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From the Director's Desk

THE 11th Ministerial Conference of the World Trade Organization (WTO) has two positive outcomes. First and foremost, it has provided a direction for accelerating negotiations on the fisheries subsidies. Secondly, a number of plurilateral issues like e-commerce, micro, small, and medium enterprises (MSMEs), investment facilitation, and gender and employment were highlighted and discussed.Though being seen as a positive outcome, the plurilateral issues were highlighted by a few countries. These countries aimed at eliminating tariffs on e-commerce and removing restrictions on foreign investors. These two issues would lead to liberalization of agriculture and industry trade which the developing countries are not in favour of.

India was aiming for a permanent solution on food security by improving the existing peace clause but was unable to do so. A positive outcome for India was that India's food security programmes are protected as the perpetual peace clause is intact. In fisheries, India was able to push the commitment to 2019, to prohibit certain forms of subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing. In e-commerce, India managed to convince other countries to continue with the old work programme that links a two-year continuation of the moratorium on e-commerce with the continuation of one on TRIPS and non-violation complaints. India's success can be summed up with no dilution in the peace clause, no immediate commitments to curb fisheries subsidies, and no fast-tracking of e-commerce talks.

India as a country took a firm stand on the fundamental principles of WTO. India was also successful in holding its position in issues like multilateralism, rule based consensual decision making, an independent and credible dispute resolution and appellate process. India was also able to make a mark in terms of highlighting the importance of development as per the Doha Development Agenda and backing for a special and differential treatment for developing countries.

(PROF. MANOJ PANT)

Challenges and Approaches in Greening Supply Chain in A Globalized Environment – A System's Perspective

Samarth Arora* *and* ***Rajiv Arora*****

The present global ecosystem is characterized by two major concerns, viz. compliance with the rule based multilateral trading system steered by WTO and negotiations underway for obligations of nations and responsibilities of other stakeholders, viz. business/ industry, NGOs and civil society to address the challenges of climate change mitigation and adaptation. With emergence and prevalence of 'Global Value Chains'(GVCs) in the globalized multilateral environment, complexities and challenges in greening of supply value chains have increased requiring pro-active engagement of various key stakeholders, viz. Governments, business/industry, NGOs and civil society, especially consumers. This paper examines these challenges from a system's perspective at various levels, viz. Firm, Supply Chain, National & Global and suggests various possible options to cope with such challenges.

* B. Tech (Computer Science), MIT Manipal, Pursuing MBA (Business Sustainability), from TERI; worked as Associate Consultant for 2 years in KPMG in risk consulting.

** Additional Director General (Foreign Trade), DGAD, Department of Commerce, Govt. of India.

Introduction

HISTORICALLY in early 20th century the challenge of environmental pollution could be addressed by coercion by National Governments as command and control approach worked without seeking willingness of the polluter and ignoring the cost impact of penalties. In a globalized world the Sovereign Governments have to ensure compliance to multilateral rule based trading regime of WTO. Since role of Governments today is to facilitate enhancing efficiencies of businesses for increasing their global market share and enhance development by creating jobs, the greening agenda cannot be pursued through coercion but requires a collaborative effort. This can be attained by providing appropriate incentives at different tiers of value chain, encouraging market mechanisms to combat pollution through reduction of carbon foot prints, and encourage development, and deployment of clean technologies which prevent generation of Green House Gases (GHGs).

The approach especially during 2005-2012, i.e. keys to protocol phase of business entities has been that greening effort is primarily a cost and resource burden requiring compliance as per mandatory legal stipulations. It was not considered as an opportunity triggering generation of competitiveness for the firm. However, as greening requires reduction of carbon foot print, the firms choose to adopt clean and energy efficient technologies and ecofriendly practices, minimize and recycle wastes, and by-products. This in fact triggered a culture of cost reduction, and efficiency enhancement, which led to generation competitiveness along with environmental compliance and sustainability.

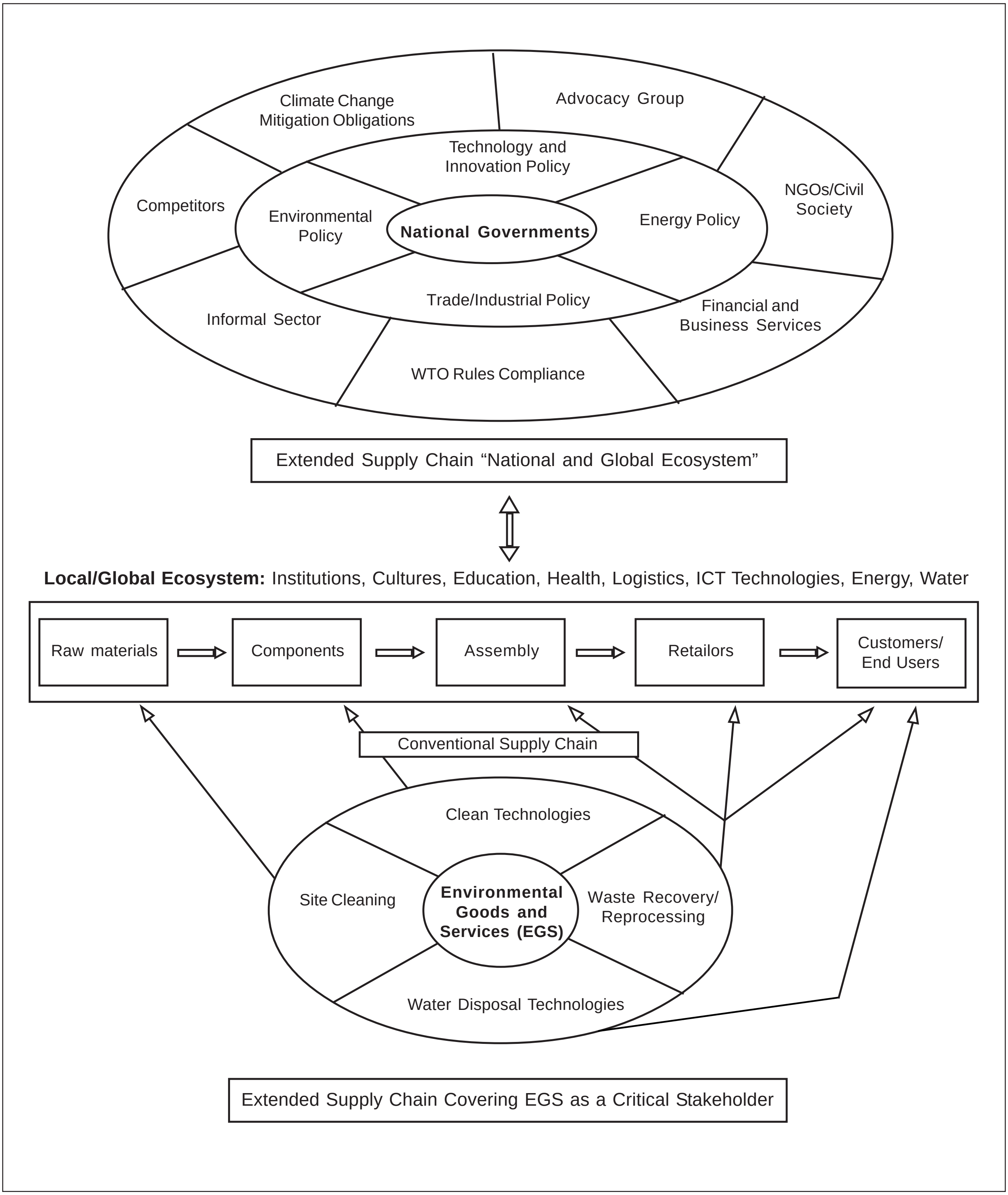
There is a visible shift in approaches and business strategies on the issue of greening in recent years. The following sections identify key drivers and facilitators at different tiers which is bringing this shift in approach of business entities towards the greening objective.

Conceptualizing a Framework for Greening Global Value Chains

The Traditional Supply Chains focussed on raw materials conversion to finished goods and their sales to customers which were generally contained in a national boundary. In the globalized era, the value chains have traversed the national boundaries. This therefore requires adherence to rules of trade and investment enshrined in the

FIGURE 1

A GENERAL FRAMEWORK TO CONSIDER GREENING A GLOBAL VALUE CHAIN



WTO's provisions. The greening of such Global Value Chains requires green practices, processes and technologies at all stages. This has led to emergence of a significant market of environmental goods and services (EGS), which has risen from $800 billion in 2012 to $1,000 billion in 2016. The growth of EGS has not only been in value terms but also in terms of entry of large number of players with mature market forces. This needs to be recognized as an integral part of a Green GVC.

The greening of Global Value Chains has also recognized that practice of reverse Supply Chain which includes reprocessing, recycling and disposal after the product has been used as a highly valuable contributor to the greening effort. However, the boundary of a value chain requires a clear demarcation as in developing countries mainly significant activities may be undertaken in the informal sector, which may pose challenges for greening efforts. Besides the boundary, the GVC's require robust tracking, traceability and transparency to evaluate Carbon Foot Prints through appropriate life cycle analysis (LCA) of products. The challenges are more when value chains became global as standards, labelling norms, definition of environment goods and services and life cycle analysis may differ from nation to nation.

Figure '1' shows a conceptual greening framework of a Global Value Chain which captures various entities and externalities.

Drivers/facilitators for greening at different tiers of Global Value Chains

At Firm Level

At the firm level, various employee centric HR interventions like performance rewards for meeting greening objectives, developing an organizational culture which values greening can reinforce attainment of objectives. However, what has worked well for imbibing such initiatives are re-conceptualizing the business objectives amidst the challenges of greening.

In an article titled **"How durable is sustainable enterprise? Ecological sustainability meets the reality of tough economic times"**, **Leslie E. Sekerka and Derek Stimel** have stated responses by various business organizations in tough times of recession towards ecological sustainability. The organizations with a shareholder perspective have weighed financial risks more than the long term competitive risk.

The businesses with a long term competitive and stakeholder perspective have tended to be driven by an innovation and transformational approach towards long term sustainability goal. Though investment tax credits and support by subsidies has been suggested, in reality these interventions are not noted to be favoured by United States for their businesses and hence green pathways with a new conceptualization business on a business' own strength has been advocated. Keeping environmental realities in view, a balanced mix of shareholder and stakeholder perspective has been suggested.

Wipro, a global IT giant realizing that IT industry accounts for 2 per cent of global Co2 emissions equivalent to an airlines industry set goal in 2005 to reduce their carbon foot prints, and to became carbon neutral by 2014.

Wipro's journey in its endeavour to be carbon neutral by 2014 through various 'Green IT' initiatives like manufacturing greenware, reducing power consumption by better management of computing facilities, writing efficient software codes and services has been documented in a case study titled "Green IT matters at Wipro Ltd." The modest beginning by Wipro Limited to reducing carbon prints of IT through 'Green IT' unfolded itself into a business strategy and engagement conceptualized as 'IT for Green' . This business diversification initiative endeavoured to provide greening options to non IT companies to reduce their carbon foot prints. The innovative solutions and services provided through this approach included e-Governance solutions, tele-conferencing, ICT for materials/and logistics management which heavily reduced travel and physical movements leading to saving on travel and thereby the associated carbon foot prints.

The journey in fact shows that what was actually perceived as a challenge turned out to be a business opportunity providing innovative solutions to the non IT industry primarily clients in helping them reduce their carbon foot prints.

Jindal Stainless Steel, Odisha views environment conservation measures through capture and use of waste gases, fly ash and slag not merely as a cost burden but interventions which yield benefits in terms of cost savings on fuel/utilities and waste disposal. This perceptional change is noted in many integrated production entities.

Maruti Suzuki, with one of the largest networks of supply chain implements a green procurement policy. To prevent use of hazardous/banned substances, it enters into a contract with its suppliers. It follows a policy of classification, labelling and packing for its products which are exported. It has adopted practices like yield improvement, multimodal dispatches, route rationalization, etc. to reduce carbon foot prints. These initiatives are otherwise also prudent and desirable in a business as usual scenario.

At Supply Chain Level

In a recently done comprehensive literature review of select research articles published between 2013-2016 on green supply chain management (GSCM) certain proactive and reactive drivers for greening supply chain have been identified. The approaches adopted were collaboration, metrics to monitor performance and adopting green practices like green purchases, eco-design, reverse logistics and legislation. The impacts are noted through performance indices like cost, quality, new market development, competitiveness and building of reputation. The authors report both positive and negative impacts on businesses. However, the conceptual model illustrated by the authors highlights that holding of stakeholders through collaboration and greening efforts, i.e. metrices for monitoring and green practices are essential pre-requisites for positive outcomes on performance indices.

The growth and maturity of EGS market coupled with their collaborations between various entities of supply chain has changed approaches of abatement of green house gases from end of pipe remedies to in fact preventing such GHGs at source. Treating an EGS partner as an integral part of value chain yields sustainable long lasting solution which creates value and generates competitiveness.

Some of the collaborative initiatives have led to positive outcomes. The growth of clean technology market has generated options for the businesses to select an appropriate greening technology, product or service. Compliance as well as cost savings attained due to competitive clean technology and products has led to win-win situations.

The significant reduction in cost of solar power is an indicator that maturity of clean technologies through breakthrough innovations has made this technology even more competitive and desirable than conventional power technologies. The fuel efficient vehicles are also convincing the customers of the value it brings in terms of savings on fuel cost which in long term neutralizes the upfront vehicle price. Therefore, the greening efforts are convincing the businesses of their long term competitive advantages which have radically changed the attitude of businesses towards adoption of green processes, materials, components and technologies.

At National Level

The national Governments need to establish transparent and predictable standards of environmental compliance. Incentives for EGS industry could be provided to the extent they are WTO compatible. As informal sector activities could also be a major source of pollution, their inclusion in regulatory framework may be desirable. As the Paris Accord of 2015 provides for voluntary contributions on GHG mitigation by developing countries, these would be required to be identified and ensured as WTO compliant.

The 'Domestic Content' scheme of India in respect of solar was observed to be WTO non compliant.

At Global Level

The debate whether the WTO rules are a barrier for realizing the climate change goals has not been conclusive. It has been advocated that WTO rules provide sufficient flexibility to accommodate properly designed and implemented climate change measures especially with regards to labels and standards, green subsidies and fuel efficiency schemes recognizing the interventions. However, these flexibilities would require a special and differential treatment for developing countries since the climate change debate recognizes the principles of equity, common but differentiated responsibilities of nations and respective capabilities in undertaking mitigation efforts.

The collaboration under GVCs acts as a strategic bridge which is more potent than the international merchandise and services trade to foster understanding at global level on a balanced trade off between climate change agenda and WTO trade rules especially taking care of developing countries' interest.

The developing countries in the last two decades have stressed the above-stated principles of climate change debate. While growth and trade of EGS has been supported by developing countries, their identification on the basis of a rational life cycle analysis, varying standard requirements of nations, methods to classify such products as 'like articles' on the basis of product and process method (PPM) poses enormous constraints and therefore the list approach of 'EGS' advocated by developed countries is resisted by developing countries and rather a project approach is advocated for ensuring genuine end use of EGS when tariff concessions are envisaged in trade of such goods.

