

VOLUNTARY PEER REVIEWS OF COMPETITION AND CONSUMER PROTECTION LAWS AND POLICIES

SHARING BEST PRACTICES FOR DEVELOPING COUNTRIES



GLOBAL CONTEXT



Competition is fundamental to the success of any market economy. It stimulates a country's attractiveness as a business location and can foster economic efficiency, productivity, innovation and economic growth. Competition can also result in lower prices and a wider range of and improved products, which in turn can benefit consumers by protecting their welfare. Benefits from trade cannot reach their potential due to anti-competitive business practices, which restrict competition or erect barriers to market entry. Furthermore, increasing market concentration is a feature of the current global economy. Therefore, it is essential for all countries to assess and, if necessary, improve the effectiveness of their competition laws and policies.

UNCTAD has supported developing countries and countries with economies in transition through a process of voluntary peer reviews of their competition laws and policies since 2005. The unique development perspective and experience of UNCTAD in working with competition authorities worldwide serves as a guarantee that the voluntary peer review process focuses on improving competition laws and policies in a way that fosters competitiveness and addresses countries' development needs and current economic challenges.

Consumer protection law and policy play a crucial role in ensuring that consumers are well-informed and well-protected against deceptive and fraudulent practices, and will be provided with appropriate remedies if deceived. UNCTAD has supported developing countries and countries with economies in transition through a process of voluntary peer reviews of their consumer protection laws and policies since 2016. The reviews aim to improve consumer protection legislation and enforcement and ensure that countries are able to address current challenges in providing effective protection to consumers.



HOW CAN A VOLUNTARY REVIEW BY PEERS HELP?

UNCTAD Voluntary Peer Reviews of Competition and Consumer Protection Laws and Policies allow developing countries to benchmark their legislative framework against international best practices. They also provide an opportunity for reviewed agencies to self-evaluate their enforcement performance. The Reviews are conducted using an interactive peer review method that promotes knowledge-sharing between competition authorities at the regional and international levels, enhances informal cooperation networks and encourages both North–South and South–South cooperation.

The Reviews identify major procedural, administrative and legislative changes that might be necessary for the optimum functioning of the competition and consumer protection authority and the law. They give insights into country-specific constraints, including political and economic problems that restrict effective enforcement of the laws in question. The Reviews serve as a basis for peer review examination during the annual meetings of the Intergovernmental Groups of Experts on competition and consumer protection laws and policies.





RESULTS AND IMPACT AT A GLANCE

- Global competitiveness assessments carried out annually by the World Economic Forum show that competition climates have improved in 10 countries following their peer review processes, facilitated by UNCTAD – an indication of UNCTAD contributions to competition law and policy.
- Review reports have been used in amending legislations (at the level of draft laws), for advocacy and in establishing a new training agenda for staff. Based on an independent evaluation in 2013 of the UNCTAD programme, the proportion of recommendations adopted ranges from 10 to 85 per cent, with an average of 40 to 45 per cent. Competition authorities have been better equipped with high quality analysis capacities to assess competition.

Brief highlights

The Peer Review of Competition Law and Policy of Zimbabwe led to a capacity-building project to implement the Review recommendations. This project, funded by the European Union, was implemented by UNCTAD in 2014–2016, and resulted in the adoption of a national competition policy by the Cabinet and the drafting of a new competition law for Zimbabwe, to be submitted to the Parliament.

The recommendations of the Peer Review of Competition Law and Policy of Mongolia, undertaken in 2012, are currently being implemented in cooperation with the Japan International Cooperation Agency and the Authority for Fair Competition and Consumer Protection of Mongolia.



PROGRAMME FACTS AND FIGURES

Start date: 2005

Reviews per year:
2 (starting in 2018, one on competition law and policy and one on consumer protection law and policy)

Completed Peer Reviews of Competition Law and Policy:
25, including 1 regional Review in the West African Economic and Monetary Union (28 countries covered)

Upcoming Reviews: Botswana (competition law and policy) and Morocco (consumer protection law and policy; the first Review in this area)

Website: unctad.org/competition/peer-reviews



Sustainable Development Goals addressed:

Directly: 8 and 10

Indirectly: 12



DONORS/ FUNDING SOURCE

Current and past:

Norway, Spain, Sweden, Switzerland, the United Kingdom and the European Union

