This note summarizes the outreach activities of the CLP Division and the responses to the technical assistance questionnaire by four Member countries. It will be discussed at the forthcoming Working Party No. 3 meeting on 23 October 2000.
PROGRESS REPORT
ON OECD OUTREACH AND MEMBERS’ TECHNICAL ASSISTANCE ACTIVITIES

Introduction

1. At the CLP meeting in October 1999, the Committee expressed its interest in having a substantive discussion among delegates on Member countries’ priorities, experiences and achievements in the area of technical assistance as well as on their views about the desirability and best possible ways of increasing the co-ordination of assistance programs. To prepare for a discussion on these topics within Working Party No. 3, the Committee invited the Secretariat to (i) collect information on the assistance that Members provide through their competition authorities, private contractors or other means; and (ii) to provide more detailed information on the OECD outreach program.

2. The Secretariat thereafter prepared a draft questionnaire on members’ technical assistance activities, finalized it on the basis of the Committee’s comments at the June 2000 meeting, and distributed it to delegates on August 3, 2000. Delegates were invited to submit their responses by 2 October if possible, though it was understood that the substantive discussion of this topic would be in February 2000. As of 13 October, the Secretariat had received responses from four Member countries: the Czech Republic, Japan, the Netherlands and the United States. This note provides a brief progress report on the status of the questionnaire exercise and additional information about the OECD outreach program.

I. SUMMARY OF RESPONSES TO THE QUESTIONNAIRE

3. The four responses to the Questionnaire reflect four very different records with respect to technical assistance. The Czech Office for the Protection of Competition has so far been mainly a recipient of technical assistance and, like the Netherlands Competition Authority, it is only beginning to consider providing technical assistance. On the other hand, the JFTC and the United States antitrust authorities have had very substantive technical assistance programs. Although their record on technical assistance is different, all four competition authorities are moving into the same direction, namely to being involved more intensively in technical assistance activities.

The Czech Office for the Protection of Competition

4. Founded in 1991, the Czech Office for the Protection of Competition has relied extensively on technical assistance provided by OECD Member countries and international organizations, such as the OECD and the World Bank. In the framework of cooperation with the European Commission and preparation for EU accession, the Office has also gained considerable knowledge of EU competition policy. The Office would be very keen to share its experience and knowledge with other, newly established competition authorities. However, it has very limited human resources for technical assistance. As a result, so far technical assistance has been offered on an ad hoc basis.

5. On the basis of cooperation agreements with East European competition authorities, the Office received officials of the Russian and Rumanian competition authorities for short periods. Croatian and Estonian competition officials also visited the Office. In 1999, the Office organized the Forum on New Competition Laws and their Implications for Business in Central and Eastern Europe in cooperation with
the UN Economic Commission for Europe and the Czech Ministry of Industry and Trade. On the basis of
the acceptance of the Office’s proposal by several EU Member State competition authorities, bilateral
visits of competition officials should be initiated in 2001.

6. As regards coordination of outreach activities, the Office promotes “(i) a survey of technical
assistance already provided or in the process of being provided; (ii) a survey of requirements of individual
countries concerning needed technical assistance; and (iii) a list of experts able to provide expert technical
assistance.” 1 For these purposes, the Office expressed its readiness “to contribute to activities leading
to the establishment of an internationally harmonized system of technical assistance in the area of the
protection of competition in the context of OECD.”

The JFTC

7. The JFTC has a very extensive technical assistance program focusing on Asia but also covering
many other countries of the world, such as African, Baltic, Central Asian and Latin American countries.
The JFTC has 3 full time officials responsible for coordinating technical assistance. Experts at the events
are recruited from inside and outside the JFTC according to need. The Japanese government contracts
private experts for providing technical assistance only in special cases.

8. The JFTC has been providing technical assistance primarily by way of cooperation with, and
with the financial support of, various other agencies and parts of the Japanese government. The JFTC has
been involved in short few-day conferences and workshops, longer-term training seminars (up to 1 month)
and in receiving visiting advisors for periods between 1 week and 6 months.

9. The JFTC has not provided technical assistance together with other OECD countries and/or
international organizations, although the Japanese government has a program under APEC to which OECD
countries and the Secretariat contribute on a regular basis. The JFTC has also participated in UNCTAD
training seminars in Costa Rica and India, cooperated with the WTO in a workshop, and participated in
OECD outreach events in China (twice) and Seoul.

