

PROMOTING COMPETITION AND IMPROVING CONSUMER PROTECTION



Efficient markets are indispensable for the successful implementation of the 2030 Agenda for Sustainable Development. Markets play an important role in the allocation of resources. However, without proper regulatory mechanisms, there are risks of market failures, including abuses of monopolistic power, negative externalities and inequality. States can help correct market failures, create an enabling legal, regulatory and institutional framework and provide the right incentives for market players to contribute more effectively towards sustainable development. The United Nations Conference on Trade and Development's (UNCTAD) technical cooperation supports developing countries in fostering economic efficiency and improving governance. In particular, it helps establish pro-competitive regulations, promote responsible business practices, reduce administrative burdens and strengthen statistical capacity to formulate sound economic policies. UNCTAD is the focal point on competition and consumer protection within the United Nations system (General Assembly [resolutions 35/63 of 22 April 1980](#) and [70/186 of 22 December 2015](#)). The UNCTAD XIV Conference, Nairobi 2015, strengthened UNCTAD's mandate on competition and consumer protection in clauses 69 and 76(x) of the [Nairobi Maafikiano](#).

COMPAL is an UNCTAD programme providing capacity building and institutional strengthening on competition and consumer protection matters to 17 beneficiary countries in Latin America. It works so its beneficiaries enjoy the benefits of greater competition, contested and competitive markets and private investment in key sectors, whose ultimate objective is to enhance the protection and welfare of consumers.



PROGRAMME ON COMPETITION AND CONSUMER PROTECTION IN LATIN AMERICA (COMPAL), FOURTH PHASE.



WHY DO COMPETITION AND CONSUMER PROTECTION MATTER?



Competition and consumer protection play a direct and important role in promoting economic growth and reducing poverty. Competition stimulates innovation, productivity and competitiveness, contributing to an effective business environment. This generates economic growth and employment. It creates possibilities for small and medium sized enterprises, removes barriers that protect entrenched elites and reduces opportunities for corruption. Competition therefore increases a country's attractiveness as a business location, triggering national and foreign investments. Competition also delivers benefits for consumers through lower prices, improved services and greater choice. In this sense, competition generates total consumer welfare.

Consumer protection benefits all consumers by ensuring that they have the right of access to non-hazardous products, to adequate information to enable them to make informed choices according to individual wishes and needs and to effective redress. Consumers who know their rights and enforce them are thus empowered and subject to fewer abuses. This directly improves their welfare. It also contributes to creating a level playing field for businesses that have to apply a common set of standards, supporting competition.



WHY IS COMPETITION AND CONSUMER PROTECTION NEEDED IN LATIN AMERICA?

Latin American economies are particularly vulnerable to anticompetitive and unfair business practices: poor business infrastructure and complex regulatory and licensing regimes make it harder for companies to enter these markets; their policies, laws and regulations are often not sufficiently robust, while their enforcement agencies lack the capacity to effectively detect and address many instances of anticompetitive behaviour; and citizens and businesses are less aware of the importance of competition and do not exercise their rights or fulfil their responsibilities.

Increasingly, many competition and consumer protection problems have a cross-border component. Companies and supply chains are international, while competition and consumer protection laws and enforcement agencies are primarily national. Individual countries have struggled to address anticompetitive practices at the international level, which requires regional and global collaboration to set and enforce competition rules. The successful implementation of competition and consumer protection policies results in the elimination of anticompetitive regulation and unnecessary barriers to trade imposed by government policies.



COMPAL GOAL

COMPAL aims to strengthen national and regional policies as well as institutional capacities of governmental civil servants, judges, businesses and consumers in the fields of competition and consumer protection of 17 Latin American countries.

COMPAL technical assistance activities

17 developing countries benefit from COMPAL programme support.



Fostering economic efficiency, maximizing welfare



WHAT HAS COMPAL ACHIEVED SO FAR?

COMPAL has a proven record of more than 13 years of implementation (phases I, II and III), whose achievements are:

Confidence, engagement and support of member country Governments:

Broad and high-level participation in all events, for example:

- International Consumer Protection Forum: 200 participants, 25 countries, 17 heads of agency. Most relevant open policy discussion forum on consumer protection in Latin America.
- Working Group on Trade and Competition: only initiative of this kind at global level. Co-hosted and co-financed with the Latin American and Caribbean Economic System (SELA).
- COMPAL Annual Conference: heads of agency/authorities, political representatives and ambassadors of beneficiaries and donors.

