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Impact assessment of UNCTAD voluntary peer reviews of consumer protection law and policy

Summary

Voluntary peer reviews of consumer protection law and policy are conducted at the request of member States and aim to assess national consumer protection legal, public policy and institutional frameworks and their implementation, identify strengths and gaps and provide recommendations for improvement. In 2018–2023, peer reviews were conducted for Morocco, Indonesia, Peru, Chile, Thailand and Gabon. An average of 61 per cent of the peer review recommendations have been implemented by the first five peer reviewed countries. Most of the peer reviewed countries reported budgetary constraints as the main limitation in implementing the remaining recommendations.

The impact that the peer reviews of consumer protection law and policy have had in peer reviewed countries is addressed in this note, to inform future reviews. An overview of the review process and of reviews conducted to date is provided, and the methodology used for the present assessment is described. The results of the assessment are discussed and some general considerations from peer reviewed countries are presented. Finally, conclusions and recommendations are proposed, along with questions for further discussion.



I. Introduction

1. On 22 December 2015, the General Assembly adopted resolution 70/186 on consumer protection, including the revised United Nations guidelines for consumer protection and the decision to establish the Intergovernmental Group of Experts on Consumer Protection Law and Policy, within UNCTAD, to provide the institutional machinery. The General Assembly acknowledged that, although significant progress had been achieved with respect to the protection of consumers at the normative level since the adoption of the guidelines in 1985, such progress had not been consistently translated into more effective and better-coordinated protection efforts in all countries and across all areas of commerce; and stated that the Intergovernmental Group of Experts, among other functions, shall conduct voluntary peer reviews of national consumer protection policies of Member States, as implemented by consumer protection authorities.¹

2. UNCTAD launched voluntary peer reviews of competition law and policy in 2005, focused on developing countries.² The peer reviews were dedicated to assessing the comprehensiveness and quality of the legal and institutional frameworks for competition and the effectiveness of competition law enforcement in member States. Two evaluations in 2014 and 2015 concluded that the voluntary peer reviews of competition law and policy had been successful in positively influencing policy-related and institutional reform. The peer reviews were also innovative; in two instances, a regional economic organization was reviewed, namely the West African Economic and Monetary Union, which was also reviewed together with Benin and Senegal. Reviews have also focused on multiple countries at once, for example, in the tripartite review of the United Republic of Tanzania, Zambia and Zimbabwe and the bipartite review of Fiji and Papua New Guinea.

3. The Intergovernmental Group of Experts on Consumer Protection Law and Policy, at its first session, considered its method of work and work programme, 2016–2020, discussed voluntary peer reviews of consumer protection law and policy and invited all member States and their consumer protection authorities to assist UNCTAD on a voluntary basis in this regard.³ In 2020, the Eighth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices decided that UNCTAD should establish a working group on modalities of UNCTAD voluntary peer review exercises.⁴ The resulting revised methodological guidelines for peer reviews were welcomed by the Intergovernmental Group of Experts at its sixth session and have since been implemented by UNCTAD.⁵

4. UNCTAD is the first international organization to facilitate such exercises. Voluntary peer reviews of consumer protection law and policy have been conducted in Morocco (2018), Indonesia (2019), Peru (2020), Chile (2021), Thailand (2022) and Gabon (2023). Building on this experience, the results of an initial assessment of the implementation rate of the recommendations of peer reviews are detailed in this note, to inform future work. A description of the peer reviews and an overview of the six countries that have undergone a review is provided, followed by the results of an assessment of the implementation of recommendations, considering overall implementation and the implementation of recommendations on legal and institutional issues. Some general considerations from peer reviewed countries are presented. Finally, conclusions and recommendations are proposed, along with questions for further discussion.

¹ A/RES/70/186.

² See <https://unctad.org/topic/competition-and-consumer-protection/voluntary-peer-review-of-competition-law-and-policy>.

³ TD/B/C.I/CPLP/2; TD/B/C.I/CPLP/4.

⁴ TD/RBP/CONF.9/9.

⁵ TD/B/C.I/CPLP/32.

II. Voluntary peer reviews of consumer protection law and policy

5. Peer reviews provide an opportunity for countries to reflect upon frameworks, enforcement and practices, and to learn from the experiences of more advanced authorities, towards improving regimes and the effectiveness of agencies. They are also important tools for countries in identifying best practices at the international level and cooperating with regional and international partners in this context. The interactive aspect of peer review discussions promotes knowledge and experience-sharing between authorities at the regional and international levels. Mutual understanding is encouraged, paving the way for informal cooperation. The benchmarks for peer reviews are the United Nations guidelines for consumer protection and other policy recommendations emerging from relevant regional and international institutions, such as the Association of Southeast Asian Nations (ASEAN) and the Organisation for Economic Co-operation and Development.⁶

6. Voluntary peer reviews aim to:

(a) Provide an external and independent assessment of the effectiveness of consumer protection law and policy in a given country;

(b) Identify areas for improvement in the legal and institutional frameworks, and existing challenges, thereby contributing to enhancing quality, efficiency and consumer protection regimes;

(c) Assess consumer protection awareness among relevant stakeholders and their contributions in this area;

(d) Formulate and recommend appropriate measures, actions and initiatives designed in accordance with the economic and developmental particularities in each country, to address the challenges faced and areas for improvement;

(e) Support the implementation of the peer review recommendations by developing capacity-building projects in consultation with the peer reviewed country.