10. Within the APEC Program, the JFTC regards “supporting Thailand … [as] immensely important,
particularly in setting a role model for the countries in the region and hosting the meeting.” More
generally, Japan promotes that “[i]nternational organizations … coordinate existing cooperation programs
to avoid duplication. In addition, considering that the OECD is a multidisciplinary economic organization,
[the Japanese government urges] … the OECD to encourage developing countries to realize the importance
of competition policy so that they can put priority on competition policy in the economic policies.”
Providing such encouragement is of course the primary purpose of the OECD’s traditional outreach
activities.

The Netherlands Competition Authority

11. The Netherlands Competition Authority was established only on January 1, 1998, and providing
technical assistance to others has so far been given relatively low priority. The Authority has hosted
officials of the USFTC and of the CTFTC (Chinese Taipei) for exchanges of experience. In early 2001,
the Authority will organize a two-week training program for two Estonian competition officials.

The United States antitrust authorities
12. The US Federal Trade Commission and the Antitrust Division of the US Department of Justice have a very extensive technical assistance program, which operates on a bilateral, multilateral and regional basis. Bilateral technical assistance involves long- and short-term visits by experts of the two authorities at foreign competition authorities. Study visits by foreign competition authority officials are also sponsored. Multilateral and regional technical assistance is offered by means of agency staff participation in events sponsored by or organized in cooperation with various international organizations, such as the OECD, the World Bank and UNCTAD.7

13. Advisors for short- and long-term missions involve an approximately equal number of lawyers and economists. Short-term missions were provided to the Member States of MERCOSUR and the Caribbean Community (CARICOM), Balkan countries, Ukraine and Russia. During Fiscal Years 1999 and 2000 long-term resident advisors served in Romania, Argentina and South Africa. Study visits by foreign competition officials have lasted for periods between several days and six weeks. Such visits have been offered to officials from Croatia, Israel, Panama, Romania and Venezuela.

14. There is one full-time professional official at USFTC assigned to the coordination of USFTC technical assistance. Technical assistance by the USDOJ is coordinated by the Executive Office, Economic Analysis Group, and Foreign Commerce Section of the Antitrust Division. The technical assistance programs involving the US antitrust authorities have been primarily funded by the US Agency for International Development (USAID).

15. The US antitrust authorities have participated in several OECD technical assistance activities, such as conferences and case study seminars. The USFTC has financed a case study seminar series in Ukraine jointly with the OECD. “The US agencies believe these activities are well-conceived and organized, and ably conducted. [They] favor the continuation of OECD case analysis seminars. [They] also favor continuation of U.S. assistance to nations requesting assistance through these seminars.” 8 More generally, the US antitrust authorities “endorse the continuation of technical assistance activities by U.S. government agencies and international organizations, including the World Bank, WTO, UNCTAD, and OECD.”9

II. OECD outreach activities

Budget

16. The OECD outreach program became a major OECD activity slightly more than a decade ago, when non-Member countries in Central and East Europe and the former Soviet Union began their transition from centrally planned to market-based economies.

17. Because it was uncertain how long this outreach would last, and because Members’ contributions to outreach were not necessarily related to their regular contributions for “core” OECD work, the Council created an entirely separate budget for the outreach program. The budget for the outreach program is prepared by the Center for Co-operation with Non-Members (with input from Directorates) under the supervision of the Committee for Co-operation with Non-Members. Members work though that Committee to set outreach priorities and budget. (For example, approximately three years ago the Committee significantly reduced outreach in Europe and the former Soviet Union, directing that more attention be paid to Asia and other parts of the world.)
18. This year, for the first time, the outreach budget is being prepared at the same time as the core budget, but the budget process remains distinct, just as Secretariat members hired with outreach funds are still distinct (as part of the Center).

The Committee’s role in outreach

19. Although the CLP has never been part of the outreach budget process, delegates have played an important role in the outreach program. At the outset, the Division was in close touch with the Committee concerning what it was doing and which Members were prepared to participate in outreach events organized by the Secretariat. The Secretariat even attempted to maintain a list of all the training events held or planned by the OECD or any Member country, though this work later was abandoned because the list could not be kept up to date. The Committee’s direct contact with the outreach program diminished after the program developed a consistent pattern of training programs conducted by Members’ officials and the Secretariat, but the Secretariat continued to include information about its outreach resources in its biennial Committee budget documents.

