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**UNCTAD capacity-building in consumer protection**

**Review of capacity-building in and technical assistance on  
consumer protection law and policy**

**Note by the UNCTAD secretariat**

*Executive summary*

UNCTAD provides capacity-building and technical assistance to developing countries and countries with economies in transition in accordance with requests received and resources available. UNCTAD has been providing capacity-building and technical assistance in the field of consumer protection law and policy through both national and regional activities related to drafting consumer protection legislation and implementation guidelines and to institutional capacity for better enforcement of consumer protection laws.

This note presents a progress report on technical cooperation activities and assistance provided or received, bilaterally or regionally, in the area of consumer protection law and policy, by UNCTAD, member States and other international organizations, in 2016.



## Introduction

1. On 22 December 2015, the General Assembly adopted resolution 70/186 on consumer protection, including the revised guidelines for consumer protection and the decision to establish the Intergovernmental Group of Experts on Consumer Protection Law and Policy, within the framework of an existing commission of the Trade and Development Board of UNCTAD, to provide the international institutional machinery for the guidelines.<sup>1</sup>
2. Guideline 97 states that the Intergovernmental Group of Experts will, inter alia, “provide capacity-building and technical assistance to developing countries and economies in transition in formulating and enforcing consumer protection laws and policies”.
3. In its agreed conclusions, the first session of the Intergovernmental Group of Experts requested the UNCTAD secretariat to prepare, for consideration at its second session, an updated review of capacity-building and technical assistance, taking into account information to be received from member States.<sup>2</sup>
4. Accordingly, this note contains information on the capacity-building and technical cooperation activities carried out by the UNCTAD secretariat in 2016, as well as information provided by member States and international organizations to UNCTAD on technical cooperation activities in the field of consumer protection law and policy.<sup>3</sup> It addresses first a framework for the provision of capacity-building in consumer protection policy in developing countries, then focuses on capacity-building provided by UNCTAD, member States and other international organizations at the national and regional levels.

## I. Framework for capacity-building and technical assistance

### A. UNCTAD mandate on consumer protection

5. The Intergovernmental Group of Experts on Competition Law and Policy has previously discussed the interaction between competition and consumer protection policies and the benefits of competition policy for consumers, based on background research and analysis in these fields. Several competition authorities also have responsibilities for consumer protection, showing the traditionally close relationship between both domains. UNCTAD has received requests from member States for assistance in both fields, and has provided capacity-building in and technical assistance on consumer protection law and policy to several member States in different regions of the world for a number of years.
6. Guidelines 87 and 95–99 provide for the functions of the Intergovernmental Group of Experts, as detailed in the box.

**Intergovernmental Group of Experts on Consumer Protection Law and Policy:  
Functions**

87. Member States are invited to designate a consumer protection enforcement agency or a consumer protection policy agency to act as a contact point to facilitate cooperation under these guidelines. Those designations are intended to complement and not replace other means of cooperation. Such designations should be notified to the Secretary-General.
95. An intergovernmental group of experts on consumer protection law and policy, operating within the framework of an existing commission of the Trade and Development Board of [UNCTAD], will provide the institutional machinery.
96. Member States should take appropriate steps at the national or regional levels to implement these guidelines.

<sup>1</sup> A/RES/70/186.

<sup>2</sup> TD/B/C.I./CPLP/4.

<sup>3</sup> Responses to a questionnaire on capacity-building were received from Costa Rica, the United States of America and Consumers International.

97. The intergovernmental group of experts on consumer protection law and policy shall have the following functions:

(a) To provide an annual forum and modalities for multilateral consultations, discussion and exchange of views between Member States on matters related to the guidelines, in particular their implementation and the experience arising therefrom;

(b) To undertake studies and research periodically on consumer protection issues related to the guidelines based on a consensus and the interests of Member States and disseminate them with a view to increasing the exchange of experience and giving greater effectiveness to the guidelines;

(c) To conduct voluntary peer reviews of national consumer protection policies of Member States, as implemented by consumer protection authorities;

(d) To collect and disseminate information on matters relating to the overall attainment of the goals of the guidelines and to the appropriate steps Member States have taken at the national or regional levels to promote effective implementation of their objectives and principles;

(e) To provide capacity-building and technical assistance to developing countries and economies in transition in formulating and enforcing consumer protection laws and policies;

(f) To consider relevant studies, documentation and reports from relevant organizations of the United Nations system and other international organizations and networks, to exchange information on work programmes and topics for consultations and to identify work-sharing projects and cooperation in the provision of technical assistance;

(g) To make appropriate reports and recommendations on the consumer protection policies of Member States, including the application and implementation of these guidelines;

(h) To operate between and report to the United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices;

(i) To conduct a periodic review of the guidelines, when mandated by the United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices;

(j) To establish such procedures and methods of work as may be necessary to carry out its mandate.

