

Emerging Points from the Workshop on 7Up3 Project Implementation

Date: March 23, 2005

Duration: 1630 hrs to 1930 hrs

Location: Imperial Resort Beach Hotel, Entebbe, Uganda

Participants:

1. CUTS International

Nitya Nanda (NN), Rijit Sengupta (RS) (CUTS C-CIER, Jaipur, India); Sajeev Nair (SN) (CUTS ARC, Lusaka, Zambia); John Ochola (JO), Clement Victor Onyango (CVO) (CUTS NRC, Nairobi, Kenya)

2. 7Up3 Project Advisory Committee (PAC)

George Lipimile (GL); Peter Muchoki Njoroge (PMN); David Ong'olo (DO)

3. DFID, UK representatives

Karen Ellis (KE); John Preston (JP)

4. 7Up3 Project Partners

Monnane Monnane (MM) (BIDPA, Botswana); K L Moletsane (KLM) (BOCONGO, Botswana); Gebremedhine Birega (GB) (ECoPA, Ethiopia); Maxton Tsoka (MT) (CSR, Malawi); Temwa Gondwe (TG) (MEJN, Malawi); Kheshwar Jankee Chandan (KJC) (Univ. of Mauritius); Mosadeq Sahebodin (MS) (ICP, Mauritius); Rehabeam Shilimela (RS2) (NEPRU, Namibia) and Kimera Henry Richard (KHR) (CONSENT, Uganda)

5. Other invitee

S. Chakravarthy (SC)

Points that emerged over the discussions on the project implementation structure...
are summarized in the following paragraphs: -

- NN reiterated while explaining the activities in the 7Up3 Project, that the role of the National Reference Group (NRG) was absolutely critical for developing a wider ownership for the project findings and recommendations in the project countries. He also clarified that the NRG list was a 'target list', containing the names and correspondence address of various key people in each of the project countries. He added that it was not necessary for the project partner to formally invite people to become member of the NRG or to seek their confirmation to become a member of the NRG, but to periodically update them of the project activities within the country, so that they are able to contribute in the discussions at the NRG meetings.
- While presenting the Operational Strategy Note of the 7Up3 project, RS conveyed that CUTS centers in Africa (CUTS ARC in Lusaka and CUTS NRC in Nairobi) would play the pivotal role of regional coordination with the project partners. CUTS ARC, Lusaka would coordinate with partners in Botswana, Malawi, Namibia and Mozambique; and CUTS NRC, Nairobi would coordinate with Ethiopia, Uganda and Mauritius partners.
- It was clearly stated that the overall decision-making with regards to the project implementation would be done by CUTS Jaipur.
- Congratulating the aspect of regional integration of national competition regimes that 7Up3 project endeavours to undertake, PMN offered to approach COMESA to find out ways in which synergies could be established between the 7Up3 project, and the activities being done under the COMESA in line with its regional competition framework. He also mentioned that of the 19 member countries of COMESA, only three have functional Competition Authorities. He therefore believed that the 7Up3 Project would be helpful both at the national and the regional levels.
- GL said that he would be very happy to contribute to the successful implementation of the project, and added that he was ready to help at all times.

- DO made the following points:
 - i. A separate provision should be there in the 7Up3 project to educate the media on the necessity of a competition regime. This would build the capacity of the media to understand issues related to competition and help them to intervene appropriately. (Carrying forward a point that was raised during the discussions in the seminar earlier, DO felt that it would be necessary to lay emphasis on the role of the media as an active ‘stakeholder’ for the project, and to depart from the conventional approach of using the media merely as a publicity tool for the project)
 - ii. He also opined that research activities should aim to undertake a ‘standardised analysis’ of the cost incurred and the benefits accruing from maintaining a competition authority vis-à-vis the overall regulatory framework in each of the project countries.
 - iii. DO also suggested that there was a need to prioritise the research questions that were presented. He thought that the question under the second bullet should swap its position with that under the first bullet. (Refer: handout of ‘Methodology for Country Report’)
 - iv. A few other aspects that he suggested could be covered by the research in each of the project countries were:
 - a. Impact of the competition regime on consumers and small businesses.
 - b. An assessment of the ‘welfare losses’ arising from different government policies and implications for competition.
- Regarding the involvement of the ‘advocacy partner’ in the project activities right from the start in the 7Up3 Project, the following were some of the observations by the participants:
 - i. SC felt that the advocacy partner should ideally assume its role, after the research partner has undertaken some preliminary research. So that the advocacy partner has the findings of the research in its hand to advocate with. On this point NN explained that the very design of the project is such that the target groups of the advocacy would be involved in the

research process as well. Moreover, he added that the advocacy partner needed to prepare the ground for the intensive advocacy to be taken up after the research findings are out.

