

CUTS CCIER ACTIVITIES REPORT



Ongoing Projects

Providing Power to the People – a duty of the state

CUTS in association with West Bengal State Electricity Distribution Company Limited (WBSEDCL) under the project entitled, 'Capacity Building on Electricity Reforms in Bangladesh, India and Nepal' (RESA) organised a Regional Conference in Kolkata, West Bengal, on April 09-10, 2010. The Norwegian Agency for Development Cooperation (Norad) has supported the project to build the capacity of civil society organisations (CSOs) to ensure their effective participation in electricity reforms.

The objective of the conference was to share the experience gained during the implementation of the project to a larger audience and sustain the initiative through strengthening the regional network in South and Southeast Asia. Country experiences from India, Bangladesh, Nepal, Sri Lanka, Indonesia, Thailand and Philippines were shared



Nirupam Sen, Minister-in-Charge, Department of Power, Government of West Bengal, releasing a CUTS Publication

and exchanged. The experience gained from RESA was disseminated to a larger audience to explore and replicate the model in other Asian countries.

Nirupam Sen, Minister in Charge, Department of Power, Government of West Bengal while delivering the keynote address opined that it is the duty of the government to provide access to good quality of electricity at affordable price to every individual of the state. He released a CUTS report entitled "Consumer Empowerment in Electricity Reforms – A Review from South Asia" on the occasion.

More than 50 participants comprising policy makers, regulators, ex-regulators, academia, CSOs, service providers, media etc. from over 10 countries participated in the event and shared their experiences.

For more details, please visit:
www.cuts-ccier.org/RESA/



Regulation Can Resolve Access Problems

CUTS organised an international conference on 'Quality of Regulation: Case Research and Analysis' in New Delhi, on March 27, 2010. S L Rao, Former Chairman, Central Electricity Regulatory Commission opined that regulation is a powerful tool for resolving the access problems in regard to key utilities such as electricity and oil and gas. Consumers in developing countries such as India are affected by unaffordability and inadequate infrastructure supply.

Regulation is crucial for welfare implications in the infrastructure sector. Keeping this in mind, this conference showcased country papers from three developing countries – Brazil, India and Kenya. These papers highlighted common problems facing regulation of electricity and oil and gas sectors in these three economies. Both sectors are vital cogs in the development machinery of economies but are still evolving in these and many other developing countries.



Dignitaries at the International Conference on Quality of Regulation in New Delhi, on March 27, 2010

The papers were presented by their respective authors (experts on regulatory issues from each country) and aimed to compare reviews of sectoral regulation for offering a forward looking agenda.

For more details, please visit:
www.cuts-ccier.org/Quality_of_Regulation.htm

Enhancing Understanding for Competition Enforcement in West Africa



Ministry of Foreign Affairs
Sweden

Over the period of implementation of the 7Up4 project (www.cuts-ccier.org/7up4), it has been established that there is a huge demand for enhancing the capacity of the competition agencies and regulatory authorities that have been established in the project countries, without much effort to equip and empower them for evolving well-functioning markets.

An effort was made under this project in the month of December 2009, to train a select group of competition agency staff and sector regulators from the francophone countries in the region – and the response was overwhelming. Many of these staff were undergoing this training for the first time, and it was evident that it had increased their confidence on competition policy issues manifold. A similar workshop for agencies from Anglophone countries was organised in Abuja during January 13-15, 2010.

Representatives from competition authorities, government departments and regulatory agencies and selected civil society organisations (CSOs) participated in the workshop. Training on various aspects of competition enforcement was imparted by various experts and practitioners from within outside Africa. The training combined both theoretical and hands-on lessons which helped the participants understand and analyse competition cases. Around 25 participants from The Gambia, Ghana, Nigeria and Sierra Leone participated in the workshop.

In April 2010, CUTS plans to organise national training workshops in each of the seven project countries. The main aim of these events would be to equip a group of ‘key



Participants at the Regional Training Workshop, Abuja on January 13-15, 2010

stakeholders’ with the basis understanding on competition issues. Further, focus group discussions would be held with a group of media representatives in each project country. It is expected that this interaction would elicit interest on competition issues among the media representatives leading to greater (and better) reporting of news related to competition issues in each country.

Given that thrust is required from the leaders of the policy community in each country for prioritising competition reforms as a means to achieving national developmental goals, a select group of Parliamentarians would also be briefed about the benefits from an effective competition regime, as part of these events..