98. In the performance of its functions, neither the intergovernmental group nor its subsidiary organs shall pass judgment on the activities or conduct of individual Member States or of individual enterprises in connection with a specific business transaction. The intergovernmental group or its subsidiary organs should avoid becoming involved when enterprises to a specific business transaction are in dispute.

99. The intergovernmental group shall establish such procedures as may be necessary to deal with issues related to confidentiality.

## **B. Global strategy on competition and consumer protection policies**

7. The new UNCTAD global strategy on competition and consumer policies was adopted by the Seventh 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 July 2015. This strategy derived from experience gained by UNCTAD in implementing capacity-building activities in the developing world.<sup>4</sup> To ensure buy in and commitment by partner countries, all activities are planned and implemented

<sup>4</sup> TD/RBP/CONF.8/7.

with the involvement of the competition and consumer protection agencies concerned, as well as other national, regional and global networks, where appropriate.

8. The new global strategy focuses on the following areas:
  - (a) Technical assistance on competition and consumer protection policies and regulations
  - (b) Creation of an enabling environment for the private sector
  - (c) Competition neutrality
  - (d) Expanded regional focus
  - (e) Follow-up and impact assessment of activities.

9. Competition and consumer protection policies seek to promote stable economic conditions, strengthen competitiveness, support trade diversification, mobilize domestic and foreign investment and improve basic infrastructure. Particular emphasis is placed on private sector development as a tool for promoting growth and reducing poverty. Such activities are part of the overall framework of UNCTAD technical assistance, which has involved the consolidation of projects and the development of thematic clusters since 2007.<sup>5</sup> The thematic cluster of competition policy and consumer protection encompasses the strengthening of institutional capacities for competition and consumer protection law and policy, the formulation and enforcement of competition and consumer protection rules and the strengthening of national and regional competition policy and consumer protection in Africa, Asia and the Pacific and Latin America and the Caribbean.

## **II. Progress report on UNCTAD capacity-building and technical cooperation activities**

10. UNCTAD provides technical assistance on consumer protection law and policy by conducting activities at the national, regional and subregional levels.

11. At the national level, UNCTAD provides technical assistance related to the preparation, adoption, revision and/or implementation of national consumer protection laws and related legislation, and also on building national institutional capacity to enforce effective consumer protection legislation. In particular, UNCTAD organizes consultations with Government representatives to review draft consumer laws and organizes intensive training sessions on consumer protection law and policy addressed to officials from consumer protection authorities and public bodies.

12. At the regional level, UNCTAD assists in the drafting and implementation of regional legislation on consumer protection and organizes a number of conferences, seminars and workshops aimed at providing regional integration in consumer protection issues among Governments, as well as contributing to capacity-building at national and regional levels and multilateral cooperation in the field of consumer protection. Such initiatives may be supported by the preparation of studies and reports on areas of interest for member States.

### **A. National activities**

13. In 2016, UNCTAD assisted Ethiopia in preparing a regulation on unfair commercial practices and consumer protection guidelines, as soft law instruments have been crucial for better implementation of the competition law of Ethiopia by the Trade Competition and Consumer Protection Authority. The following capacity-building activities related to consumer protection were undertaken at the national level in Ethiopia:

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<sup>5</sup> TD/B/WP/198/Rev.1.

(a) A validation and training workshop related to the drafting of a regulation on unfair commercial practices and consumer protection guidelines (October), with comments received from participants used to complete the draft.

(b) Training course for consumer protection officials and other relevant stakeholders, to enhance the knowledge and capacities of officials from the Trade Competition and Consumer Protection Authority and members of the judiciary in consumer protection law enforcement (October). The training was found to be useful by the participants, 90 per cent of whom rated the presentations and content as very good or excellent.

(c) Study tour for judges and consumer protection authority officials to European Union institutions and the European Commission (Brussels), as well as the Ministry of the Economy, Internal Market and Consumption Directorate and Competition Council of Luxembourg (October), during which participants were briefed on the implementation of consumer policy in the European Union and in Luxembourg.

14. UNCTAD assisted Viet Nam in revising consumer protection law, taking into consideration the revised United Nations guidelines for consumer protection and, among other aspects, the wish to strengthen consumer organizations in Viet Nam and the need to develop a strategy to better integrate the concerns of vulnerable consumers and ethnic minorities in the country.