The WTO provisions invoked by developed countries while applying measures to preserve ecology/environment in shrimp and tuna-dolphin cases and Appellate Body's judgment on the same has created uncertainty and feeling of distrust amongst developing countries for a possible use of such exceptions as a disguised agenda to create barriers for trade. It is this unfair use of exceptions which eludes consensus on synergy between WTO rules and climate agenda.

The environmental database 2015, prepared by WTO in response to the recommendation of the committee on trade and environment highlights the following regarding environment related measures notified under various WTO agreements, which vindicate the apprehensions of developing countries on a possible over-use of NTBs.

- Almost 56 per cent of notifications address environment related objectives pertaining to alternate and renewable energy, general environment protection, energy conservation and efficiency and chemical/toxic/hazardous substances management?
- In terms of nature of agreements, 80 per cent of these measures are covered by Technical Barriers to Trade (61%), Subsidies and Countervailing Measures (10%), and Sanitary & Phytosanitary Measures (10%).
- In General Agreement on Trade in Services, 85 per cent of the notified measures pertain to environment goods and services.
- In Trade-Related Aspects of Intellectual Property Rights (TRIPS), in 2015 only 1 per cent of notification covered enception to patentability – an invention pertaining to genetic resources or traditional knowledge of indigenous people.

The developed countries, viz United States and European Union have been advocating use of border trade measures, ETS and carbon trading instruments to create a level playing field for their domestic industry on the grounds of high cost incidence of environmental compliance being borne by them. These are adherence to high level of standards and stringent default penalties. The developing countries have argued that these measures are not WTO compliant as "Carbon Mitigation cost" cannot be accurately quantified and that standards and compliance parameters vary according to national laws. The use of unilateral Trade Measures to pursue this goal are nothing but NTBs to restrict trade. The developing countries have rather advocated that the principles of UN FCCC in fact require S&D treatment towards developing countries for carbon mitigation and there is a need to have flexibility in IPR regime of climate change technologies like the one available in case of HIV/Cancer diseases which allow compulsory licensing of IPR protected drugs. Besides this the joint research and development collaborative framework which enables IPR sharing amongst developed and developing countries can be a long term sustainable model to mitigate climate change.

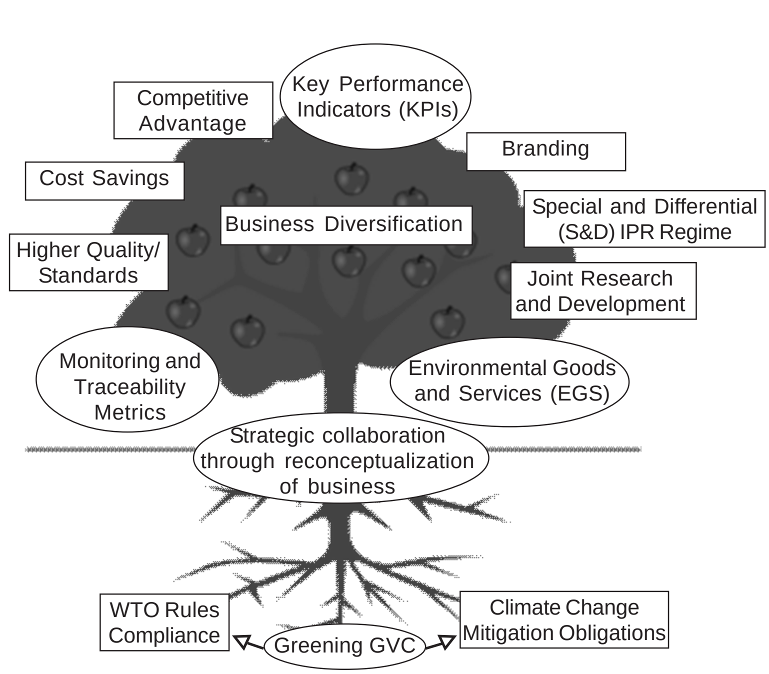
The developed countries have resisted the wish list of developing countries on relaxation of IPR regime and joint research. It is important to appreciate that the carbon foot print reduction effort is not just a cost burden but it simultaneously generates forced cost savings and sustainable product positioning generating long term competitiveness. 'Greening of GVC' which is a win-win for all chain entities in different countries can facilitate the flow of proprietary technologies and foster a collaborative research and development at the businesses level. Though this may require a change of concept of mind set and business models, success at a 'GVC' cannot be ruled out.

A Systems Perspective to Greening of GVCs

Greening a GVC requires a collaborative effort of various stakeholders and establishing synergies ecosystems at national and global level. The diversity in these externalities though imposes constraints but it also acts as a driver to minimize conflicts between trade and climate expectations. These drivers and determinants have been depicted in a conceptual framework in Figure 2. The framework indicates that the greening objectives of GVC can be attained sustainably through a synergetic interaction of identified drivers and determinants.

FIGURE 2

GREENING GLOBAL VALUE CHAIN – A SYSTEMIC APPROACH



Concluding Remarks

The challenges of Greening GVCs can be addressed through collaboration of businesses at supply chain level and Governments at global level. Various business organizations have experienced that compliance on reducing carbon foot prints is not just a cost incidence but has beneficial off spins in terms of cost savings, efficiency improvements through process and technology innovations, unfolding of new business opportunities, migrating up on standards/quality ladder and establishing a credible branding in long term as a responsible business organization. The 'Global' attribute of a value chain generates strategic synergies which can overcome barriers of flexibility in IPR's transfer of clean technologies or a joint research and development of proprietary technologies at value chain level. The GVCs also act as effective barrier to imposition of unilateral trade barriers like BTMs, Antidumping, or CVD measures since a partner/partners of a GVC could be situated in a developed country. The successful Greening of GVCs holds a promise for a synergetic integration of WTO Rules and climate change mitigation agreements.

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WTO: New Issues and New Challenges during 21st Century

Badar Alam Iqbal*

World Trade Organization (WTO) was established for the promotion of multilateral trading system on the one hand and on the other hand to minimize the bilateralism world over. But since the collapse of Doha Development Round (DDR) in 2001, the survival of the multilateral trading system has been in danger or under heavy odds. As a result, the new concept of 'new regionalism' has come up and it has become difficult for the WTO to survive. Free Trade Agreements (FTAs) are on the rise. Hence, the WTO is facing many new issues and challenges during the present 21st century. The deadlock in trade negotiations during 11th Ministerial Conference at Buenos Aires (Argentina) is the latest example of the failure of WTO. This all indicates that rich countries are not serious in solving the issues and protecting global multilateral trading system which is the need of the hour. The present paper is an attempt in these directions.

* Visiting Professor, University Business School, Makerere University, Uganda (East Africa).

Introduction

IN the year 1947, General Agreement on Tariffs and Trade (GATT) was initiated to regulate the global trade. The GATT remained in operation till 31 December 1994 as the GATT was transformed into World Trade Organization (WTO) on 1 January 1995. The basic purpose of establishing the WTO was to promote multilateral trading system which is *sin-quo-non* for accelerating the world trade in general and minimizing the bilateralism across the world.

Since the beginning of 21st century, the survival of the WTO in general and its role for promoting multilateralism in particular has been facing many new issues and challenges. These issues and challenges are of formidable nature.

DDA Facing Hurdle from US

One of the biggest challenges the WTO is facing is the opposition of the US in respect of the use of the word 'development 'in the preliminary draft of WTO agenda prepared and discussed at WTO headquarters in Geneva. It is being considered as a setback for developing economies in general and India and China in particular. The developing economies want to keep Doha Development Round (DDR) on the forefront. These countries also are trying hard to get developed economies to cut subsidies on the one hand and, to make access of software professionals and nurses easier, on the other.

This is true that the challenge with trade experts suggesting that developing countries in general and India in particular has very little support in pushing the DDR, where nothing has happened and attained during the last 16 years. The most astonishing thing is that instead of DDR, issues namely – trade facilitation and reduction in import duty on some IT products have been clinched, though these were not the part of original agenda and mandate. India is making concerted efforts in regard to talks should be confined to DDR and not expanding the agenda further. Contrary to this, the US is trying to wind up the DDR and start negotiations on newly emerging issues. Since Nairobi negotiations, the US has been opposing wording on free trade in declarations at global forums, namely G-20 which is the group of global 20 top economies.

There is a feeling in trade experts and consultants that there could be a trade-off with India's major demand for a permanent solution to its problem in respect of public stock holdings as the same would impact the Indian government's food procurement policy. The trade consultants are of the view that the European Union (EU) and Brazil are linking the issue to cut domestic support to farmers. Negotiators who are making preparation to move to Argentina (Buenos Aires) for new deliberation are seriously keeping watch on the US upcoming move in this regard.

US Opposition to China's MES

The United States of America (USA) has formally informed the WTO that it is opposing the issue of granting market economy status to China. It opined that if MES is granted to China then the US will have no option other than to maintain high anti-dumping duties on Chinese products. The statement on the issue was submitted as a 'third party' brief in support of the EU in respect of dispute with China that may have major repercussions for WTO in coming times. China is fighting with force with EU for getting recognition for having MES. If it is given then there would be considerable reduction in anti-dumping duties on Chinese products and this may result into prohibition for the use of third party comparisons.

The US and EU are deadly against MES due to the fact that the Chinese government is having passive view in the Chinese economy (China is a friendly market economy not free market economy) in terms of subsidies, which means the domestic prices are deeply distorted and not determined by the market forces (demand and supply).

There is sense of fear in many countries who are facing competition with China. They are of the view that if MES is given by the WTO it could weaken so many economies across the world, trade defences against the flood of Chinese products, and may result into more risk to western industries. The US is of the view that if MES is granted to China by the WTO, it would result into "cataclysmic" for WTO existence. In deep frustration, the US has called upon for major changes in the WTO's dispute settlement body. The US government argues that China has failed in the tests for having status of MES, hence should not automatically be given MES by virtue of the expiration of its 2001accession protocol in 2016.

Trade War between China and US

There has been a continuous trade war between China and the US. Recently, Chinese Government has out rightly rejected the allegations put forth by the US top trade officials that China is posing an "unprecedented" threat to the world trading system. On the other hand, China has shown a keen interest in regard to bringing the desired improvement in the existing multilateral trading system for which the WTO has come into shape. Further, Chinese government expressed readiness to improve the multilateral trade regime with WTO as its core.

According to US Trade Representative (USTR), the sheer scale of their planned efforts to develop and grow its economy, to extend huge subsidies, to bring up national champions, to force technology transfer, and to distort markets in China and across the world is the biggest threat to the global trading system. Further, he added that the threat of China's economic model could not be carried out under the existing world trading law and rules. Taking into consideration the USTR criticism, the Chinese counterpart opines that since the accession of China to WTO, the country has been fulfilling all obligations and also has made a significant contribution to the promotion of multilateral trading system.

China and the US bilateral trade amounted to US$567 billion, and accordingly, China has emerged as the biggest trade partner of the US. The present US regime wants to cut down the existing trade deficit. The US wants bilateral trade with China instead of trading under the WTO trade regime. China and the US are two important members of the WTO. Whether their behaviour and approaches are appropriate, WTO has a clear stipulation and both the countries also have clear judgements to each other and towards WTO.

WTO and E-Commerce

E-commerce has emerged as one of the most significant areas of global business and hence, the global trading body wants to include E-commerce in the agenda for discussion and negotiations. The Director General of the WTO has explored five major areas for special focus in the upcoming trade negotiations under WTO regime. They are agriculture, development, rules, e-commerce and services.

Recently, the WTO has started discussing the possibility of having world agreement to regulate the ever rising sector, i.e. e-commerce. The Director General of WTO has announced that he is going to appoint a "Ministerial Facilitator" to work out in consultation with sectoral chairs and explore further on agriculture, development, rules, e-commerce and services for giving much more emphasis on these issues in future negotiations also. These are the most critical issues on which 160 members of the WTO have to focus. The Brazilian Representative to WTO has also identified two more issues, namely MSME and investment facilitation for inclusion in the future agenda of the WTO.

The focus areas identified by the DG of WTO, the biggest concern for developing economies in general and India in particular is the e-commerce inclusion in the agenda of WTO. This is because Indian Government is of the view that the definition given in the draft agenda of the WTO is not clear and the given proposal encompasses a wide range of issues in respect of information technology and further limits the capacity and ability of the developing economies and least developing countries in evolving the needed regulation policies.

A latest study conducted by Centre for WTO Studies at Indian Institute of Foreign Trade (IIFT), has opined that proposals in regard to e-commerce prepared by the WTO for evolving global agreement on e-commerce, Indian Government may find it difficult in ordering open source software as its hands will be tied.

The IIFT study further pointed out that many economies across the world may find it very difficult to insist upon localization of servers or even offer preferential treatment for internally sourced raw materials. Added to these some Indian Government officials are of the opinion that Indian Government continued insistence on the allocation of telecom spectrum or radio waves only to Indian companies may be gone out of the hands of the government.

Indian Government is of the view that the philosophy is to manage data inflow on the one hand and on the other hand to minimize the ability and capacity of the governments to regulate firms', namely Amazon, Google and Alibaba and erect barriers to the entry of new competitors. Recently, India's former Ambassador to WTO has pointed out that attempts to put an issue on the negotiation table at the last moment when there is no clarity on the issue during the discussion in Geneva was not at all fair. The negotiators have to be very careful and cautious in seeking a new mandate and it is unfair to seek an approval on a critical issue.

China's Investment Issue

Substantial support to China's investment at the WTO meeting has raised a lot of concern to India. More than 50 countries had asked the WTO to have discussion on a world policy for investment facilitation at WTO meeting in Buenos Aires. It is undisputed fact that China's increasing clout, despite its late succession to WTO is now more visible than ever before. China is not pushing any negotiations or deliberations on e-commerce as aggressively as the EU at Buenos Aires. The most critical worry is not confined to the issues. The major concern is to discuss the future of WTO which many trade consultants believe may give upper hand to the US and EU and they could seek a discussion on new emerging issues on e-commerce and Medium and Small Enterprises (MSEs) instead of keeping alive the Doha Development Round (DDR) which is lying in abeyance for the last more than 16 years and more critical and strategic for developing and least developing countries. The US and EU are continuously trying to bring non-trade issues, namely gender and environment under the WTO regime.

Most Ticklish Issue

Very recently, the United States of America (USA) has raised the most critical and strategic issue at Buenos Aires (Latin American country) that China, India and Brazil should not be included or covered under the category of developing economies. This argument is based on the assumption that developing economies in general and India, China and Brazil in particular have been occupying special and differential status under different WTO agreements, allowing these economies to liberalize their rules, regulations and policies for a longer framework.

The developed economies require clarifying the concept and application of development within the WTO regime. The countries cannot sustain in a situation wherein new rules and regulations can only apply to a few countries and the remaining nations are given a pass in the name of so-called "self development status". On the other side of it, least developing economies have even a longer time frame for implementation of their respective reforms.

