

O.Strengthening capacities in developing countries for the effective enforcement of competition law to minimize constraints to economic productivity

UNCTAD (\$617,700)

Background

78. Given the fact that efficiency, innovation and technological improvements are facilitated by a high level of competition, effective competition law enforcement can be an important factor in boosting productivity performance. It is thus important for all countries to evaluate the effectiveness of their competition policy-enforcement framework.
79. The needs in this area have been recognized on several occasions in recent years by the UNCTAD Intergovernmental Group of Experts on Competition Law and Policy, which recommended at its sixth session in 2004 that UNCTAD undertake voluntary and ad hoc peer reviews of national competition authorities. This recommendation was affirmed at the Fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices in 2005 and the Accra Accord of 2008. The project builds on the experience of UNCTAD peer reviews in Jamaica, Kenya, Costa Rica, Tunisia, and the West African Economic and Monetary Union. UNCTAD peer reviews provide an important means for countries to benchmark their performance to international best practices. The interactive peer review method promotes knowledge-sharing between the authorities at regional and international levels and also enhances informal cooperation networks. Notable features of the UNCTAD peer review are an atmosphere that is not interrogative or hostile and the strong element of South-South cooperation.
80. The countries that are tentatively identified for the biennium 2010-2011 are El Salvador, Indonesia, South Africa and Thailand. The peer reviews will be conducted in collaboration with the competition authorities in each country. The peer reviews will identify major procedural, administrative and legislative changes that might be necessary for the optimum functioning of the competition authority and the law. They will give insights into country-specific constraints, including political economic problems which have a bearing on the legitimacy of the competition law. On the basis of the findings and recommendations of the peer reviews, a comprehensive project proposal for further capacity-building will be prepared to assist the competition authority in soliciting earmarked funding from the government and other sources.

Objective of the Organization: To strengthen the capacity of national authorities to effectively enforce competition law and thereby promote the development of dynamic enterprises.

Relationship to the strategic framework for the period 2010-2011 and the Millennium Development Goals: UNCTAD subprogramme 3 (International trade) and subprogramme 2 (Investment and enterprise); Millennium Development Goals 1 and 8.

Summary budget

(Thousands of United States dollars)

Consultants	148.0
Travel	97.0
Contractual services	37.7
Operating expenses	15.0
Study tours	160.0
Workshops	<u>160.0</u>
Total	617.7

Expected accomplishments of the Secretariat Indicators of achievement

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| <ul style="list-style-type: none"> (a) Comprehensive assessment of strengths and weaknesses of competition enforcement institutions and procedures (b) Enhanced capacity of competition authorities and policymakers to address enforcement weaknesses and improve stakeholder awareness | <ul style="list-style-type: none"> (a) Peer review report prepared with the participation of the authority and all identified stakeholders on time (b) (i) Majority (80 per cent) of recommended institutional changes accepted <li style="padding-left: 20px;">(ii) Increased implementation of peer review recommendations through technical assistance activities and reporting to the UNCTAD Intergovernmental Group of Expert on Competition Policy at its annual meeting |
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Main activities

81. The main activities of the project will include:
- (a) Organizing country visit, scheduling stakeholder consultations and undertaking a two-week fact-finding mission for the preparation, finalization and reproduction of the peer review report in coordination with the relevant national competition authority and international competition expert;
 - (b) Identification of panel of peer reviewers and convening formal interactive peer review session with the possibility of knowledge-exchange from the participation of a broader audience of competition experts and preparation of follow-up capacity-building project proposal and budget;
 - (c) Organizing two national awareness-building workshops per country in support of dissemination of recommendations of peer review report, providing advice and assisting national competition authority to marshal support for administrative and legislative reforms;
 - (d) Organizing study tours/detachments of national competition enforcers/competition enforcers from more advanced jurisdictions for the exchange of best practices and knowledge-sharing towards the implementation of specific peer review recommendations (two tours/detachments of two persons per authority).

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Implementing entities: UNCTAD		Duration: 2010 – 2013	
Objective: To strengthen the capacity of national competition authorities to effectively enforce competition law and thereby promote the development of dynamic enterprises.			
Summary budget <i>thousands of US dollars</i>	Detailed budget (US dollars)		
Consultants	148.0	Consultants	
Travel	97.0	<u>Regional/international consultants</u>	
Contractual services	37.7	International/regional competition expert for undertaking fact-finding visit and preparing peer review report in conjunction with UNCTAD staff (in support of activity (a)). (\$25 000 [flat fee] x 4 reports) and (\$9,000 x 4 country visits for consultants travel)	136 000
Operating expenses	15.0	International/regional expert to undertake external evaluation.	12 000
Study tours	160.0	Travel	
Workshops	<u>160.0</u>	Travel of staff to organise and coordinate fact-finding (in support of activities (a), (b) and (c)) (\$9,000 x 4 staff)	36 000
Total	617.7	Travel of staff to organise and coordinate dissemination and advocacy workshops (in support of activity (d)) (\$7,625 per person x 2 persons x 4 missions)	61 000
		Contractual services	
		Translation of documents into English (in support of activities ((b) and (c))	16 000
		Contractual Services in support of all activities (\$21,700)	21 700
		Operating expenses	
		Publications (in support of activities (a), (b) and (c))	15 000
		Study tours	
		Study tours for competition enforcers (in support of activity (d)) (\$10,000 per study tour x 2 study tours x 8 persons)	160 000
		Seminars and Workshops	
		8 national workshops x \$20,000 per workshop (in support of activity (c))	160 000