

# **Trade, Climate Change and Development Monitor**

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## OPINION IN LEAD

### At Bonn, stay the course

Between November 6 and 17 this year, world leaders and delegates from various countries will gather at Bonn for the 23rd Conference of Parties (COP 23) of the United Nations Framework Convention on Climate Change (UNFCCC). The meeting will primarily concentrate on the implementation of the Paris Agreement negotiated at COP 21 that entered into force—or became legally binding—on 4 November 2016.

The meetings in Bonn will cover a wide range of issues, including adjusting to living in a warmer world with the associated impacts, known as adaptation to climate change and reduction in greenhouse gases, referred to as mitigation. They will also include sessions on loss and damage, or the means of addressing economic and non-economic forfeitures and potential injury associated with climate change. There will be discussions about the implementation of targets that were decided by each country ahead of the Paris meeting, referred to as the nationally determined contributions (NDCs), and the finance, capacity building and technology transfer required by developing countries from rich nations.

The meetings in Bonn, among others, will include the session of COP 23, the 13th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 13) and the second part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 1.2). The decision-making bodies for the UNFCCC, the Kyoto Protocol and the Paris Agreement are the COP, the CMP and the CMA, respectively. Also, the Ad Hoc Working Group of the Paris Agreement will meet and is tasked with important issues such as NDCs, adaptation, transparency, and global stocktake.

At the Paris COP, countries agreed to limit global warming to 1.5°C. Half a degree reduction may seem really small, but in terms of the impacts on ecosystems, geophysical cycles and diverse life forms on earth, this is a substantial difference. The Intergovernmental Panel on Climate Change (IPCC) has therefore undertaken the task of preparing a special report on the impacts of a warming of 1.5°C above pre-industrial levels. A recent paper in *Nature Geoscience* by [Millar et. al.](#) analyses scenarios to demonstrate that limiting warming to 1.5 °C is not yet a geophysical impossibility.

This would imply continuing to strengthen pledges for 2030, deepening the mitigation targets rapidly and deeply. Article 14 of the Paris Agreement provides the details on the targets, taking stock and reviewing them and the progress made towards long-term goals. The first such stocktaking covering all aspects such as mitigation, adaptation communications, and support for implementation is expected to take place in 2023, but meetings to prepare for this have already begun and have to conclude by 2018.

According to earlier reports from the UN and other groups, the NDCs, when added up, fall short of what is needed to keep global temperature rise below 2°C and will likely take us about a degree higher. Further, most NDCs are conditional—they depend on financial and technological support from rich countries for their full implementation.

This is the first COP after the United States (US) pulled out of the Paris Agreement and the implications of this at a global platform are likely to become more evident. However, several states and cities within the US along with thousands of businesses and celebrities have used this chance to initiate voluntary actions across the country. It has been reported that a US

delegation will in any case attend the Bonn COP and all Paris Agreement related meetings until 2020, while other major signatories have reaffirmed their commitment to the Agreement. Nevertheless, there is speculation whether the formal withdrawal of the US would alter the stance taken by Europe, Australia, and large countries at the COP and what role, if any, the US would play behind the scenes.

What is sure is that the planet and its inhabitants will still have to fight the climate change in this time of global political condition not favourable to renegotiate the Paris Agreement. Our only hope is to see a greater readiness on the part of all nations to compromise on their erstwhile hard positions, and sincerity to make progress in reducing emissions and building climate resilience in their development.

*(Adapted from an op-ed by Sujatha Byravan published in [‘The Hindu’](#) on 9 October 2017.)*

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## REPORT

### South Asia improves competitiveness score

South Asian countries have succeed in improving competitiveness scores despite limited progress in adopting information and community technology services, according to the latest figures on global competitiveness released by the World Economic Forum (WEF).

