduction effect given the fact that it may contribute to improving the situation of poor consumer groups.

#### **4.8 Co-ordination with other related development interventions.**

The project fits well into various regional and international private sector development interventions<sup>3</sup>. International organisations like OECD, the World Bank and UNCTAD and regional organisations like COMESA and EAC are active in the area of competition policy and law. There is a close contact between these organisations and CUTS in this field. Most private sector development strategies focus on building sustainable private companies and the 7-Up 3 project does a relevant job towards strengthening the consumer side. “Demanding consumers” may stimulate the innovativeness and competitiveness of enterprises. Hence, strengthening competition policy complements related development interventions.

#### **4.9 Project report format and room for improvement**

The project report format agreed in Annex II to the Contract seems to serve the purpose as it is relatively simple and focuses on results (expected results, unplanned achievements, planned results not reached (including reasons), planned results for the next period, emerging and potential problems which can hinder project implementation), and suggested actions to meet problems.

The project website gives a lot of useful information, but all documents should be dated and minutes and lists of participants from all major meetings should be prepared in order to simplify the process of monitoring project progress.

As to the financial reporting, some confusion may arise from the fact that both IRP, USD, GBP and NOK are used in various contexts. A more consequent application of one currency for reporting and invoicing purposes would simplify financial measuring and improve clarity in financial matters.

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<sup>3</sup> See: OECD, DAC Network on poverty reduction. Progress report by the task team on private sector development of preparation of policy guidance for donors. 14.-15. April 2005

#### **4.10 Value added by CUTS' work**

CUTS assists the partners in a positive way and their expertise and experience is appreciated by partners. Compared with several other projects in the same area, 7-Up 3 seems to have a value added based on its focus on consumer interests. The reliance of the project on the ability of the civil society to take the lead in promoting competition policy and law also makes the project unique. However, the assistance from CUTS draws a relatively large share of the project budget, and the value added in relation to alternative uses of the funds should be considered when Stage I is completed (including the mid term review report and the synthesis report) in connection with NORAD's decision on funding of Stage II.

As the degree of professionalism of the partners differs, so does the value added to partners from CUTS. Most partner countries, like Uganda have some capacity of their own at the country level and therefore most likely could have utilised more funds directly to the national level.

#### **4.11 Awareness and knowledge among the stakeholders**

Based on impressions from the field visit to Uganda, there seems to be a growing awareness of competition issues among many stakeholders. Information is given not only to stakeholders but also to the general public through targeted newspaper articles. The issue of stakeholders' awareness therefore seems to be well covered.

The knowledge of competition issues is relatively good for some stakeholders, like regulators in specific sectors. However, some important stakeholders still need more knowledge about these issues. The degree to which project publications are read and used, seems to vary considerably from case to case.



## 5 Conclusions and recommendations

- Due to delays in the project implementation, in particular in the case of Mozambique, the main objectives, activities and outputs have not yet been fully achieved. More time is needed to finalise Stage I of the Project.
- It is too early to give an assessment of the impact of Stage I of the project. But there are examples where fora for meetings and sharing information, as well as knowledge and networks of partners, have been used to develop capacity in specific sectors.
- Given the difficult framework conditions for business and consumers in the region, the project appears to be highly relevant.
- Some of the benefits of the project are expected to last also in the case of no further funding after project termination, thereby making the project sustainable.
- Terminating financial support after the end of Stage II could be a possible exit strategy. However, shifting the funding to a more targeted approach towards the specific needs of the individual partner countries could also merit consideration.
- Capacity building within competition policy and law appears to be well within the priorities of Norwegian development policy (private sector development, poverty orientation).
- The project fits well into various regional and international private sector development interventions.
- Compared with several other projects in the same area, 7-Up 3 seems to have a value added based on its strong focus on consumer interests.
- There seems to be a growing awareness of competition issues among many stakeholders. However, some important stakeholders still need more knowledge about these issues.
- NORAD's grant has been disbursed nearly completely, but the financial report for May-June 2006 has not yet been received.
- Stage II will be crucial for the effect of the project. The country advocacy plan and a country action plan which, according to the OSN, will be prepared after the research phase will be important for defining the content of stage II. Without the second stage, the effect of the project will most likely be limited.
- DFID has agreed to finance 35 % of the cost of Stage II. Provided that Stage I is completed in a satisfactory manner according to the Contract, it is recommended that NORAD finances the remaining 65 % of Stage II of the project.
- An increase of the share of funds to local partners in Stage II from 12 % of the total funds should be considered to stimulate activities on the grass root level.
- As the regulatory conditions in the participating countries differ considerably, the Stage II approach should be sharpened by tailoring the activities to their specific needs.

