

ACTION TAKEN REPORT (ATR)

CUTS CCIER INTERNATIONAL ADVISORY BOARD (IAB) MEETING

Friday, 28th February 2014; OECD Cafeteria: 0800hrs over breakfast

BACKGROUND

CUTS International’s Centre for Competition, Investment & Economic Regulation (CUTS CCIER, www.cuts-ccier.org) has regularly held meetings of its International Advisory Board members (IAB) on the sidelines of international conferences that are either organised by CUTS and/or other organisations, where a critical mass of IAB members participate. The last meeting of the IAB was held on the sidelines of the OECD Global Forum on Competition 2013 on 01st March 2013 in Paris, France. A report of this meeting was prepared and circulated.

This is an Action Taken Report (ATR) that summarises the suggestions received from the members of the IAB over time, and corresponding actions that were taken. The ATR starts with a section briefly describing ongoing projects of CUTS CCIER – and their current status.

ACTIONS ON IAB SUGGESTIONS

This section summarises the comments received from the IAB members during the last meeting and corresponding actions taken by CCIER and/or those in the pipeline.

S.No.	Suggestion received	Specific Issues raised	Actions taken/planned
1.	Competition Policy and Consumer Welfare/Business Welfare	CUTS should focus on the plight of poor consumers while planning such research.	<ul style="list-style-type: none"> CUTS is formulating a monograph on ‘Why should businesses be interested in Competition Policy & Law’, which should be ready end-March 2014. Earlier, CUTS prepared a monograph ‘Why should Consumer be interested in Competition Policy and Law’, www.cuts-ccier.org/pdf/Why should consumers be interested in a competition law and policy.pdf. It has also been translated in Malay language

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			<p>(Malaysia’s official language) by FOMCA. A version for Zambia was also prepared in cooperation with the Competition and Consumer Protection Commission, Zambia.</p> <ul style="list-style-type: none"> Released a Policy Souvenir on “The Interface between Business Strategy and Competition Law” by CUTS Institute for Regulation & Competition. CUTS is now implementing a project in four countries (Ghana, India, The Philippines & Zambia) that aims to develop and test a methodology for assessing benefits of competition on consumers and producers in developing countries. (www.cuts-ccier.org/CREW)
2.	<p>Competition, Informality and Growth</p>	<p>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 governance factors related to informalisation.</p> <p>Projects would need to assess if competition can be introduced in the informal sector in developing countries (e.g. Kenya, Zambia, India, Central Asian countries) – and what benefits would accrue to consumers and producers. Work done by OECD, World</p>	<ul style="list-style-type: none"> A discussion paper ‘Informal Sector and Competition: A Comprehensive Agenda for Research and Action’ www.cuts-ccier.org/pdf/Informal Sector and Competition- A Comprehensive Agenda for Research and Action.pdf and a viewpoint paper ‘Linkages between Informality, Competition and Economic Growth’ www.cuts-ccier.org/pdf/Linkages between Informality Competition and Economic Growth.pdf have been prepared to guide CUTS future work on this issue. A Book ‘Should Competition Policy & Law be Blind to Equity’ www.cuts-ccier.org/Book/pdf/Should Competition Policy and Law-Full.pdf It is a collection of views on linkages between growth and equity happened over an e-discussion forum CompetitionOnlineForum A project idea on ‘How can competition benefits Zambian SMEs’

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		<p>Bank in West Africa can be referred.</p> <p>Impact of M&As on Informality in sectors where large informal sectors are part of the supply chain</p> <p>Some issues:</p> <p>i) Entry Barriers and associated high costs of formalisation, ii) Coercive contracting and iii) Regulatory challenges for informal sector</p>	<p>has been prepared and shared with some donors. The Competition and Consumer Protection Commission (CCPC), Zambia is interested to associate with CUTS for engaging the SMEs in Zambia, once this project comes through.</p> <ul style="list-style-type: none"> Submitted a research proposal to GDN, India focussed on “Investigating complementarities and conflicts amongst inclusive growth policies”. Key research question that the project intends to answer, “Research question - Can an inclusive growth policy impact another, and if yes, would it be possible to devise an optimal mix of inclusive growth policies which are least conflicting or most complementary, and result in maximum benefits?”
3.	Regulatory Impact Assessment (RIA)	<p>Undertaking RIAs in some of the developing countries. Refer work done by World Bank and others</p> <p>RIA-related project should focus on the ‘ability of a specific regulatory policy in promoting competition in key markets’</p>	<ul style="list-style-type: none"> CUTS has worked as the Knowledge Partner and Coordinator of the Working Group on Business Regulatory Framework (WG BRF) set up under the Steering Committee on Industry by the Planning Commission of India. Recently, ADB approved a project to undertake RIA in the electricity sector in India (three states and sub-sector have been finalised, i.e Hydro-power from Himachal Pradesh, Coal from Rajasthan and Solar Energy from Gujarat under the project) We have submitted a proposal to implement “Business Regulatory Impact Assessment” (BRIA) with support of the Planning Commission of India We have submitted a research proposal to British High Commission focussed on undertaking RIA in the financial sector,

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			as part of the calls for proposal under Prosperity Fund.
4.	Competition concerns in public procurement	<p>Not much attention is paid on how opening markets for procurement can help competition. Should be added to the CUTS future work Agenda.</p> <p>In India, central and state level procurement systems need to be studied, where discretion is heavily abused.</p> <p>Paper ‘Competition and Corruption’ can be used to explore to develop a multi country project on competition and corruption (7Up Model) with a focus on procurement.</p>	<ul style="list-style-type: none"> • CUTS has implemented a research study on ‘Government Procurement – An emerging area of global integration and good governance in India’, which was explored the means for bringing into existence a better, more efficient public procurement system for India. Came out with a report ‘Government Procurement in India’ www.cuts-citee.org/pdf/Government-Procurement-in-India Domestic-Regulations-Trade-Prospects.pdf • CUTS provided comments on the draft public procurement bill prepared by Govt of India, which can be seen at: www.cuts-international.org/pdf/CUTS-Comments on The Public Procurement Bill 2012.pdf • We have designed a Multi Country Research project on Competition and Corruption Issues (Public Procurement) to be implemented in certain Latin American countries. Andrea M. Ewart, Esq., Develop Trade Law, LLC is taking the lead in engaging with relevant donors to raise funding for the mentioned project to be implemented jointly. • Paper written by PSM for Transparency International in 2011 provides lot of inputs. • CUTS will use the paper ‘Competition and Corruption’ by Eleanor and David Lewis to develop full-scale proposal and try to fund raise from World Bank.

ISSUES FOR DISCUSSIONS

1. 2015 Biennial Competition Conference
2. Sustainability of INCSOC
3. World Competition Day
4. Future of 7Up projects
5. Date of next IAB Meeting