- ii. MS (ICP, Mauritius) explained that the advocacy process could start on its own in parallel with the research activities. The purpose of such advocacy would be to sensitise the common people (consumers) of the need for a competition law, and therefore to prepare the ground for the more intensive advocacy to follow in the later part of the project.
- NN clarified that the ‘Partnership Agreement’ and the ‘Terms of Reference’ that were being currently discussed was for the Stage I of the project, covering a period of 18 months. Both research and advocacy activities were incorporated in this Stage. The budget that was being provided to the partners was for activities over this period only. He added that a separate ‘Partnership Agreement’ with a ‘ToR’ would be prepared for the Stage II of the project (of 6 months duration), once the balance budget for the Stage II gets approved.
 - Speaking about the research documents envisaged in the project, NN reported that in addition to seven country research documents, a synthesis report would be prepared on the basis of the findings of the seven country reports. The synthesis report would undertake a comparative analysis of the seven country documents, and also draw references from the ‘learnings’ of CUTS 7Up1 and 7Up2 Projects (Multi-country projects on competition policy and law executed by CUTS in parts of Asia and Africa)
 - Responding to the query about the need for a 3rd NRG meeting raised by MGT (CSR, Malawi), SN observed that one of the purposes of the 3rd NRG meeting would be to review the suggestions received on the findings of the country research documents during the regional conference, at the national level in the project countries.
 - On the subject of the financial outlay for the activities to be carried out by the project partners, MGT observed that it was necessary to review if the funds allocated was sufficient to carry out the activities earmarked in the project

countries. He added that under the situation of a constraint, it would be desirable to optimise the project activities in tune with the budget.

A second round of discussions ensued after the presentation on the 'Research Methodology and Questionnaire' by NN. The following is an update on the important points that were raised:

- During his presentation of the methodology, NN highlighted the following points:
 - i. It was equally important for the advocacy partner to understand the research questions, as it was for the research partner in each of the project countries, in order to provide them an insight in to the overall object of the research activities.
 - ii. The advantages and disadvantages of *ex-ante* and *ex-post* regulation in competition enforcement.
 - iii. The questionnaire surveys should cover three target groups: consumers and other civil society groups, business community and government and policy-makers.
- NN emphasised that the project partners should consider the 'long-term benefits' from the project, and should not only assess the project in terms of its financial outlay. He added that the 7Up3 project would be beneficial in the following ways:
 - i. The understanding of the partners on competition issues would be enhanced through their involvement in interactions/meetings with renowned experts on the topic during the events encompassed within the project.
 - ii. NN added that CUTS treats its partners as part of an 'extended family'. CUTS has been inviting many of the partners to its programmes, which help in building their capacities. CUTS will continue to be engaged with the partners, even after the project is over.

- iii. The profile of the ‘project partners’ (especially with regards to Competition Policy and Law) in each of the project countries would be enhanced a great deal (as was witnessed in case of the 7up1 Project), and they could become pioneers on competition policy and law in their own countries.
- Adding his views to the above point, TG (MEJN, Malawi) said that the project partners should consider this project as a ‘Seed Project’, which would help the partner organisations to initiate activities on the lines of competition policy and law in the future in their countries/ region. He also said that some compromises might have to be made with regards to the extent of the activities, keeping in view the budgetary constraints of the 7Up3 Project.
 - Commenting on the size of the sample population, SC observed that the sample population (50-100) for the stakeholder groups to be interviewed was small as compared to the population in the project countries. GB (AHaECoPA, Ethiopia) and KJC (Univ. of Mauritius, Mauritius) had similar views on the issue. NN clarified that the sampling would not be representative but purposive, to elicit information and viewpoints from the key stakeholders. He also said that the person administering the questionnaire should resort to prompting and probing in order to try and get the maximum information from the respondent. Thus a small sample size was not going to be a cause for concern. He however agreed that a bigger size of the sample population might have been better. But expressed that the budget would also have to be borne in mind.
 - KLM (BOCONGO, Botswana) suggested that the partner organisations could approach CUTS to help them prepare proposals to initiate activities on Competition Policy and Law in the respective project countries, following the completion of the 7Up3 project.
 - MM informed that the research questions might have to be moulded to accommodate the ground realities in Botswana. After a little bit of discussion on the research questions, it emerged that the questions could be aligned with the ground situations in the project countries, and should also incorporate the

(relevant) comments received over the course of the discussions in the launch meeting.

- NN informed that keeping the overall structure of the questionnaire (that was shown to the partners, and would be provided to them subsequently) consistent, there was scope for the partners to align the questionnaire with the ground realities in the project countries.
- On the issue of the cost and benefit of maintaining a competition regime, NN mentioned that the estimation to be undertaken in the project countries would be done on the basis of qualitative assessments, and perspectives of the stakeholders. The reason for this he said was the lack of a standard methodology and the data to go for quantitative estimates.
- Drawing reference from a UNCTAD study done in 1997, SC informed that UNCTAD has done an assessment of the benefits from maintaining a regulatory regime, including a competition regime, and suggested that the report could be used as a reference for the research activities in the 7Up3 project.
- SC suggested that as per the estimates of Simon Evenett *et al*, the cost of the Vitamins Cartel alone was much more than that of maintaining a competition authority in many countries. NN observed that such an argument might not accept credibility, as it is difficult for the Competition Authorities of developing countries to take action against these international cartels, and draw resources for themselves. He added that there were surely many domestic anti-competitive practices and their costs may be much higher than maintaining a competition authority. He also suggested that there was no harm in mentioning/discussing the cross-border/international anti-competitive practices affecting consumers in the project countries as well.

Prepared by:

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