It is further pointed out that as China had joined WTO several years after India and Brazil, it has to undertake more commitments for opening its economy, but it is still a myth. It is correct to say that the US has been demanding larger commitments from China, India and Brazil in the earlier years also. India is increasingly witnessing that the discourse on development horizon at the WTO is sought to be deflected by specious argument depending upon aggregate GDP figures. India is proud of GDP and growth rates recorded in the recent years. These trends are attained through undertaking innovative economic policies of its government. However, India cannot or must not ignore that "rural India is the real India" and it is home of 600 million people.

There is unanimity among the developing countries in regard to legitimate demands for special and differential treatment for themselves. They also added that many developed economies of present have for a long time benefited of derogation of General Agreement of Tariffs and Trade (GATT) rules and regulations in respect of agriculture and textiles. Hence, the developing economies have called upon the WTO members to re-emphasize the centrality of development of WTO deliberations without creating new sub-themes and new sub-categories of the countries.

Food Security Issue

Food security for developing economies is a major bone of contention in WTO negotiations. This is a matter of survival for 800 million hungry and under-nourished people across the world. Hence, there is an immediate need for exploring a successful solution and resolution to this most critical issue. The developing economies do not envisage any negotiated outcome from 11th WTO Ministerial Conference which also does not include a permanent solution. The developing economies are insisting upon that the final agreement must be better than the one agreement which took place three years ago wherein so many conditions were put in respect of using minimum support price (MSP) policy. Unfortunately, this was resisted by the developed economies as these countries want to keep on procurement at 10 per cent of the value of output.

Inhuman act at Buenos Aires

The Director General has rightly observed and pointed out that there is a lot of disappointment on the part of WTO and developing economies in particular the way the MC 11 negotiations were progressed. It is high time that member countries must make soul-searching. In multilateral deliberations, parties don't get what they want, they get what is possible.

The 11th WTO Ministerial Conference at Buenos Aires has collapsed and accordingly no agreement on food security was possible. As a result, after 4 days' negotiations, there is no Ministerial Declaration. This is most unfortunate on the part of the member countries. This all indicates that none of the members is serious on the issue of poor and unnourished people world over. It is for the first time in the history of WTO Ministerial Conferences that India is not blamed for the deadlock on food security negotiations. The main reason for the collapse of the negotiations is the adamant attitude of the developed countries. The US is going back to its commitment along with other developed economies to explore a permanent solution to the public food stockpile issue which is not in the inertest of developing economies in general and India and China in particular.

Is it fair that one nation's (USA) strong opposition against agriculture reform based on present WTO mandates, rules and regulations resulted into a deadlock without any outcome on agriculture or even a work programme for the coming two years? However, Argentina's Minister pointed out that "we fell short on various issues, but there is a life after Buenos Aires and the members need to find ways for removing deadlock and move forward". In cooperation with the G-33 group, had pitched hard for permanent solution in respect of food security issue as it was very much significant in terms of large junk of people world over.

The developing nations are rightly supporting negotiations on a global services framework only if these nations' concern related to visa and qualification rules and regulations for professionals are factored in.

Face Saving

It is most unfortunate that four days' conference which came to an end without a required Ministerial Declaration for any substantive result, did manage to make some feeble progress in regard to fisheries and e-commerce by agreeing upon the work programmes. Several developed nations wanted to bring the issue of e-commerce to the negotiating table. But the developing economies opposed the move of the US and other developed countries. This is because WTO rules and regulations on the newly emerging sector may restrict the policy space essential for the promotion of the domestic players in their respective economies.

No agreement was also possible on the other issues, namely investment facilitations, MSMEs, gender and trade due to the absence of consensus. The developing countries were totally against for pushing news issues on the negotiating table as it would dilute the commitment to deal with the existing one especially Doha Development Round (DDR).

India and 11th MC at Buenos Aires

This is probably the first time in the recent history of Ministerial Conferences that India is not being blamed for the deadlock of WTO negotiations regime at Buenos Aires, i.e. MC. India came to the conference with an open mind. Unfortunately, the issues did not move forward due to the adamant behaviour of the developed economies especially the US. The negotiations collapsed the US going back on its commitment with other economies particularly the EU to explore a permanent solution to the public food stockholding issue.

According to many trade and business analysts, India is not back to its country as villain. India is going back without losing anything, but has gained a lot especially in terms of the goodwill of the developing and least developing countries.

India also pitched for Special Safeguard Mechanism, an instrument for developing nations to address the issue of import surges and the price dips from high subsidies available to the farmers in rich nations to agricultural goods. India argued that any permanent solution on public stockholding for food security must cover the present and future programmes of all the developing and least developing economies.

India strongly reiterated the need for concerted efforts and strategy on public stockholding issue as it is an significant instrumentality used in developing nations across the world wherein agriculture is dominantly rain-fed, to ensure two time meals a day to 800 million of people spreading all over the world.

What the WTO must Do?

It is the need of the hour that the WTO must incorporate the emerging issues, if the multilateral trading body remained relevant for the global multilateral trading system for which the GATT had been transformed into WTO on 1 January 1995. The WTO must focus on the issues that are very essential and relevant to the organization. This has become imperative due to the changing global trading scenario.

India is playing a significant role in this direction by organizing a Mini Ministerial Conference (MMC) in coming weeks. In upcoming MMC, the major global players will be invited who have direct bearing on the emerging issues solution.

It is pointed out that the contours of the MMC would be finalized in coming weeks. But the basic aim is to bring together the like-minded economies/countries and explain them the significance of the issues especially public stock holding for food security. This has become inevitable due to the fact that the rich nations are forming groupings to create ground for pushing issues of their interest namely- investment facilitations; e-commerce; gender equality and reducing subsidy on fisheries.

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Challenges and Approaches in Greening Supply Chain ....

(contdd. from p. 6)

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Disclaimer: The views expressed are authors' views in their personal capacity.

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BOOK/PAPER REVIEWS

Decentralising Climate Finance: Insights from Kenya and Ethiopia

by Alice Caravani, Sam Greene, Nella Canales Trujillo and Aklilu Amsalu, Working and Discussion Papers, October 2017.

THIS paper explores different mechanisms for delivering climate finance at the local level. It focuses on the experiences of a national climate fund – the Climate Resilient Green Economy (CRGE) facility in Ethiopia – and a sub-national source – the County Climate Change Funds (CCCFs) in Kenya. The paper aims to understand how well these funds take into account the priorities of local communities alongside recognizing and incorporating national climate change policies and development plans.

The novelty of the paper lies in understanding the implications of who takes the decisions, in the investment prioritization process and at what level of jurisdiction, along with how those decisions are taken. This leads us to discuss and interrogate the appropriate levels of decision-making for decentralizing climate finance.

(https://www.odi.org/)

Addressing Fossil Fuel Production under the UNFCCC: Paris and Beyond

by G. Piggot, P. Erickson, M. Lazarus, H. van Asselt, SEI Working Paper, 2017.

THIS working paper describes how countries can more explicitly address the phasing out of fossil fuel production within the current architecture of the Paris Agreement.

Reducing fossil fuel supply is necessary to meet the Paris Agreement goal to keep warming “well below” 2 degrees Celsius. Yet, the Paris Agreement is silent on the topic of fossil fuels.

This paper outlines reasons why it is important that Parties to the Agreement find ways to more explicitly address the phasing out of fossil fuel production under the UNFCCC. It describes how countries aiming to keep fossil fuel supply in line with Paris goals could articulate and report their actions within the current architecture of the Agreement. It also outlines specific mechanisms of the Paris Agreement through which issues related to the curtailment of fossil fuel supply can be addressed.

Mapping out a transition away from fossil fuels – and facilitating this transition under the auspices of the UNFCCC – can enhance the ambition and effectiveness of national and international climate mitigation efforts.

(https://www.sei-international.org/)

Exploring Connections between the Paris Agreement and the 2030 Agenda for Sustainable Development

by A. Dzebo, C. Brandi, H. Janetschek, G. Savvidou, K. Adams and S. Chan, SEI Policy Brief, 2017.

THIS policy brief introduces the NDC-SDG Connections online tool, which analyzes and quantifies overlaps and synergies between the nationally determined contributions under the Paris Agreement and the Sustainable Development Goals.

While the Paris Agreement and the 2030 Agenda for Sustainable Development resulted from separate negotiations, both reflect an understanding that development does not take place in a vacuum: the steps we take to reach one development goal can have significant implications for our other development ambitions.

The 2030 Agenda and its 17 Sustainable Development Goals (SDGs) include many climate-related actions, and the national climate action plans (nationally determined contributions; NDCs) that set out countries' individual commitments to achieve the Paris targets also cover development topics and actions that range far beyond a narrow interpretation of climate change mitigation or adaptation.

The new NDC-SDG Connections tool, developed by SEI and the German Development Institute (Deutsches Institut für Entwicklungs politik; DIE), analyzes and quantifies the points of connection between the NDCs and the SDGs (at the level of headline goals and individual targets). In doing so, it identifies potential points of synergy and opportunities for coordinated and coherent policy-making that can promote more effective and ambitious implementation of both agendas.

(https://www.sei-international.org/)

Can the Least-Developed Countries Count on the Green Climate Fund? by Naznin Nasir, M. Feisal Rahman and Saleemul Huq, Brief, 2017.

THE Green Climate Fund (GCF) is positioned to provide a bulk of the funding to implement the Paris Agreement.

Though the Fund promises to balance funding between adaptation and mitigation, as well as geographically, the distribution of funds has not aligned with these promises. There have also been delays in accrediting implementing agencies located in Least Developed Countries. Ensuring that the GCF fulfills its funding promises is crucial for successful adaptation in these vulnerable nations.

This briefing – drawing on research in the forthcoming *AdaptationWatch* report – presents analysis of GCF performance to date, and asks whether, given the current rate of progress, Least Developed Countries can depend on GCF delivering, and points out that they may well need to be proactive in using their own resources in adapting to climate change.

Based on the analysis, the authors offer policy pointers to improve GCF performance:

- The GCF must follow through on its promise to equally allocate its funds to adaptation and mitigation.
- The GCF must achieve geographic balance in funding and ensure that vulnerable countries receive adequate funds.
- Processes for accrediting implementing agencies must be streamlined so as to not inhibit LDCs from gaining this direct access.

(https://www.sei-international.org/)

International Trade Consequences of Climate Change by Rob Dellink, Hyunjeong Hwang, Elisa Lanzi, Jean Chateau, OECD Trade and Environment Working Papers, OECD, France, 29 April 2017.

THIS report provides an analysis of how climate change damages may affect international trade in the coming decades and how international trade can help limit the costs of climate change. It analyzes the impacts of climate change on trade considering both direct effects on infrastructure and transport routes and the indirect economic impacts resulting from changes in endowments and production.

A qualitative analysis with a literature review is used to present the direct effects of climate change. The indirect impacts of climate change damages on trade are analyzed with the OECD's ENV-Linkages model, a dynamic computable general equilibrium model with global coverage and sector-specific international trade flows. By building on the analysis in the OECD (2015) report "The Economic Consequences of Climate Change", the modelling analysis presents a plausible scenario of future socioeconomic developments and climate damages, to shed light on the mechanisms at work in explaining how climate change will affect trade.

(http://www.oecd-ilibrary.org)

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NEWS/ARTICLES (NATIONAL/INTERNATIONAL)

NEWS

Leaders from Government and Business Call for Action to Unlock Trade in Clean Tech

AIR POLLUTION is the biggest environmental health risk of our time, affecting more than 90 per cent of the global population on a daily basis.

But the good news is that we are developing the tools we need to tackle this problem: clean technologies hold immense potential to fight against pollution. They also offer new opportunities for growth, income and jobs.

Trade can scale up the use of clean technologies by opening markets and stimulating innovation. This brings down the cost of these technologies through economies of scale, thereby making them more accessible to less developed countries.

This week, policymakers and business leaders are gathering at the United Nations Environment Assembly to discuss the role of trade in scaling up clean technologies. They are calling for joint action to remove barriers and foster partnerships. A high-level dialogue titled "Unlocking Trade in Environmentally Sound Technologies to Tackle Air Pollution" took place on the first day of the Assembly spurring lively debate among participants.

"In the big picture, it's all about decoupling economic growth from the use of natural resources and environmental impact. We have the technological solutions, now we need to scale them up. We need to stop subsidizing environmental bads and go ahead with fossil fuel subsidy reform," said Kimmo Tiilikainen, Minister of the Environment, Energy and Housing of Finland, who opened the event. The Minister continued, "together, we can unlock trade to implement the Paris Agreement and the Sustainable Development Goals (SDGs)."

He was joined by Mr. Alvaro Cedeño, Ambassador of Costa Rica to the World Trade Organization, who shared his country's experience in promoting trade in green goods and services as a way to advance the goals of the Paris Agreement on climate change and the 2030 Agenda for Sustainable Development.

Mr. Joshua Oigara, CEO and Managing Director of Kenya Commercial Bank, provided local context, drawing attention to Kenya's progress in unlocking trade in clean technology as key tool to meet the SDGs. He called for more transparent and sustainable trade, long-term investments in sustainability and strong partnerships.

Ambassador Cedeño also supported the call for partnership to catalyze action that will lead the transition to greener, cleaner, and more sustainable trade. "We have multiple tools, with different applications. It's time for the 'Friends of Clean Techs' to come together and apply them to the trade agenda," the Ambassador asserted.

The call was echoed by industry bodies. Ms. Jodie Roussell, Chief Executive Officer of the Global Solar Council, underlined the arising opportunities. "Incentivizing trade in green technologies like solar energy enables countries to build distributed, clean infrastructure to power the next 30 years of growth. Addressing key challenges in national markets like the skills gap for local services, power purchaser risk and trade barriers will go a long way to opening the doors to a sustainable energy sector transformation. Closing the skills gap is particularly important as 75% of the jobs in the clean technology sector are in services, such as installation and maintenance," affirmed Ms. Roussell.

The event also brought together Mr. Jorge Rodriguez Romero, Deputy Head of the Unit of Multilateral Environmental Cooperation in the European Commission's Directorate-General for the Environment; Mr. Aik Hoe Lim, Director of the Environment and Trade Division at the World Trade Organization; Mr. Kennedy Orwa, Acting Executive Director of the African Centre for Technology Studies; and Mr. Vijay Shekhar Sharma, Founder and CEO of paytm, India's largest mobile-first financial services conglomerate.

"Green business makes sense," stated Ambassador Cedeño, who was joined by other speakers in emphasizing the potential and opportunities to create win-win-situations through trade in environmentally sound technologies. "In the narrative on clean technology for development, environment needs to be at the core," he continued. Mr. Orwa specifically called for "the development of targeted policies that will accelerate the investment in green technologies in Africa," underscoring a key ingredient to unlock such potential.