15. Within the framework of the regional programme for Competition and Consumer Protection for Latin America (COMPAL), UNCTAD and the Governments of Colombia and Peru began the preparation of guidelines for businesses on consumer protection compliance, aimed at enhancing consumer protection culture in the business community and contributing to the advocacy efforts of national Governments. The guidelines are expected to be completed by June 2017.

16. UNCTAD proposed policy recommendations aimed at strengthening the consumer protection framework in Cabo Verde, to contribute to the functioning of its markets, in order to achieve consumer welfare and foster economic development. The goal of this technical assistance is to improve national policy frameworks, in order to promote economic development by strengthening employment in key sectors of the economy within the frame of decent work. Cabo Verde is one of the eight countries in which United Nations Development Assistance Frameworks are supported by the One United Nations fund, and the technical assistance was provided under a “One United Nations” initiative multi-agency pilot project.

## **B. Regional and subregional activities**

### **(i) Programme for Competition and Consumer Protection for Latin America**

17. COMPAL was the first UNCTAD regional project in these fields and is the landmark of its capacity-building and technical assistance work in developing countries. COMPAL, with the support of the State Secretariat for Economic Affairs of Switzerland, is currently in its third phase of implementation (2015–2018) for 16 beneficiary countries, namely Argentina, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

18. COMPAL has identified synergies with other international organizations and networks in order to avoid duplicities. For example, with the Ibero-American Forum of Consumer Protection Agencies, it has hosted back-to-back meetings and coordinated agendas for such meetings. COMPAL has also addressed specialized topics, such as the relation between competition and consumer protection policies; has provided for training and internships on consumer protection, as other regional and/or international institutions in the region currently do not provide them; and has built on the initiatives of the Organization of American States in consumer product safety. Finally, COMPAL has successfully established a partnership with the Spanish Agency for International Development Cooperation, which has reduced operational costs and enhanced impact and coherency.

19. In 2016, COMPAL carried out the following activities in the field of consumer protection:

(a) Workshop on Competition and Consumer Protection in Regulated Sectors (Antigua Guatemala, Guatemala, May). The workshop, co-organized by the Ministry of Economy and the Consumer Protection Agency of Guatemala and the Spanish Agency for International Development Cooperation, gathered high-ranking officials of member agencies and those of more experienced agencies in each field (from El Salvador, France, Panama, Peru, Switzerland and the United States) to discuss competition and consumer protection issues in the regulated sectors of energy, medicines and telecommunications. The workshop was followed by two round-table sessions to discuss competition and consumer protection issues related to the best institutional designs for regulated sectors and the impact of regional regulated sectors on competition and consumer protection. The event aimed to provide a platform for competition and consumer protection agencies to discuss areas of common interest, identify synergies and exchange best practices. The workshop addressed the fact that regulated sectors usually raise concerns from the competition and the consumer protection perspective due to their impact on people's lives. In particular, anti-competitive practices in these sectors entail direct consumer-related detriment, which then affects consumer protection agencies (for example, rice cartels in Central America restrict the quality of produce and prices). Participating countries were Costa Rica, the Dominican Republic, Ecuador, El Salvador, France, Honduras, Mexico, Nicaragua, Panama, Peru, Switzerland and the United States. The event was highly valued: 95 per cent of participating agencies stated that discussions had contributed to building bonds with other agencies, and 82 per cent stated that the contents were "very relevant" to their institutions. Costa Rica reported increasing collaboration with the regulated sectors after the workshop, Guatemala organized a side event to advocate for the enactment of its competition law (the heads of seven competition agencies attending the workshop participated in the event) and Panama launched a new price-monitoring system integrating lessons learned.

(b) National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI)-COMPAL school one-week face-to-face high-level intensive course on the protection of financial consumers (Lima, June). This course was directed to operative staff of consumer protection beneficiary agencies: 30 agency officials in charge of financial services were trained by academics and experts from the Catalan Consumer Agency (Spain) and the Federal Trade Commission (United States). The course included a train-the-trainer component, for participating officials to be able to replicate it in their agencies, and such national replications were completed in August 2016, yielding a total of 460 participants trained. Participants increased their competencies in financial services by an average of 50 per cent. Participating countries were Chile, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Nicaragua, Panama, Paraguay, Peru, Spain, the United States and Uruguay. Several countries undertook new initiatives following the course; for example, Costa Rica established a new price observatory and El Salvador introduced a bill on financial consumer protection.