## **Annex A: Terms of Reference**

### **Mid-Term Review of 7-Up 3 by NORAD**

NORAD plans to appoint two reviewers for a Mid-Term Review of 7-Up 3.

The reviewers will be familiar with development issues, and will have a sound understanding of competition policy and law.

#### **Background**

7-Up 3 is a capacity building project for competition policy and law in seven countries in Eastern and Southern Africa: Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia and Uganda. The project is being undertaken by the Consumer Unity and Trust Society (CUTS) of Jaipur, India. The first stage has been co-funded by NORAD (65%) and DFID (35%). However, DFID is already committed to funding 35% of Stage II.

Contract regarding support to the 7-Up 3 Project – Capacity Building on Competition Policy in Selected Countries of Eastern and Southern Africa Stage I - between NORAD and CUTS was signed 01.12.03. NORAD agreed to support the Project Stage I with NOK 2.700.000,- under the terms and conditions set forth in this Contract with Annexes.

7-Up 3 is a two-year project. Stage I is devoted to research and consultation, and Stage II will be devoted to advocacy and training.

The project is close to the midway point, and it is time to carry out a Mid-Term Review to enable NORAD to decide if it should provide funding for Stage II.

#### **Scope of work**

The reviewers will examine the extent to which the objectives for Stage I have been met, the extent to which the project develops according to plan with regard to inputs, budget, activities and output in relation to the project objective. It shall also define potential areas for improvement. Further, the impact, relevance and sustainability shall be assessed. Likewise, the team will assess the likelihood that undertaking Stage II would allow the project's purpose to be fulfilled, and review the exit strategies of the project.

Furthermore, the reviewers should assess to what extent the 7-Up 3 Project concurs with Norwegian development policies in this field, and the extent to which the project is coordinated with other related development interventions.

The reviewers shall look at the project report format and assess whether there are room for improvement especially concerning reporting on achieved results.

There are several organisations that organise international competition forums, undertake research or undertake technical assistance and capacity building on competition and regulation issues. The reviewers shall assess the value added by CUTS work. Hereunder, the extent to which CUTS publications are being read and utilized and by whom.

### **Key issues and outputs**

The reviewers report will examine the extent of progress on the three main components of Stage I:

#### Preparatory phase

- Identifying partner institutions
- Preparing the Operational Strategy Note
- Commissioning background papers on each project country
- Organising a launch meeting

#### Interaction Phase (Dialogues and Seminars)

- Participatory research, with inputs from National Reference Groups
- Discussion and debate on research findings involving key stakeholders
- Consultation with outside experts and regional authorities
- Assessment of capacity building needs

#### Research Phase

- Analysis of the macro-economic and institutional context of competition and economic regulation, including government policies and the national, regional and global dimensions of competition policy
- Analysis of market structures to identify competition abuses and distortions
- Incorporation of cross-sectional perceptions on competition nationally.

The review shall examine to what extent the Project has resulted in raised awareness and knowledge among the stakeholders on competition policy.

## **Methodology**

The method is likely to include a field visit to Uganda and a desk study of project documents, plus any necessary phone calls with key stakeholders, 7-Up 3 country partners, and DFID.

The key existing documents are:

- Project concept note
- Operational strategy note
- Project timetable
- Project implementation structure with project outputs
- Report of launch meeting
- Field assessment questionnaires
- Preliminary country reports
- Newsletters
- Policy briefs
- Records of National Reference Group meetings
- Advocacy document

## **Length of assignment**

The assignment will take up to two weeks.

## **Reporting requirements**

The report will be no more than ten A4 (font 12) pages, plus annexes. The report will include an executive summary of not more than one page.

## **Annex B: List of Informants**

### **Government Officials**

#### *Ministry of Tourism, Trade and Industr of the Republic of Uganda*

Mr. Davies M. Bamuleseyo, Principal Commercial Officer/Trade

Mr. Okilangole, Patrick, In charge of regional co-operation (Comesa Desk)