Panellists highlighted the tremendous potential for developing countries to join global value chains of clean technologies. "Trade in clean technologies is critical for Africa and we have great potential, especially in the solar sector. Africa needs to fully harness this," urged Mr. Orwa. A UN environment study found that South-South trade in renewable energy grew at a rate of about 30 per cent annually in the last decade, faster than global trade in the same sectors. Today, South-South trade in renewable energy products makes up more than one quarter of all global trade in this sector. In 2007, developing countries transformed from being net importers to net exporters of renewable energy goods.

Speakers also identified barriers and challenges hampering trade in clean technologies, such as tariffs, subsidies to fossil fuels, local content requirements and trade defence measures.

"Most of our exports, especially to developed markets, have often faced tariffs and non-tariff barriers, thereby limiting market access," emphasized Mr. Oigara, arguing that the adoption of new technology must be linked to market access. According to World Bank estimates, the elimination of tariffs and non-tariff barriers in clean technologies could lead to a 14 per cent increment in the trade volume of clean coal, wind, solar, and energy-efficient lighting. Besides removing barriers, there is a need to create trade rules that support sustainable development. The discussion concluded with a strong call for joint action from both public and private sectors.

Background

The 2030 Agenda and the Paris Agreement provide an impetus for development, innovation and trade in environmentally sound technologies, which can address air pollution and climate change while creating new economic opportunities, jobs and social benefits.

International trade is a critical enabler for the dissemination of clean technologies. Unlocking trade in clean technologies can not only spur proliferation and stimulate innovation but also improve energy access and security.

Global trade in environmental goods is projected to grow to $1.9 trillion by 2020. With the successful implementation of international measures such as the Environmental Goods Agreement (the negotiations of which are currently stalled), projections even go up to $3 trillion. Developing countries increasingly outpace industrialized economies in terms of renewable energy investment, and can harness benefits from increased trade in environmentally sound technologies. Particularly, enhancing the trade and uptake of clean technologies can result in numerous benefits for development and the environment, ranging from reduced air and water pollution to improved energy efficiency.

Yet tariffs and non-tariff barriers widely hamper trade in technology, and thus its diffusion. In order to enhance trade in environmentally sound technologies and augment access to such technologies, it is crucial to address trade-related barriers, improve coherence between environmental policy and trade policy, enhance the capacities of developing countries to harness trade opportunities, and connect to global green value chains.

(https://www.unenvironment.org 7 December 2017)

UN Climate Change Conference 2017 Urges Parties to Ratify Kyoto Protocol

THE 23rd United Nations Climate Change Conference (COP- 23)-2017 held recently in Bonn, Germany to discuss reducing climate change effects, and advance the aims and ambitions of the Paris Agreement, has urged all the parties to ratify the Kyoto Protocol.

Adopted in Kyoto, Japan, on 11 December 1997, and came into force on 16 February 2005, the protocol is an international agreement linked to the UN Framework Convention on Climate Change, which makes its parties be bound to achieve greenhouse gas emission reduction targets.

Those countries failing to sign the protocol will be notified for the same, said UN Secretary General Antonio Guterres at the conference.

Its first commitment period started in 2008 and ended in 2012.

According to the protocol, during the first commitment period, 37 industrialized countries and the European Community pledged to cut the emission by five per cent to the level in 1990, and by 18 per cent during the second commitment period from 2013 to 2020.

However, of the total 144 parties to the protocol, only 91 have endorsed it.

Those parties who ratified the protocol include China, and all South Asian countries except Nepal and Afghanistan.

Likewise, the meeting held in Doha in Qatar in 2012 also concluded to cut the greenhouse gas emission by 18 per cent between 2012 and 2020.

Similarly, the 21st COP conference held in Paris in 2015 signed a Paris Agreement, which also urges the developing, or underdeveloped countries to be part of the campaign to reduce the emission.

The meeting concluded that it would not be enough for only developed countries involved in the campaign to reduce the emission.

Intended nationally determined contributions (INDCs) are required to be submitted in each five years, according to the agreement.

Economic security of the Adaptation Fund which was earlier reduced to only the protocol, is ensured with the decision to accommodate it in the Paris Agreement, which is a good achievement in this sector, said Manjit Dhakal, General Secretary of the Clean Energy Nepal.

The protocol has a provision that two per cent of tax will be levied, and deposited into the adaptation fund from the Clean Development Mechanism.

Least developed or developing countries like Nepal can have a good income through carbon trade as well. Although the market for carbon trade has decreased lately, its future prospect is said to be good.

Nepal has already joined the money-making club through carbon trade. According to Executive Director for the Alternative Energy Promotion Centre Ram Prasad Dhital, Nepal earned approximately US$8.4 million through eight various projects through carbon trade so far. Likewise, it is all set to sell carbon worth US$2 million, he added.

Although Nepal has good opportunities to earn more income through carbon trade, it is yet to ratify the protocol. "Nepal is not compelled to sign the protocol. It however can get many benefits through carbon trade by launching various climate change adaptation programmes," said Yugan Manandhar, Nepal's Deputy Director for the World Wildlife Fund (WWF).

(https://thehimalayantimes.com 30 November 2017)

Climate Action Means Big Changes for Trade

"THERE is no mention of trade in the Paris Agreement. However, there is little doubt that the agreement and its parties' commitments - the so-called Nationally Determined Contributions - will mean big changes for their trading partners as the effects of those commitments start playing out in trade flows and trade policies around the world," UNCTAD's Deputy Secretary-General

Isabelle Durant told a summit session in Bonn, Germany.

Nationally Determined Contributions are emissions-curbing pledges under the 2015 Paris Agreement on climate change, and 45 per cent of them contain a trade element, according to research by the International Centre for Trade and Sustainable Development.

That is part of a wider trend of "greening up" the economy, underlined Aik Hoe Lim, Director of Trade and Environment at the World Trade Organization.

"We're looking at the green economy moving from something a bit niche to something mainstream," Mr. Lim said, adding that its value is estimated to hit US$12 trillion by 2020.

"There's a risk of some countries being left behind," he said. "So, the question is, how can you bring green and inclusive growth together? Here, trade can be very interesting. If you bring trade into the picture, you can even accelerate the transition."

The pivot to sustainable development has raised concerns that countries unwilling or unable to move as fast as their trading partners could be hit by so-called response measures to climate change - such as stiffer environmental benchmarks for goods - which critics say are tantamount to slapping market-skewing tariffs on imports. Diverging views among the trade and climate communities have stoked the debate, as well as worries about the impact on workers in carbon-heavy industries.

But UNCTAD, as the UN's voice on trade and development issues, is working to bridge the gaps.

"Trade is traditionally seen through the lens of a competitive relationship, but it has an enormous cooperation potential, too," said Ms. Durant. "Trade policy can no longer be reduced in practice to assigning the responsibility and deciding who should be protected against whom. And trade wars are no way to elicit co-operation needed in an era of value chains."

"Along with finance and technology, trade acts as an enabler, cutting across the various domains relevant to climate policy and sustainable development. The challenge is to change the approach from one of allocating or shifting burdens among countries through trade restrictive measures, to figuring out ways in which trade could help all countries share the benefits of transforming their economies."

The lack of a direct mention of trade in the Paris Agreement does not mean the issue was off the agenda. Negotiators agreed to continue addressing the economic and social impact of response measures, taking into account the special needs of developing countries.

"There is a very strong connection between trade and the impact of response measures. We're always cognizant of the fact that in order for us to address climate change there will be some spillover of climate change response measures on trade and on developing countries," said Saudi negotiator Ayman Shasly, International Policies Adviser at the Ministry of Energy, Industry and Mineral Resources.

Notably, countries created the UN Framework Convention on Climate Change's Forum on Response Measures, which in 2016 produced a three-year roadmap focusing on "economic diversification" and on "a just transition of the workforce and the creation of decent work and quality jobs".

"If we have a just transition, we think society will buy in to faster and deeper change," said Andrei Marcu, Senior Fellow at the International Centre for Trade and Sustainable Development.

A key issue surrounding response measures is that the trading system increasingly is used to make goods, not just to sell goods. That means not only that the emissions count of a final product needs to assess data from across the value chain, but also that climate action by one player can ripple across the system.

"Approaches based on value chains are increasingly recognized as a primary mechanism for meeting combined economic diversification and climate policy objectives," said Ms. Durant.

A variety of business models are being tested already: promoting circular supply-chains, extending the working lifecycle of products and components, and sharing production platforms to enable increased utilization rate of products, among others.

"We feel these practical approaches may prove instrumental in unpacking and de-politicizing the issues. However, the politics have yet to catch up as policy strives to master the implications of value chains. And there is a need to understand better their economic, social and environmental dimensions," said Ms. Durant.

(http://unctad.org 17 November 2017)

As So-Called 'Climate Leaders' Tout Cap-and-Trade, New Report Details Racial and Economic Injustice of Pollution Trading Schemes

NEW analysis published today details the disproportionate burdens of air and water contamination and serious human health effects placed on low-income communities of colour by market-based pollution trading schemes. The report, from the advocacy organizations Food & Water Watch and Greenaction for Health and Environmental Justice, shows that under many of these plans – like California's notorious "cap-and-trade" program – localized pollution and public health impacts actually increase in lower-income minority communities.

Meanwhile, California Governor Jerry Brown was at the UN Framework Convention on Climate Change's 23rd Conference of the Parties (COP23) last week, touting his state's cap-and-trade program and urging European leaders to adopt similar policies. Elsewhere, political leaders in states throughout the country have publicly endorsed pollution trading plans or indicated interest in exploring them.

Polluters have traditionally sited their facilities in lower-income communities of colour, resulting in a disproportionate, localized environmental and public health burden. The new report, Paying to Pollute – The Environmental Injustice of Pollution Trading – illustrates how contemporary market-based programs tend to further concentrate polluting emissions in lower-income areas, while also often failing to reduce overall emissions under the programs at large.

"As a member of the Appropriations and Budget Committees, I'm fighting to ensure that our government understands the reality of climate change and takes action to address it. We must face the facts: the pollution that damages our environment has a direct impact on our public health. And too often, communities of colour have been forced to live in the most polluted, contaminated areas, causing asthma and severe illnesses among children, the elderly and our most vulnerable," said Congresswoman Barbara Lee (D-CA). "It's time for us all to demand environmental justice and ensure that every community is protected from the devastating impacts of pollution and climate change. It is a moral imperative for Congress to take immediate action to end our reliance on fossil fuels."

"Pollution trading schemes like cap-and-trade unjustly burden lower-income communities of colour. This is a fact," said Wenonah Hauter, executive director of Food & Water Watch. "So many of us are rightfully desperate for solutions to our climate crisis, but market-based policies won't save us. The only real way to significantly reduce carbon pollution is to stop producing it. We must move off fossil fuels now."

"Low income and communities of colour have a right to clean air and a healthy environment," said Bradley Angel, executive director of Greenaction for Health and Environmental Justice." Fossil fuels need to be kept in the ground, not traded to help giant corporate polluters make money off of the health of our communities and our planet."

(https://www.commondreams.org/newswire 11 November 2017)

Countries can – and should – Use the Paris Agreement to Address Fossil Fuel Production

COUNTRIES can address fossil fuel production – and spark a global transition away from fossil fuels – under the UN Framework Convention on Climate Change, according to a new paper from the Stockholm Environment Institute.

To meet the Paris Agreement's goal to keep warming "well below" 2°C, the world must act now to phase-down the consumption and production of coal, oil and natural gas. Yet the Agreement has been silent on the question of fossil fuel production.

A new paper from SEI finds that countries can take action to address fossil fuel production, using the existing UNFCCC process and provisions in the Agreement. They can commit to fossil-fuel production targets, outline plans for a managed decline and just transition for affected communities, and remove ongoing financial support that results in increased fossil fuel production.

The paper comes during the UNFCCC's annual climate conference in Bonn, Germany, where negotiators will discuss the development of the "rulebook" for delivering the Paris Agreement.

"The opportunity is there to plan for a decline in fossil fuels," said SEI Scientist Georgia Piggot, the paper's lead author. "Everyone in Bonn needs to be thinking about how to build this into the parts of the Paris Agreement where they have responsibilities."

The UNFCCC is the main process for negotiating the international response to climate change. If it is silent on fossil fuels, it becomes easier for governments, industries and other actors to remain vague about plans to phase down fossil-fuel production.

SEI researchers identified several options that both individual countries and the UNFCCC can take to pursue a phase-down in fossil fuel production. Though the Paris Agreement does not specifically mention fossil fuels, it provides several opportunities for action.

Among SEI's findings:

- Countries can include targets and actions related to fossil fuel supply in their Nationally Determined Contributions (NDCs). (Article 4 of the Paris Agreement)
- Countries can plan for a phase-down of fossil fuels in their "long-term low greenhouse gas emission development strategies" (LTSs). (Article 4 of the Paris Agreement)
- The UNFCCC can track progress towards a phase-down of fossil fuels through the global stocktake. (Article 14 of the Paris Agreement)
- The UNFCCC could help countries by providing technical and capacity-building support for a fossil fuel phase-down (Article 11 of the Paris Agreement)

The Paris Agreement also includes numerous other avenues to address fossil fuel supply. One of its goals, for example, is to make "finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development." A global agreement to phase down fossil fuel subsidies – and move away from such "brown" finance – would further this goal.

"The ambition of the Paris goals is often framed as an emissions gap. But there is also a production gap, in which countries are planning to produce way more fossil fuels than needed under a 2-degree limit. Our paper shows how they could close this gap"," said SEI Senior Scientist Peter Erickson, a co-author on the paper. "If fossil fuel production is left aside in the development of the Paris rulebook, it could be many years before there is another opportunity to revisit it. By then, it may be too late to keep warming below two degrees."

(https://www.sei-international.org 8 November 2017)

Commerce Ministry to Bring Policy for Agriculture Exports Soon: Suresh Prabhu

OUTLINING his priority, Commerce Minister Shri Suresh Prabhu has said the ministry will work on promoting agri exports and will ensure global market for farmers.

He said that farmers have all the right to access global markets and get better prices and "for that we will put in place a good policy framework very soon".

Addressing the 10th Agriculture Leadership Summit 2017 in New Delhi, the minister said at the multilateral platforms also, there is a need to work on removing trade restrictions with an aim to boost the country's agri shipments.

"We have right to have access to global markets for our farm produce by removing all trade restrictive practices," he said adding all these measures would help increase farmers' income.

The Narendra Modi-led government aims to double farmers' income by 2022. Crop diversification, focus on allied sectors and food processing and tapping global markets are among the steps the government is taking to meet the target.

In 2016-17, export of agri products, such as cereals, processed fruit and vegetables, processed foods, and animal products, was around US$16.27 billion, according to the data by Apeda.

"We have to develop global supply chains and we are going to actually work on that," he added.

The commerce ministry, Shri Prabhu said, will make sure that "we will achieve this goal to ensure that India's agri sector will also be able to feed hundreds of others".

As a commerce minister, he said "my job is to ensure that we will develop this global supply chain and ensure farmer get better prices".

Domestically, the ministry will work with its agri counterparts to develop agriculture parks in India.