The latest report on Global Competitiveness Index (GCI) published by WEF shows that competitiveness has improved across most countries in South Asia in particular in the two Himalayan countries of Bhutan and Nepal. Among the 140 countries, Bhutan’s ranks climbed by 15 places to reach 82nd place while Nepal also climbed 10 places to reach 88th rank in 2017-18 GCI report in comparison to previous year. On a similarly positive trend, Pakistan (115th, up seven) and Bangladesh (99th, up seven) have both improved their scores across all pillars of competitiveness. The biggest economy in the region, India has settled at 40th place this year after its big leap forward of the previous two years. However, Sri Lanka slipped in the ranking to 85th from previous year’s 71st.

The GCI tracks the performance of close to 140 countries on 12 pillars of competitiveness. It assesses the factors and institutions identified by empirical and theoretical research as determining improvements in productivity, which in turn is the main determinant of long-term growth and an essential factor in economic growth and prosperity. These indicators are grouped into 12 pillars—institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation.

The report points out that upgrading information and communications technology (ICT) infrastructure and increasing ICT use remain among the biggest challenges for the region. Over the past decade, South Asia has been the area where technological readiness stagnated the most, with a performance similar to that of Sub-Saharan Africa.

According to the report, India’s score remains high due to improvements across most pillars of competitiveness, particularly infrastructure, higher education and training and technological

readiness. Further, improved performance in ICT indicators, particularly internet bandwidth per user, mobile phone and broadband subscriptions, and internet access in schools has further boosted the country's rank. The quality of institutions has increased further, especially in terms of efficiency of public spending but the private sector still considers corruption to be the most problematic factor for doing business in India.

Sri Lanka slipping 14 places in a year is attributed mainly to a deteriorating institutional environment, lower goods markets efficiency and infrastructure that are assessed as less well developed. Macroeconomic stability needs to remain a priority for the government, as the country continues to cope with high levels of debt and tries to restore a sound macroeconomic environment. The high burden of interest on debt, amounting to most of the revenue collected by government is a concern. Inflation also increased and forced the authorities to tighten monetary policy, with negative effects on credit. Business confidence has been declining over the past two years.

This edition of the Global Competitiveness Report 2017–2018 has focused on the high levels of uncertainty as technology and geopolitical forces reshape the economic and political order that has underpinned international relations and economic policy for the past 25 years. Despite the global economy showing signs of recovery since the financial crisis 10 years ago, the GCI has detected vulnerabilities in the economic approaches.

According to the report, the GCI indicators of bank soundness have not recovered to pre-crisis levels, new sources of vulnerability have emerged—such as increasing private debt in emerging economies and the growth of non-regulated capital markets—and governments have less bandwidth than they did 10 years ago to cope with another crisis. Similarly, hesitation in adopting new technology, lack of labour market flexibility and worker protection and widespread inequality underscore the overall challenge for both advanced and emerging economies. The report says that the greatest economic challenge of the present time is to reallocate factors of production to be flexible and responsive to technological trends while protecting people's well-being during adjustment periods.

*Excerpted from [The Global Competitiveness Report 2017–2018](#).*

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## **NEWS**

### **UN Technology Bank to build IP infrastructure In LDCs**

A new United Nations Technology Bank for least-developed countries (LDCs) aimed at growing technology transfer and intellectual property infrastructure across the 48 poorest nations became operational at annual UN General Assembly in New York. The bank's creation represents the first target of the 2030 UN Sustainable Development Goals to be achieved.

Host nation Turkey signed an agreement with the UN on 22 September, committing to provide US\$2 million per year for five years plus staff and offices.

The Technology Bank effort is organized by the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UNOHRLLS).

Speaking at the press briefing Ms. Fekitamoeloa 'Utoikamanu of Tonga, the Under-Secretary-General and high representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States said that there are two components to the bank—technology transfer and strengthening the intellectual property (IP) infrastructure of LDC countries, as well as support to IP rights acquisition and capacity building.

Ms. 'Utoikamanu, who also served on the International Telecommunication Union (ITU) Broadband Commission, pointed out that this achievement is not only highly symbolic, but also of great strategic importance to the LDCs in the overall achievement of the Sustainable Development Goals.