7. Peer reviews comprise the following three phases: consultations, including information-gathering, a fact-finding mission and report drafting by an independent expert; an UNCTAD interactive session; and the dissemination of findings and recommendations. The process begins with the consumer protection authority of a member State formally volunteering through the permanent mission in Geneva. Consultations begin with confirmation of the review and the clarification of requirements (namely, the need to secure extrabudgetary funding), followed by the definition of scope and the selection of the experts and peer reviewers by the peer reviewed country, upon recommendation by UNCTAD. The gathering of relevant information usually includes a fact-finding mission in the country and the drafting of a report to be considered by the Intergovernmental Group of Experts. The second phase involves the organization of the interactive peer review session at a session of the Intergovernmental Group of Experts, at which the reviewed country, the peer reviewers and other participants discuss the conclusions and recommendations and share experiences and best practices. The final phase consists of the dissemination of the findings and recommendations in the peer reviewed country to all relevant stakeholders. If funding is secured, an UNCTAD technical cooperation project supports the implementation of the recommendations. The average overall budget for voluntary peer reviews has been \$60,000, with half the reviews self-funded by the peer reviewed country and half funded by development partners.

8. Further details are available in the framework for voluntary peer reviews of consumer protection law and policy, which includes the rationale for conducting such exercises and describes the methodology, and in the revised methodological guidelines for peer reviews.⁷

⁶ See <https://www.aseanconsumer.org/> and <https://www.oecd.org/sti/consumer/>.

⁷ TD/B/C.I/CPLP/6. See <https://unctad.org/Topic/Competition-and-Consumer-Protection/working-group-on-voluntary-peer-reviews>.

III. Overview of voluntary peer reviews

9. A summary of the six peer reviews conducted since 2018 is presented in chronological order in this chapter. An overview of the peer reviewed countries, to facilitate understanding of the legal and institutional landscape in each, is provided in the table.

Peer reviewed countries: Overview

<i>Year</i>	<i>Country</i>	<i>Main consumer protection law</i>	<i>Main consumer protection authority</i>
2018	Morocco	Law 31-08 enacting consumer protection measures, 2008	Department for Consumer Protection, Ministry of Industry and Trade
2019	Indonesia	Law 8 on consumer protection, 1999	National Consumer Protection Agency
2020	Peru	Law 29571 on the consumer protection and defense code, 2010	National Institute for the Defence of Competition and the Protection of Intellectual Property (INDECOPI)
2021	Chile	Law 19496 on consumer rights protection, 1997	National Consumer Service
2022	Thailand	Law B E 2522, Consumer Protection Act, 1979	Office of the Consumer Protection Board
2023	Gabon	n/a	Directorate General for Competition and Consumption

Source: UNCTAD. For the peer review reports, see <https://unctad.org/topic/competition-and-consumer-protection/voluntary-peer-review-of-consumer-protection-law-and-policy>.

10. Morocco was the first member State to volunteer; the peer review took place in 2018 and representatives of the Governments of Belgium, Lebanon and Portugal acted as peer reviewers. Morocco has implemented, to date, 52 per cent of the recommendations.

11. Indonesia was the second member State to undertake a peer review. The National Consumer Protection Agency made the request in 2019, as part of an overall effort by Indonesia to strengthen the national consumer protection system. Representatives of the Governments of Brazil, India and the European Union acted as peer reviewers. Indonesia has implemented, to date, 74 per cent of the recommendations.

12. Peru, during the peer review in 2020, aimed to address the following priority areas identified by INDECOPI: strengthening the national integrated consumer protection system (a set of principles, standards, procedures, techniques and instruments that harmonize public policies on the protection of consumer rights, through an alliance between the central Government, consumers and the business community); electronic commerce (e-commerce) and the sharing economy; consumer product safety; and dispute resolution mechanisms, particularly cross-border mechanisms. Representatives of the Governments of Australia, Italy and the United States of America acted as peer reviewers. Peru has implemented, to date, 70 per cent of the recommendations.

13. Chile undertook a peer review in 2021. The following priority areas were selected by the National Consumer Service: effectiveness of dispute resolution and redress mechanisms; access by consumers to adequate information, to enable them to make informed choices; and adequate infrastructure, to develop, implement and monitor consumer protection policies. Representatives of the Governments of Germany, the Republic of Korea and the United States acted as peer reviewers. Chile has implemented, to date, 50 per cent of the recommendations.

14. Thailand undertook a peer review in 2022 and has made progress in the implementation of the recommendations. The Office of the Consumer Protection Board

identified consumer dispute resolution as a priority in the analysis. Representatives of the Governments of Mexico and Sweden, as well as the Executive Support to the Vice-Chancellor, Nelson Mandela University, South Africa, acted as peer reviewers. Thailand has implemented, to date, 58 per cent of the recommendations.

15. Gabon undertook a peer review in 2023, with a focus on aligning national legislation with the directive, approved in 2019, on harmonizing consumer protection in the Central African Economic and Monetary Community, developed with the support of UNCTAD.⁸ Representatives of the Governments of Morocco, Viet Nam and the United States acted as peer reviewers. The dissemination phase was completed in February 2024; an assessment of implementation has therefore not yet been conducted.

IV. Methodology of impact assessment of voluntary peer reviews

16. The findings emerging from the monitoring exercise of voluntary peer review recommendations are based on the analytical results of answers received to UNCTAD questionnaires circulated to the six peer reviewed countries and further research conducted by the secretariat. The answers allowed for an analysis of the implementation rate in five of the six countries, namely, Chile, Indonesia, Morocco, Peru and Thailand. As noted, in Gabon, the dissemination phase was completed in February 2024; an assessment of the implementation rate of the recommendations has therefore not yet been conducted.