"If here are clusters for industry, why should we not think about clusters for different kinds of agriculture," he said.

Further Shri Prabhu informed that soon he would be meeting trade ministers in Manila, the Philippines, and Seoul, South Korea.

Talking about the World Trade Organization (WTO), he said the ministerial conference is in Argentina in December.

"Our agenda is going to be very aggressive. This is a development round ... We will like to make sure that Indian farmers get their due by getting better price from global markets. This is very important and this is going to be part of the strategy to increase farmers' income in India," the minister said.

Talking about challenges in the agri sector, he said land and water is limited but the population is growing and "we have a challenge to keep feeding".

"New challenge is climate change. It will have a huge negative impact on agriculture ... how to keep feeding more people," he said, adding the changing food habits are also going to be a big challenge and to address these "we have to have technologies and you need to think differently".

(http://economictimes.indiatimes.com 5 September 2017)

Climate Change Threatens Agricultural Trade in Pacific Rim Economies, UN Agency Warns

WITH global warming expected to significantly impact future yields in countries located closer to the equator, the United Nations agriculture agency is calling on Asia-Pacific economies to take a leading role in adaptation and mitigation.

"Many APEC (Asia-Pacific Economic Cooperation) economies have already felt the full force of agricultural losses from natural disasters in recent years, with the vast majority of these being climate related," said Mr Kundhavi Kadiresan, Assistant Director-General and FAO Regional Representative for Asia and the Pacific.

Geographically, the negative impact of climate change on agricultural output could result in lower yields of rice, wheat, corn and soybeans in countries with tropical climates, compared with the impacts experienced by those in higher latitudes. Fisheries could also be affected by changes to water temperature, the Food and Agriculture Organization (FAO) has warned.

"The annual tally runs into the billions and billions of dollars in losses. So, the time to act is now. Policy-makers need to prepare for changes in supply, shifting trade patterns and a need for greater investment in agriculture, fisheries, land and water management, that will benefit smallholder farmers and others that produce our food," Mr. Kadiresan added.

Many vital agricultural regions in Asia are at risk of crossing key climate thresholds that would cause plant and animal productivity to decline, according to a meeting in Viet Nam of Agriculture Ministers of APEC member economies.

Based on the findings of the global research community, the International Panel on Climate Change (IPCC) anticipates that these trends are expected to worsen in the future with the projected impacts of anthropogenic climate change.

Much can be done to increase the efficiency of agriculture and land-use activities in Asia, according to Mr. Kadiresan.

A Changing Environment

The agriculture sectors account for at least one-fifth of total emissions, mainly from forest to farmland conversions; livestock and paddy production; and application of synthetic fertilizers. Estimates show that 70 per cent of the technical potential to reduce agriculture emissions occurs in tropical developing countries, which characterize much of Asia.

"It is imperative that we start thinking now about the hard decisions and actions that the APEC economies, and others, will need to take. Governments will need to consider greater social protection measures. Industry and trade will need to adapt to shifting supply and demand. There is no quick fix but there is every reason to act," Mr. Kadiresan stressed.

FAO has been working with the Ministry of Agriculture and Rural Development in Viet Nam to assess potential emission reductions and improved livestock management.

In Cambodia, Papua New Guinea and Mongolia, FAO has partnered in developing programs to measure, monitor and report emissions and adaptation actions in the agriculture and land-use sectors.

In the forestry sector, avoiding deforestation, increasing the area under forest, and adopting sustainable forest management will create invaluable carbon sinks. FAO has been supporting national programmes for reduced emissions from deforestation and forest degradation.

The meeting made clear that more upfront support is essential to increase farmers' productivity, build capacity to adapt to climate change and reduce the emissions related to production.

A second area requiring financing is also needed to support capacity-building of appropriate institutions and policies. Climate funds could become an important catalyst for climate change adaptation and mitigation if they are used to build the enabling environment essential for climate-smart agricultural development, while ensuring that public agricultural investment is also climate-smart, and to leverage private finance.

(http://www.un.org 25 August 2017)

Africa Should Harmonize Agro-Policies

THE Common Market for Eastern and Southern Africa (COMESA) says African countries need to develop harmonized regional agricultural policies that promote investment in key resilient infrastructure to boost regional trade in agro-products.

The policies should also aim to mitigate climatic challenges. COMESA climate change advisor Dr Mclay Kanyangarara said strengthened regional integration measures that exceed national and sub-national borders hold a key role for overcoming Africa's food import dependency and food insecurity challenges.

It is estimated that 70 per cent of Africans are dependent on rain-fed agriculture, an activity that is characterized by small-scale, subsistence farms that are vulnerable to a variety of stresses, including those associated with climate change.

Speaking at a regional conference on climate change, agriculture and food security in Lusaka recently, Dr Kanyangarara said climate change impacts will increase agronomic complexity and risks of shocks at farm and community levels, thereby implying additional changes in crops and cropping patterns.

"In order to bridge the gap between climate change, agriculture and food security, there is need for development of deliberate policy on adoption of climate-smart agriculture.

"[This should include] development of harmonized regional agricultural policy as well as investment in robust infrastructure to boost regional trade in agricultural products," he said.

Crop yields in most sub-Saharan African countries are estimated to fall by at least 10 to 20 per cent by 2050.

Dr Kanyangarara said if the current emission scenarios continue, a two degree Celsius warming will drop agricultural yields of key food staples by up to 40 per cent.

He however notes that with good and robust regional integration policies in place, climate shocks present an excellent opportunity for trade in the region between member states with surplus to COMESA members.

COMESA has supported its member states to adopt climate-smart agriculture as a tool to fight climate change, achieve poverty reduction and sustainable development.

(https://www.daily-mail.co.zm 24 August 2017)

G20 Shut Trump Out on Climate, Strike Deal on Trade

THE Group of 20 summit that ended in Hamburg also revealed tensions on trade, as the US administration and international partners forged a deal that endorsed open markets but acknowledged countries had a right to put up barriers to block unfair practices.

The summit's final statement made clear that the other countries and the European Union unanimously supported the Paris climate agreement rejected by Mr. Trump. They called the deal to reduce greenhouse gases "irreversible" and vowed to implement it "swiftly" and without exception.

The other countries, from European powers such as Germany to emerging ones such as China and energy producers such as Saudi Arabia, merely "took note" of the US position, which was boxed off in a separate paragraph that the summit host, German Chancellor Angela Merkel, made clear applied only to the United States.

She said the US position was "regrettable" but that the summit had achieved "good results in some areas," and cited a hard-won agreement on trade that included Mr. Trump and the United States but did not erase the differences over the issue. She said the talks had been at times "difficult."

Mr. Trump's chief economic adviser played down tensions between the US and other nations as the President headed home from his first G20 summit.

Gary Cohn told reporters aboard Air Force One that while communiques "are never easy," he thought this one "came together pretty reasonably". He said having "a diversity of opinions in a group of 20" was not unexpected.

"To get 20 of your friends to agree to have dinner tonight is pretty hard," Mr. Cohn said.

Mr. Cohn added that while the US obviously has chosen to get out of the Paris agreement, "we do go out of our way to say in there that that doesn't mean we don't support the environment and we're still working for the environment."

On trade, the talks preserved the G20's condemnation of protectionism, a statement that has been a hallmark of the Group's efforts to combat the global financial crisis and the after-effects of the Great Recession.

The group added new elements, however, an acknowledgment that trade must be "reciprocal and mutually advantageous" and that countries could use "legitimate trade defence instruments" if they are being taken advantage of.

US Treasury Secretary Steven Mnuchin said there was "incredible consensus" on the issue and that the US pushed to include the phrasing about "reciprocal" trade.

The wording echoes concerns voiced by Mr. Trump, who has said trade must be fair as well as open and must benefit American companies and workers. He has focused on trade relationships where other countries run large surpluses with the US, meaning they sell more to US consumers than they buy from American companies.

That's in contrast to the approach favoured by Ms. Merkel and the EU, who stress multilateral trade frameworks such as the World Trade Organization (WTO).

More broadly, concerns about trade and its impact on workers figured large in the 2016 US presidential election and in Britain's referendum vote to leave the European Union, a free-trade bloc.

Yet pro-trade officials from the European Union pointed out that the language in the G20 statement contains no departure from the current global system of regulation, which already allows countries to take defensive measures within the rules of the WTO. Those can include import taxes that offset unfair practices such as government subsidies or below-cost pricing.

Despite the trade agreement, the summit was marked by clashing visions, especially where Washington and the European Union were concerned.

The EU demonstrated its willingness to move ahead with free trade despite Mr. Trump announcing a trade agreement with Japan on the eve of the summit.

On climate, summit deputies worked until shortly before the ending news conferences to hash out a three-part fudge that everyone could sign. That meant a first section with a broad pledge to fight climate change in general; a separate paragraph carved out that acknowledged the US did not support the Paris deal; and a third paragraph in which the other 19 members reaffirmed their support for the deal.

Advocates for efforts against global warming expressed relief that the other countries had remained unanimous in support of the Paris accords.

"The US has obviously been clear about where it stands with the Paris Agreement, but it is heartening that 19 other countries reaffirmed their commitment to the agreement," said Thoriq Ibrahim, minister of energy and environment for the Maldives and Chair of the Alliance of Small Island States, a group of countries vulnerable to the effects of global warming.

The results of the summit aren't absolutely decisive, on either the trade or the climate issue. The no-protection pledge was often violated, increasingly in harder-to-detect ways such as tax breaks for home industries rather than obvious import taxes.

Meanwhile, failure to agree on climate doesn't stop countries from moving ahead in meeting the Paris agreement's goals, or exceed them if they want to. Additionally, US states and private companies can pursue lower emissions on their own.

G20 agreements are statements of intent and rely on governments themselves to follow through. Still, they set the tone for global policymaking and enable peer pressure when they're not followed.

Other deals at the summit included an agreement to press internet providers to detect and remove extremist content as a way of fighting terrorist incitement and recruiting.

John Kirton, co-director of the G20 Research Group at the University of Toronto's Munk School of Global Affairs, called the summit a "very solid success." He pointed to broad agreement on the agenda, much of it focusing on less controversial issues such as women's empowerment and promoting digitalization.

Over the long term, the G20 implements 72 per cent of its promises, and has implemented 80 per cent of them since last year's summit in Hangzhou, China, according to Mr. Kirton.

The meetings competed for attention with rioting by anti-capitalist demonstrators outside the heavily secured Hamburg Messe convention centre. Rioters set up street barricades, looted supermarkets and attacked police with slingshots and firebombs.

The G20 comprises Argentina, Australia, Brazil, China, Germany, France, Britain, India, Indonesia, Italy, Japan, Canada, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the US and the European Union.

(http://www.thehindu.com 9 July 2017)

ARTICLES

‘Monumental’: China Launches National Emissions Trading System

by Michael Holder, 19 December 2017.

CHINA has announced further details of its forthcoming national emissions trading scheme (ETS), revealing the rollout will start in the energy sector before full implementation from 2020 onwards.

In a move that campaigners hailed as a “monumental” step in the global fight against climate change, the Chinese government confirmed the long-awaited ETS - which was trailed at the One Planet Summit in Paris - will create the world’s largest carbon market once it comes into operation, dwarfing Europe’s ETS in size and scope.

The cap and trade scheme will see high emitting companies buy and sell emissions credits below a defined, gradually declining limit. The market is set to initially cover around 3.5 billion metric tonnes of carbon from 1,700 stationary sources across China’s power sector, including the country’s coal plants.

The scope means the ETS will initially account for around 34-39 per cent of China’s total emissions, before gradually expanding to also include other high emitting industries such as aluminium and cement in the coming years. The scheme is also expected to grow to include the heating sector, with China having announced a five-year plan to convert northern cities to clean heating during the winter through to 2021 in order to avert a deepening heating crisis, according to *Reuters*.

Green NGO the Environment Defense Fund said that by the time the program is fully implemented from 2020 it is expected to cover some five billion metric tonnes of CO2, which would account for a sizeable chunk - roughly 15 per cent - of total global emissions.

“The world has never before seen a climate program on this scale,” said EDF president Fred Krupp. “It is important that the world’s largest emitter should lead on climate, and that is precisely what China is doing by launching its national emissions trading system. China has stepped up its climate leadership dramatically in recent years, and is now increasingly seen as filling the leadership void left by the US.”

Initially nine regions and cities, including Jiangsu, Fujian and seven regions where pilot schemes have been operating, will coordinate to establish the ETS system, *Reuters* reports. The intention is that the market will become the primary mechanism for ensuring China remains on course to peak its total emissions by 2030 at the latest, in line with the country’s Paris Agreement pledges.

However, there are still no firm details as to precisely when trading in the long-awaited carbon market will actually begin, nor a timetable for the phase-in of other industries. Chinese media site *Shoudian* reported that is “probable” that formal trading will not start until 2019, but officials are yet to provide an official start date.

Some commentators have suggested the lack of clarity is because China is still not ready to launch the ETS. Having begun piloting emissions trading programmes four years ago, China’s President Xi Jinping had promised to launch the cap and trade programme before the end of 2017. But analysts have warned much of the technical infrastructure required for a national roll out is still not in place.

(https://www.businessgreen.com/)

Trade in the Context of the 2030 Agenda

by Adam Fishman, 18 December 2017.

THIS week’s brief looks at trade in the context of the 2030 Agenda for Sustainable Development, following the World Trade Organization’s (WTO) Eleventh Ministerial Conference (MC11), which convened from 10-13 December 2017, in Buenos Aires, Argentina. This meeting of the WTO’s highest decision-making body opened just over a month after the 70th anniversary of the General Agreement on Tariffs and Trade (GATT), the WTO’s predecessor.

Expectations varied going into the Ministerial, due in part to looming questions around the US level of commitment, which some reported as being a hindrance to the meeting’s outcome, citing US non-engagement and a lack of deals. There were also complaints relating to some civil society members' credentials being revoked. Progress on a range of issues continued, despite these hurdles.

Prior to MC11's kick-off, the International Centre for Trade and Sustainable Development (ICTSD) published a special issue of the Bridges Negotiation Briefing. This guide covers topics discussed at MC11, including fisheries, agriculture, e-commerce, development, gender, investment facilitation, fossil fuel subsidies and services. ICTSD also tracked the discussions during the Conference. Alongside the official ministerial, ICTSD hosted its biennial Trade and Sustainable Development Symposium (TSDS) from 11-13 December 2017. Intended to complement the WTO proceedings, the TSDS featured plenaries on: the global economy, 2030 Agenda and prospects for trade; the future of the global trade system and the WTO; and Latin American challenges in the new global economy.

On fisheries, an SDG Knowledge Hub policy brief highlights hot-button issues such as fisheries subsidies' contribution to illegal, unreported and unregulated (IUU) fishing, and outlines related publications and WTO releases that fed into MC11. On the margins of MC11, the UN Conference on Trade and Development (UNCTAD) hosted a discussion in partnership with the UN Economic Commission for Europe (UNECE), Food and Agriculture Organization of the UN (FAO), the Commonwealth and UN Environment Programme (UNEP) on 'Fish Trade, Fisheries Subsidies and SDG 14.' The event aimed to build greater understanding among trade negotiators on trends in, and the significance of, fish products *vis-à-vis* international trade, as well as instruments applicable to fisheries, and barriers in fish trade.