For more details, please visit: <http://www.cuts-ccier.org/7up4/>

New Project

Consumer Protection Regimes in the World



CUTS announces launch of the project entitled ‘Strengthening the Consumer Protection Regime’ (*ConsumerRegimes*). The term ‘Consumer Protection’ is comprehensive comprising not only a set of regulations and legal framework but also a commitment to protect consumers against deprivation from the basic needs of life, and ensuring a respectable living.

The United Nations Guidelines on Consumer Protection, 1985 stresses on the role of governments to develop and maintain a strong consumer protection policy. Each government should set its own priorities for the protection of consumers in accordance with the economic, social and environmental circumstances of the country and the needs of its population, bearing in mind the costs and benefits of proposed measures.

Governments all over the world have been trying to build a strong legal and regulatory framework to ensure consumer interests and welfare. While some countries already have a well developed consumer protection regime, there are many that are in process of evolving such a regime.

This report aims to compile and conduct an analysis of the state of consumers around the world by collating short country essays on consumer protection from across the globe.

The report will serve as a platform:

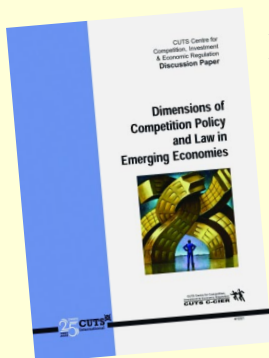
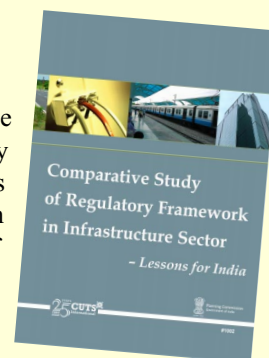
- to identify the prevailing gap between the ideal and actual situation in the countries on individual basis and attempt to fill in that gap by following good practices of a well developed consumer protection regime;
- for comparative analysis between developed, developing and under-developed countries on their approaches to protection of consumers; and
- for strengthening the knowledge base of the civil society organisations, governments, intergovernmental organisations and other stakeholders by providing a ready reckoner in the form of a comprehensive report.

For more details, please visit:
<http://www.cuts-ccier.org/consumer/project.htm>

Comparative Study of Regulatory Framework in Infrastructure Sector – *Lessons for India*

This Report focuses on how such a regime can be developed by studying international experience in infrastructure regulation. It assumes as its operating premise the need for a regulatory framework to be transparent, consistent, effective and independent of the government. It analyses and compares the institutional and governance aspects of regulatory frameworks in seven countries: Australia, Brazil, Canada, Philippines, South Africa, Sri Lanka and UK. On the basis of such comparison lessons are identified for India.

Suggested Contribution: Rs 495/US\$60



Dimensions of Competition Policy and Law in Emerging Economies

Emerging economies are characterised by fast transformation and rapid economic growth. This paper shows that a happy compromise between competition and industrial policy and efforts to stimulate cooperation is not only desirable but possible. It identifies inadequate awareness and lack in emerging economies. The paper also clarifies implementation modalities, such as the shaping of the content of competition policy and law and the empowerment of competition authorities needed for effective implementation of the competition law.

This discussion paper can be viewed at:

http://www.cuts-ccier.org/pdf/Dimensions_of_Competition_Policy_and_Law.pdf

Consumer Empowerment in Electricity Reforms – A Review from South Asia

The report reviews the status of consumer participation in the regulatory reform process in the project countries. It concludes that most of the consumers are not satisfied with the existing complaint redressal mechanism as well as the quality of service available to them. It is useful not only for researchers but also for policy makers and regulators as it provides a comprehensive review of the status of reforms and consumer participation in select South Asian countries which could pave the way forward for future regulatory reforms for ensuring effective consumer participation.

This Report can be viewed at:

http://www.cuts-ccier.org/RESA/pdf/Consumer_Empowerment_in_Electricity_Reforms.pdf



Forthcoming Project

Malpractices in Health Delivery in India: Need for Effective Regulatory Enforcement



Healthcare, especially for the poor who comprise around one third of the Indian population, remains a problem in India and is marked by lack of affordability and/or poor quality of services. Casual empiricism indicates that this state of affairs might be caused due to horizontal and vertical collusion among the actors in the medical supply chain.

