



IMPLEMENTATION OF OECD ADVOCACY TOOLS FOR COMPETITION AUTHORITIES IN SEE

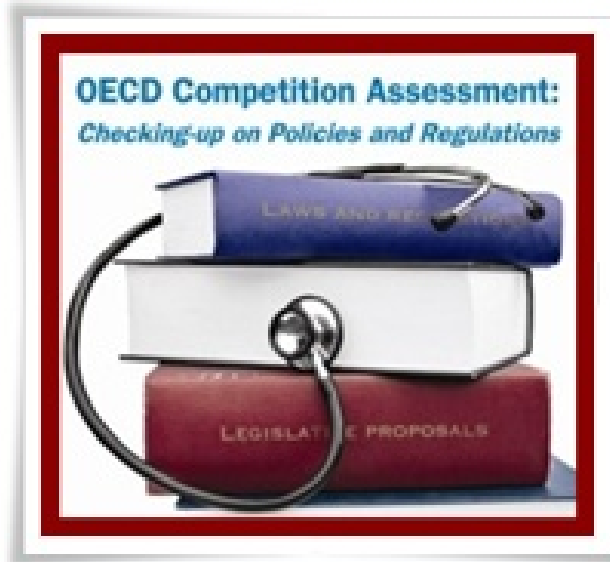
CONFERENCE ON INSTITUTION
BUILDING OF THE COMPETITION
AUTHORITIES IN SOUTH EAST EUROPE

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Sabine Zigelski
Senior Competition Expert
OECD

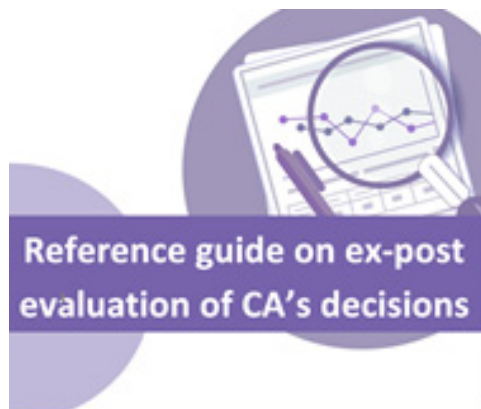


OECD Advocacy “Products”



**GUIDELINES FOR
FIGHTING BID RIGGING
IN PUBLIC PROCUREMENT**

Helping governments to obtain best value for money





Needs of SEE-Countries?

- More and better enforcement
 - Use of the existing investigatory tools
 - Dawn raids, market studies
- More and better advocacy
 - To the government/policy makers
 - Show your money's worth
 - Improve competitive frameworks
 - Prevent anti-competitive public acts
 - To business community
 - Better guidance to businesses
- More international/regional co-operation





Enforcement – Low Hanging Fruits

- Hard core cartel enforcement
 - Easy to explain the harm – public and politicians will understand
 - Easy to do??

Some help:

OECD Guidelines For Fighting Bid Rigging in Public Procurement

- More detection (leniency is not working 😞)
- More visibility
- Direct results for public budget
- **OECD offers trainings – “train the trainers”**



GUIDELINES FOR FIGHTING BID RIGGING IN PUBLIC PROCUREMENT
Helping governments to obtain best value for money

COMPETITION – THE KEY TO PRODUCTIVITY AND GROWTH



Advocacy – Justify Your Existence

Competitive markets

⇒ more productivity, more growth, more employment, more innovation, more investment (FDI), higher international competitiveness, less inequality

⇒ a language politicians understand



The OECD Factsheet provides you with

- “Killer facts” and numbers
- Thorough theoretical foundation



Advocacy – Be a Good Business Case

Impact Assessment

⇒ Simple and concise quantification of expected benefits from competition interventions, conservative estimates

⇒ Example Lithuania – 2012 – 2014 annual average of benefits to consumers € 46 million – annual budget € 1.35 million => ratio 34!





Advocacy – Ex-Post Evaluation?


Critical evaluation

⇒ Were our decisions good?

⇒ What can we learn for future cases?

⇒ Transparency

Be aware of communication problems



Reference guide on ex-post evaluation of CA's decisions



Advocacy – Promote Competition

Another low hanging fruit!

- Investigate sectors, markets, laws, regulations
- Spot unnecessary restrictions of competition
- Advocate change

Some help:

OECD Competition Assessment Toolkit

Vol. 1 - 3





Advocacy – Promote Competition

OECD Competition Assessment Toolkit

Numerous laws and regulations restrict competition in the marketplace. Many go further than necessary to achieve their policy objectives. The **OECD Competition Assessment Toolkit** helps governments to eliminate barriers to competition by providing a method for identifying unnecessary restraints on market activities and developing alternative, less restrictive measures that still achieve government policy objectives.



→ Greece - food processing, retail trade, building materials and tourism sectors - the OECD identified 555 regulatory restrictions – estimated benefit € 5.2 billion = 2.5% of GDP



→ Romania – OECD assessment of regulatory constraints on competition in three sectors: food processing, transport and construction. OECD investigated 800 pieces of legislation, gave 152 recommendations => savings of € 430 million/year.



→ Mexico – ongoing, long-term, multi-sector project with OECD support

OECD offers in-country analysis (in co-operation with competition authorities)

OECD offers trainings in Toolkit application to officials from competition authorities and ministries



Changes in Competition Law and Policy?

Peer Review!

- Thorough examination of a country's competition law, regulatory environment, enforcement practice – assessed against international best practices/OECD recommendations
 - Assessment of strengths and weaknesses
 - Results in recommendations for change to the competition authority and the government
- ⇒ A peer review can provide a country's competition authority with the necessary support and authority for much needed changes

Previous peer reviews can be found here:

<http://www.oecd.org/daf/competition/countryreviewsofcompetitionpolicyframeworks.htm>

About to be started:

Review of recommendations given to Ukraine in OECD, UNCTAD and EC reviews – to be presented in November

Just finished:



Changes in Competition Law and Policy?

Example: Kazakhstan 2016

- Cartel enforcement and the need for better detection instruments and a stricter standard of proof;
- Abuse of dominance proceedings where the focus should shift from price control to abusive practices that foreclose markets and erect barriers to entry;
- Advocacy and action by the competition authority against anticompetitive acts by state bodies and regulators and encourages the competition authority to continue its good work;
- Rule of law needs to be strictly applied by granting the right to be heard, providing access to file and increasing transparency and publishing decisions; and,
- Institutional design and the need for a truly independent enforcement authority.





...and International Co-operation

OECD Recommendation on International Co-operation 2014

Best practices, tools, instruments (notifications, waivers, gateways, confidentiality issues ...)

➤ Closer regional co-operation

- Conferences like this
- Sofia Competition Forum
- OECD-GVH Regional Centre for Competition in Budapest
- Regional initiative like Nordic Competition Authorities
- Bilateral co-operation and exchange

➤ Ensure that the exchange reaches the working level staff, only then will it be effective!



Thank you for your attention!



Sabine Zigelski

Senior Competition Expert
Competition Division, Directorate for Financial and
Enterprise Affairs

2, rue André Pascal - 75775 Paris Cedex 16
Tel: +33 1 45 24 74 39 – Fax: +33 1 45 24 96 95
sabine.zigelski@oecd.org || www.oecd.org