17. All peer review reports contain sections on the legal and institutional frameworks, describe actions undertaken and law enforcement when applicable and include conclusions and recommendations. Each report addresses a particular regime; recommendations are therefore diverse and heterogeneous. For the present analysis, the recommendation categories are as follows: legal framework, with recommendations on public policy and legislative measures related to consumer protection; and institutional framework, with recommendations on interventions by the main consumer protection authority and other public and private stakeholders, such as relevant ministries, sectoral regulators, the judiciary, consumer associations and businesses.

18. UNCTAD developed a scoring system to assess national performance in implementing recommendations, with the following definitions:

(a) Implemented (score: 1): The recommendation has been fully and successfully implemented. A significant level of compliance and effectiveness in incorporating the recommended consumer protection measures into the national framework is indicated;

(b) Partially implemented (score: 0.5): Some progress has been made in implementing the recommendation but there are still significant aspects to be addressed. Efforts made are acknowledged but the need for further action to achieve full implementation is highlighted;

(c) Not implemented (score: 0): Significant steps or actions have not yet been taken to implement the recommendation.

V. Assessment of implementation of recommendations

19. The number of actions taken by peer reviewed countries leads to various levels of implementation. An analysis of overall implementation and the implementation of legal and institutional framework recommendations is provided in this chapter.

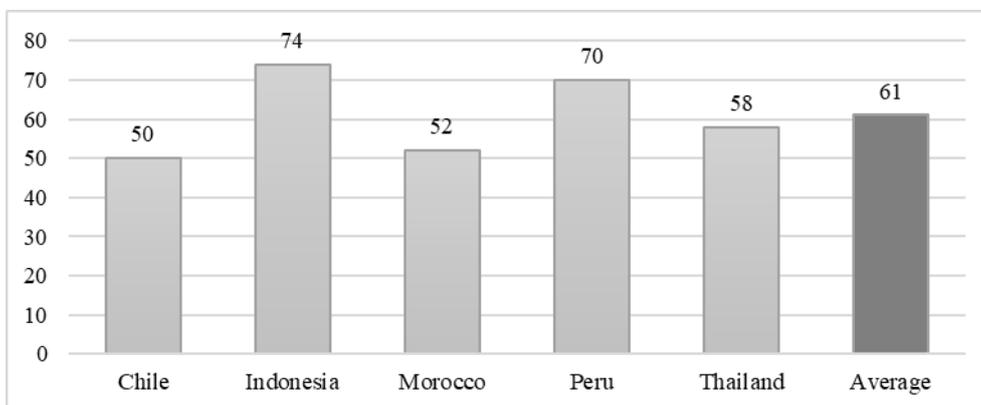
A. Overall implementation

20. The overall rate of implementation of recommendations from the voluntary peer reviews of consumer protection law and policy is high. On average, 61 per cent of the recommendations have been implemented by the five peer reviewed countries (figure 1).

⁸ TD/RBP/CONF.9/6.

Following peer reviews, consumer protection agencies engage in advocacy processes toward decision makers, to ensure that the recommendations on the legislative and public policy frameworks and the institutional framework are duly considered. Most countries note that financial limitations are the main barrier in implementing the remaining recommendations.

Figure 1
Voluntary peer reviews: Overall implementation rate

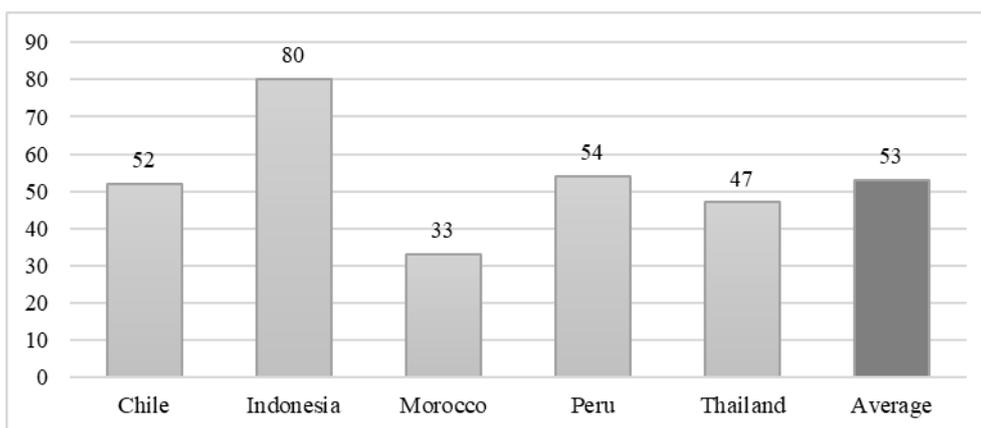


Source: UNCTAD.

B. Implementation of legal and public policy framework recommendations

21. Voluntary peer reviews contain a section on the main consumer protection law(s) and public policies that aim to protect consumers. The recommendations relate to proposals for legal reform and the development of or amendments to existing policies. All countries have partially integrated recommendations on the revision of legal frameworks; the average across the five countries is 53 per cent (figure 2). Some countries have made more considerable progress; Indonesia has implemented 80 per cent of the recommendations.

Figure 2
Voluntary peer reviews: Implementation rate of legal and public policy framework recommendations



Source: UNCTAD.

1. Morocco

22. The peer review concluded that the legal and institutional frameworks for consumer protection were well established and fully operational. To create a stronger system for the protection of consumer rights and interests, the peer review recommended improvements to the legal framework. Morocco is in the process of adopting a law that incorporates several of the recommendations, including adding examples of unfair commercial practices, addressing new challenges in e-commerce in the light of the United Nations guidelines for consumer protection and strengthening the powers of the Directorate for Consumer Protection, to provide the authority to conduct investigations and issue administrative sanctions and injunctions.

