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DEVELOPING SOUND COOPERATION FOR FREE AND EFFECTIVE COMPETITION!



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AL 15 IPA FI 02 18

Chapter 1

Activity 3.1 Conducted analysis of the effects of the recommendations of the Competition Commission and establishment of the right mechanisms to make them obligatory for central and local government/independent institutions/market regulatory bodies

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CHAPTER 1: CONDUCTED ANALYSIS ON RECOMMENDATIONS EFFECTS OF THE COMPETITION COMMISSION AND ESTABLISHMENT OF RIGHT MECHANISMS TO MAKE THEM OBLIGATORY FOR CENTRAL AND LOCAL GOVERNMENT/INDEPENDENT INSTITUTIONS/MARKET REGULATORY BODIES (1ST MISSION)

ASSESSING THE IMPACT OF ALBANIAN COMPETITION AUTHORITY RECOMMENDATIONS IN THE MARKET AND RELEVANT STAKEHOLDERS

In the framework of Component 3, from Monday 4th November 2019 to Thursday 7th November 2019 it took place in Tirana, at the Albanian Competition Authority premises, the first mission of Activity 3.1, which was directed at conducting analysis about the effects and recommendations of the Competition Commission. The consequences that the guidelines induce in the mechanisms of relevant stakeholders and overall assessments of Albanian Competition Authority advocacy policies, were also part of the central themes of this activity. The experts involved in this mission were Mr. José Luis Rodríguez and Ms. Gea Gómez.

Mr. José Luis Rodríguez (Degree in Business and Economics) is Head of the Market Studies Unit at the Advocacy Department CNMC. Mr. Rodríguez is specialized in Advocacy, market studies and industrial organization and he holds a huge experience in OECD working party meetings regarding the banking sector. Ms. Gea Gómez is a Legal Officer of the Advocacy Department of CNMC, she holds a degree in Law and is specialised in Advocacy, regulatory reports, public procurement and state aid. Ms. Gómez has served as Seconded National Expert in Professional Training for the DG HOME of the European Commission. The activity was divided into three parts: the first part was focused on carrying out an overview of the advocacy tools needed to persuade public administrations and other stakeholders. The second part was aimed at dealing with the assessment itself from a qualitative point of view and the evaluation of the impact of the Competition Authority's recommendations. Lastly, some success stories on the implementation of proposed recommendations were gradually explained (cases linked to: a market study on the fuel sector and the assessment of its regulatory impact and the analysis on public tender documents and its effects on public procurement procedures). Regarding qualitative assessment, the experts proposed several actions as follows:





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- Produce an insight of the scope of the assessment, its main objectives and its multiple forms.
- Share the CNMC's methodology on how to monitor the degree of acceptance (and implementation) of proposed recommendations, and the impact of the advocacy activities in the market.



CHAPTER 2: SUB-ACTIVITY 2.4.2 SEMINARS ABOUT AN ECONOMIC APPROACH OF MERGER CONTROL

SHARING BEST PRACTICES AND THE RECENT METHODOLOGIES USED BY EU COMPETITION AUTHORITIES IN MERGERS ASSESMENT

Sub-activity 2.4.2 took place from Monday 11th to Friday 15th November 2019 and it was envisioned to organize seminars about the Merger analysis based on an economic approach. The Chief Economist team of the CNMC was involved in the implementation of this mission, whose input was to focus on strategic sectors for Albanian Economy (e.g. telecom, insurance, banking and digital economy), taking into account real cases and success stories thereof. Hence, the main goal of this exercise was to strengthen the capacities of the Albanian Competition Authority in the best practices and the recent methodologies used by EU Competition Authorities with regard such proceedings. The experts divided their intervention in several sessions which included, among others: a) a presentation of the role and tasks of the Chief Economist; b) current trends in market concentration and procedural aspects of merger control in relation with regulatory framework; c) identifications of the elements and tools of mergers substantive analysis; d) definition of the relevant market in merger cases and the main tools to employ in it (including SSNIP test, price correlation or surveys); e) diversion ratios (IPR, UPP, GUPPI) and the challenges of multisided digital platforms regarding the market definition, the identification of market power and the quantification of efficiencies; f) the ex-post evaluation and g) merger cases cleared with remedies.

The experts who prearranged this activity were Mr. José Marino García and Ms. Lorena Gómez Cruz. Mr. García is a case-handler at the Information Society Division he holds an International PhD in Economics, Bachelor and Master of Science in Telecommunication Engineering. He is specialized in Mergers (telecommunication, information society and media industries), Cartels and abuse of dominance. Ms. Lorena Gómez Cruz is an Economist at the Chief Economic Advisor Office of CNMC. She holds a Degree in Economics and a relevant experience on Economic analysis in competition cases: abuse of dominance (telecommunications), information sharing (tobacco industry), collusion in financial derivatives, agreements between fuel suppliers, cartels (railways, postal sector, cable manufacturing).