#### *Uganda Communications Commission*

Ms. Annrita Ssemboga, Economist

#### *Public Procurement and Disposal of Assets Authority (PPDA), Uganda*

Ms. Kabagenyi Madiinah, Lawyer

### **Donor Representatives**

#### *DFID, London, UK*

Ms. Karen Ellis, Economic Advisor, Investment Climate Team

#### *Embassy of Norway, Kampala*

Ms. Mary Mabweijano

### **Civil Society Organisations**

#### *Consumer Education Trust of Uganda ( Consent)*

Mr. Kimera Henry Richard, Chief Executive

Mr. Shaban Sserunkoma

#### *CUTS, Jaipur, India*

Pradeep S. Metha

Vikash Batham

#### *Seatini (Southern and Eastern Africa Trade, Information and Negotiations Institute,)*

Amb. Nathan Irumba, Senior Adviser

Ms. Jane Nalunga, Coordinator

### **Private Sector**

#### *Kabugo, Tamale & Co Advocates, Kampala, Uganda*

Ms. Lydia Nakamalira, Lawyer

#### *Uganda Investment Authority (UIA), Kampala*

Mr. John Musaijakawa, Senior Investments Officer

## **Media**

*Daily Monitor, Kampala*

Mr. Fred Masiga, Business Editor

*Business Week, Kampala*

Mr. Ben Ilakut, Senior Business Writer

## Annex C: Documents Consulted

Project webpage: [www.cuts-international.org/7up3.htm](http://www.cuts-international.org/7up3.htm).

- Project concept note
- Operational strategy note
- Project timetable
- Project implementation structure with project outputs
- Report of launch meeting
- Field assessment questionnaires
- Preliminary country reports
- Newsletters
- Policy briefs
- Records of National Reference Group meetings

CUTS: Project Proposal (revised 08.12.2004)

CUTS: Progress Report (Jan 2005 to March 2005)

CUTS: Annual Progress Report (April 2005-March 2006)

CUTS: Financial Statements January-March 2005, April-June 2005, July-September 2005, October-December 2005 and April 2005-March 2006.

NORAD: Allocation document of 24.09.2004

NORAD: Contract between NORAD and CUTS of 03.02.2005

OECD, DAC Network on poverty reduction. Progress report by the task team on private sector development of preparation of policy guidance for donors. 14.-15. April 2005

Rattsø, Jørn et al.(20): Nye roller for frivillige organisasjoner i utviklingssamarbeidet. Oslo, 15.06.2006

## **Annex D: List of partner organisations**

Botswana:	Botswana Institute for Development Policy Analysis
Ethiopia:	Ethiopian Consumer Protection Association
Malawi:	Centre for Social Research, University of Malawi
Mauritius:	Faculty of Social Studies and Humanities, University of Mauritius
Mozambique:	Department of Economics, Eduardo Mondlane University (later replaced by Economic Justice Coalition)
Namibia:	Namibia Economic Policy Research Unit
Uganda:	Consumer Education Trust of Uganda (CONSENT)



## **Annex E: Project concept**

### **PROJECT CONCEPT**

Title of the Project

7-Up3: Capacity-building on Competition Policy in Select Countries of Eastern and Southern Africa.<sup>4</sup>

Project Summary:

CUTS' 7-Up project, a research and advocacy project on competition regimes in seven developing countries that concluded in 2003 has been very successful in raising awareness and stimulating debate on these issues and helping in reforms in the project countries. This has created a felt-need to take up similar activities in other countries as well. Consequently, CUTS has taken up another project in selected Asian Countries, titled 7-Up2. Similarly, a strong need for such a project has been felt in the Southern and Eastern Africa region. An important finding of the project is that it is necessary to have a regional approach to competition policy in the region as the national markets in the region are getting integrated.

The national markets in the region are integrating through three regional bodies, viz., COMESA, SADC and EAC with considerable geographical overlap. All these bodies have recognized the mal-effects of anti-competitive practices in the context of regional integration. The COMESA Secretariat is in the process of developing a regional competition policy. However, most of the countries in the region are yet to put in place a framework for a competition regime at the national level. Hence, concerns have been expressed about the effectiveness of a regional competition policy without solid competition framework at national levels which can work as building blocks for a regional competition policy.

Thus there is an urgent need to evolve a competition regime and strengthen competition culture in the region. This can be done through guided research and increased awareness among the stakeholders on that basis. The unique feature of the project is that it has been designed to take a bottoms-up approach, by involving all possible stakeholders in the process.

For this purpose, CUTS will work with research and non-governmental organisations, and other stakeholders such as chambers of commerce, government and media in the targeted countries. The project will be carried out under the guidance of a project advisory committee comprising of economists, experts and practitioners.

Implementing Organisation:

CUTS Centre for Competition, Investment & Economic Regulation

Consumer Unity & Trust Society

D-217, Bhaskar Marg, Bani Park

Jaipur 302 016, India

Ph: 91-141-228 2821

Fx: 91-141-228 2733, 228 2485

E-mail: c-cier@cuts-international.org, 7up3@cuts.org

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<sup>4</sup> The project will be conducted in the following seven countries: Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia and Uganda.

