SECOND PARTNERS MEETING, CREW PROJECT

New Delhi, India, 19th November, 2013

Proceedings

1. Opening Session

1.1 The meeting started with a welcome by Rijit Sengupta, Director, CUTS International and coordinator of the CREW project. This was followed by an introduction of the participants present at this meeting. At the outset, Rijit indicated that this was more of a familiarisation meeting for the partners to know each other and to set the tone for the second project advisory committee meeting (PAC-II) to be held on the following day.

1.2 The aim of this short informal meeting was to get a perspective from the country partners in terms of their experience and learnings in implementing the CREW project. Rijit opened the floor for the discussion, and asked each of the four partners to share their thoughts on the issues enlisted below:

- Research related issues / challenges
- Engagement with NRGs / key stakeholders / government departments / regulators
- Interesting case studies / events
- Plan for taking the activities forward

2. India

2.1 Abhijit Sarkar from Indicus Analytics (research partner for India) admitted that the study has been challenging mainly because the policies related to the two sectors are only provided by the central-level government departments – but actually implemented at the state levels. Given that the implementation of these policies is undertaken at the state level, the project needs to gather information from the states, which could prove cumbersome. He, however, added that the field visits in the selected states has been fruitful not only in helping identify data gaps but also in linking up with key institutions and individuals in the states for the purpose of obtaining such data. He reiterated the need for gathering 'qualitative data/information', which would complement quantitative data well.

2.2 In the sections below, key elements pertaining to the two sectors presented by Ahbijit have been enumerated:

Wheat Sector
- Procurement was cited as one of the main issues to be examined
- Obtaining data *per se* would not be a problem, as there are specialised public and independent agencies that gather different types of data. However, the process of data collection is decentralised, which can lead to problems of uniformity if such data is not carefully gleaned
- The sector is heterogeneous and diverse - as different states have different input schemes, procurement process and distribution policies

Bus Sector
- Abhijit suggested that the best approach will be to contact the local authorities for data

- There is difference in the overall sectoral policy and nature of market across the two states, which was one of the considerations for choosing them. While in Madhya Pradesh, the bus sector has been totally privatised, in Gujarat it is largely public (public sector is the only provider in the intra-city segment, while in the intercity segment, although public players prevail, some private players are also present illegally)

3. Philippines

3.1 Dr. Roehlano Briones from Philippines Institute of Development Studies mentioned that data gaps had also been an issue for the Philippines. He remarked that while the study of rice (staple food) sector might not pose too much difficulties, bus transport could be a bit tricky.

Rice Sector

- Roehlano mentioned that time series analysis had been employed to address the data gaps. He said that there was enough data in the rice sector as compared to other sectors
- He explained that the domestic supply of rice does not meet the demands, yet the government has restricted its import from neighbouring countries, which has implications on the price of domestic rice as compared to imported rice (e.g., from Thailand), which is often cheaper.
- Further, he alleged collusive practices between wholesalers and traders, which the study would look into.

Bus Sector

- There are major data gaps in the passenger transport sector

- In the 1990s the sector moved from a heavily regulated regime towards liberalisation. It is feared that now the sector is too open

- Though some forms of regulations exist, but that is considered too loose. The entry into the industry is easy and that has led to the proliferation of buses in most urban areas causing congestion and air pollution

4. Ghana

4.1 Patricia Aidam, Research Fellow from ISSER highlighted some of the issues in the staple food sector (Maize), while the researcher from the transport sector – Paulina Agyekum covered some of the issues in bus transport sector.

Maize Sector

- There are issues regarding data – as some of the data (e.g., price) is available only at the national level and not disaggregated region-wise

- Certain policy interventions have been made in this sector, however the question remains whether these policies (purported to have been implemented) have yielded any results on the ground, and for whom?

- It was mentioned that for the research on this sector both secondary and primary data will be used. In addition to quantitative data, qualitative information would also be gathered and analysed.

Bus Sector

- A number of ordinances have been passed in this sector in the last twenty years.

- One observation was that government should sharpen the implementation of regulations by empowering the relevant institutions

- The government recently sought to improve the private sector participation by giving loans for purchasing public buses through public-private partnership. An important issue to determine here would be the effect of this scheme on competition. These public private partnerships are recent. A review for the same was done in 2010

- Route franchising has been introduced in Ghana, the government has created a system to have regulators for the specific franchises. The different franchises therefore compete amongst each other on performance

- While there is free entry and exit of players, the sector as a whole is poorly managed.

- Most of the buses are in bad shapeThe research can therefore look at the quality of the services

5. Zambia

Joseph Simumba from ZIPAR (research partner) pointed that Zambia had its first NRG meeting in August 2013, and that the response and participation of the NRG members has been quite positive. Like other countries, the first phase of the project was to identify the relevant reforms in the two sectors and that had been done.

Maize Sector

- Joseph remarked that Zambia has the largest Farmer Input Support Program (FISP) in southern Africa. However, the supply of inputs (monopolised by the government) does not seem to have provided the best results on the ground. So, people have started questioning the allocation of such high amount of the country's budget to such a programme – while some of the other areas remain insufficiently resourced.

- There have been recommendations to improve the current policies, but most changes barely persist at the implementation level

- There are also issues pertaining to export and import bans.