Although the WTO reported that MC11 ended with decisions around fish subsidies and e-commerce, other sources (UNCTAD, SDG Knowledge Hub, and Seafoodsource) point out that the decision was to take a decision by 2019, especially in the context of SDG target 14.6. A research paper by ICTSD titled, 'Options for Improving the Transparency of Fisheries Subsidies,' aims to add to the body of knowledge on implementing SDG target 14.6. The paper offers background information on notification requirements under the GATT and WTO, discusses proposals to include fisheries information in required notifications, and provides an initial feasibility assessment via a review of data currently collected by FAO and the Organization for Economic Co-operation and Development (OECD). A complementary opinion blog is also available. AICTSD paper on fossil fuel subsidy reform (FFSR) reviews lessons from the fisheries negotiations. It considers whether the fisheries subsidy discussions can be an appropriate benchmark for FFSR, concluding that the WTO should indeed have a role, and is better suited than other inter-governmental organizations to carry reforms forward.

In the context of trade and oceans, the 30th International Maritime Organization (IMO) Assembly adopted seven "strategic directions" at the conclusion of its meeting, from 27 November to 6 December 2017, in London, England. Measures include responding to climate change, engaging in ocean governance, and enhancing the "global security and facilitation of international trade."

In seeking to facilitate international trade and support SDG attainment, IMO Secretary-General Kitack Lim stressed a need to become a more nimble, adaptive "knowledge based organization," given the pace of disruption in other industries. Relatedly, giving remarks at MC11, UNCTAD Secretary-General Mukhisa Kituyi called for a "re-energizing" of the global trading system. He noted that the multilateral trade system is a cornerstone of a revitalized global partnership for sustainable development, but that challenges remain, particularly with regard to the growing discourse around anti-globalization and some governments' shifts to inward-looking approaches.

On finance, during the WTO Ministerial, the UK pledged US$21.3 million to support innovative trade programmes for the least developed countries (LDCs). Funds will flow through the Enhanced Integrated Framework (EIF), which has invested US$220 million in LDCs' trade capacity development since 2008. The EU also pledged euro 1 million to the WTO's Doha Development Agenda Global Trust Fund, to build developing countries' capacity to "play a more active role" in the negotiations.

Issues such as gender equality (SDG 5) and peace, justice and strong institutions (Goal 16) also came to light in the activity surrounding the MC. Nearly three-quarters of the WTO's 164 members backed a declaration on trade and women's economic empowerment. The declaration offers a framework for the adoption of "gender-responsive trade policies." Additional information on the declaration, prepared by the International Gender Champions Trade Impact Group, is available here.

A study released by the Yale Center for Environmental Law and Policy (YCELP) takes the conversation on trade from the intergovernmental to national level, offering a report titled, 'An Empirical Examination of Trade Openness and National Environmental Performance.' The authors note that increased trade flows are "positively associated with environmental health outcomes and negatively associated with measures of ecosystem vitality," but do not go so far as to suggest causation. The study also highlights that good governance enables countries to derive benefits from trade while limiting environmental degradation. Linking to topics covered at MC11, the study discusses results with respect to fossil fuel subsidies and foreign direct investment (FDI), among other topics.

On fossil fuel subsidy reform in the WTO, ICTSD released a paper titled, 'Options for Constraining Dual Pricing in the Multilateral Trading System.' The paper notes that dual pricing – whereby resource-rich countries offer energy resources domestically at significantly lower prices than on the export market – can be considered a harmful subsidy, as it ultimately disincentivizes the reduction of carbon emissions in those countries. The author calls on the WTO to play a more active role in the phase-out of such practices.

To address uneven climate efforts, experts from Climate Strategies highlight the potential role of border carbon adjustments (BCAs), which can be fiscal measures applied to imported goods, but can also take the form of emissions requirements or regulatory relief. The report titled, 'Designing Border Carbon Adjustments for Enhanced Climate Action' is authored by experts from the Massachusetts Institute of Technology, Stockholm Environment Institute, German Institute for International and Security Affairs, and the Institute of Management Technology, Ghaziabad, and the publication is the latest output from the Making the International Trading System Work for Climate Change project.

Focusing on linkages between two global frameworks, Climate Strategies and Friedrich Ebert Stiftung co-hosted an MC11 side event on the theme, 'How to make International Trade Policy Supportive of the Paris Agreement.' Experts involved in the project also recently authored a guest article on the SDG Knowledge Hub, examining how trade agreements can support fossil fuel subsidy reform to accelerate progress towards fulfilling pledges made under the Paris Agreement.

(http://sdg.iisd.org/)

Canada and China to Strengthen Cooperation on Climate, Carbon Markets

by Karl Mathiesen, 5 December 2017.

THE premiers of China and Canada have announced deeper collaboration on climate change and energy, including on carbon markets.

On a state visit to Beijing, Canada's Justin Trudeau and China's Li Keqiang issued a joint statement that reinforced their commitment to the Paris climate agreement. "It will not be renegotiated", they said – a message to US president Donald Trump.

The two countries agreed to establish a ministerial dialogue on climate change, to include cooperation on developing carbon markets. Canada has set a nationwide carbon price, while China is looking to establish a national emissions trading scheme, raising the possibility of future international trade in carbon credits.

They also flagged a closer partnership at UN climate talks. Canada and the EU have vocally championed climate action at these meetings since Mr Trump announced the US was withdrawing from the Paris deal. China has appeared more ambivalent.

Catherine McKenna, Canada's minister of environment, was at the negotiating table in Beijing. She said the climate announcement, which was released amid discussions of a potential bilateral trade deal, was important for shaping the ongoing trans-Pacific relationship.

"Environmental protection is key to our progressive trade agenda and will provide even greater opportunities for businesses to provide innovative solutions for clean air, water and soil that will lead to good, middle-class jobs and prosperity in both countries," she said.

The two countries, along with the EU, have made diplomatic efforts during the year to present a united front on climate change. The three hosted a ministerial summit on climate change in Montreal in September.

The statement between Canada and China falls short in detail of a nine page EU-China declaration that was buried at the last minute in June.

Mr Trudeau and Mr Li emphasized cooperation on the deployment of clean energy, while also promising to "promote sustainable energy and resource development, including upstream oil and gas".

Last month, Canada sent its first shipment of liquefied natural gas (LNG) to China. "An event of great significance at a time when China's demand for LNG is growing rapidly," according to state newspaper China Daily.

(HTTP://WWW.CLIMATECHANGENEWS.COM)

Choking Delhi has not Registered a Single Case Against Air Polluters in the Last Three Years

by Kumar Sambhav Shrivastava,
5 December 2017.

NOT a single case was filed against polluting industries in Delhi between 2014 and 2016 even as the city's air quality kept worsening, data released recently by the government shows.

Industrial units are majorly responsible for the rising levels of sulphur and nitrogen oxides as well as the pollutant particles PM 2.5 and PM 2.10 in Delhi's air. Yet, not one has been prosecuted or fined under the Air (Prevention and Control of Pollution) Act, 1981.

The Act empowers State Pollution Control Boards to take industries to court for violations such as exceeding the permissible emission limits or not installing the mandated pollution control equipment. If the offence is proved, the court can punish the managers of the industries with up to six years in prison, along with a fine.

Latest data released by the National Crime Records Bureau on November 30 shows that only 25 cases under the Act were registered across India last year – 21 in Maharashtra and two each in Uttar Pradesh and Jharkhand. At least 35 people were arrested and 72 charge sheeted in these cases.

In 2014 and 2015, a total of 98 cases related to violation of the Air Pollution Act were filed – 55 in Maharashtra, 27 in Bengal, 10 in Rajasthan, five in Jharkhand and one in Karnataka – and 210 people were arrested.

But Delhi, despite having the dubious distinction of being one of the world's most polluted cities and with a clutch of polluting industries operating in it, hasn't found any case of violation of the Act.

"The pollution control boards do not want to initiate any legal action," the environment lawyer Shri Ritwick Dutta said. "This is the reason we haven't seen substantial improvement in the city's air quality for years. Everything that is being done at the policy level is that broad guidelines are being issued. Where are the legal actions against the polluters for violating the law?"

This situation will change only when the violators are taken to court, Shri Dutta added.

Delhi has two power plants, at least 20 big factories – with smokestacks more than 20 metres high – and about 25 clusters of small industries, many close to residential areas. According to a study by the Indian Institute of Technology, Kanpur, industrial units and thermal power plants account for almost 98 per cent of sulphur oxide and 60 per cent of nitrogen oxide emitted into Delhi's air everyday.

The Delhi Pollution Control Committee, which is responsible for implementing the Air

Act in the city, did not respond to queries emailed by *Scroll.in*.

Poor Implementation

That the Air Act has been poorly implemented since it was enacted over three and a half decades ago is hardly a secret. The law established Central and State Pollution Control Boards, and empowered them to impose emissions standards on industries and act against polluters. In fact, the law requires industries to take "consent to establish" and "consent to operate" from the State Pollution Control Boards before starting operations.

However, various reviews of environmental laws show that the boards have limited their role to giving consent to establish and to operate industries. They barely monitor compliance with the standards or take legal action against the violators. But why?

"An officer authorized by the State Pollution Control Board has to file the case in the magistrate's court," said Shibani Ghosh, an environmental lawyer and a fellow at the Centre for Policy Research. "Like other criminal cases, these cases go on for very long, sometimes even over decades. The boards have limited resources, personnel and time and that's why they are not interested in filing and pursuing these cases."

In a 2015 paper titled "Reforming the Liability Regime for Air Pollution in India", Ms. Ghosh wrote:

"One of the main reasons why the current criminal liability regime has failed is that the overwhelming pendency in the courts, and the procedural hurdles of proving a case beyond reasonable doubt negated any fear of penal action. Non-compliance does not come at a very high cost; and regulated entities are willing to take the (miniscule) risk. This tendency needs to be reversed."

While the National Crime Records Bureau's data shows authorities across the country have little interest in filing cases against polluters, the authorities in Delhi seem particularly uninterested. A major violation of the Air Pollution Act occurs when industries exceed the emission standards. Yet, as *Scroll.in* reported earlier, the government has been sitting on the emission standards for major industries operating in Delhi for years. This is quite convenient for the polluters: with no standards in place, the question of violating them does not arise.

(https://scroll.in)

Canada to Explore Trade, Climate Change Fight, with China

by Daniel J. Graeber, 27 November 2017.

THE Canadian prime minister said a "progressive trade" relationship and climate change would be high on the agenda during a December tour of China.

Canadian Prime Minister Justin Trudeau announced during the weekend he'd travel to China for a five-day trip starting 3 December. The outreach to the world's second-largest economy is the latest in a series that began with his first official visit in September 2016 and comes amid cantankerous negotiations over the North American Free Trade Agreement.

During his visit, the prime minister's office said he'd "promote the progressive trade agenda" and highlight ways both economies would work together on fighting climate change.

"A strong relationship with China is essential to creating jobs, strengthening the middle class, and growing the Canadian economy," Mr Trudeau said in a statement.

Mr Trudeau in April spoke with his Chinese counterpart, Li Keqiang, to discuss ways to tackle climate change and cooperate in new trade areas such as clean energy.

Canada's outreach with China is part of a common theme for 2017, with leaders from oil-rich Alberta reaching out to Beijing early this year. In May, the Canadian government issued a public call to weigh in on the possibilities of reaching a free-trade agreement with China as the Central Bank of Canada warned that some of the protectionist policies from US President Donald Trump were leaving many economists and corporations guessing.

Canada is largely landlocked and relies almost entirely on the United States as its export destination for oil, a primary export commodity. Mr Trump has advanced energy issues in Canada's favour, like the Keystone XL oil pipeline, but introduced a 20 per cent tariff on soft lumber from Canada, another one of the country's top exports.

China is the No. 2 trading partner with Canada, after the United States. Chinese President Xi Jinpingin in July called for the "launch negotiations on a free trade agreement at an early date."

Canada relies heavily on oil and natural gas to drive its economy, though it's moved recently toward diversity through renewable energy programs. With US energy policies migrating toward fossil fuels, environmental groups like Greenpeace said it will be China that will take the lead on the development of renewable energy.

(https://www.upi.com/)

Revisiting Free Trade and Climate Change under the Paris Agreement and the Trump Administration

by Daniel P. Hido, 20 November 2017.

AS a candidate, Donald Trump was critical of past trade agreements entered into by the United States, and he expressed his intent to negotiate more favourable trade deals as President. One of the earliest actions of the Trump Administration was to withdraw from the proposed Trans-Pacific Partnership. And, on 18 May 2017, the Administration formally notified Congress of its intent to renegotiate the North American Free Trade Agreement ("NAFTA").

On 1 June 2017, President Trump announced the United States' withdrawal from the Paris Agreement. More than 190 countries are party to the Paris Agreement, which is aimed at reducing global greenhouse gas emissions in an effort to combat the effects of climate change. This article explores the relationship between free trade and climate change, and how the international community may attempt use future trade negotiations to combat climate change.

The precise effect that free trade has on climate change is not a settled point. The World Trade Organization's 2009 *Trade and Climate Change Report* explains that free trade has competing effects on climate change, leaving it difficult to determine the overall impact. The report identifies three main areas where trade affects climate change: (i) scale effect; (ii) technique effect; and (iii) composition effect.

First, free trade tends to promote greater economic output and consumption of fossils fuels, which consequently increases greenhouse gas emissions. WTO refers to this as the "scale effect."

Second, free trade can increase the availability and lower the cost of climate-friendly goods and services, thus leading to improvements in production methods and consequently lowering greenhouse gas emissions. WTO refers to this as the "technique effect."

Finally, free trade tends to concentrate economic activities in a country that has a comparative advantage in those industries. WTO refers to this as the "composition effect." WTO explains that this factor can have both positive and negative effects on climate change. For example, whether opening trade in a given country increases or decreases emissions will depend on whether that country's comparative advantage lies in less emission-intensive or more emission-intensive sectors. Further, the "pollution haven" hypothesis asserts that high-emission industries may relocate to countries with less stringent environmental regulations.

WTO notes that "most studies to date have found that the scale effect tends to outweigh the technique and composition effect in terms of CO2 emissions," but noted that additional research is needed. This is even more so the case today—recent technological developments in solar, wind, and other clean energy sectors could potentially strengthen the positive impacts of the technique and composition effects while mitigating the negative impacts of the scale and composition effects.

Aside from the noted effects of free trade, free trade agreements themselves may also contain built-in environmental standards meant to address climate change and emissions leakage. Based on recent international developments like the Paris Agreement, such provisions in free trade agreements are likely to become more common and more protective of the environment.

Countries may also use trade to further climate goals through the areas identified in the WTO report—that is, by using trade to consolidate production in countries with comparative advantages in climate-friendly practices and technologies, and to bring climate-friendly goods, services, and technology to countries lacking such resources.

