

CUTS Centre for Competition, Investment and Economic Regulation (CUTS CCIER)

Mini Retreat | 23 April 2006

Present: NN, MA, SN, VRP, RSG, AP, VB, RB2, AS5, SJ5, UC

Distribution: Above + PSM, RDM, BC, CM2 & AN

Purpose: the purpose of the Mini-Retreat was to review the activities of the centre, and identify 'key issues' to be factored into the presentation being prepared by the centre for the CUTS Main Retreat.

The approach followed for the review was:

- Retrospect of past achievement
- Taking stock of current activities
- Planning for future project

INTRODUCTION

For the benefit of the participants in the meeting, and especially for the benefit of the new staff members, NN started the discussion by providing a brief introduction about the concept and purpose of CUTS Retreat.

The Retreat, he said, was an annual occasion which was attended by representative staff from each centre of CUTS to discuss the achievements and non-achievements, analyse their reasons and identify 'crucial issues' that require redressal for the organization to move ahead in the future. NN said, due to constraints of time and resources it is not feasible for the entire staff of CUTS to participate in the Main Retreat. Therefore, before the Retreat, each of the CUTS centers organizes a Pre-Retreat Mini Retreat where the above issues are discussed in detail among the staff of individual centres of CUTS. Emerging points from the Mini Retreat are accumulated and presented in the Main Retreat for sharing and learning. The learnings and feedbacks from the Main Retreat are in turn shared at the Centre level in a Post-Retreat Mini Retreat.

1. CCIER presentation

1.1 The discussion started with the mention of the new mission statement of CCIER, which reads "*Promoting fair markets to enhance consumer welfare and economic development*". The active contribution of the members of the International Advisory Board (IAB) of CUTS CCIER for developing the new mission statement was acknowledged.

The group unanimously felt that the new statement is perfectly in line with the organizational objective.

1.2 The Centre is striving hard to achieve autonomy within the system of CUTS International. Following was felt regarding the five pre defined Programme Areas of CCIER.

- Competition Policy and Law – CCIER has carved a niche for itself in this particular area
- Sectoral Regulation – over the last one year substantial work has been done in this area

- Consumer policy – CUTS started as a consumer rights organization, focusing on consumer protection issues, and therefore CUTS CCIER continues to do work on the issue of consumer policy. CUTS CART does work that relates to direct action on consumer protection issues, like consumer redressal and training.
- Investment & Corporate issues – this remains dormant to some extent and needs greater attention.
- Services – a dormant area and require attention

1.3 This financial year's budget is likely to see a growth of 25 percent over the budget of the last financial year. NN mentioned that this is a positive indication showing substantial progress towards autonomy of the centre.

1.4 In the slide of future projects, MA suggested that we should also mention IDRC's name along with DFID and NORAD as prospective funders for the CDRF project. While DFID has already pledged (informally) that they would be supporting the CDRF project by providing some support, the support from NORAD and IDRC is not certain yet, and therefore these two funding agencies could be clubbed together and the possibility for support for CDRF from them should be put as 'moderate' (*Later on IDRC communicated that it is considering supporting the project and asked for some clarifications*).

1.5 It was pointed out that 7Up6 project should also be included in the future projects list. As the centre was committed to replicate 7Up-type projects in other parts of the world, and this was included in the 'future plans' of CCIER.

1.6 Replication of FunComp type project in 7Up countries was a possibility for the centre to explore vigorously – and already some efforts are being made in countries like Bangladesh.

1.7 Enabling Environment study in states of India other than Rajasthan was another challenging and significant endeavour.

1.8 The two crucial or critical issues that comes out of the discussion are

- a) Shortage of staff at junior-middle level and difficulty in getting people with right competence and attitude
- b) How to generate income from centres' activities

1.9 Few suggestions came up regarding the above issues such as; we should conduct campus recruitment or on the spot interviews like what corporate sector are doing to get good qualified people with right competence. Selling of publication instead of distributing it for free can be worked upon to generate some funds.

2. Presentation on CUTS Institute for Regulation and Competition (CIRC)

2.1 MA made a presentation on CUTS Institute for Regulation and Competition (CIRC). He mentioned that CIRC is carrying out activities in three streams: Economic Regulation, Competition Policy & Law and Commercial Diplomacy.