2. Indonesia

23. The peer review found that the implementation of consumer protection rules followed a decentralized model, with several responsible sectoral ministries and sector-specific regulators at the local and national levels. This model presented challenges, as the policies, laws and regulations developed by the different responsible entities might overlap. The review therefore recommended an amendment to the consumer protection law, among others, to refine the scope of application of the law vis-à-vis sectoral provisions. To implement the recommendation, Indonesia presented a consumer protection bill to Congress, to be enacted in 2024; the bill redefines the scope of application and covers other peer review recommendations, to address emerging issues such as online and cross-border transactions across various sectors. A key development is the introduction of an integrated complaints system that allows consumers to submit complaints through an electronically integrated national platform based on sectoral categories or transaction values. However, the formulation of laws addressing data protection and sovereignty in e-commerce remains partially integrated, requiring continued attention to ensure comprehensive coverage in the digital landscape. Recommendations also suggested that existing regulations issued by sectoral ministries and regulators should be reviewed, to ensure greater coherence and a more effective consumer protection enforcement mechanism. The National Consumer Protection Agency has taken steps by reviewing certain regulations, including procedural aspects in enforcing consumer protection and online dispute resolution in Indonesia.

3. Peru

24. The peer review concluded that the consumer protection system in Peru was vigorous. Its legal and public policy frameworks were extensive and balanced. Recommendations were made on the priority areas identified by INDECOPI. Peru is undertaking efforts to improve the quality of regulations at the national level. Early regulatory quality agendas are aimed at informing citizens of the public challenges identified by State entities at the national level and these challenges are subjected to a regulatory impact analysis, to verify efficiency. In this context, INDECOPI has included several new processes to protect consumers, as recommended; in order to enhance consumer access to justice, a unified channel for submitting complaints was proposed. The current system requires filing complaints before the various State entities that are part of the national integrated consumer protection system. To address the load of litigation cases, INDECOPI proposed that consumers contact suppliers prior to submitting a claim to INDECOPI, and continued to promote alternative dispute resolution mechanisms by including such alternative means in guidelines and recommendations for consumers. If an agreement is not reached during mediation between the consumer and the business, INDECOPI provides information to the consumer on access to arbitration. A practical guide on consumer arbitration has been developed, to strengthen the consumer arbitration system and, in 2023, a plan was executed to promote the use of arbitration.⁹

25. The review identified two areas in which the public policy framework could be improved, corresponding to the legitimate needs addressed in the United Nations guidelines for consumer protection, namely, to protect vulnerable and disadvantaged consumers and to

⁹ See https://www.INDECOPI.gob.pe/documents/51084/402080/Guia_Arbitraje-Consumo_Nov_2020/7253ed1f-0311-4d2f-78b6-318ff4d054b3.

ensure a level of protection for consumers using e-commerce that is not less than that afforded in other forms of commerce. To integrate the recommendations, Peru is updating, for 2030, a national consumer protection and defence policy, including the protection of vulnerable and disadvantaged consumers. To obtain information, since 2022, Peru has carried out monitoring and undertaken research with regard to the elderly, persons with disabilities and LGTBI persons, and the findings have been detailed in the document “Profile of vulnerable consumers and their consumption experience”.¹⁰ INDECOPI noted that vulnerable rural consumers have not yet been included in these efforts.

26. E-commerce is included in the national consumer protection and defence policy for 2030. INDECOPI issued a document titled “Proposals for consumer protection in electronic commerce and product safety”;¹¹ the recommendations therein were included by Congress in a bill that is currently under debate. INDECOPI notes that additional resources are needed to raise the profile of consumers in the digital economy, as recommended in the peer review.

27. The recommendations on dispute resolution and redress underscored the need to operationalize collective actions and noted that consumer associations and ad hoc consumer groups should be allowed to directly initiate collective actions before courts, without prior authorization from INDECOPI. A draft regulation to amend the code of consumer protection and defence is currently under study. The review found that INDECOPI could maximize the impact of its work by improving the internal process of initiating collective actions. Since 2022, there has been a dedicated team to assess cases involving alleged collective impacts on consumers and to determine the viability of initiating judicial action. INDECOPI is drafting a regulation setting out deadlines, rules, conditions and restrictions governing its authority to promote judicial cases in the defence of the collective interests of consumers.

28. Other recommendations were aimed at facilitating the decentralization of INDECOPI services, fostering collaboration in the national integrated consumer protection system and encouraging active participation by local and regional governments in consumer protection initiatives. To implement these, Peru enacted a law in 2023 to enhance the involvement of provincial and district municipalities in safeguarding consumer rights. INDECOPI established several focal points and offices for consumer protection within local and regional governments through formal agreements.

4. Chile

29. The peer review found that considerable progress had been made in consumer protection, showing willingness to consolidate the system and the relevance of consumer protection as an issue on the public agenda. The review recommended considering the inclusion of consumer protection in the constitution. The National Consumer Service has provided a technical background document on the desirability of enshrining consumer rights as fundamental guarantees in the constitution (box 1).

Box 1

Chile: Constitutional protection of consumer rights

In January 2022, UNCTAD presented the recommendations of the voluntary peer review of the consumer protection law and policy of Chile to the Constitutional Convention, as one of the recommendations from the peer review had been to consider including consumer protection in the constitution.¹² Chile requested an advisory opinion on the constitutional protection of consumer rights, which noted that, based on information in the UNCTAD World Consumer Protection Map, the constitutions of 56 per cent of countries responding to the related questionnaire contained provisions on consumer

¹⁰ See <https://www.consumidor.gob.pe/-/perfil-del-consumidor-vulnerable-y-su-experiencia-en-el-consumo>.