An evidence-based advocacy project entitled ‘Malpractices in Health Delivery in India: Need for Effective Regulatory Enforcement’ would soon be initiated by CUTS with the support of Oxfam, India. It would aim to identify more accurately the source and nature of medical malpractices in the country and explore possible ways to resolve them through a process of dialogue involving for relevant institutions such as the Ministry of Health and Family Welfare, Medical Council of India and the media. It would provide recommendations for curbing such practices and thus enhance the quality and affordability of healthcare for the citizen.

Main objectives of the project are to:

- perform advocacy among relevant organisations for identification of medical malpractices;
- assess the scope and effectiveness of the present regulatory system, especially the competition law to deal with the above concerns;
- make recommendations for better regulatory outcomes, given the above concerns; and
- spread awareness about these recommendations so to lay the ground for their implementation.

Representations

Pradeep S Mehta attended a conference on 'Building Infrastructure: Challenges and Opportunities' organised by the Planning Commission in New Delhi, on March 23, 2010.

Rijit Sengupta participated in the launch meeting of the Africa Competition Forum held in Nairobi, on March 11-12, 2010.

Siddhartha Mitra participated in the 9th Organisation for Economic Cooperation and Development (OECD) Global Competition Forum in Paris, on February 18-19, 2010.

Advocacy through the Press

Nuclear Liability: Safety to be on Top Priority

New Delhi, March 31, 2010

The Civil Liability for Nuclear Damage Bill 2010 is a step forward to ensure an appropriate regulatory environment in the energy sub sector. Enabling a conducive regulatory environment is a must for attracting the required investment. It is good that the government has proposed the constitution of an independent regulatory body in the sector to look after various regulatory issues, especially as competition in the nuclear segment is low relative to other segments of the power sector.

*For more, please visit:
http://www.cuts-ccier.org/PressReleaseMar10-Safety_needs_to_be_assigned_top_priority.htm*

Gains from Competition in Power Distribution

The Financial Express, March 24, 2010

By Rajesh Kumar

The Electricity Act, 2003, and National Electricity Policy, 2005, envisage the provision of open access to transmission & distribution networks to create healthy competition and ensure efficient use of energy. However, most state electricity regulatory commissions have not taken any step to implement open access. They point to several roadblocks in the way of its implementation. However, Mumbai presents a marked and refreshing case as a result of sincere efforts by the regulator, consumers/CSOs and some distribution companies in the suburbs of the city.

*For more, please visit:
http://www.cuts-ccier.org/resa/article-Gains_from_competition_in_power_distribution.htm*

CCI has a Role to Play in Bank Mergers

Financial Express, January 10, 2010

By Pradeep S Mehta

Competition regulation of M&As in the banking sector is a different matter. This is aimed at ensuring that banks compete among themselves in fighting for customers by offering the best terms, lower interest rates on loans and higher interest rates on deposits and securities. Merger regulation by CCI would be therefore intended to ensure that such activities are not motivated by the desire to collude and make excessive profits at the expense of customers or to squeeze other players out of the market. Competition in the banking sector improves access to finance for investment through lower interest rates for loans and lesser collateral requirements as banks fight for customers

*For more, please visit:
http://www.cuts-ccier.org/ArticlesJan10-CCI_has_a_role_to_play_in_bank_mergers.htm*

Helpless Spectator

Outlook Business, March 20, 2010

Since its inception, the European Commission Competition (EEC) has unearthed many illegal business practices, particularly of cartelisation. There are five biggest cartel fines: Car Glass Cartel; Gas Cartel; Vitamins Cartel; Gas-Insulated Switchgear; and Paraffin Wax. India has its own such agency: the Competition Commission of India whose main objective is the same as that of the ECC – to fight unfair trade practices and promote competition – there is little it has in common with the European body.

*For more, please visit:
http://cuts-international.org/cutsinmediaMar10.htm#Helpless_Spectator*

Multiple Regulators for Oil & Gas: Replication of Old Problems?

Jaipur, February 04, 2010

Instead of creating a parallel regulatory body in the oil and gas sector, the government should strengthen the existing regulatory body, Petroleum and Natural Gas Regulatory Board (PNGRB) to enable the establishment of a sound regulatory environment in the sector” opines CUTS. While reacting to the government’s proposal for creating a National Gas Highway Development Authority for regulating transmission of gas, a function that the existing regulator (PNGRB) was expected to shoulder as per provisions of the PNGRB Act 2006.

*For more, please visit:
http://www.cuts-ccier.org/PressReleaseFeb10-Multiple_regulators_for_Oil_and_Gas.htm*