- Finally, poor data collection was also highlighted as an issue

Bus Sector

- Post 1991, after the liberalisation era, anybody could buy a second hand vehicle and put it on the market as opposed to the situation before. There was also tariff relaxation on importation of second hand buses which helped the sector grow

- However, most of the buses were not in good shape. Therefore, Joseph suggested that it would be beneficial to look at the quality of the buses and services

- Both inter and intra-city bus routes have been chosen for the transport sector. For inter-city, the focus will be on the Lusaka-Chipata route and Lusaka-Kitwe. For intra-city (Lusaka), the selected routes are the Town Centre-Chelstone route and Town Centre-Matero route. These routes were chosen because they are the highly populated areas in Lusaka

- There was a proposal to undertake a research on taxis as well in Livingstone. Taxis are used as passenger transport for local routes within Livingstone as opposed to buses

- In terms of the data, there are some data challenges especially the pricing in the transport sector as the procedure is not well coordinated by the government

6. **Open Discussion**

At the end of the inputs from the respective country partners, the floor was opened for discussion. Following were the comments made by the members:

Rijit Sengupta, observed that in the staple food sector, the core common issues were the classic competition issues, while in bus transport sector some of the common issues were the entry conditions, price setting and quality – pertaining to effective regulation.

Tim Green, from the Department for International Development (DFID), U.K, expressed concern that in most of the countries there is a problem with regulation of markets rather than with competition *per se*.

Pradeep Mehta, Secretary General of CUTS commented that many cities across developed (and even developing countries) have realised the need to limit the number of vehicles to curb congestion and promote competition.

Bipul Chatterjee, Deputy Executive Director of CUTS International emphasised on the importance of primary data for the study. It would be relevant to determine price setting through primary data. The difference between cost and price should give a fair idea as to the effect of competition reform. Further, he said it is important to study whether competition reforms lead to maximum utilisation.

Eberhard Feess, Professor of Economics, Frankfurt School of Finance and Management pressed on the importance of keeping the study in configuration to the objective of the project. He suggested that in a Diagnostic Country Report (DCR) like India, where there are almost twenty five hypotheses, the same could be condensed to price, quality and availability.

7. **Closing Note**

Rijit closed the meeting by thanking the partners for their productive participation. He reminded the members of the importance of the Project Interim Meeting (PAC-II meeting) the following day. The purpose of the PAC-II meeting was to help refine the overall outline of the research – so that the country-level work can be initiated, for timely development of the DCR, which has already been delayed.

The meeting concluded on that note and was followed by dinner with the participants.

Annexure 1

S.NO	Invitees	Organisation
	LIST OF PARTICIPANTS – CREW SECOND MEETING OF THE PARTNETRS' **(CREW Partners' II Meeting)**	
1.	**Eiko Kauffman** SV Sustainable Economic Development, Consultant German Society for International Cooperation (GIZ) GmbH	GIZ
2	**Tim Green** Department for International Development (DFID)	DFID
3.	**Eberhard Feess** Professor of Managerial Economics	Frankfurt School of Finance & Management
4.	**Patricia Woedem Aidam** Research Fellow, Institute of Statistical, Social and Economic Research (ISSER)	GHANA
5.	**Paulina Agyekum** Sector Expert – Passenger Transport (Ghana)	GHANA
6.	**Joseph Simumba** Research Fellow, Zambia Institute for Policy Analysis and Research (ZIPAR)	ZAMBIA
7.	**Roehl Briones** Senior Research Fellow, Philippine Institute for Development Studies (PIDS)	PHILIPPINES
8.	**Dripto Mukhopadhyay** Indicus Analytics, India	INDIA
9.	**Abhijit Sarkar** Indicus Analytics, India	INDIA
10.	**Molshree Bhatnagar** CUTS Institute for Regulation and Competition (CIRC)	INDIA
11.	**Ashwini Swain** CUTS Institute for Regulation and Competition (CIRC)	INDIA
12.	**Pradeep S. Mehta**	CUTS

S.NO	Invitees	Organisation
	LIST OF PARTICIPANTS – CREW SECOND MEETING OF THE PARTNETRS' (CREW Partners' II Meeting)	
	Secretary General	
13.	**Bipul Chatterjee** Deputy Executive Director	CUTS
14.	**Rijit Sengupta** Director	CUTS
15.	**Udai S. Mehta** Associate Director & Centre Head - CUTS Centre for Competition, Investment& Economic Regulation (CUTS – CCIER)	CUTS
16.	**Kshitiz Sharma** Assistant Director	CUTS
17.	**Alice Pham** Director, Hanoi Resource Centre	CUTS
18.	**Shreya Kaushik** Programme Officer	CUTS
19.	**Neha Tomar** Programme Officer	CUTS
20	**Appiah Kusi Adomako** Centre Coordinator, CUTS Accra	CUTS
21.	**Faith Mwamba** Assistant Programme Officer, CUTS Lusaka	CUTS
22.	**Sussanne Rabisch** Project Officer, CUTS Nairobi	CUTS
23.	**Leonard Ugbajah** CUTS Representative, Nigeria	CUTS
24.	**Neguyen Than-ha**	CUTS

S.NO	Invitees	Organisation
	Project Officer, CUTS Hanoi	

LIST OF PARTICIPANTS – CREW SECOND MEETING OF THE PARTNETRS'
(CREW Partners' II Meeting)