Also speaking was Turkish Foreign Affairs Minister Mr. Mevlüt Çavuşoğlu, who said, “This Technology Bank is dedicated exclusively to LDCs. We strongly believe this bank will fill the technology gap, and will speed up structural transformation in LDCs.”

The bank has been a longstanding priority for LDCs, called for in the 2011 Istanbul Programme of Action. The 2016 UN General Assembly officially established the bank as a new UN institution and subsidiary organ of the General Assembly, to be located in Gebze, Turkey. The bank will improve technology-related policies, facilitate technology transfer and enhance the integration of the LDCs into the global knowledge-based economy. It will also serve as a knowledge hub, connecting needs, resources and actors, facilitating LDC access to existing technology-related projects and fostering joint initiatives with relevant organizations and the private sector.

Source: <https://www.ip-watch.org/>, 27.09.2017.

### **Experts call for integrated policy for environment**

Environmentalists from Nepal, India, Bangladesh, Pakistan, Australia and the United Kingdom called on policy makers to consider water resources, energy and food while formulating national development plans a discussion titled 'South Asian Regional Knowledge Forum on Water, Energy and Food in South Asia: From Concept to Practice'.

The programme was held to explore new ideas and propose solutions to environmental problems, including the depletion of water resources, energy crisis and food insecurity by introducing and institutionalizing integrated approach at the policy level.

The discussion also dwelt on addressing the concerns of 300 million people living in river basins of the Indus, Brahmaputra and Ganges in the present context of rapid population growth, global warming and increasing competition for water resources in the region.

Source: <https://thehimalayantimes.com/>, 20.09.2017.

## Nations to forge common stance on migration

A two-day meeting of labour sending countries in Asia was held in 14 September in Kathmandu with the objective of developing a joint contribution to the Global Compact for Safe, Orderly and Regular Migration preparatory process.

Senior officials of the Colombo Process Member States, who are responsible for supporting their countries' endeavours to protect and promote the rights of their labour migrants going abroad, enhance migration governance and engage in the Global Coalition on Migration (GCM) process are aiming to come up with a set of actionable recommendations as per the expert level meeting of 8 September and recommendations to address priority issues and challenges in the GCM.

The Colombo Process is a Regional Consultative Process on migration comprising 12 Asian labour sending countries—Afghanistan, Bangladesh, Cambodia, China, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam—and is currently chaired by Nepal. Six of Colombo Process Member States are among the top 11 remittance-receiving countries in the world. The UN Migration Agency provides technical expertise to the Colombo Process.

The outcome of this meeting—the joint Colombo Process contribution to the GCM—will be shared at the regional United Nations Economic and Social Commission for Asia and the Pacific consultation in Bangkok, Thailand, and submitted for consideration at the GCM stocktaking meeting in Mexico.

Inaugurating the meeting, State Minister for Labour and Employment Mr. Dilli Bahadur Chaudhary said, "While we discuss our common position and recommendations to move ahead, we must not forget that the migrants from our countries immensely contribute to the development, prosperity and diversity of the transit and destination countries."

The meeting was hosted by the Ministry of Labour and Employment of the Government of Nepal and supported by the International Organization for Migration (IOM) and the Swiss Agency for Development and Cooperation.

Source: <https://thehimalayantimes.com/>, 14.09.2017.

## Call for spice genetic pool in SAARC countries

Experts have called for building up a spice genetic pool in the South Asian Association for Regional Cooperation (SAARC) countries for the promotion of the production of spices.

Speaking after opening a three-day regional expert consultation meeting on 'Technology sharing of spice crops in SAARC countries' at the Indian Institute of Spices Research (IISR) in Kozhikode on 11 September, Mr. P. Rajendran, Vice-Chancellor of Kerala Agricultural University, said that it was time to create an exclusive seed bank for the preservation of spices with the cooperation of South Asian countries. Also, there should be provisions for the exchange of planting materials among the SAARC countries and corpus fund for addressing the trade-related issues, he observed.

