

## Action Taken Report (ATR)

### CUTS CCIER International Advisory Board Meeting

#### 1. Background

The last meeting of the members of the International Advisory Board (IAB) of the CUTS Centre for Competition, Investment & Economic Regulation (CUTS CCIER) was held on 13<sup>th</sup> August 2008 in New Delhi (India) on the sidelines of the CUTS 25<sup>th</sup> Anniversary conference (entitled, ‘Global Partnership for Development’), wherein a number of the members of CUTS CCIER IAB had participated.

This is an Action Taken Report (ATR) providing an idea of actions that has been taken (or not) in response to comments that were received from the advisers in Delhi. This ATR also contains certain earlier suggestions from the advisers on which not much progress has been achieved; and it is expected that the advisers would help us in kick-starting some of these activities/initiatives.

#### 2. Actions on suggestions

The following table provides an idea of the actions that have been taken on the suggestions received from the advisers. It is expected that the advisers would go through the table and provide suggestions on how to move forward on the various agenda.

S. No.	Suggestion received	Specific Issues raised	Actions taken/planned
1.	Interface between competition and sector regulation	Empirical research on the interface between competition and sector regulation An important research question would be ‘What kind of Sectoral decisions impinges on Competition Commissions?’ Assess the compatibility between competition and sectoral legislations Drawing lessons on this issue from the work of OECD and UNCTAD.	i. CUTS has developed a Viewpoint paper on the same and has this as an issue to be covered in a future project, may be a multi-country research and advocacy project.
2	Competition Policy and Consumer Welfare	Research on the interface between competition policy and consumer protection	i. Research in the area of hybrid laws and agencies is planned by CUTS. A briefing

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		<p>policy – culling out experience of CUTS activities (starting from COMESA countries)</p> <p>CUTS should focus on the plight of poor consumers while planning such research</p>	<p>paper is being developed and would be shared with the advisers for comments, etc.</p>
3	Regulatory Impact Assessment (RIA)	<p>Undertaking RIAs in some of the developing countries</p> <p>Refer work done by World Bank, etc.</p>	<p>i. CUTS has some in-house capacity in this area, and feel can take up work on RIAs in specific sectors when required;</p> <p>ii. CUTS has developed a framework of ‘Consumer Impact Assessment’ (CIA) that has analogies with the methodology of the RIAs. The plan is to test out the effectiveness of the CIA by applying it some sectors of the Indian economy.</p>
4	Governance of Regulation	<p>CUTS to develop some sort of a framework on ‘Regulatory law review’</p> <p>Critical questions that could be asked:</p> <ul style="list-style-type: none"> <li>- What are the Principles of Regulatory Governance in Developing countries?</li> <li>- Is there absolute clarity about their mandates among regulatory agencies?</li> <li>- Are there any set criteria for performance appraisal in these regulatory agencies?</li> </ul> <p>Study the relationship/linkages between the regulatory agencies and line Ministries (and the Minister as well)</p> <p>Assess the magnitude of ‘Regulatory Failures’.</p>	<p>A considerable amount of understanding has to be developed on this issue in order for CUTS to develop the said framework.</p> <p>Develop a consensus on – ‘What should be the outcomes of a regulatory decision?’</p> <p>A project to assess ‘Trade and Regulatory Governance in select developing countries of Africa and Asia’ was prepared. It had been submitted to the DFID, UK, for support under its ‘Global Transparency Fund’ (GTF), but did not get through. Other donors are being approached.</p> <p>As above</p> <p>Some initial work was started by a CUTS staff (doing her PhD in regulatory issues), but there</p>

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		<p>Also, to persuade agencies like the World Bank to assess 'Regulatory Failures' caused as fallout of their advice/policies.</p> <p>Scott Jacobs should help CUTS develop the framework for a study on 'Governance of Regulation' in 4 countries to assess the driving forces/causes behind regulatory failures in them. One country in point could be Nigeria (as there has been 'massive regulatory failure' in its electricity sector)</p>	<p>has been no progress, given that she has taken off on a long leave.</p> <p>CUTS would need to follow this up with Scott Jacobs.</p>
5	Country-specific Competition Toolkits	To be prepared for countries where CUTS is active and there is a need for equipping practitioners with some guidance on competition enforcement.	<p>Competition Toolkit for Namibia has been prepared.</p> <p>Toolkits for Botswana, Malawi, Mauritius and Uganda are being readied.</p> <p>An 'Advance' copy of the India Competition Toolkit was released on 14<sup>th</sup> August 2008 in Delhi. The same will be finalised by March 2009.</p>
6	Effectiveness of Electricity Regulators	Comparative assessment of the effectiveness of (electricity) regulators, and evolving an understanding of how 'good practices' have been evolved	<p>A study in select states (of state electricity regulatory agencies) of India is planned. A proposal has been prepared for seeking funding support.</p> <p>A multi-country project could also be prepared.</p>
7	Health vouchers	Can be provided to the poor to promote competition in the market place and particularly to assist the poor in getting quality services.	Some preliminary work in the area of <i>Health Vouchers</i> has been initiated in India.

### **3. Suggested New Areas**

Some new areas have emerged over recent times with regards CUTS work on competition and regulatory issues. CUTS intends undertake certain activities (research/advocacy), and would therefore need to get some suggestions/clarifications from the IAB members of how to go about doing the same. These areas are:

- a) RTAs and Competition
- b) Competition and Informal Sector/SMEs
- c) Competition and Corruption
- d) Competition policy and Economic Development
- e) Competition policy and Private Sector Development
- f) Regulatory governance
- g) Investment Promotion and Competition