Given the international community's stated desire to fight climate change, US negotiation or renegotiation of trade agreements may require the United States to consider climate policy commitments. For example, trade partners with significant climate commitments may insist upon more stringent trade agreement provisions to minimize shift of emissions intensive activities from the trade partner to the United States.

(https://www.lexology.com)

The UN Climate Change Conferences and Action by Citizens: The Climate Crisis, A New Source of Corporate Profit?

by Wayne Hall,Global Research, 13 November 2017.

The United Nations Climate Change Conferences are held each year in the framework of the relevant treaty that was opened for signature in 1992.

This treaty aims at addressing climate change by imposing on all treaty signatories the obligation to reduce the emissions of the gases that are said to cause the greenhouse phenomenon. It requires the industrialized countries – in contrast to the developing countries – to achieve stabilization at the levels of 1990.

The distinction between industrialized and developing countries derives from the assertion that the industrialized countries are responsible for the greater part of global emissions of greenhouse gases and also that they possess the institutional and financial ability to limit them. As a member of the European Union, Greece is included among the industrialized countries.

THE first UN climate change conference was held in Berlin in 1995. The most recent, the 23rd, is being held at this moment (12 November 2017) in Bonn. The Presidency this year is held by Fiji. At the UN climate change conferences the presence of civil society has been conspicuous from the outset in the sense that there is participation by NGOs concerned with environmental problems, and indeed not only environmental problems but also problems of equality, relations between the sexes, etc. Many of the activists are committed to what is known as climate justice, something evidently based on a supposition of deliberate human intervention in the climate, because if the climate is determined by Mother Nature, or even a combination of Mother Nature and the unintentional effects of industrial development, it appears pointless to speak of justice, because presumably Mother Nature follows her own rules which are not dictated by the desires of human beings.

Apart from the influence of NGOs on the discussions there is an additional factor, which is noted by the organization Carbon Trade Watch, a group opposed to emissions trading, one of the central elements of UN methodology for the climate.

According to Carbon Trade Watch in the years that have passed since the first conference in Berlin we see the discussions moving further away from identification of the real causes of climate change, along with a spiraling of the negative effects, influencing ever wider areas and ever larger populations. Each year we see a more powerful presence of big corporations and a weaker influence of those suffering the damage.

The climate crisis has been transformed into an opportunity for new businesses, new sources of profit. Climate policies foster the financialization of nature. The elements of nature – carbon dioxide, water, biodiversity, become measurable units, which can be bought and sold and also become the object of stock exchange speculation.

Of course the NGOs oppose these developments, and the result is that the United Nations conferences have become a battlefield between large and small vested interests. Because they are increasingly losing the ability to influence developments at governmental level, the organizations that are being funded to participate in the conferences increasingly resort to the media, staging public relations stunts which sometimes resemble reality shows.

The growing distance between the summit and the base was addressed initially through stricter policing. At Cancun in 2010 and Durban in 2011, according to the activist Anne Petermann, official permission was required for every demonstration and protest. Even wearing a T-shirt with an unacceptable slogan on it was enough to get oneself thrown out of the conference. By the time of the 2015 Climate Summit in Paris, a system of apartheid had grown up with a geographical distance of kilometres separating the officials on one hand from civil society on the other.

The greatest turmoil was produced by the functions that had maximum coverage from the media. If we can judge from the experiences of some of us in Paris, where we demonstrated around an issue that is buried totally and systematically by the television and the press, namely climate manipulation, the way in which we were treated by the police was finally more polite and their interest greater than in the case of subjects that had attracted the interest of the media, where both the demonstrators and the police were more aggressive and more closed.

As indicated, at this year's conference in Bonn, Fiji has the presidency, and the focus of media attention was on the Pacific Climate Warriors. The aim of the Pacific Climate Warriors is abolition of fossil fuels. In October 2014 they blockaded the harbour of Newcastle in Australia, the country's largest coal exporting port. Last week, to return to the present, the Pacific Climate Warriors blocked the entrance to a lignite mine in the Rhineland in Germany.

Both in Australia and in Germany, not to mention other countries, the turn to renewable energy sources, chiefly from sun and wind, is facing many problems, which are not exclusively attributable to political pressure from the oil and mining lobbies. The Australian state that has made the greatest turn to renewables, particularly wind parks, now has the most expensive electricity in the world, and is plagued by blackouts. Many poor families can no longer afford to have electricity in their homes. Those who have their backs to the wall politically are not just the Greens and the Labour Party but also the big centre-right parties that have supported the turn to renewable energy sources. The nuclear lobby, which had been defeated in Australia on the electricity generation front, is staging a comeback and entering the fray with powerful arguments against industrial wind farms and solar installations.

In Germany, both nuclear energy and wind farms have lost the confidence of the public, with the result that new lignite burning power stations are being built. The arguments against wind power are focused on the damage that ultrasound can do to human health, and also to bats, which it attracts, to be killed by the rotors, and then the damage that is being caused to wide expanses of unspoilt countryside, and the fact that wind parks do not sufficiently reduce dependency on fossil fuels.

One Carbon Trade Watch activist Ivonne Yanez from Ecuador even floats the idea that the policy of leaving 70 per cent of fossil fuels in the ground may be supported by a section of the oil lobby with a view to securing higher prices.

In any case, in the final analysis although Greece is a member of the European Union and regarded as an industrialized country and not a developing country, the fact is that we are not in the same category as those who can fund the Pacific Climate Warriors to stage demonstrations in Australian industrial cities. We are in the same category as these people from so-called underdeveloped countries who tell us that that their property is under threat, their land, their survival in their present way of life. And I hope that we are not going to be satisfied with staging reality shows and the politics of the spectacle. We want to be citizens with functioning institutions and with the ability to defend ourselves and defend genuine sustainable development.

(https://www.globalresearch.ca)

The TPP vs Climate Change: Are They Compatible?

by Branko Marcetic, 11 November 2017.

JACINDA ARDERN melted the anthropogenically warming hearts of many an environmentalist when she declared during the 2017 election campaign that climate change was her "generation's nuclear free moment," and that she was determined to "tackle it head on."

And in Vietnam, she sounded a similar tune in front of a group of business executives, affirming that "climate change is the greatest challenge facing this generation" and "the greatest challenge facing the Asia Pacific region," calling for an end to subsidies to fisheries and (gradually) fossil fuels.

Yet there was also something of a disconnect between Ms. Ardern's rhetoric and why she was in Vietnam. Da Nang, the site of Ardern's speech, was also the location of the latest Trans-Pacific Partnership (TPP) negotiations, which Ms. Ardern is pushing ahead with as prime minister. For the past few weeks, New Zealand and ten other countries have been trying to figure out how to go ahead with the deal, with New Zealand wrangling over the TPP's controversial investor-state dispute settlement (ISDS) provision, which would allow corporations to sue the New Zealand government over policies that affect their business investments.

The final shape of any deal, and its ISDS provision, could have significant consequences for the viability of the Ardern government's climate goals.

The ISDS provision is probably *the* most controversial element of the TPP. While Ms. Ardern appears committed to removing it from the deal, she has also acknowledged it may be too late, telling *Bloomberg* that New Zealand would "raise the issue, to pursue it as far as we're able," suggesting it won't be a deal-breaker.

ISDS tribunals have crossed over with environmental regulation in the past. According to the Sierra Club, a US environmental group, companies such as Chevron, ExxonMobil and others have sued governments over everything from a nuclear energy phase-out to new coal-fired power plant standards.

Canada, the most-sued country under NAFTA's ISDS provision, was taken to court 35 times in the last two decades, mostly over environmental policies. In one 1997 case, the government had to remove a ban on a suspected neurotoxin and pay $15 million worth of damages. It's currently in the midst of a years-long, US$118.9 million suit filed against it by US driller Lone Pine over Quebec's ban on fracking.

Similarly, when the Obama administration rejected the controversial Keystone XL pipeline in 2016 after years of activist pressure, TransCanada – the company behind the pipeline – began ISDS procedures. Whether or not it would have been successful, we'll never know – the company dropped the suit after Mr Trump reversed Mr Obama's decision in February.

All of this would seem to spell certain doom for the Ardern government's climate goals. To get a better sense of the issue, I spoke to a number of environmental experts and academics to get their take on the compatibility of the TPP and action on climate change.

Nearly all the environmental groups I contacted were opposed to the agreement, and believed it contradicted Ms. Ardern's climate rhetoric.

"The TPP is incompatible with real action on climate change," says Niamh O'Flynn, executive director of 350 Aotearoa, citing the ISDS clause.

"With the TPP we have three choices: wreck the climate with business as usual, cough up fortunes to settle with big oil, or if this truly is our 'nuclear-free moment,' don't sign it."

Simon Terry, executive director of the Sustainability Council of New Zealand, calls ISDS "the TPP's biggest barrier to climate action" but does not believe it is incompatible with serious reform.

"A key risk is that if the government puts a serious price on emissions, the ISDS clauses would allow emitters that are foreign investors to pursue claims for lost profits," he says. "The threat of such legal action would make reform more challenging due to the risk of large payouts, and that could limit how far and how fast the government was prepared to move."

Mr Terry had last year produced an expert paper on "The Environment Under TPPA Governance." Among its key points were that the agreement's climate change section didn't even mention the words "climate change" or the United Nations Framework on Climate Change, under which the Paris Agreement was negotiated, and that the ability to sue governments would create a "chilling effect" on governments' willingness to pass environmental reforms.

"This favours retaining low standards when these need to rise markedly," he wrote then.

Rick Zwaan, a campaigner with Action Station who attended climate negotiations in Copenhagen and Cancun and has served as a climate policy researcher, was similarly negative, pointing out that ExxonMobil's US$218 billion in operating revenue is more than our country's GDP.

"If we decided to pass laws to keep fossil fuels in the ground – what's needed to limit global warming – then big oil companies with their armies of lawyers could sue our government," he says.

Also pessimistic was Dr. Alexandra Macmillan, co-convenor of OraTaiao: the New Zealand Climate and Health Council, a not-for-profit, non-partisan organization that focuses on the impact of climate change on health.

"The government's promises about climate change will necessarily mean the coal, oil and gas that was once worth trillions of dollars will need to stay in the ground and not be burnt," she says. "We know from the bitter experience of trying to reduce tobacco-related deaths that allowing companies to sue governments for lost profit can slow down and weaken health-protecting policies, or ensure governments don't even try to put these policies in place."

A more optimistic view was put forward by Professor Dave Frame, director of the New Zealand Climate Change Research Institute. Frame believes that commercial interests should have the same right of using the legal system as groups like Greenpeace or individuals like law student Sarah Thompson. (Though he adds the fact that Canada spent $65 million over 20 years to combat these lawsuits is "sad," and that there "should be a higher barrier to being able to bring these sorts of actions").

Prof. Frame views the Canadian examples as "pretty small beer," and that the companies have "quite a low strike rate" when it comes to winning the full compensation they demand.

"I don't see any reason to be seriously concerned here," he concludes. "Most of the challenges are to new, rather than existing legislation. You cannot reasonably move to a place with a price on carbon and demand it be abolished."

Adrian Macey is also unconcerned. A senior associate at Victoria University's Institute for Governance and Policy Studies, Mr Macey has one foot each in the worlds of climate policy and trade: he served as New Zealand's first climate change ambassador from 2006 to 2010, and as New Zealand's Chief Trade Negotiator from 2000-02, and was involved in trade negotiations for the GATT and WTO. He's also himself served on several ISDS panels.

"TPP would not in any way prejudice meeting climate goals," he says. "The Paris Agreement is a powerful international consensus of all but a handful of insignificant countries. No way it would be overridden by trade agreements."

When asked to elaborate, Mr Macey explained that companies "have been doing internal carbon risk assessments for years" and know that a transition out of fossil fuels is coming. "You don't have a case to take on the basis that a country is undergoing a transition to low carbon consistent with the Paris Agreement," he says.

Mr Macey also believes that "there is a huge amount of exaggeration about the potential of ISDS." Though he does acknowledge that some "nasty corporates" have invoked it, he insists that "they are going to get short shrift if they try it on in this area."

Auckland University's Dr. Jane Kelsey disagrees."The biggest direct threat to climate change policies is the investor-state dispute mechanism," she says, adding that the New Zealand government has been seeking side-letters from countries promising not to use it against New Zealand.

Dr Kelsey, a long-time TPP critic, says that there's no certainty about how ISDS tribunals may respond to a claim "because there is no formal system of precedent," and points out that their "lack of consistency and predictability is one of the major complaints." She also says that the Paris Agreement can only be invoked as a defence to a particular legal argument, and that it can't override the agreement's investment rules.

"The adoption of the agreement and others like it would restrict the regulatory options available to the government, as it found with the gymnastics around restricting foreign buyers of residential property," she says.

Indeed, as Dr Kelsey alludes, the government had rushed to get its foreign home buyer ban through before the TPP was signed. David Parker earlier appeared to acknowledge it would have constrained the government's policy choices.

"If you don't do it now, you can never do it," he told *Morning Report* about the ban. "Because if TPP is entered into, New Zealand will have lost the policy space to protect the New Zealand housing market for New Zealanders."

It's hard to see why that logic wouldn't also apply to New Zealand's environment as much as its housing market. It's a big question – quite literally a matter of life and death, not just for New Zealanders who will be buffeted by an unprecedented amounts of extreme weather events and droughts as a result of climate change, but by our Pacific neighbours, whose homes and livelihoods are disappearing thanks to rising sea levels.

Climate change "is literally lapping at our feet," the prime minister told her audience, insisting that "this is not about talking what we do in the future but the action that we have the potential to carry" now. Yet if the majority of those I spoke to are right, and the Ardern government pushes ahead with the ISDS provision as is, there may not be much action either we or her audience can take.

(https://thespinoff.co.nz/politics)

Can India-EU Strategic Partnership Focus on Climate Change, Clean Energy?

by Vijeta Rattani, 6 October 2017.

THE 14th EU-India Summit concluded in New Delhi today (6 October). The main agenda of the summit was strengthening trade and investment ties. While the EU was represented by Donald Tusk, President of the European Council and Jean Claude Juncker, President of the European Commission, India was represented by Prime Minister Shri Narendra Modi.

Three pacts were signed: one between European Investment Bank and International Solar Alliance; second on Bangalore metro rail project and third on mobility of Indian and European researchers. Discussions on migration, refugees and stepping up maritime security were held among other issues. They called for a free trade agreement between India and the EU.

The EU-India strategic partnership was launched in 2004 and the joint action plan (JAP) was developed in 2005. With the initiation of negotiations on Broad-based Trade and Investment Agreement (BTIA), the nature of this bilateral relation seems to have moved towards being trade-based. Other issues, including foreign policy, security, environment and terrorism also formed part of the JAP and discussions under the bilateral EU-India Summit were held every year from then on until 2013 when the process was disrupted due to the deadlock on BTIA. The EU's other strategic partners are China, Mexico and Brazil. The latest EU-Russia strategic partnership was signed in 2011 but failed on account of annexation of Crimea and host of Russian activities viewed as disruptive and unstrategic by the Europeans.

