



Parliamentary Under-Secretary of State

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2 June 2006

Dear Mr Mehta,

I enjoyed meeting you and Tamar Lordkipanidze on 3 May, in the absence overseas of Hilary Benn, and learning more about CUTS' work on competition policy and trade. Both these agendas are very important for equitable development and DFID attaches priority to each.

I agreed to reflect on some of the points we discussed, and get back to you.

We applaud the impact that CUTS has had in raising the profile of competition policy issues in developing countries and, indeed, among the donor community. We value the productive working relationship that CUTS and DFID have built up in recent years on this agenda. In particular, we are pleased to have been supporting you in the development and implementation of the successful '7-Up' competition model in Asia and Africa.

As I mentioned, DFID's global Programme Partnership Agreements have now been awarded for this year, and no decision has yet been taken as to if or when there will be any new PPAs. However, there are a number of ways that we can continue to support CUTS' efforts, alongside other donors. The project-by-project approach is the most practical one from our standpoint. For example, I understand that our Investment and Competition Team is keen to co-fund your Competition, Regulation and Development Research Forum – that, among other things, will help provide a better understanding of the political and institutional contexts for regulatory reform and competition policy.

CUTS could also apply to our Civil Society Challenge Fund, which makes project awards for up to five years. You could also ascertain what scope there might be for some kind of strategic funding arrangement with DFID India, whilst, in Africa, the new Investment Climate Facility has made competition policy one of its eight priority areas and presumably you will be in touch with its staff. Although we are considering the future of our Asia Regional Poverty Fund (which has supported

CUTS' 7Up2 Project), you could keep in contact with its managers in case there is scope for further engagement.

We are considering the possibility of organising in the longer term an international workshop on competition policy and regulatory reform, to debate the findings of new work that is being initiated linking competition policy to the achievement of the MDGs. I suggest that you keep in contact on this with our Investment and Competition Team that Roger Nellist leads.

As I also said at the meeting, on your trade work I would be interested in reading your reports on special products, as well as on Special and Differential Treatment, and hope you will send us copies once you have completed the studies later this year.

Thank you for inviting me to the launch of the Friends of CUTS scheme on 31 May. Unfortunately, as I mentioned, I am overseas this week but DFID was to be represented by Clare Castillejo.

pp Judith Kerber

GARETH THOMAS

(Agreed by the Parliamentary Under-Secretary of State and signed in his absence)