2.2 The institute has made significant progress over the past one year. Its governing structure has been constituted; visiting as well as core faculty has been put in place; a separate website has been created; two competition policy training workshops and one academic lecture has been organised. Marketing and outreach activities are in full swing.

2.3 For year 2006/07, certain training workshops on competition policy and commercial diplomacy have already been fixed, while others are being planned.

2.4 Following critical issues were identified:

- 1) No Funding as yet
- 2) Generation of surplus from CIRC's activities
- 3) Lack of human resources
- 4) Establish Brand Image

2.5 It was observed that the presentation is very general in its approach and should include some cost-revenue figures, and estimation of cost-revenue so that one can understand where CIRC stands financially and what all needs to be done to achieve break-even.

2.6 NN asked when we expect to have dedicated faculty for the institute. VRP replied that it depends on funding possibilities, and when funds are received a more concrete plan of action would be developed.

2.7 AP suggested that CIRC should follow-up with participants on a periodic basis to create a brand image for the institute. Secondly, CIRC can turn some of CCIER's monograph into textbooks for CIRC's training.

3. Presentation on CUTS South East Asia Office (CUTS SEAO)

3.1 AP made the presentation on CUTS SEAO. She started by introducing the background and rationale for setting up this office, which consists of three main points:

- a) The role of the civil society in the development process and the vacuum currently existing in many Southeast Asia countries with regard to this;
- b) The TDC (Trilateral Development Cooperation) model developed by CUTS and the potential of applying the same to deliver effective technical assistance to Southeast Asia by CUTS
- c) The ongoing public policy reform process in all Southeast Asia nations, donors' support for the same and the possibility of CUTS SEAO's long-term contribution

3.2 AP informed that the process for the initiation of the CUTS SEAO was in progress and that negotiations are on with donors like SECO, DFID (Vietnam), Ford Foundation (Vietnam) etc for funding.

3.3 According to initial estimates, an amount of USD 158,000 would be needed for a period of 3 years for the start-up of this office. The planning was also being made in a way that the CUTS SEAO should become self sufficient and independent in 5 years.

3.4 CUTSEAO will be working in policy-related fields, with two major thrusts:

- a) Promoting effective public policy reforms in the larger framework of poverty alleviation and sustainable development, and
- b) Promoting effective regional and international integration of economies and civil societies.

3.5 AP added that discussion were going on with SECO to provide core funding to CUTS to establish CUTS SEAO in order that the centre can undertake research, organise seminars and hold conferences on relevant issues.

3.6 She however cautioned that a lot of cost-benefit analysis should be done before the CUTS SEAO is established, and the learnings from the other CUTS overseas centres should be integrated into this planning process.

3.7 CUTS SEAO would be established as a 'non-profit making corporation with foreign interest'.

3.8 RSG suggested that it would be good to try and develop a viewpoint paper on "Civil Society in the Development Process", and then to discuss with donors in the donor sensitisation meeting on the sidelines of the 7Up2 final meeting in Bangkok in end-June 2006.

4. Some concluding observations

4.1 The group inquired about the CITEEs donor meeting "sensitisation workshop with donors" and about its outcome.

Action: RSG to find out from BC about the outcome of the workshop.

4.2 It was also discussed that CCIER should have its own meeting with donors. RSG suggested that we could have a separate donor meeting in Bangkok along the sidelines of the 7Up2 final meeting if possible. Group needs to decide on this and plan accordingly.

4.3 Before concluding the meeting NN asked SN to give his observing comments more as an outsider rather than active participant as it was SN's first participation in the mini-retreat. SN praised the efforts in making good presentation and discussions and appreciated a very thoughtful, yet free and frank discussions.

It was decided to hold another meeting subsequently for discussion on upgrading the Strategic Business Plan 2005-2008 and SLOT Analysis.