(c) Sixth Annual International Consumer Protection Forum (Guanacaste, Costa Rica, September). The aim of the Forum is to allow consumer protection officials and professionals to exchange experiences and discuss public policy at the regional level. Discussions were focused on digital markets, and the Forum also hosted the signature of an agreement between the agencies of Costa Rica and Paraguay and led to talks for an agreement between the agencies of Mexico and Uruguay. An Ibero-American Forum of Consumer Protection Agencies meeting took place back-to-back with the Forum. The Forum was the highest valued COMPAL activity in 2016, and was rated as "very relevant to daily life of the institution" by 95.7 per cent of participating agencies. Participating countries were Argentina, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Portugal, Switzerland, the United States and Uruguay, along with the Organization of American States.

(d) COMPAL contest on internships (November). Facilitating exchanges between member agencies is one of the COMPAL activities with the best return on

investment, aimed at enhancing the exchange of experiences, deepening South–South cooperation and ensuring a multiplier effect. The contest aimed to reinforce such exchanges. Sending and receiving agencies proposed internships, with applications evaluated on the criteria of efficiency, efficacy and impact. Two of the three winning internships were related to consumer protection, and involved a visit to the agency of Mexico by the agencies of Chile and Uruguay, to learn about and implement two of its most successful initiatives, namely an online dispute resolution mechanism and a testing laboratory.

(e) Development and implementation of an interactive knowledge management tool incorporating all COMPAL products on competition and consumer protection (involving over 200 documents, such as manuals, guidelines, studies and reports). This key activity helps to ensure the sustainability and relevance of COMPAL, as it ensures greater visibility and better interaction among members, between members and the COMPAL team at UNCTAD and between COMPAL and external stakeholders (see <http://unctadcompal.org>).

**(ii) Programme for regional economic integration, gender equality and anti-corruption through consumer protection policies in the Middle East and North African region, 2015–2020**

20. In 2015, UNCTAD, with the support of the Swedish International Development Cooperation Agency and funding by Sweden, launched this regional capacity-building programme, which aims to contribute to regional economic integration, anti-corruption, good governance and gender equality by strengthening markets through improved competition and consumer protection policies in the Middle East and North African region. The programme also seeks to contribute to achievement of the Sustainable Development Goals. The beneficiaries are Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia, Yemen and the State of Palestine. The programme is designed to help ensure the achievement of the following five outcomes:

(a) Outcome 1: Competition policies are effective, sustainable and recognized as tools for regional economic integration in the Middle East and North African region;

(b) Outcome 2: Consumer rights are respected at national and regional levels and consumer protection policies are effective, sustainable and recognized as tools for regional economic integration in the Middle East and North African region;

(c) Outcome 3: Private sector support is increased and compliance programmes are adopted on competition and consumer protection laws and policies. Gender equality and economic empowerment of women are increased at the regional level;

(d) Outcome 4: Competition neutrality principles are applied. State-owned enterprises and government departments have increased understanding and awareness of the importance of competition neutrality;

(e) Outcome 5: Regional cooperation on competition and consumer protection is improved and strengthened. Final number of countries from the Middle East and North African region participating in the project is increased. Stakeholder capacity, awareness and commitment at the regional and national levels is enhanced.

21. As part of the inception phase of the programme – essential to obtain a clear picture of the context and environment in which it will be implemented – UNCTAD participated in and/or organized the following activities in 2016:

(a) League of Arab States meeting of experts on consumer protection in the Arab States (May). The General Secretariat of the League of Arab States discussed the importance of establishing a task force that will support the issue of consumer protection in the Arab States, and a decision was taken to create a technical team in this regard. The proposal was implemented in the framework of the development of joint work among Arab States and the efforts currently being made by the General Secretariat to reach economic integration at all levels among Arab States. The main objective of this team is to achieve complementary and joint organization for the protection of consumers in the Arab

States, and obtain a clear and comprehensive vision to provide laws to protect consumers from commercial fraud and other practices that have a negative effect;

(b) Study visits to the United Kingdom of Great Britain and Northern Ireland for four case handlers (one each from the State consumer protection authority and consumer association) from Egypt and Morocco (July). The visits addressed the following topics: overview of the consumer protection system and investigation tools in the United Kingdom; electronic commerce (e-commerce); complaints handling; misleading advertising; revised UNCTAD manual on consumer protection; and Consumers International activities in the Middle East and North African region. Meetings took place with the following: Trading Standards; Financial Conduct Authority; Financial Ombudsman Service; Citizen Advice; and Consumers International;

(c) Regional workshop on e-commerce and complaints handling (October). Delegates discussed the opportunities provided to citizens and businesses by e-commerce as a vehicle for economic growth, as well as the importance of regulation in overcoming many existing barriers to such trade. In addition, participants explored a proposal for a regional complaints handling mechanism. Consumer protection is relatively new in some countries in the region and, in this regard, the relationship between regulators and regulated companies was also discussed. Finally, delegates shared experiences in implementing government policies to promote e-commerce. The workshop was attended by more than 80 participants from consumer protection authorities and commerce and/or economic development and tax and/or customs agencies, as well as e-commerce, telecommunications and postal services and financial institutions.