20. More recently, the Secretariat has invited the Committee to resume an expanded role in the outreach program. Based on the increasing sophistication of its outreach recipients and the rapidly spreading interest in competition policy, the Secretariat concluded that the program should include not only the training it traditionally provided, but also the kind of policy dialogue that can only occur through direct contact with delegates. Therefore, in April 1999, the Secretariat suggested that either this Working Party hold a discussion of “traditional” outreach or that the CLP hold a discussion of how it wanted its relationship with non-Members to evolve. As background, the note reported on the program’s 1998 highlights and attached as annexes (1) a listing of every OECD competition policy outreach event since 1990, and (2) the program’s complete program of work for 1999.

21. The CLP chose to consider outreach-related matters in October 1999, and the Secretariat submitted a more extensive note. With respect to its traditional outreach activities, which have had a large capacity-building (“technical assistance”) component, the note raised questions concerning the desirable amount of assistance and about the efficient delivery of that assistance, and it attached an eight-page paper containing the Secretariat’s experiences and views. With respect to the broader question of the CLP’s relationship to non-Members, the note explained that the Secretary General and the Center for Cooperation with Non-Members have been working with the Council and the CCN on restructuring the OECD outreach program to reflect developments in the global economy. It also pointed out that the 1999 Ministerial had disclosed consensus on the need for more policy dialogue with strategic non-Members and the vital role of competition policy in non-Members’ market reform.

22. In its June 2000 note containing its draft questionnaire, the Secretariat also provided (i) the relevant excerpts from the CCNM 2000 Integrated Program of Activities; (ii) a report on OECD competition policy outreach in China that describes activities and main achievements to date, as well as outlining the future directions of Secretariat work under the China Program; and (iii) the letter we sent to delegates transmitting an outreach publication, Competition Law and Policy in the Baltic Countries, as well as excerpts from the Secretariat and Baltic countries’ submissions for the second annual evaluation meeting on implementation and medium-term objectives of the Baltic Regional Program.

23. As is discussed in more detail in the Secretariat’s note on the proposed Global Competition Forum, the OECD’s outreach program has been restructured to include (i) OECD Global Forums, one of which was proposed to be a Global Competition Forum, and (ii) Regional and Country Programs. The global forum would invite a limited number (perhaps 20) of countries with which there is strong mutual interest for real policy dialogue of the sort that occurs in OECD meetings. For example, it could gather
information from non-Members for use in CLP anti-cartel reports, as well as disseminate OECD best practice. Thus, the Global Forum would be an integration of outreach and the CLP’s “core” work. The Regional and Country Programs would be more training-oriented. There are three regions: (i) Europe and Central Asia, (ii) Asia, and (iii) South America, and two sub-regional programs (i) the Baltic Regional Program and (ii) the South-East European Regional Program. Country Programs for Brazil, China, and Russia will be on lower levels of this second pillar.15

Present and future work

24. For delegates’ information, a list of OECD outreach activities in 2000 is attached as an annex to this note. The list sets forth OECD sponsored events, OECD “joint ventures” with national competition authorities or other international organizations as well as events in which a member of the CLP Division took an active role, e.g., as a speaker or a panelist.

25. Included in the list are activities that we plan to do between now and the end of 2000. These are the following:

- 6-9 November: OECD/KFTC Competition Policy Program for APEC Countries in Seoul (South Korea). This conference is the fifth event in a series of international workshops organized in cooperation with the KFTC. It is addressed to government officials of developing countries, in particular APEC economies and Asian countries. The aim is to extend their knowledge on competition law and policy and to share enforcement experiences. The event comprises four half-day sessions (privatization and deregulation, international cooperation, e-commerce, and consumer protection) and one full day session (hard-core cartels: harmful effects and enforcement techniques).

- 4-5 December: OECD/CTFTC Training Seminar on Cartel Enforcement in Malaysia. This seminar will address issues that arise in developing Asian countries trying to introduce and implement competition law and policy. Participants will exchange arguments for introducing competition law and the initial experience in implementing it. The seminar will focus on the harmful effects of hard-core cartels and ways in which such cartels can be prevented, investigated and sanctioned.