¹¹ See <https://www.gob.pe/institucion/indecopi/informes-publicaciones/1783379-propuestas-para-la-proteccion-del-consumidor-en-el-comercio-electronico-y-la-seguridad-de-productos>.

¹² See <https://unctad.org/meeting/dissemination-unctads-voluntary-peer-review-consumer-protection-law-and-policy-chile>.

protection, including the majority of countries in Latin America. The experiences of Argentina, the Plurinational State of Bolivia, Brazil, Colombia, Mexico, Peru and Spain were analysed and two alternative texts were proposed for Chile in the light of the legal institutional traditions in the country. The draft constitution contained new provisions related to the protection of consumer rights. The constitutional process has not yet been completed.

Source: TD/B/C.I/CPLP/36–TD/B/C.I/CLP/71.

30. The review recommended regulations on various issues, including product safety, e-commerce and the award of reasonable costs to parties with legal standing as claimants. There was also an emphasis on expanding the coverage of the mechanism responsible for granting indemnities, compensation and reparations in collective actions. The National Consumer Service noted advances such as the formulation of e-commerce regulations and several amendments for enhancing product safety rules. In addition, a law that will give the Service sanctioning powers is under discussion. The Service stated that progress on legislative amendments with regard to class actions and damages had not yet been made.

31. With regard to public policy, the peer review recommended, as a priority, pursuing a strategy coordinated among the various State consumer protection agencies, giving particular attention to vulnerable consumers. The National Consumer Service has strengthened relationships with key stakeholders. To provide legal certainty in the markets and noting the powers of the Service to issue interpretative opinions on consumer protection legislation, the review recommended strengthening administrative interpretation through the timely issuance of appropriate and unambiguous opinions, to inform consumers. The National Consumer Service noted that its interpretation mechanisms are now used by the public and that administrative circulars are issued on media channels.

32. The review noted that the focus of consumer protection public policy in Chile was financial education and, therefore, recommended incorporating financial education into school curricula and promoting training for teachers in financial education and consumer protection. The National Consumer Service has implemented the recommendations, including developing guidelines on financial literacy and education. Pending recommendations include those on developing improvements to the framework of policy proposals, such as the development of primary sources of information or research on consumer behaviour; and on the strengthening of individual dispute resolution mechanisms.

5. Thailand

33. The peer review found that Thailand needed to improve part of the legal framework to adopt international standards regarding e-commerce, vulnerable consumers and product safety. Thailand has amended the legislation to address the needs of vulnerable consumers and the characteristics of e-commerce and to complement the definition of an “unsafe product” with that of an “unsafe service”. In line with the recommendations, in the first two years after they were proposed, the Office of the Consumer Protection Board proposed amendments regarding the regulation of consumer contracts, guarantees and returns; these have not yet been translated into legal amendments. The peer review also recommended that Thailand unify the definition of consumers, which is pending. Other pending recommendations are those on the revision of the electronic transactions act and the product liability act, particularly to unify the criteria for establishing the burden of proof.

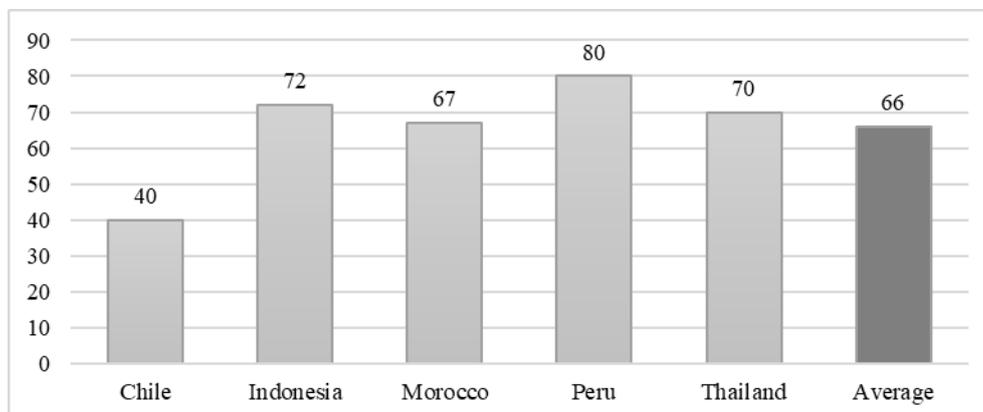
C. Implementation of institutional framework recommendations

34. Voluntary peer review reports contain a section on the institutional aspects of consumer protection, meaning the intervention of the main consumer protection authority and other relevant stakeholders in consumer policies, such as relevant ministries, sectoral regulators, the judiciary, consumer associations and businesses. For the present assessment, all recommendations related to such actors are grouped under “institutional framework”. The recommendations are aimed at improving the efficacy and impact of the actions of the different stakeholders and at enhancing coordination and collaboration among them.

The rate of implementation of institutional framework recommendations is high across all five countries, with an average of 66 per cent (figure 3).

Figure 3

Voluntary peer reviews: Implementation rate of institutional framework recommendations



Source: UNCTAD.

1. Morocco

35. Morocco has fully implemented the recommendations related to building national capacities. The Department for Consumer Protection organized training sessions for officials and judges and developed a training programme tailored to consumer protection associations and businesses and conducted awareness-raising campaigns in collaboration with consumer protection associations. Recommendations related to the operation and powers of the Department have been partially implemented. To reinforce the public profile of the Department, it was recommended that the Department issue advisory opinions on government regulations and policies on protecting consumer interests and organize information campaigns and promote the Department through the website. The Department has not yet issued advisory opinions or conducted information campaigns, but efforts are under way to enhance the website. The Department demonstrated a commitment to international collaboration by joining the International Consumer Protection and Enforcement Network in 2019 and has signed cooperation agreements with several countries in the field of consumer protection, including Bahrain, Oman and Saudi Arabia.