In his presidential address, Mr. Homey Cherian, head of the Directorate of Arecanut and Spices Development of the Government of India, said that his country was witnessing an increase in the productivity of spices as a result of improved varieties and technological interventions.

He also stressed the need to have some new policy-decisions to further improve the trend.

As part of the meet, a technology exhibition pavilion was opened at IISR. Ms. T. Geetha, Principal Agriculture Officer, inaugurated the pavilion. Mr. Pradyumna Raj Pandey, Senior Program Specialist (Crops), SAARC Agriculture Centre, Dhaka, explained the concept and objectives of the meeting. Mr. K. Nirmal Babu, Director, IISR; and scientists from countries such as Afghanistan, Bangladesh, Sri Lanka, Bhutan, and Nepal were present.

Source: <http://www.thehindu.com>, 12.09.2017.

### **SAARC Trade Fair 2017 concludes**

The SAARC Trade Fair 2017, organized in association with the SAARC Investor Forum 2017 was held from 7-9 September at the Sri Lanka Exhibition and Convention Centre (SLECC), Colombo.

The SAARC Investment Forum 2017 that was also held at the Hilton Colombo on the same days was geared to pave way for greater trade and investment cooperation between its member states of Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

This event was organised by the Federation of Chamber of Commerce and Industry of Sri Lanka (FCCISL) and the SAARC Chamber of Commerce and Industry and MP Events Lanka (Private) Limited.

Source: <http://www.dailynews.lk>, 11.09.2017.

### **Darjeeling tea industry staring at INR 4 billion loss**

The Darjeeling tea industry is bracing for tougher days ahead. The indefinite shutdown in the Darjeeling hills, which has crossed 80 days, is costing the tea industry dearly, with the industry staring at a collective revenue loss of INR 4 billion. While on one hand the cash flows are under pressure, the need for paying bonus once operations resume, could exert further pressure on the companies, denting their bottom-line, industry experts said.

According to the Payment of Bonus Act 1965, an employer is bound to pay the employee a minimum 8.33 per cent of the annual wages as bonus every accounting year irrespective of whether the company has any allocable surplus cash. The maximum permissible bonus is 20 per cent.

According to Mr. Binod Mohan, Chairman, Darjeeling Tea Association, the industry had paid 20 per cent of the gross annual wages as bonus last year. However, this year, due to the prevailing situation, the effort would be to come to a "mutually acceptable level". The bonus is decided based on negotiation with workers' trade unions.

But according to Mr. A. N. Singh, Managing Director and Chief Executive Officer, Goodricke Group, the greater fear for the industry stems from the fact that blenders and packeteers have started making inquiries for an alternative for 'Darjeeling'.

"In the last so many years I have never seen so much of Nepal tea floating around. In fact there are some overseas inquiries coming in asking us if we could supply Nepal tea. If that tea makes inroads then we might potentially lose our overseas market," said Mr. Singh.

Nearly 50 per cent of the total 8 million kg of Darjeeling tea produced across 87 estates each year is exported. The industry has already lost nearly 70 per cent of its production, a majority of it being from the most prized second flush tea. The second flush crop—extending between May to July—fetches maximum price for its unique colour and flavour.

Source: <http://www.thehindubusinessline.com>, 05.09.2017.

### **Qinghai-Tibet plateau wetter, warmer in early summer: study**

The Qinghai-Tibet plateau has grown wetter and warmer in early spring over the past forty years, according to a study published in the Journal of Geophysical Research.

A significant increase in the amount of precipitation over the south-eastern part of the plateau occurred from 1979 to 2014, said Dr. Zhang Wenxia, a researcher with the Institute of Atmospheric Physics. The trend was due to the earlier onset of the South Asian summer monsoon since the late 1970s, Dr. Zhang said.