## 1. Background

1.1 Competition policy and law have been a little known area in most developing countries. However, the 7-Up Project implemented by CUTS in 2000-2002 has made a significant change, especially in the selected countries. The project involved a comparative study of the competition regimes of seven developing countries. The countries selected for the project were: India, Kenya, Pakistan, South Africa, Sri Lanka, Tanzania and Zambia. The project was launched on September 1, 2000 and formally concluded in January 2003.

1.2 An interesting aspect of this growing awareness is that, it is not limited to the project countries. It had, and continues to have, spillover effects in other developing countries in all continents of the world. Moreover, the project is now considered a path-breaking study in the developing world. Hence, CUTS has been receiving queries from different places on competition issues in the context of developing countries. Obviously, a need was felt in several other countries and by different stakeholders to take up similar activities. Consequently, CUTS has taken up a project in selected Asian Countries, titled 7-Up2 Project: Vietnam, Cambodia, Laos, Bangladesh, Nepal and India.

1.3 It was in this context, there has been a demand from many other countries, especially from the Southern and Eastern Africa region that some sort of replication of the 7-Up project is undertaken in other countries as well. This proposal is a fall out of such articulations. These demands have been made both orally and through letters.

## 2. The Regional Context

2.1. Countries in the region vary widely in terms of their size and economic characteristics. They include middle-income countries, developing and least developed countries. Most are members of the WTO, while Seychelles and Swaziland are applicants and the Comoros, Ethiopia and Eritrea are not. Three regional integration arrangements are simultaneously operating in the region with considerable geographical overlap among them.

2.2 The treaty establishing COMESA was signed at Kampala, Uganda on November 5, 1993 by 19 African states. Currently, there are 20 members.<sup>5</sup> Its aim is to increase social and economic cooperation between the countries of East and Southern Africa and ultimately creating an economic community. Its immediate priority is to promote 'outward-oriented' regional integration through trade and investment. This includes the establishment of a FTA, leading to the creation of a customs union. Not all COMESA countries are part of the FTA. Currently, the FTA participants are Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Swaziland, Zambia and Zimbabwe.

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<sup>5</sup> The following are the COMESA countries: Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia (has notified to leave), Rwanda, Seychelles, Swaziland, Uganda, Zambia, Zimbabwe.

2.3 The Heads of State of the Republics of Kenya, Uganda and the United Republic of Tanzania met in Arusha on 30th November 1999 and signed the Treaty for the Establishment of the East African Community. The three EAC countries share a common history, language, culture and infrastructure and are credited with one of the longest experiences in regional integration.

2.4 Southern African Development Community (SADC) is a regional organization of 14 southern African countries.<sup>6</sup> The SADC has succeeded the Southern African Development Co-ordination Conference, which was formed in 1980. The regional heads of state signed a declaration and treaty establishing the SADC in Windhoek, Namibia, in 1992. Among the 14 SADC countries, the five southern most countries, Botswana, Lesotho, Namibia, South Africa and Swaziland are more integrated as they are part of the Southern African Customs Union (SACU). Interestingly, the performance of all the SACU members, especially the smaller ones, has been spectacular compared to other SADC members. This is very often attributed to greater regional integration.

2.5 Of the 20 COMESA countries, only four have, so far, adopted a competition law: Malawi, Zambia, Kenya and Zimbabwe. Other countries, like Egypt, Mauritius and Uganda are currently in the process of adopting a competition law. Among the EAC countries, Kenya has quite a long history of a competition law while Tanzania has adopted it recently and Uganda is in the process. Among the SADC's 14 member countries, six have a competition law: Malawi, Namibia, South Africa, Tanzania, Zambia and Zimbabwe. Some are of course in the process of adopting a competition law.

2.6 One of the objectives behind the formation of all of these regional arrangements was to enhance cooperation in the creation of an enabling environment for foreign, regional and domestic investments. However, it has been recognised that a lack of competition in domestic markets and at the regional level not only discourages the entry of new investors but may also reduce the positive impact of foreign direct investment onto the economy.

2.7 Thus, as part of the regional integration effort mandated in its treaty, the COMESA Secretariat is developing a regional competition policy. The aim of the policy is to ensure that transparency and fairness exists among the economic actors in the region. The regional competition policy is intended to harmonise existing national competition policies and build a coherent regional economic environment.

2.8 The EAC too has a mandate to develop a regional competition policy as well as harmonise national competition rules. However, there has not been much progress in this regard so far. The SADC protocol on trade covers competition policy as well and exhorts member states 'to implement measures within the community and prohibit unfair business practices and promote competition'. Thus there is sufficient ground for SADC to go in for a regional competition policy and/or harmonised national

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<sup>6</sup> At present its 14 member states are Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.

competition rules. It is however not clear if it has made any progress in this regard in recent times.