- 4-5 December: OECD Seminar on Russian Railroad Deregulation in Moscow (Russia). This small seminar is organised for the Minister for the Anti-Monopoly Policy of the Russian Federation and his senior advisors to help them prepare a comprehensive strategy to deregulate the Russian railroad sector, the most important means of freight and personal transport in the Russian Federation. The seminar will focus on the experience of OECD countries in railroad deregulation and the problems which Russia faces in this sector.

- 5-8 December: OECD conference on competition law enforcement in Latin America, to be held in Caracas (Venezuela). The conference will gather competition law officials from all over Latin America and discuss law enforcement issues in that region.

- December: Fact-finding mission in the framework of an OECD study on China and further work related to the development of a competition law in China.

26. The Secretariat had hoped in this note to provide delegates with considerable detail concerning our plans for the 2001 outreach program, but budget uncertainty makes this impossible. The budget situation concerning the Global Competition Forum is discussed in DAF/CLP(2000)30. Nevertheless, for 2001, we are quite certain that we will, as usual, have our February “flagship” Vienna Competition Law Enforcement Seminar for competition officials from Central and Eastern Europe and the CIS. Further,
following the model of the seminar on railway deregulation to be held in Moscow this December, we plan to organize a second small seminar on electricity deregulation for the Russian Anti-Monopoly Minister and his senior experts and colleagues in the first quarter of 2001. Like the railroad event, this event should help the Ministry prepare its strategy to deregulate another important sector of the Russian economy. (We need volunteers to serve as panelists at these events, and would be pleased to discuss it with any interested delegation.) We will also have law enforcement seminars with Russia under a small contract with USAID. The three seminars will be held at territorial offices of the Russian Anti-Monopoly Ministry and will involve officials from the central office of the Ministry as well as local business actors. The three seminars will cover the abuse of dominant positions, hard-core cartels and merges. Another Baltic conference similar to this year’s also seems reasonably certain. We will seek funding to create a competition program for South-East Europe as part of the Investment Compact, and for work with South Africa and its neighbors. The proposal for this latter program, which we are developing with the South African Competition Commission and the South African Competition Tribunal, would be a series of seminars organized with the Commission and the Tribunal for competition enforcers in South Africa and the other countries of the Southern Africa Development Community.

Five types of events and activities would be held in each year of a three-year series: (i) a five-day competition law and policy case discussion for enforcement authorities; (ii) a three-day seminar for the Tribunal; and (iii) a three-day seminar on competition policy and regulation; (iv) a two-week seminar on competition law enforcement organized primarily by the Commission; and (v) assistance and short missions by members of the CLP Division in order to provide technical assistance to South African competition law enforcers. In Asia, there will be funding for China, to be used on a seminar and on a report, and we will presumably be able to continue our “joint venture” with the Korea Fair Trade Commission on a training for APEC countries.

In sum, the Secretariat looks forward to working more closely with the Committee, we hope on both the Global Competition Forum and the revised regional and country programs. We are also interested in exploring others ways of cooperating with Members as well as other international organizations. These and other issues will be discussed at the Working Party’s February meeting.
Annex