2. Indonesia

36. The peer review of Indonesia found complexity in the implementation of the consumer protection regulatory framework due to the number of entities in charge of consumer protection policy. To coordinate the efforts of the various actors, the review recommended the establishment of a national consumer protection council that could provide for regular consultations and discussions, to increase policy coherence and effectiveness. The National Consumer Protection Agency stated that such a council has not yet been established, but that inter-agency cooperation has improved. The Agency and the Ministry of Trade held joint events for national consumer day.

37. To enhance the advisory role of the Agency on consumer protection matters, the review recommended the introduction of an obligation for government entities to respond formally to the recommendations of the Agency within a specified time frame, providing reasons for acceptance or rejection; the integration and coordination of complaints-related data from various ministries and regulators; and the relocation of the Agency to the office of the President. These recommendations were aimed at ensuring greater effectiveness in monitoring consumer concerns and trends. The Agency stated that the adoption of its recommendations was not mandatory but that efforts were under way to establish a system for collecting information on complaints, to facilitate trend monitoring. The recommendation to relocate the agency to the office of the President has been implemented.

38. The review identified areas for improvement in training and education, and recommended increasing collaboration with local governments, to enhance their professionalism in resolving consumer disputes; intensifying efforts with business associations, to encourage more responsible practices; and advocating for consumer protection lectures in schools and universities. The Agency conducts training activities for sectoral ministries, regulators and business associations, to promote better business practices. In addition, training initiatives have been extended to schools and universities, with ongoing efforts to integrate consumer protection into curricula.

39. The review noted that the multiplicity of agencies in charge of consumer protection posed challenges in the handling and resolution of consumer disputes, and recommended assigning high-impact consumer disputes, with the potential to affect large numbers of consumers, to the National Consumer Protection Agency; and that local consumer dispute-settlement bodies could manage small claims, emphasizing the need for increased resources to facilitate the recruitment and training of personnel. The recommendations have been implemented, except for the increase of the resources of local consumer dispute-settlement bodies, since not all local governments can allocate such resources.

40. With regard to international cooperation, the review recommended that the National Consumer Protection Agency should be more present at the ASEAN Committee on Consumer Protection and should sign cooperation agreements with ASEAN member States. The Agency has implemented the recommendations and participates in negotiations related to the ASEAN-Australia-New Zealand Free Trade Area and the ASEAN-China free trade area, providing inputs on consumer protection. The Agency has collaborated with the Consumer Agency of the Republic of Korea and the International Consumer Centre association in the United Kingdom of Great Britain and Northern Ireland. The collaboration involved the exchange of information on handling cross-border consumer complaints.

3. Peru

41. The peer review of Peru noted that the national institutional framework for consumer protection was dynamic and efficient. However, there was room for improvement in strengthening consumer protection in the digital economy, addressing the needs of vulnerable or disadvantaged consumers and enhancing cooperation with institutions related to product safety and finance.

42. With regard to strengthening consumer protection in the digital economy, the review recommended developing a plan of action to address particular aspects of the digital economy and creating mechanisms to educate and disseminate information to consumers. INDECOPI reported its efforts in identifying all relevant workgroups and activities aimed at addressing potential issues arising from the digital economy, to develop an action plan. INDECOPI has initiated several measures to promote education, including guidelines for digital consumers during e-commerce events and a comparative analysis of delivery applications,¹³ as well as infographics on dark commercial patterns, shared on social media.

43. The review recommended strengthening the efforts of institutions responsible for consumer protection, to protect vulnerable and disadvantaged consumers, particularly poor persons in rural areas. INDECOPI has fully implemented the recommendation and works with various public entities to strengthen the protection of vulnerable and disadvantaged consumers. As recommended, INDECOPI has worked with the Ministry of Economy and Finance on vulnerable financial consumers, coordinated activities with the specialized agency on disability issues and participated in the national strategy on “Peru without racism” with the Ministry of Culture, which included multilingual initiatives to reach indigenous populations.¹⁴ INDECOPI has issued guidelines for suppliers, to encourage the development of good practices in order to improve the treatment of vulnerable and

¹³ See <https://www.gob.pe/institucion/indecopi/informes-publicaciones/1847131-presskit-cyber-wow-2021> and <https://www.gob.pe/institucion/INDECOPI/informes-publicaciones/3398561-comparativo-de-aplicativos-de-delivery>.

¹⁴ See <https://www.gob.pe/institucion/cultura/campa%C3%B1as/28921-estrategia-peru-sin-racismo>.

disadvantaged consumers, such as women and LGBTI persons.¹⁵ In addition, INDECOPI is negotiating an agreement with the United Nations Educational, Scientific and Cultural Organization on designing education campaigns for rural populations.

44. With regard to improving product safety, the review recommended strengthening the consumer product safety network, introducing an alert system and promoting education and awareness-raising campaigns. INDECOPI implemented the recommendations and has achieved more frequent interactions with key entities. INDECOPI introduced an alert system for dangerous products and services, which, although sectoral, is expected to be integrated in future by other public entities with an involvement in product safety. With regard to education campaigns, INDECOPI has organized three training sessions on product safety for businesses, particularly microenterprises and small and medium sized enterprises, consumers and consumer associations.