2.9 However, it may be expected that if the COMESA is on its way to a regional competition framework and harmonised national competition rules, the other bodies, EAC and SADC, may follow the suit. Since there is considerable geographical overlap among these three regional groupings, conflicts are bound to arise in the process of competition policy making both at regional and at national level. For example, Uganda, which is a member of both EAC and COMESA, will face much confusion while harmonising its competition rules with both EAC and COMESA, if their own regional competition rules themselves are not harmonised.

2.10 Hence it would be important to understand what kind of relation and responsibilities should be shared between the regional body in one hand and the national competition authorities on the other, within an integrated regional framework. It would also be interesting to study what kind of problems the geographical overlap can create and what solutions can be envisaged in the context of each of the regional bodies taking a regional approach to competition policy.

### 3. Project Outline

3.1. The purpose of the project would be to build capacity in select countries of Eastern and Southern Africa to assist them in formulating, implementing and/or enforcing competition policy and law at the national, regional and international levels. In order to design and implement an effective and appropriate competition policy, participation by stakeholders is crucial. The first step is to conduct research on the prevalence of anti-competitive practices and their ill effects, especially on the consumers. The research itself should involve all the stakeholders and this would not only raise awareness and then stimulate discussion and debate among different stakeholders but also produce better research output.

3.2 There have been some efforts to engage policy-makers, bureaucrats and business in debates on competition law and policy, with almost total absence of involvement of civil society representatives and media persons. CUTS' 7-Up project has been the first such effort at involving civil society representatives, academics and media, along with government officials and business, on issues of competition law and policy.

3.3. However, as mentioned above, the 7-Up project was restricted to only four countries in the region, out of which two are members of COMESA, two are members of SADC and two are members of EAC. This project aims to do research, advocacy and outreach in a select group of seven countries in the region. However, outreach of the project will be beyond the seven selected countries and will cover the entire Eastern and Southern Africa region. The essential difference of the proposed project from similar other projects in the region, is that it will adopt a multi-stakeholder approach.

3.4. The project will be implemented with the following goals:

Build capacity on competition issues in select countries for the purposes of national, regional and international level policymaking; and

Raise awareness and stimulate discussion and debate on competition issues among different stakeholders

3.5. The following will be the objectives of the project:

Conduct an evaluation of the competition concerns, including their regional dimensions, facing these countries and the existing architecture for dealing with those concerns by identifying key constraints;

Develop the capacity of all the stakeholders including the policy makers, regulators, civil society organisations, particularly consumer groups, academics and media persons to understand and appreciate competition concerns from national as well as regional and international perspectives;

Provide inputs for drafting new legislation or reforming existing legislation, drawing on best practice from other countries;

Prepare and distribute materials on competition policy & law widely to raise national awareness;

Identify key stakeholders to form and institutionalise a national reference group in each project country and organise meetings/trainings; and

Help build constituencies for promoting competition and consumer awareness by actively involving and building capacity of policy makers, civil society organisations, academics and media persons.

3.6. The project will be conducted in the following countries: Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia and Uganda. The project will be regional in outlook and networking and dissemination activities will be pursued actively across the region as a whole.

## 4. Project Activities

### 4.1. Research

4.1.1. Field research would be carried out in each country to identify the macroeconomic and institutional context of competition and particular concerns and issues that arise. Every country has different competition concerns that will determine the nature of competition policy and law that is appropriate. This research phase of the project is therefore crucial to the capacity-building work in the later phases of the project.

4.1.2. The research will cover the following areas:

Characteristics of the macro economy (size and structure of the economy, trade, financial sector etc.);

Government policy (internal and external liberalisation, privatisation and national ownership, regulatory policies, consumer policy etc.);

Investigation of existing competition abuses and distortions at all levels; and

Identification of cross-sectional perceptions on competition concerns.

4.1.3. The objective of the research will be to collect information on market players and sources of non-competition in several markets (e.g. rivalry and pricing policies, and structural and behavioural impediments to competition). Effort will be made to develop indicators that are traditionally used in the literature to capture market power

such as levels of market concentration, price mark-ups etc. This output will be complemented by a review of existing legal and institutional framework to foster competition, including consumer protection, dispute settlement system etc.

4.1.4. Competition concerns will be identified through a structured questionnaire which will be distributed to key individuals in government, business, civil society, especially consumer groups and business associations, lawyers working in the field, quasi-governmental bodies e.g. regulators, public utility heads, competition authorities etc. This will be followed up by interviews with some of the respondents. The questionnaire will ask respondents to identify cases of suspected cartels and abuse of dominance such as excessive pricing, refusal to deal or supply etc. Concerns are expected to emerge at the national, regional and international levels.