The plateau plays an essential role in the global water system.

"Increased rainfall has provided water to plants in the lower reaches. Soil moisture level has also increased remarkably in the season, so plants turned greener," she said.

Zhang said that increased precipitation at the southeastern part of the plateau had also alleviated water shortage problems in several areas downstream.

"For example, in Lhasa, rain has been particularly ample this year. Sometimes it rained all day. During summer, the mountains turned green," she said.

Source: <http://www.globaltimes.cn>, 04.09.2014.

### **Biodiversity plans go to the grassroots**

Local bodies in Kerala will soon have a key role in biodiversity management, with the State Planning Board adopting a participatory, bottom-up approach to conservation and sustainable development.

A report of the working group on biodiversity set up by the board has recommended a comprehensive biodiversity strategy and action plan with funding for the 13th Five Year Plan.

A committee co-chaired by Mr. Oommen V. Oommen, former Chairman, Kerala State Biodiversity Board, and Ms. Priya Davidar, Head, Department of Ecology and Environmental Sciences, Pondicherry University, envisages a critical role for the *panchayat*-level Biodiversity Management Committee (BMC).

The report seeks to develop model BMCs in 100 local bodies every year during the 13th Plan period. It proposes a standing committee and a working group on biodiversity in all *panchayats*,



along with environmental/ biodiversity *gram sabhas* empowered to clear quarrying, sand-mining, and wetland conversion at the local level.

Preparation of training modules on biodiversity management and skill development programmes for resource persons and stakeholders are among the steps recommended for capacity development of the BMCs. The report also recommends Access and Benefit Sharing (ABS) as an option for the BMCs to generate revenue.

Vice Chairman of the State Planning Board Mr. V. K. Ramachandran said the proposals of the working group would be integrated into the Annual Plan of local bodies.

The report advocates a participatory management system for protection of fragile ecosystems such as hills and mountains, shola forests, laterite hills, mangroves, sacred groves and riparian habitats, and eco restoration of degraded areas like abandoned quarries and ponds.

Mobile apps and crowd sourcing have been recommended for ecosystem mapping. Local bodies have also been tasked with management of invasive species.

Source: <http://www.thehindu.com>, 02.09.2017.

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## ACTIVITIES

### Discussion on rebuilding safer urban spaces

South Asia Watch on Trade, Economics and Environment (SAWTEE) organized a discussion program titled '*Rebuilding Safer Urban Spaces*' on 20 September 2017. This was fourth such discussion forum organized by SAWTEE under the project '*Initiating dialogue on Post Disaster Reconstruction Experience*' undertaken with support from The Asia Foundation (TAF).

Making a presentation on '*Rebuilding Safer Urban Spaces*', Mr. Kishore Thapa, former Secretary at the Ministry of Urban Development and Expert Member of the steering committee at the National Reconstruction Authority (NRA), pointed out the need of strictly enforcing "Settlement Development, Urban Development and Building Construction Basic Byelaws 2072", which was one of the major changes imposed as one of the first rebuilding exercises. However, its success will depend on conviction of citizens that these rules are for their own benefit and capacity of the local governments for strictly implementing these regulations, he added.

In addition, he called attention towards reviewing existing housing policies, operational guidelines and responsible agencies to ensure safer living spaces. Mr. Thapa further added that integral part of reconstruction in the urban spaces, especially in the valley, pertains to reviving cultural heritage and traditional settlements with minimum aesthetic and structural intervention. Similarly, he called attention to lack of open space that affected the initial relief and recovery works in the immediate aftermath.

Adding to that, Vice Chairperson of SAWTEE, Ms. Urmila Joshi, said that best possible way forward is to integrate new technology with the traditional knowledge so that we can have best of both worlds in building safer spaces. The experts present at the programme also emphasised on the need to review housing policies at operational level in order to create a safer living space in the densely populated urban areas.

Some 30 participants from various organizations, including research institutions, experts, activists and development partners, participated in the event.

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