45. With regard to the protection of financial consumers, the review recommended that INDECOPI strengthen its relationship with the Office of the Superintendent of Banking, Insurance, and Private Pension Funds Administrators and support each other in their work. A market conduct round table was created, led by the Office, with the participation of the Ministry of Economy and Finance and the Superintendence of the Securities Market, promoting information exchanges and joint actions, to protect consumers of financial services and products. INDECOPI states that it holds continuous exchanges of information with the Superintendence of Banking, for example, they are currently working to address the problem of consumers not yet reimbursed for undue charges by financial institutions, as detected by the Superintendence.

46. The review found that INDECOPI had a wide range of alternative dispute resolution methods, such as consumer arbitration, conciliation and mediation. To strengthen the dispute resolution system, the review recommended promoting the online dispute resolution system and stressed the importance of agreements with foreign agencies for the handling of cross-border disputes. INDECOPI has implemented most recommendations. During the pandemic, the use of a virtual room for parties to a dispute was implemented, electronic notifications were promoted and hearings were conducted through web-based platforms. INDECOPI also signed a multilateral cooperation agreement with the consumer protection authorities of Chile, Colombia, Mexico and the United States on information exchanges and assistance in cross-border cases. In line with the priority area selected by INDECOPI on strengthening the national integrated consumer protection system, the review recommended promoting the participation of associations and the private sector. INDECOPI stated that the financing of consumer associations has been included as a topic on the government agenda for 2024. INDECOPI has offered training to consumer associations and organized a national consumer congress with the participation of consumer associations and public institutions. Following the recommendations on the private sector, a working group was formed to develop consumer protection initiatives aimed at microenterprises and small enterprises. However, INDECOPI reported that intervention in the informal business sector could not be conducted due to the criteria adopted by resolution bodies, which limited the approach of actions to be taken.

4. Chile

47. The peer review of Chile emphasized the leadership demonstrated by the National Consumer Service in setting the national agenda and policies to safeguard consumer rights and, noting the existence of various bodies with diverse mandates that impacted consumers, recommended enhancing inter-institutional cooperation mechanisms and establishing a council to coordinate public policies across all bodies involved in consumer protection. This approach aims to improve the implementation of public policy, considering the multisectoral nature of consumer protection. The National Consumer Service has partially implemented the recommendation, through improved coordination mechanisms with key actors; however, a permanent public policy council coordinator has not yet been

¹⁵ See <https://www.gob.pe/institucion/INDECOPI/informes-publicaciones/4091390-guia-de-buenas-practicas-contrala-discriminacion-por-identidad-de-genero-y-orientacion-sexual-en-el-consumo-y-la-publicidad>.

established. Other recommendations aimed at enhancing the institutional framework involved the following: capacities among municipal officials engaged in consumer protection should be developed; and the judiciary should ensure that consumers can seek legal redress for dispute resolution and obtain compensation. The National Consumer Service has provided training for municipal officers responsible for consumer protection; courses for judges have not yet been organized. The review also recommended allocating more budgetary resources to the Service and this recommendation has not yet been implemented.

5. Thailand

48. The peer review of Thailand noted that the institutional framework for consumer protection could be improved, to reach vulnerable and disadvantaged consumers, and recommended strengthening cooperation with several government agencies. The Office of the Consumer Protection Board highlighted partnerships with national institutions overseeing the elderly, community colleges and the health service. With regard to the priority placed on consumer dispute resolution, at the institutional level, several of the recommendations have been implemented, for example, on improving consumer access to justice and upgrading the information and communications technology infrastructure in judicial courts and the Ministry of Justice, to reach more consumers. The review suggested reconsidering the role of the Office in complaints-handling and mediation, strengthening its mandate as a regulator and transferring tasks and responsibilities associated with complaints-handling and mediation to local authorities. This role has not yet been formally reconsidered, but the handling of consumer complaints has been shifted to local authorities, accompanied by efforts to enhance the capacities of such authorities in resolving consumer disputes. The Office has implemented the recommended mechanism to distribute complaints-handling among government agencies. The review recommended adopting the tools necessary to ensure the continuous assessment and learning of mediators, to ensure high-quality mediation, and the Office stated that it has implemented this recommendation. To actively involve businesses, they are encouraged to offer internal complaints-handling mechanisms to consumers at no cost. In addition, businesses have been advised to include a link to the online complaints-handling and dispute resolution services of the Office on their websites. The Office reported progress, for example, there are ongoing discussions with the Civil Aviation Authority, airlines and online travel agencies on establishing a free internal complaints-handling mechanism for consumers. Following the review, the Office reinforced consumer education and information campaigns, on consumer rights and the different avenues for dispute resolution and redress, including online mechanisms. Finally, the Office implemented the recommendation to cooperate with the Commission on Personal Data Protection, to achieve the full implementation and enforcement of the Personal Data Protection Act. UNCTAD conducted a technical cooperation project in the field of consumer protection in Indonesia and Thailand (box 2).

Box 2

UNCTAD technical cooperation project on online dispute resolution for consumers: Indonesia and Thailand

In 2020–2023, in line with the recommendations of the peer reviews, UNCTAD conducted a technical cooperation project on online dispute resolution for consumers in Indonesia and Thailand. Both Indonesia and Thailand have improved existing consumer dispute resolution workflows, tailored to agency mandates and capabilities in handling and resolving complaints. Over 200 government officials have been trained in the legal, institutional and technological aspects of delivering online dispute resolution for consumers.

Source: UNCTAD. See <https://unctad.org/project/delivering-digital-trading-infrastructure-and-online-dispute-resolution-consumers-means>.

D. General considerations from peer reviewed countries

49. All six peer reviewed countries were invited to share views on the benefits and challenges experienced from engaging in a voluntary peer review and how this has influenced ongoing efforts in consumer protection.

