

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 19th February 2010 in Paris (France), on the sidelines of the OECD Global Competition Forum 2010. A number of the members of CUTS CCIER IAB had participated in that meeting, and a few other ‘special invitees’ were asked to participate in the same.

This document is an *Action Taken Report (ATR)* providing an idea of actions that has been taken in response to suggestions received from the advisers in the Paris meeting (2010) and some of the earlier meetings. This would be the basis for discussions at the next meeting of the CCIER IAB scheduled on 7th August at Dakar (Senegal) on the sidelines of the 7Up4 Final Conference.

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 this table and provide suggestions on how to move forward on some of areas.

S.No.	Suggestion received	Specific Issues raised	Actions taken/planned
1.	Interface between competition and sector regulation	(i) Empirical research on the interface between competition and sector regulation (ii) An important research question would be ‘What kind of Sectoral decisions impinges on Competition Commissions?’ (iii) Assess the compatibility between competition and sectoral legislations (iv) Discuss possibilities of support from governments with young competition	i. CUTS has developed a Viewpoint paper on the same and has this as an issue to be covered in a future multi-country research and advocacy project. ii. A project proposal has been prepared for exploring possible approach(es) for cooperation between ‘young’ competition agencies and sector regulators (in utilities) in some countries of Africa and Asia. A number of cases of how this cooperation has been implemented in other countries would be studied, so that these ‘young

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		agencies	agencies' can draw relevant lessons.
2	Competition Policy and Consumer Welfare	<p>Research on the interface between competition policy and consumer protection 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>A case study approach should be undertaken to assess welfare impacts of competition law enforcement</p>	<p>CUTS has developed a proposal to study Unfair Trade Practices (UTPs) in South East Asian countries, and a number of such cases would emerge that would clearly demonstrate this linkage.</p> <p>CUTS is planning a seminar with the Competition Commission of India (CCI) on '<i>Competition and the Common Man</i>' – the issue of how competition enforcement can assist consumers (especially poor consumers), would be covered</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>RIA should have an objective in mind such as influencing regulatory change. Need to keep the various stakeholders involved in the process and hold both awareness building and consultation workshops.</p>	<p>CUTS have submitted a proposal to the Planning Commission of India, "Preparing a draft policy on Regulatory Impact Assessment for India".</p> <p>CUTS has developed a proposal on Consumer Impact Analysis (CIA) in select sectors and discussing the same for support from the Government of India.</p>
4	Governance of Regulation	<p>Is there enough clarity about the mandates among regulatory agencies?</p> <p>Develop understanding about the concept of 'Regulatory Failures'. Also, to persuade agencies like the World Bank to assess 'Regulatory Failures' caused as fallout of their advice/policies.</p>	<p>Regulatory Governance and Management in India: research project done in India with the support of OECD, Regulatory Policy Division</p> <p>CUTS is presently undertaking a project on Quality of Regulation in select countries – India, Brazil and Kenya – and the issue of 'regulatory failure' is addressed (to a certain extent) in the research methodology</p>
7.	Competition, Informality and	Work on the relationship between informality and growth should be undertaken by CUTS	A discussion paper and a viewpoint paper have prepared and uploaded on the CUTS website.

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	Growth	Experiences from Latin America, Egypt and India should be studied to develop better idea about factors leading to informalisation. There is also a need to study specifically the governance factors related to informalisation. This is a 'hot' area, especially for an organisation like CUTS	CUTS is trying to persuade DFID, UK to support research on 'Competition, Informality and Growth'
8.	Competition and Corruption	Explore the nexus between big business and government. Programmes which actively sought the cooperation of the corporate sector in this regard had to be carefully structured so as to ensure a positive response. An issue that has not been studied much, CUTS holds an advantageous position as far as undertaking research and advocacy in this area is concerned	This is an area of work which CUTS want to undertake in near future. CUTS is planning to explore the interface between competition and corruption in the utility sector; and also in case of public procurement. A proposal has been drafted on public procurement in India and is being discussed with World Bank, Asian Development Bank, DfID (India), etc.
9.	Competition Policy and Private Sector Development	Too broad an area – should be narrowed down to specific issues	This has been noted, and CUTS is developing a couple of proposals for undertaking research assignments on specific issues related to the subject. One of these is studying the extent to which the regional competition policy of EAC can support an enabling business environment in the EAC region, especially given that the EAC common market has taken effect from 1 st July 2010
10.	Interface between competition and corporate social responsibility (CSR)	To assess whether conditions characterising competition in a specific sector were consistent with the adoption of CSR by firms operating in that particular sector	CUTS is planning to undertake a project in India to assess the interplay between corporate conduct and business regulation. A case study approach would be adopted in this regard

3. Suggested New Areas/Ideas

Some new areas have emerged over recent times suggestions/clarifications are invited from the IAB members of how to move ahead on them:

- a) Climate Change and Regulatory/Competition Reforms – is there a common thread?
- b) Corporate Governance – what role can civil society play?

4. Critical Issues for the Future

Various issues were discussed at the recently held CUTS Retreat (June 2010) in India, and a few of them which are relevant for CUTS CCIER are presented below for suggestion/guidance from the IAB members:

- a) How to develop and implement ‘Outcome Oriented Projects’ in the short time-frame that donors often support projects for?
- b) Alternative sources of funding, given the noted decline in funding support from ‘traditional donors’
- c) How to better engage with the IAB members?