High level contents and strategic intervention:

- INDECOPI-COMPAL School: 4.200 experts trained since 2015, 100% of participants improved their technical capacities. Agencies' capacities improve by 60% on issues covered by courses.
- School for judges: 80 judges trained since 2017, interest of the Andean Community and Consumers International.
- Workshop on Competition and Consumer Protection: 150 participants from 20 countries; issues covered so far: investigative techniques, regulated sectors, digital markets.



PROGRAMME FACTS AND FIGURES

Scope: Latin America

Start date: 2003

Completed programmes:

COMPAL I and II

Ongoing programmes:

COMPAL III

Website: <https://unctadcompal.org/>



BENEFICIARIES:

Government competition and consumer protection authorities of: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and the Andean Community



ONLINE KNOWLEDGE MANAGEMENT PLATFORM FOR MEMBERS:

unctadcompal.org



HOW WILL COMPAL ADDRESS THE EXISTING CHALLENGES IN LATIN AMERICA?

OMPAL, in its next phase of execution will focus its efforts in:

Fostering consumer trust in international trade and easing doing cross-border business:

- Creating a regional one-stop shop for cross-border online dispute resolution (online conciliation between businesses and consumers)
- Enhancing effective redress for consumers in all beneficiary countries

Consolidating triangular and South-South cooperation to harmonize the implementation and enforcement of public policies:

- Deepening regional events on consumer protection, competition and trade

Updating beneficiaries' legislations:

- Ensuring coherent and predictable legislative frameworks at the national and regional level, in light of the revised UN Guidelines for Consumer Protection and the UN Model Law on Competition
- Removing bureaucratic hurdles and legal uncertainty

Creating capacities for better enforcement of consumer protection and competition laws and policies:

- Multiplying regional training of governmental civil servants, judges, businesses and consumers and developing MOOC for consumers and businesses
- Providing a centralised, comprehensive and user-friendly knowledge management platform: unctadcompal.org

Ensuring sustainability:

- Launching a multi-donor programme
- Continuing co-financing with beneficiaries

QR Code Compal Website:



Fostering economic efficiency, maximizing welfare



HOW DOES COMPAL CONTRIBUTE TO THE DG DEVCO EUROPEAN UNION' STRATEGIC PLAN 2016-2020?

COMPAL contributes to the European Union Strategic efforts to meet the objective 1 "EU as a Stronger Global Actor":

1.1. As the EU is advancing competition and consumer protection in its free trade agreement, COMPAL offers the only Latin American platform addressing these issues, comprising 17-member countries.

1.2. COMPAL contributes to the European Union's efforts to meet the SDGs: competition and consumer protection are cross-cutting policies that have a direct impact on trade and development, climate, food security, water, security and the rule of law, sustainability and a minimum level of social rights.

COMPAL contributes to the European Union Strategic efforts to meet the objective 3 "A New Boost for Jobs, Growth and Investment":

3.1 COMPAL improves the efficiency of markets and fosters development by addressing market failures such as anti-competitive practices and abuses to consumer rights.

3.2 COMPAL improves the framework conditions for entrepreneurial business and investment activity in developing countries, in order to provide for a higher level playing field and reduction of risks for EU operators to boost operations and business.

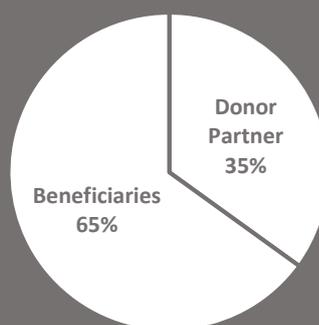
3.3 COMPAL ensures access to international and regional markets for low-and middle-income Latin American countries by encouraging open and competitive markets, strong institutions and private sector and citizen's empowerment. This enhance the opportunities for creating decent jobs, generate public revenue and reduce inequality

3.4 COMPAL grants an opportunity for the EU aid committed to infrastructure, support to SMEs and other productive sectors, and in particular through the blending modality.

Duration: 4 years (2018-2022)

Financial Contributions
Total (beneficiaries and development partner): 6.570.000 USD
Development partner's total contribution: 2.300.000 USD
Development partner's annual contribution: 575.000 USD

Sustainability:



Operative programme decided by donor and beneficiaries; co-financing of all activities 65% beneficiaries, 35% donor, in some activities the co-financing reaches 80% beneficiaries, 20% donor

For more information:

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