## 4.2. Dialogues & Seminars

4.2.1. On the basis of the research outlined above, advocacy documents will be prepared. This publication will be a reader-friendly exposition of competition issues and policies using the cases identified in key economic sectors as illustrations. The document will be distributed widely and used to focus discussions within the national reference groups.

4.2.2. In each country, key stakeholders from civil society organisations, media, academia, government, business will be identified to form a national reference group. A discussion seminar will be held in each country at which the research results will be presented and debated. This will be followed by a regional seminar at which a broad group of stakeholders will be able to share their experiences and begin to develop a regional policy that can address cross-border concerns.

4.2.3. In all the meetings, particular emphasis will be given to involving consumer groups, where these exist, and media. Consumer concerns will be highlighted in all the dissemination materials and national consumer groups will be encouraged to use these to extend their own capacity. Countries with active consumer groups will be linked up with organisations in countries where the consumer movement is not so developed and the creation of a regional network of such groups will be encouraged. In countries without an active consumer movement, other NGOs will be encouraged and assisted in adding consumer issues to their agenda.

4.2.4. In order to strengthen policy design and implementation, three training seminars will be held for a select group of target audience, i.e. civil society representatives (mainly consumer groups), academics and media persons. Experts will share international best practice in competition policy & law with the participants and distribute structured training materials. Each seminar will have a different focus and a different target group.

4.2.5. These training seminars will focus on the following issues:

Domestic competition policy: will cover issues affecting the initial design of a competition law & policy.

Competition and consumer law: will focus on raising awareness and capacity with respect to competition and consumer laws and their implementation.

International competition policy: focusing on issues relating to international and regional dimensions concerning competition policy & law.

#### 4.3. Advocacy

On the basis of the research and the discussion seminar outputs at the national and regional levels, a series of policy recommendations will be identified for each country tailored to their particular concerns. Regional level output will be fed into the ongoing work at COMESA, SADC and EAC to develop a regional competition policy. Another key output will be negotiating strategies for the countries individually and as members of a regional agreement for multilateral negotiations on these issues.

#### 4.4. Information Dissemination

Two newsletters are proposed to be brought out under the project. One will be a hard copy while the second will be a soft copy to be sent out to interested persons through email. Additionally, a separate section on the project will be opened up at the web site of CUTS, which will be linked up to several search engines so that persons interested in competition issues will be able to read about the project on a regular basis. These efforts are in addition to the reports that the project will produce.

### 5. Project Management

#### 5.1. Advisers

The project will be guided by an international advisory committee comprising of experts in the field: economists, lawyers and practitioners and representatives of donors and inter-governmental organisations. The consultation will be done through e-mail and at meetings where the committee members can be invited. In addition, close coordination will be maintained with United Nations Conference on Trade and Development (UNCTAD), World Bank, World Trade Organisation (WTO), European Commission and such other agencies.

#### 5.2. Research and Coordination Staff

CUTS proposes to implement the project in collaboration with its Africa Resource Centres in Lusaka, Zambia and Nairobi, Kenya. Both these offices will be adequately strengthened to take up the responsibilities. The Project management team will include a project coordinator and two project assistants. They will be supported by the regular staff of CUTS both at a junior and the peer level. In addition, consultants would be engaged to work on the project or parts of it, where it is necessary to engage them for expediency and efficiency.

#### 5.3. Partner Institutions

There will be one partner institution (research institute, university department or NGO) in each of the seven countries. Consumer organisations (wherever they exist) and other advocacy groups will also be involved in the project for carrying out advocacy activities. All the partner institutions will be required to nominate a contact

person who will be expected to carry out/supervise the local studies and feed the same into the larger project.

## 6. Timeframe

The project will be conducted over the course of twenty four months.



## Annex F: Achievement of project objectives

Project Objectives	Degree of achievement
Conduct an evaluation of the competition concerns, including their regional dimensions, facing these countries and the existing architecture for dealing with those concerns by identifying key constraints	In the process of elaboration. The final results will be presented in the final CPP
Develop the capacity of all the stakeholders including the policy makers, regulators, civil society organisations, particularly consumer groups, academics and media persons to understand and appreciate competition concerns from national as well as regional and international perspectives	Partly achieved. The work is supposed to be continued during the advocacy and training phase (Stage II)
Provide inputs for drafting new legislation or reforming existing legislation, drawing on best practice from other countries	Partly achieved. The work is supposed to be continued during the advocacy and training phase (Stage II)
Prepare and distribute materials on competition policy & law widely to raise national awareness	Partly achieved. Dissemination of relevant information is being done electronically using the e-discussion groups of CUTS and through CUTs mailing list for the newsletter ReguLetter and other publications. The work is supposed to be continued during the advocacy and training phase (Stage II). Reference is made also to Annex H.
Identify key stakeholders to form and institutionalise a national reference group in each project country and organise meetings/trainings	Partly achieved. National reference groups have been established in each country, but all meetings planned for Stage I have not yet been conducted.
Help build constituencies for promoting competition and consumer awareness by actively involving and building capacity of policy makers, civil society organisations, academics and media persons	Partly achieved. The work is supposed to be continued during the advocacy and training phase (Stage II)