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CHAPTER 3: PRESENTATION OF THE TWINNING PROJECT. THE KICK-OFF EVENT AND 15TH ANNIVERSARY OF THE ALBANIAN COMPETITION AUTHORITY

On Thursday, 14 November, it was held in Tirana a joint ceremony for the celebration of 15th anniversary of the Albanian Competition Authority and the Kick-off event of the EU Funded Twinning Project under the slogan *Developing sound cooperation for free and effective competition!* Ms. Juliana Latifi, Head of the Albanian Competition Authority, opened the activity by leading a welcoming session and thanking all participants. Ms. Latifi provided participants with figures and results achieved by the Authority during his “first” 15 years, as well as the challenges that her institution will have to deal with in the future. Prominent stakeholders of the Albanian political and economic landscape were invited as keynote speakers as well: H.E. Eduart Shalsi, Minister of State for the Entrepreneurship Protection, Ms. Vasilika Hysi - Deputy Speaker of Albanian Parliament and Mr. Andrea Vera, Head of the Economic Session of the European Union to Albania. The aforementioned high representatives pointed out their respective collaboration with Albanian Competition Authority and stressed the relevance of a strong Competition Authority. Regarding to the Twinning Project *Developing sound cooperation for free and effective competition!* they emphasized the prestige of the Spanish National Commission on Markets and Competition (CNMC) as an implementing institution, and the added value that this Project is expected to provide in the Albanian competition policies. Likewise, Ms. Eva Mendoza Giraldo, Chargée d’affaires at the Embassy of Spain, Mr. Josep Maria Guinart Solà, Counselor of the National Commission of Markets and Competition of Spain, Ms. Sonsoles Mories Álvarez, Director of the Unit for Economic Development and Environment of the International and Ibero-American Foundation for Administration and Public Policies (FIIAPP) expressed their satisfaction, for being engaged through their institutions, in a such challenging experience in Albania. They all agreed that this project will contribute to build new bridges amid Albania and Spain. Within the framework of the event, a panel devoted to the ex-ante analysis carried out by the Competition Authorities was held.





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Mr. Alberto Herrera, the Resident Twinning Adviser, as the panel moderator, made a brief introduction of the Project objectives and thanked the hosting institution for its fruitful collaboration with Spanish homologues. Mr. Herrera communicated to the participants the attention that his sending institution, the CNMC pays to the reinforcement of the ex-ante analysis. Ms. Diana Dervishi, the General-Secretary of Albanian Competition Authority continued this session by explaining the role of the ex-ante assessment, its strategic functions carried out by the Competition Authority, and the advantages of a proper fulfilment thereof by all the involved Public Institutions. Mr. Juan Manuel Contreras - Head of Public Aids and Draft Regulation Unit, Advocacy Department, National Commission on Markets and Competition of Spain, gave a brief speech through which mainly explained the role of State Aid and its connection with competition matters. Ms. Leida Matja, Member of the Competition Commission underlined the relevance of the ex-ante analysis by which Competition Authorities can exert a pre-emptive influence on regulatory and market policies. She took advantage to mention the important contribution of the ongoing Twinning Project in the strengthening of Albanian Competition Authorities administrative capacities. Other relevant stakeholders from regulatory bodies, financial monitoring agency and business environment intervened as well in order to share their experiences regarding the productive collaboration with the Albanian Competition Authority and to wish further results to the implementation of this project as an important tool for strengthening Albanian Competition Authority's capacities.



The 25th of November 2019 the Twinning team, jointly with the Albanian Competition Authority officials went in the southern city of Vlore in order to deliver a presentation to the local University with regard to the mission of the Competition Authority and the aims of the Twinning Project. The Resident Twinning Advisor introduced to the students of the Faculty of Law, the nature of Twinning Projects and explained them the correlation among them and the need to harmonize Albanian legislation with European Acquis. Mr. Herrera provided some figures linked to the project in order to support his presentation. Mr. Herrera, further provided a comprehensive description of the project he leads and its general objectives. He encouraged the students to consider Competition field as an opportunity for their professional carriers, since it plays a key role within the economy and the European path of Albania.





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CHAPTER 4: ACTIVITY 1.3. PREPARING AND PUBLISHING MANUALS ON THE PROCEDURES FOLLOWED BY COMPETITION AUTHORITY BASED ON THE EUROPEAN BEST PRACTICE

DEVELOPING TOGETHER ANTITRUST ENFORCEMENT AND LENIENCY PROGRAMME In EU system, there are detailed enforcement procedures which ensure that the parties can fully defend themselves and have a high level of procedural guarantees at every step of the investigations. In accordance to these fundamental procedural rights, the Authorities must set an internal and external procedural package to ensure a sound outcome in its cases. On that basis, the ultimate goal of the abovementioned mission was to strengthen the knowledge of the Albanian Competition Authority's staff about procedural concerns, in order to enhance fair treatment and transparency, which is a key point to win stakeholder respect, to increase number and quality of decisions and as well to strengthen the Authority reputation. The activity took place from 19th to 22nd November and the CNMC experts involved were Ms. Beatriz Moral del Valle and Ms. Alicia Diez Martín. Ms. Beatriz Moral del Valle is a case Handler at the CNMC Services Division. She holds Degree in Law, Degree in Politic Sciences, Degree in Eastern Asia Studies and a Degree in English Studies. Ms. Del Valle is an expert in Mergers & Antitrust Services Sector (sports, funerals, distribution, franchises, e-commerce) and she is a specialist in vertical restrains. Ms. Alicia Diez Martín is a Case Handler too at the Services Division of CNMC. She holds a Degree in Law and Business Management at the University of Nottingham in the UK a Double Bachelor's Degree in Law and Business Management at the University of Valladolid and a Master's degree in Legal Consultancy to Business obtained at the University of Deusto, Bilbao. Ms. Diez is specialized in mergers and she has represented the Spanish institution several times in international working groups (e.g. European Competition Network and International Competition Network). Both Spanish and Albanian counterparts have set up a working group made up of CNMC's experts and Albanian Competition Authority's officials which is expected to produce the following outputs: Analysis of the current procedural system in Albania for antitrust proceedings. Preparation of an internal Manual of Procedures to give at every moment practical guidance to staff on how to conduct an investigation applying national and European antitrust regulation Preparation and publication of a document of best practices about key aspects of the proceedings such as inspections, confidentiality of documents and access to the file or settlements according to the European standards.

