The pros and cons of different designs for Monitoring, Verification and Enforcement Regimes

International Monitoring, Verification and Enforcement Conference
London, 2010/09/14-16
MVE pivots on placing products on the market

Conformity Assessment schemes:
- self-declaration
- third party declaration

Compliance Verification schemes:
- referral-based sampling
- smart random market sampling

Product design

Product manufacturing

Put on the market

Product sale
Without MVE schemes the game can be unfair

Without Monitoring, Verification and Enforcement (MVE) schemes there is the high risk of having only one equilibrium: non compliance
MVE schemes can change the rules of the game

Manufacturer X

Manufacturer Y

With **effective** Monitoring, Verification and Enforcement (MVE) schemes there is the high risk of having only one equilibrium: **compliance**
An effective MVE scheme leads to a fair game

<table>
<thead>
<tr>
<th>Conformity Assessment schemes</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>• self-declaration</td>
<td>as powerful as brands</td>
<td>alone is not enough</td>
</tr>
<tr>
<td>• third party declaration</td>
<td>cost/benefit unfavourable alone is not enough</td>
<td></td>
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<td>• referral-based sampling</td>
<td>targeted only testing</td>
<td>as good as the referrals</td>
</tr>
<tr>
<td>• smart random market sampling</td>
<td>as fair as possible</td>
<td>thought to be expensive</td>
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Self-declaration and smart random market sampling can ensure fairness in the game
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