## Annex G: Description of project activities

Project Activity	Comment
Prepare an economic mapping and inventory of laws in each of the project countries, from the perspective of their market-oriented reform efforts, progresses, problems, <i>etc</i> and the development of an economic regulatory framework and institutions	Will be completed in the CRRs
Conduct a survey of the existing policy framework for competition in each of the project countries covering competition-specific provisions embodied in various legislations, competition rules in sectoral regulation, organisation and division of responsibilities between law enforcement institutions (including courts, dispute settlement mechanisms, etc); with special attention on the competition aspects of the reform process in these countries, for example in liberalisation, privatisation, regional and international integration, <i>etc</i>	Will be completed in the CRRs
Collect information on the nature of market/competition and the prevailing anti-competitive practices in project countries, as well as the effects of cross-border competition issues on their economies	Will be completed in the CRRs
Assess the effectiveness of the policy regime as well as institutions in place in the project countries in preventing, handling or remedying domestic and cross-border restrictive business practices	Will be completed in the CRRs
Identify problems in the economic regulatory framework of each country and, henceforth the need for and potential role of a competition legislation in the country	Will be completed in the CRRs
Analyse the competition legislations wherever existent, highlight problems and recommend solutions	Will be completed in the CRRs
Identify the impediments to the implementation of competition legislation, wherever existent	Will be completed in the CRRs
Initiate policy debates and promote contributions from the civil society and the private sector to the legislation and hence	To be completed in the advocacy phase of the project

advocate for its promulgation and enforcement from the bottom	
Generate policy recommendations relevant to other developing countries and LDCs paying due regard to national economic, social and cultural differences	To be undertaken in connection with synthesis report
Build capacity in understanding competition issues and policies with all stakeholders, especially civil society, as well as promote respect and social responsibility toward the effective implementation of the legislation	The process has been started in p I and is to be continued in Stage II
Help build domestic constituencies for policies which promote 'reliance on market processes and business rivalry to organise economic activity', with competition law as the core regulatory instrument	The activity has been started in Stage I and is to be continued in Stage II
Carry out training and capacity building for government officials, civil society representatives at national and regional levels through workshops, courses and distribution of reader-friendly materials, etc	To be carried out mainly through Stage II of the project
Help the project countries, as well as other developing countries with similar contexts, to establish their interests and develop capacity to articulate their positions and views when dealing with issues related to competition in different international for a	Has been started in Stage I and is to be continued in Stage II of the project. CUTS has invited interested researchers from countries other than the project countries to the 7-Up 3 project conferences. All partners have become members of the International Network of Civil Society Organisations on Competition (INCSOC), an international competition awareness network with its secretariat at CUTS.
Coordinate with relevant institutions working in the same field to synergise and link the outputs in the form of appropriate 'developing country-style' competition policy, for optimum utilisation of the resources available for policy formulation	The elaboration of the synthesis report will focus on this aspect

## Annex H: Achievement of project outputs

1. Research reports and documents to be produced during Stage I	Comment
A: <u>Preliminary Country Paper (PCP)</u> to be prepared by each project (research) partner depicting the general competition scenario for each of the selected project countries, which would be presented by the project (research) partner at the Project Launch Meeting and utilised to develop the methodology for subsequent in-depth analysis	The PCPs were produced in time for the launch meeting for all participating countries except Mozambique.
B: <u>Country Research Reports (CRR)</u> to be prepared by each project (research) partner involving a ‘need assessment’ in each of the selected countries	Only draft country reports have been prepared so far. The final reports are supposed to be finished by June-mid July for all countries except Mozambique
C: <u>Country Advocacy Plan:</u> To be prepared on the basis of the preceding analysis, and incorporating inputs provided by both the research and the advocacy partners in each of the project countries sensitising various stakeholders on the need to implement an effective competition regime. The country advocacy plans will include <u>Country Action Programmes</u> for advocacy and capacity building to be carried out within and beyond the project’s framework, on the basis of recommendations from the respective NRGs. Country Action Programmes will chalk out specific training activities.	The Country advocacy plans will be prepared when the Country Research Reports have been finished and have been reviewed and commented on by the NRGs
Based on the above studies, a <u>Comparative Study</u> under the format of a Synthesis Report is to be	To be prepared after finalisation of the CRRs

prepared by the Core Researcher at CUTS, depicting commonalities, differences as well as levels of development and any local peculiarities between the project countries. The said report will also incorporate appropriate recommendations toward a regional advocacy network on competition.	
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All research reports/documents are to be outlined and commented by the Project Coordination & Management Unit (PCMU).and other experts at CUTS as well as be reviewed by the Project Advisory Committee (PAC) and other renowned experts to ensure their quality before dissemination as materials for advocacy and capacity building activities in Stage II of the project.