OECD Competition Policy Outreach Events in 2000

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<tr>
<th>Date</th>
<th>Location</th>
<th>Event</th>
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<tr>
<td>17-21 January</td>
<td>Beijing (China)</td>
<td>OECD Corporate Governance Seminar, meetings with SAIC/SETC</td>
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<td>21-25 February</td>
<td>Zagreb (Croatia)</td>
<td>Participation in USAID (SEED) commercial and competition law evaluation programme</td>
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<tr>
<td>28 February – 11 March</td>
<td>Vienna (Austria)</td>
<td>OECD Law Enforcement Seminar for CEE and CIS country competition officials</td>
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<tr>
<td>14-16 March</td>
<td>Bangkok (Thailand)</td>
<td>Participation in APEC/PFP Project on Competition Policy Conference for APEC Member Economies</td>
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<tr>
<td>3-12 April</td>
<td>São Paolo, Brasilia (Brazil)</td>
<td>Fact-finding mission: to interview officials in study of competition policy and regulatory reform</td>
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<tr>
<td>17-21 April</td>
<td>Moscow (Russia)</td>
<td>OECD Law Enforcement Seminar for Russia and other CIS countries</td>
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<tr>
<td>17-18 April</td>
<td>Pretoria (South Africa)</td>
<td>Participation in Conference on Regulation and Competition, organised by the Competition Commission of South Africa</td>
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<td>14-20 May</td>
<td>Singapore</td>
<td>OECD/World Bank International Conference on Competition Enforcement</td>
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<tr>
<td>22-23 May</td>
<td>Jakarta (Indonesia)</td>
<td>Participation in International Conference on Competition Policy and Economic Adjustment, organised by World Bank</td>
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<td>19-20 June</td>
<td>Chinese Taipei</td>
<td>Participation in Taipei 2000 International Conference on Competition Policies/Laws for the New Millennium</td>
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<td>21 June</td>
<td>Chinese Taipei</td>
<td>Participation in the 2nd Annual Meeting of the International Society of Consumer and Competition Officials (ISCCO), sponsored by Fair Trade Commission, Chinese Taipei</td>
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<tr>
<td>19-20 June</td>
<td>Moscow (Russia)</td>
<td>OECD Workshop on Competition in Financial Markets (Securities)</td>
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<td>21-23 June</td>
<td>Moscow (Russia)</td>
<td>OECD Workshop for Russian Judges on The Judicial Interpretation of Competition Law</td>
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<td>Date/Region</td>
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<tr>
<td>6-8 July</td>
<td>Participation in Regional Workshop on Competition Policy, Economic Development and the Multilateral Trading System: Overview of the Issues and Options for the Future, organised by WTO</td>
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<tr>
<td>13-14 July</td>
<td>Participation in Regional Conference on Competition Policy for CIS and Central and East European Countries</td>
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<td>18-20 July</td>
<td>Participation in Euro-Mediterranean Conference on Competition Law and Policy, partly organised by UNCTAD</td>
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<td>1 September</td>
<td>Participation in conference on Competition Law and Policy and International Trade: Cartels, Cooperation and International Rules</td>
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<td>4-8 September</td>
<td>OECD/USFTC training program for Ukraine</td>
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<td>25-27 September</td>
<td>OECD review of Brazilian Competition Law and Policy presented to the leaders of the three Brazilian competition authorities and members of the Law Reform Commission charged with drafting a new competition law</td>
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<td>10-12 October</td>
<td>OECD Conference on Competition Policy in the Baltics</td>
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<td>18-19 October</td>
<td>Participation in the Conference on The 10th Anniversary of Antimonopoly Bodies in the Russian Federation</td>
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2 See Questionnaire on Members’ Technical Assistance Activities [DAFFE/CLP/WP3(2000)8].

Response from the Czech Republic, p. 2. The response also suggests that “it would be wise to link considerations on common strategy of technical assistance in the area of the protection of competition with discussions about a multilateral international agreement concerning application of the competition rules.” In this Working Party, the intention is to focus on what assistance is being provided, methods of providing assistance, and means of co-ordinating assistance to promote effectiveness and avoid duplication. The linkage of these consideration to possible multilateral rules would fall within the work plan of the Joint Group, which is indeed beginning to consider “the development dimension” of its work.

4 Response from the Czech Republic, p. 3.

5 Response from Japan, p. 1.

6 Ibid.


8 Response from the United States, p. 2.

9 Response from the United States, p. 1.

10 See Competition Policy Outreach Activities: Stocktaking, Challenges and Future Directions [DAFFE/CLP/WP3(99)7].

11 See DAFFE/CLP(99)30.

12 See DIAL/MIN(99)5. The meeting is summarised in the Secretariat’s note [DAFFE/CLP(99)30, at 4], which noted that we had independently reached the conclusion that the CLP should consider how it wants its relationship with non-Members to evolve. Given both the limited opportunities for observership and the growing need for an interactive relationship with a broader range of non-Members, the Secretariat suggested consideration of means to have more co-operation that would fall in the large gap between observership and the kind of training that had until then made up most of the competition policy outreach program. The Secretariat noted that “back-to-back” meetings with non-Members were one alternative, and in essence that is the alternative the CCN has selected.