5. Discussion on upgrading the Business Plan 2005 – 2008

The meeting to discuss the strategic business plan (SBP) and SLOT analysis took place on May 12, 2006 from 1430 hrs. The following suggestions came up for amending/updating the Business Plan

5.1 The new SBP would be for four year and read as Strategic Business Plan 2006 – 2010

- 5.2 CCIER now has a new mission statement “*Promoting fair markets to enhance consumer welfare and economic development*” The International Advisory Board (IAB) of CCIER has a significant contribution in the formation of the new statement. Previous mission statement needs to be replaced with this in the Introduction section.
- 5.3 It was suggested to rename the programme area ‘Sectoral Regulation’ as Economic Regulation as it better reflects our objectives and activities (Refer para 1.3 of Business Plan). There was a discussion on the relevance of the fifth programme area, Services. NN argued that it should be dropped, as we have not done anything in this area and importantly, the issues to be covered in this area would invariably fall in one of the other four programme areas. A counter argument (by VRP and MA) was that, we have already initiated some activities (e.g. VRP is writing a briefing paper in connection to GATS). Secondly, the idea behind keeping this programme area separate was to focus on issues that arise in the context of GATS, as they would involve different nature of complexities. The issue was unresolved and it was decided to put both arguments on table for further discussion in future.
- 5.4 In para 1.5, two more affiliation to be added
- (i) Central Advisory Committee (CAC) of Central Electricity Regulatory Commission (CERC)
 - (ii) Advisory Committee on National Competition Policy (NCP) to draft a Competition Policy Statement, Competition Commission of India
- 5.5 While describing the activities of the centre in retrospect, all national and international projects have been segregated as past, present and future based on their status.
- 5.6 Following needs to be incorporated under the section on National Level ‘Prospective Projects’ under Competition policy and law:
- (i) Study of Cartel Cases: Lessons for CCI
 - (ii) Competition Issues in the Agricultural Sector in India
 - (iii) Competition Audit
 - (iv) Competition in the Indian Banking Sector
- 5.7 It was suggested that in the para 2.21 the country name (countries which the said project covers) should be mentioned against each of the 7Up projects
- 5.8 Two new entries to be included in the prospective projects at international level namely, i) Model Law on CPL and ii) Hybrid Laws in Small Economies.
- 5.9 Consumer Impact Assessment and Regulatory Framework in Utility Services (Regframe II) to be included in the present activities under Economic Regulation
- 5.10 The following prospective projects under Economic Regulation (para 2.32) also needs to be incorporated:
- (i) Comprehensive Study of Electricity Regulation in India
 - (ii) Capacity Building on Electricity Regulation in Select South Asian Countries

- 5.11 *Enabling Business Environment for States* to be added in the proposed project under Investment and Corporate Social Responsibility
- 5.12 In the section Unique Initiatives, CIRR (as it was the name proposed earlier) to be replaced with the present name CIRC (CUTS Institute for Regulation and Competition)
- 5.13 Parliamentarians' Forum on Economic Policy Issues (PAR-FORE) to be added under the section Unique Initiatives. It is also to be mentioned that this is a joint activity of CCIER and CUTS DRC
- 5.14 The professional staff strength of CCIER needs to be increased. It was proposed that we need 3-4 middle level researchers who can handle research work efficiently. It would be useful if we found the researchers for longer period of time. It was proposed that we could have campus interview in leading institution such as JNU, DSE, University of Calcutta and a few reputed law schools.
- 5.15 On the summer Interns/Trainees programme there is a need to coordinate with HRD regarding appointment of interns so that a work chart can be planned in advance and responsibilities are delegated in order to get efficient output.

6. SLOT Analysis

During the discussion it was felt that the criterion under all four categories of SLOT, i.e., Strength, Limitation, Opportunity & Threats are well mentioned and there is no need for it to revise except the following few changes:

6.1 point (ii) under limitation which reads, Restricted engagements in areas other than competition policy & law is no longer remains a Limitation as CCIER is now engaged in other programme areas also.

6.2 Uncertainty of funding can be included as Threats

6.3 Significant improvement in the Limitation category particularly on Limited electronic outreach and limited interaction with the advisers

CUTS CCIER presentation for the CUTS Retreat 2006; and the Strategic Business Plan 2005-08 is being revised with the inputs received during the Mini Retreat