<b>2: Newsletters and publications</b>	<b>Comments</b>
A: A bimonthly electronic newsletter should be prepared by the PCMU at CUTS, on the basis of project progresses and inputs (stories/news clippings/ articles) provided by partners.	Up till the present date, 5 electronic newsletters have been prepared and are available on the project website.
B: A quarterly hard-copy newsletter: covering news, information and short analysis on various aspects of competition and economic regulation, as well as project progresses, has been developed in continuation with CUTS C-CIER's newsletter 'ReguLetter'.	Copies of ReguLetter can be accessed through CUTS' weblink <a href="http://www.cuts-international.org/Reguletter-index_old.htm">www.cuts-international.org/Reguletter-index_old.htm</a>
C: Over the course of implementation of the project, briefing papers/monographs etc. should be produced, the exact topics for the briefing papers and other occasional publications to be decided over the course of the project by the PCMU/PAC /CUTS's experts and other relevant authors	5 policy briefs have been elaborated and made available on the project web-page. The Consultant is not aware of any other publications having been produced during the course of the project

<b>3: Various meetings</b>	<b>Comments</b>
Project Launch Meeting	<p>The project launch meeting was delayed in comparison with the plan and took place in Entebbe, Uganda, on March 22-23 2005. The meeting was attended by partner organisations from all participating countries except Mozambique. The hosting nation, Uganda, had a much wider representation than the other participating countries. There were also participants from several other African countries as well as other parts of the world.</p> <p>A seminar was organised after the opening session during which researchers from the partner institutions presented the PCPs. Representatives of CUTS, project partners, the project advisory committee (PAC), development partners and experts then conducted a workshop to discuss the project implementation structure, the OSN and the methodology for preparation of the Country Research Reports. Comments were also received on ways of enriching the research output/methodology of the project.</p>
National Reference Group (NRG) Meetings	<p>By the end of March 2006, two rounds of meetings with the NRGs were undertaken in five project countries (Botswana, Ethiopia, Malawi, Mauritius and Uganda). Namibia, which is one of the few countries in the region already having a national competition law, will organise the second NRG by the end of June 2006. In Mozambique, the first NRG meeting was held only in January 2006. The second meeting will be organised after receipt of the draft country research report.</p> <p>Reports from all first meetings of the NRGs have been received. The meetings were largely dedicated to introducing the project to the members of the NRG and receiving initial feedback from the latter. The stakeholder participation was satisfactory in some countries, but poor in others, notably Namibia.</p> <p>Reports from the second meeting of the NRGs have been received from Botswana, Ethiopia, Malawi, Mauritius and Uganda. According to reports, the meetings were generally quite short (2-3 hours) and attended by approximately 20-30 participants. The extent of professional exchanges appears to have varied from country to country.</p> <p>According to the OSN, the NRG meetings would be scheduled such that representatives of CUTS' Project Coordination and Management Unit, PCMU, would be able to attend all or some of the meetings. Judged by available information, the representatives of PCMU was present at about 2/3 of the NRG meetings.</p> <p>A third round of NRG meetings of NRG meetings will be organised after the finalisation of the CRRs with the following</p>

	<p>objectives:</p> <p>Identify specific capacity building and training requirements in the project countries to be taken up in the Stage II of the project</p> <p>Develop and discuss strategies of how to sensitise the government for incorporating the outcomes from the research into its public policy-making process, and thereby to try to address possible competition concerns.</p>
Regional Conference	<p>The conference was held according to schedule in March 2006 and attended by 52 representatives of CUTS, partner organisations, government and NGO representatives from participating and other countries, donors and COMESA. The Preliminary Draft Reports, which, with the exception of Mozambique, were prepared for the meeting, were presented and discussed. The reports for five of the countries (Botswana, Malawi, Maurititius, Namibia and Uganda) are available on the project web-page. No minutes have been prepared for the regional conference, but some information on the conference is presented on the project web-page. The CUTS mid term review report due in July 2006 will present the findings and conclusions of the conference.</p>
Project Final Meeting	<p>The final meeting of the project will be held in December 2006.</p>