**(iii) Strengthening technical competencies for consumer protection in the Association of Southeast Asian Nations**

22. In January 2016, under the framework of this project, at a seminar entitled “Consumer protection knowledge in the digital era: Consumer protection policy on cross-border purchasing in the Association of Southeast Asian Nations”, UNCTAD delivered a presentation on consumer protection policy in cross-border purchasing at the international and Association levels, based on the revised United Nations guidelines for consumer protection. UNCTAD also disseminated the findings of the *Information Economy Report 2015: Unlocking the Potential of E-commerce for Developing Countries*.

### **III. Capacity-building and technical assistance by member States and international organizations**

#### **A. Example of assistance provided by donor countries: Federal Trade Commission, United States**

23. In 2016, the Federal Trade Commission helped to establish and commented on the UNCTAD consumer protection peer review process and also participated in the peer review panel during the first session of the Intergovernmental Group of Experts on Consumer Protection Law and Policy.

24. Annual training was delivered on product safety compliance and enforcement issues to consumer protection agencies through the Consumer Safety and Health Network of the Organization of American States, and annual training was delivered to counterpart government agencies in Southeast Asia on a wide range of consumer product safety topics, including risk assessment, import surveillance and market surveillance.

25. The Federal Trade Commission routinely hosts delegations at its research laboratory to provide for greater understanding among counterpart organizations of the state-of-the-art tools that the Commission uses in its review and enforcement of consumer safety requirements. Officials of the Government of China, for example, have expressed interest in establishing similar laboratories, and the Commission has exchanged information to further develop capabilities for laboratory analysis. In 2016, the Federal Trade Commission hosted a two-week technical visit from a colleague from the customs authority in Hong Kong,



China. Such visits deepen the technical expertise of the established organizations, for mutual cooperation.

26. In addition, mutual cooperation activities were held with consumer safety and customs professionals in China and Hong Kong, China, regarding consumer safety priorities in the region, risk assessments, hazard identification, recalls and notification mechanisms. Special attention was given to emerging technologies (such as high-density and high-energy batteries) and e-commerce issues, to develop best practices and work cooperatively to ensure public safety worldwide.

27. International and regional cooperation activities (with the issues concerned noted in parentheses) were organized with Chile (consumer protection damages), China (e-commerce), Colombia (privacy), Guatemala (sectoral regulation in telecommunications), India (voice over Internet protocol investigations), Peru (with INDECOPI and the INDECOPI-COMPAL school; substantiation and comparative advertising, financial consumer protection training, call centres and financial scams, textiles and sustainable consumption, self-regulation, e-commerce and credit reporting), the Philippines (investment fraud; multi-stakeholder activities), Qatar, Saudi Arabia, the Association of Southeast Asian Nations (e-commerce and telecommunications) and members of the African Consumer Protection Dialogue.

## **B. Example of assistance provided by other international organizations and stakeholders: Consumers International**

28. Consumers International reported on the presentation of the revised guidelines for consumer protection to consumer representatives and businesses, together with representatives of the Government of Argentina in Buenos Aires, and on the proposal of a draft bill to the El Salvador Legislative Assembly on healthy food in schools that seeks to regulate the availability of processed foods and unhealthy snacks in public and private schools.

29. Consumers International assisted in the revision of consumer protection legislation and food labelling in Chile, and proposed several modifications to the Claims Book Regulation of Peru, to adapt it to the changing needs of consumers online. In addition, Consumers International participated in a working group to analyse the National Consumer Service seal in Chile, related to clear financial contracts, and intervened in a seminar on e-commerce and consumer protection in financial markets, as well as in a conference hosted by El Salvador entitled “Consumer protection in Latin America: Main milestones and new challenges” and in a training programme on consumer protection for universities held in Nicaragua.

30. Finally, Consumers International proposed, worked on and drafted a new international standard on access to energy, and is the first non-governmental organization to complete a proposal in this field.