50. Morocco stated that the peer review had allowed for a novel and impartial assessment that yielded concrete and actionable recommendations. Stemming from informal cooperation with the peer reviewers, Morocco had joined the International Consumer Protection and Enforcement Network, which had proved impactful for the Department for Consumer Protection. Challenges in the implementation of the remaining recommendations included the lack of sufficient funds, and technical assistance and capacity-building was requested from UNCTAD.

51. Indonesia noted that the peer review had been instrumental in enhancing the national consumer protection framework, by facilitating knowledge-sharing, collaboration and policy reforms through innovative approaches and strategies in this area. Challenges in the implementation of the remaining recommendations included the complexity of legal reform processes and stakeholder coordination, as well as budget constraints. UNCTAD assistance was requested, through technical assistance, policy advice, capacity-building and monitoring and evaluation support.

52. Peru stated that the recommendations on the public policy framework had been relevant in the development of a new national consumer protection and defence policy for 2030, as part of the State policy, with a focus on gender, vulnerability, human rights, territoriality and interculturality. The recommendations had supported significant regulatory improvements in consumer protection in e-commerce. The recommendations on the legal framework had served to inform the early regulatory quality agendas in 2023 and 2024 aimed at evaluating the issuance or modification of standards, through regulatory impact analysis. In addition, the peer review had allowed Peru to better engage with relevant stakeholders and had been useful in understanding both achievements and areas needing improvement, which had been particularly valuable as Peru commenced the process of accession to the Organisation for Economic Co-operation and Development, which included a self-assessment. Challenges in the implementation of the remaining recommendations included institutional changes and budget constraints, and UNCTAD assistance was requested in raising awareness of the importance of improving consumer policies.

53. Chile noted that the peer review had not had the expected impacts. The political context involving the proposed constitution and other recent events meant that consumer protection had been afforded less consideration than other public policies, such as those on public safety.

54. Thailand stated that the peer review had reinvigorated the drive for policy improvement in consumer protection and opened new avenues for collaboration with other government agencies and businesses. UNCTAD assistance was requested in the implementation of the remaining recommendations.

55. Gabon noted that the peer review was a valuable part of the process of adopting a national strategy for consumer protection and a consumer protection law. The peer review had allowed the consumer protection authority to better identify key players and areas of improvement. UNCTAD assistance was requested in drafting legislation and regulations, training staff of the Directorate General for Competition and Consumption and building an inclusive and effective consumer protection system.

VI. Conclusions and recommendations and questions for discussion

56. Following the analysis of inputs from peer reviewed countries and the assessment of the implementation of recommendations, the following conclusions may be extracted:

(a) Legal, public policy and institutional framework improvements: Peer reviews have proved to lead to significant improvements in the legal and regulatory frameworks for consumer protection in peer reviewed countries. Peer reviews provide detailed analysis and recommendations that countries can use to align laws and policies with international best practices. On average, 53 per cent of the recommendations on legal and public policy frameworks and 66 per cent of those on institutional frameworks have been implemented. Considering that peer reviews have only been conducted for the past five years, which have included the pandemic and the cost-of-living crisis, the implementation rate is satisfactory;

(b) Flexible and adjusted process: Peer reviews have been impactful in countries with different levels of development in consumer policy. This shows that the peer review methodology, which allows for the choice of scope and favours appropriation by the peer reviewed country at all stages, is suitable for all UNCTAD member States;

(c) Raising awareness: Peer reviews raise awareness among stakeholders, including policymakers, businesses and consumers, of the importance of consumer protection. The reviews have led to increased dialogue and cooperation among these groups, which is essential for effective consumer protection;

(d) International cooperation: Peer reviews, by facilitating the sharing of experiences and best practices among countries, contribute to international cooperation in the field of consumer protection, particularly among peer reviewed countries and peers;

(e) Implementation challenges: The effectiveness of recommendations depends on the political will, resources and capacity in countries to implement them. In some cases, countries may face challenges in fully adopting and enforcing the suggested improvements. Legal reform processes are complex and time consuming. All countries reported budgetary constraints as the main limitation in implementing recommendations;

(f) Follow-up and support: UNCTAD offers follow-up technical assistance to countries after a review, which enhances the effectiveness of the process. Countries in which technical cooperation projects have been conducted, such as Indonesia and Thailand, report some of the highest implementation levels. Such support helps countries implement the recommendations and monitor progress, but is dependent on securing extrabudgetary funds.

57. Voluntary peer reviews of consumer protection law and policy have proved an effective tool for countries aiming to benchmark national consumer policies with international practices. They have had a positive impact on legal and institutional reforms in consumer protection, raising awareness among policymakers and strengthening cross-border and international cooperation. UNCTAD recommends the following:

(a) Member States that need assistance in legal, policy-related and institutional reform in consumer protection may consider volunteering for a peer review;

(b) Developed countries and development partners could consider funding peer reviews of developing countries and the least developed countries, to support improved consumer protection law and policy effectiveness in a predictable and stable manner;

(c) Developed countries and development partners could consider funding ensuing technical assistance and capacity-building activities, to support the implementation of recommendations;

(d) UNCTAD could evaluate the implementation of recommendations 5 and 10 years after a peer review, to assess whether this technical cooperation product remains fit for purpose and to seek the most effective way to continue to assist peer reviewed countries.

58. The following issues may be considered for discussion:

(a) In retrospect, what benefits and challenges did member States experience when engaging in voluntary peer reviews, and how have the reviews influenced ongoing efforts in improving consumer policies and ensuring effective consumer protection?

(b) How can voluntary peer reviews be more impactful, effective and efficient?

(c) How can UNCTAD better assist peer reviewed countries in the implementation of recommendations?