The EU-India relations have struggled from 2009 onwards. The Eurozone debt crisis, policy incoherence in the EU as a result of its expansion, policy paralysis in India under UPA II and disruption in negotiations on BTIA are the key reasons cited by experts for the same. During the same phase, the EU's role in areas of global governance such as climate change also decreased significantly. Its diplomacy failed during the 2009 Copenhagen Summit, which was meant to adopt another deal to replace Kyoto Protocol. Its role in the Paris Summit, 2015 was also largely defined by French leadership.

However, things have been improving since then. The EU has emerged as a stronger economic entity and India has new leadership under PM Narendra Modi, focusing on development and good governance. EU and India renewed their relations during the 13th EU-India Summit held in Brussels in 2016, which saw resumption of BTIA talks and adoption of an Agenda for Action 2020 to jointly guide and strengthen the India-EU Strategic Partnership in the next five years.

The Agenda identifies key areas of cooperation, including foreign policy, security, clean energy, climate change, clean coal, migration and refugees. The ambit of cooperation extends to India's flagship initiatives, including Make in India, Clean Ganga, Clean India, Smart Cities and biotechnology, sustainable energy and Sustainable Development Goals (SDGs).

Cooperation on Climate Change

The Agenda for Action 2020 has a separate section on climate change under which both the EU and India seek to work on enforcing intended nationally determined contributions (INDCs) which the countries submitted leading up to the Paris Agreement. Cooperation on other components of Paris Agreement such as transparency and accountability framework, adaptation and disaster preparedness also forms part of the vision document. Regarding energy, the cooperation is focused on energy efficiency in buildings, development of renewable resources, including solar and offshore wind, smart grids, energy research and innovation.

The economic partnership seems to have been mutually beneficial. The EU is India's largest trading partner with India receiving around US$83 billion FDI flows from Europe during 2000-17, accounting for 24 per cent of the total foreign investments. But now, the nature of partnership must be revisited and made more dynamic by including other pressing issues and confronting us today. Climate change is one of them.

After the US pullout, the EU is well positioned to lead the climate agenda despite deadlock over Brexit. The EU has been a leader on clean technologies. Research points out that globally, 40 per cent of the high-value technologies started in EU. In the field of renewable, EU has proved its mettle. At 276 GW, EU has the highest renewable energy capacity in the world. It has also set a target for all new buildings to be nearly zero-energy by 2020. The odds are in the EU's favour to claim its resurgence in climate change issue.

Domestically, while the focus should be on building consensus among member states to adopt a common EU stance and policies, the already existing strategic partnership with countries, including India and other emerging powers, can provide necessary forums to institutionalize its leadership role globally.

While the EU has been reaching out to China in terms of renewable technology and policy coherence, the engagement with other players has been restrictive and limited to commerce and trade largely. Both India and EU are natural partners and both share common concern over issues of global governance like climate change. Opportunities must be explored and harnessed in climate and clean energy by both the partners.

(http://www.downtoearth.org.in)

Is Trump Really Going to Protect American Trade?

by Irwin M. Stelzer, 30 September 2017.

It's put-up or shut-your-tweet time for the president. He has been promising to Make America Great Again by replacing free trade with protectionism, and now has enough opportunities to do just that in cases involving aircraft, dishwashers, solar panels, steel and cars from Korea and, of course, trade with Mexico and Canada.

And there should be no excuses: The president's power to act in trade matters without approval of Congress is far greater than in the case of health care, the wall for which Mexico will (supposedly) pay, tax reform, and immigration. Given those failures, the president needs a win, a promise kept. Trade is the place he can find it.

Start with the North American Free Trade Agreement (NAFTA). American, Canadian, and Mexican negotiators are working on revisions to the 23-year-old agreement, which Mr Trump calls "the worst trade deal" ever signed by the United States. He is still threatening to pull out of the pact, but most believe he is playing "bad cop" to improve the bargaining power of his negotiating team.

Mr Trump wants to reduce America's $64 billion trade deficit with Mexico by increasing the portion of automobile components produced in the United States; pushing up factory wages in Mexico from their current level of between $1 and $4.50 per hour; and ending the use of international arbitration panels to resolve disputes. Canada wants the revised NAFTA to include "progressive" clauses dealing with climate change, indigenous rights, and gender equality. Mexico, its inbound foreign investment falling as a result of the uncertainty surrounding the outcome of the negotiations, just wants the talks concluded quickly, with as little damage as possible to its economy.

Ironies abound. American negotiators are pasting entire passages of the Trump-scuttled Trans-Pacific Partnership (TPP) agreement into their proposed new NAFTA draft.

American businessmen, the supposed beneficiaries of a "fairer" NAFTA, claim that it would hurt American trade if the Trump team manages to negotiate an end to the use of international dispute arbitration panels.

Farmers are supposed to hate the agreement as it's now written, and those in the Southeast do. Fruit and vegetable growers in Florida and other southeast states say they can't compete with unfair competition from Mexico—domestic production of tomatoes is down 11 per cent while imports from Mexico have quadrupled. But farmers in the Midwest grain belt love NAFTA: They have seen their sales of soybeans and wheat to Mexico quadruple. Both regions are Trump country.

Mr Trump's opportunity to redeem his promise to move the international trading system in a protectionist direction is created by more than just NAFTA Mark II. It was a mere three months ago that the president, looking into the eyes of British Prime Minister Theresa May, promised "a trade deal which will be a very, very big deal, a very powerful deal." But Mr Trump's Commerce department slapped preliminary 219.63 per cent (the precision is reassuring, I suppose) countervailing duties on the new C Series 110-to-130 seat aircraft manufactured by Canada's Bombardier, that firm's challenge to the Airbus/Boeing duopoly.

Delta's order for 75 of these planes triggered the Boeing complaint. Boeing says Bombardier is selling aircraft here in America at "absurdly low prices . . . a classic case of dumping." The US International Trade Commission (ITC) will now decide what permanent penalties to recommend to the president; meanwhile, the new higher tariffs are in effect, and Bombardier's share price has taken a hit on the order of 8 per cent.

This matters to Prime Minister May because perhaps 1,000 of the 4,500 jobs at Bombardier's plant in Northern Ireland are now at stake. So she can be forgiven for wondering what her new best friend has in store when they sit down to negotiate that "very powerful" US-UK trade deal. Meanwhile, she will join the Canadians in trying to persuade Mr Trump to reject any tariffs that favour Boeing, which, after all, was at one time attacked by Mr Trump for the high cost of the Air Force One jets it is producing for his use. Canadian Prime Minister Justin Trudeau has threatened that he will not close a $5.2 billion deal to buy F-18 fighters from Boeing if it does not withdraw its complaint.

Hypocrisy abounds. Boeing complains that Bombardier received subsidies from both the Canadian and UK governments, which it did. But the Cato Institute, a Washington think tank, ranks Boeing as America's number one recipient of corporate welfare, and the World Trade Organization has found that Boeing benefited from billions in illegal state subsidies.

Irony abounds, too. If the duties are levied, the 180 million customers, mostly Americans, who fly Delta every year will pay more for their tickets. And as many as 22,000 "good-paying manufacturing jobs"—to use the president's description—will be at risk in Kansas and West Virginia, where parts for the Bombardier aircraft are manufactured.

Then there are solar panels. The ITC, in response to complaints from Solar World America and Suniva, has ruled unanimously that America's $29 billion solar industry is being damaged by cheap solar panels imported from China, South Korea, and Mexico. The complainants want Mr Trump to set import duties of 40-cents per watt on panels than now sell for about 32-cents, more than doubling the US price of imported panels.

Here's some more irony: First Solar, the largest US company in the industry, manufactures panels in Malaysia using a different technology from the one to which any tariff would be applied. It would then increase exports to the US at prices below what American manufacturers charge, gaining the business our manufactures are assuming will be theirs once tariffs are imposed. And be careful what you wish for: America's solar-installation industry is much larger than the our solar-panel manufacturing industry, and has used cheap imported panels to fuel a boom in construction of giant solar farms and (subsidized) rooftop systems. High tariffs that raise the cost of panels threaten the viability of some solar projects and by extension employment in that industry.

Mr Trump will also have an opportunity to pursue his protectionist agenda when he responds to Whirlpool's request for tariffs on washing machines made by South Korea's LG and Samsung. That complaint might get handled by the president as part of a renegotiation of the "horrible . . . job-killing" trade deal with South Korea (KORUS FTA): imports of steel and autos have driven the US goods deficit with South Korea from $13 billion to $28 billion during the five years in which the pact has been in effect. (Though that deficit has been offset in part by a $10 billion trade surplus in services, such as travel and intellectual property.) Irony: Mr Trump might get the trade restrictions he wants, but at the price of the goodwill of a nation he needs to keep on-side in his confrontation with North Korea.

Given the president's inability to deliver on other promises, "saving American jobs" is an increasingly attractive deliverable. Absent another irony: higher tariffs have knock-on effects that destroy jobs, as George W. Bush's tariffs on cheap steel and Barack Obama's tariffs on cheap tyres are alleged to have done. Mr Trump's protectionism just might have the unintended consequence of destroying American jobs.

To borrow a line from *The King and I*, the president might protect many American workers out of all they own.

(http://www.weeklystandard.com)

European Union-India Set to Broaden Strategic, Business Ties

by Kalyan Parbat, 13 September 2017.

THE European Union is poised to broaden its engagement and deepen its strategic and business ties with India by formalizing a big-bang action plan across a broad spectrum of issues at the upcoming EU-India summit in Delhi.

"The EU and India are expected to announce at the October summit a string of joint declarations along with a concrete deliverables roadmap revolving around climate change, clean energy, maritime security, naval cooperation, space research, to combatting cyber crime and even ringing in an ambitious partnership for developing smart cities by linking EU's urban agenda with the Modi government's 100 smart cities mission," a top EU official overseeing Asia-Pacific affairs told ET.

The wide-ranging EU-India partnership, he said, would also pave the way for active cooperation between India and the Hague-based Europol's European Cybercrime Centre on counter-terrorism operations and battling cyber crime.

The EU and India have already agreed to deepen their deliberations on the applicability of international law to cyberspace.

The EU also expects to bolster its cooperation with India on security matters by expanding the scope of its "counter-piracy dialogue to maritime security," the official cited above said.

Another top EU expert on foreign policy said a key goal of the upcoming summit would be exploring ways to "deepen India's strategic relationship with the EU in a post-Brexit world," adding that London had "historically been India's entry point to Europe".

At the summit, the European Investment Bank (EIB) is slated to announce a sizeable loan for the Bengaluru Metro project. This would be the second major EIB loan for a urban mass transportation project after the •400-million loan it earlier extended to the Lucknow Metro project.

The EU and India will also welcome the recently launched mechanism for facilitating EU investments into India for 'Make in India' related projects, said the first official cited.

The EU will shortly unveil a white paper on its new-look relationship with India that will outline the new areas of economic and strategic cooperation.

Senior EU officials also expect the upcoming summit to be a potential platform for finally thrashing out a wide-ranging free trade agreement (FTA) between the EU and India, encompassing all goods & services and intellectual property rights (IPRs).

The FTA, they said, has proved elusive so far despite 10 years of negotiations. The unilateral cancellation of a multitude of bilateral investment treaties by India hasn't helped FTA talks, and has only heightened the EU's concerns about India's "protectionist attitude" in a number of sectors to advance its 'Make in India' goals.

Nevertheless, EU leaders in Brussels are quietly optimistic and are hopeful that the October summit in Delhi will set the agenda for transforming and cementing EU-India relations, in a post-Brexit world.

"The EU has a very important relationship with India, and we expect the summit to move it from the dialogue stage to one of cooperation" said the first official cited.

(http://economictimes.indiatimes.com)

Is Climate Change Taking A Backseat in the Agenda of Global Alliances?

by A.K. Ghosh, 8 September 2017.

THE first major alliance of countries was created during the oil crisis of 1973. France, West Germany, Italy and UK in Europe, USA and Canada in North America, and Japan in Asia joined hands with the apparent objective of mutual benefits through cooperation in trade and commerce. As the group of seven nations (G7), they represent 10 per cent of global population (0.8 bn) and 46 per cent of global GDP (US$34,456 bn), thus having a per capita GDP of $45,453. They contribute 34 per cent of the global exports and 37 per cent of its imports. Not surprisingly, G7 is popularly called the rich nations club.

The G7 inspired formation of larger such alliance called Group of 20 nations, which had representation from Asia, Middle East, Australia, Europe, North America and South America. The group accounts for 64 per cent of global population, 76 per cent of global export and import, but its per capita GDP is $13,602, less than a third of G-7 countries.

The youngest of the major global alliances is BRICS—Brazil, Russia, India, China and South Africa—representing Europe, Asia and South Africa. While G-7 and G-20 came up in 20th century, the first meeting of BRICS was held in 2006. South Africa joined the alliance in 2010. These five countries have 42 per cent of global population and 22 per cent of global GDP, only 10 per cent of global export and 15 per cent of global import. It has lowest GDP per capita at US$5,401. BRICS set up a bank called 'The New Development Bank', in 2015 with a target of setting up of capital investment of US$50 billion but in 2016 it could only mobilize US$1 billion and so far it has made no contribution for climate finance.

One can see that while G7 alliances really worked to make them Rich Men's Club, BRICS dream of fastest emerging markets, predicted by Goldman Sachs proved wrong! Economist predicted but how reliable are such predictions one can always wonder?

But in the most recent meeting of BRICS held in China in September 2017, India focused on an agenda item which is of great significance for future of planet earth, to change over from fossil fuel to combat climate change. Renewables, especially solar energy is being strongly advocated India led "Solar Alliance" of 121 countries and Prime Minister of India urged upon BRICS to team up with the International Solar Alliance and help enhancing solar energy utilization. That 5 BRICS countries have 'complimentary skills and strength to promote use of renewable and solar energy' is undeniable.

China has already achieved 200 GW of solar power at least three years ahead of its target of 2020. This is highly commendable. However, India's effort to promote creation of 100 GW of solar and 50 GW of wind besides 25 GW of micro hydel and biomass seem to be posing some contradictory action when one reads that fund created out of enhanced coal cess, has been diverted (US$25 bn) to compensate states suffering from loss of revenue due to GST. One can recall coal cess was increased from ₹50 a tonne to ₹400 a tonne, to help greening of economy. Only 17 per cent of money has been allocated to the clean energy and environment fund (Megan Darby, Climate Home, 24 July 2017). So India has to prove that it means serious business in reducing carbon footprint in its own domain, while seeking BRICS cooperation. Another media report indicates that solar has not beaten coal in the race to electrify India (Aditi Roy Ghatak, Climate Item, 26 July 2017).

As for other alliances, the most dominant economic power in USA and has openly came out of Paris Agreement, shrugging off all responsibility to prevent catastrophe to what Brundtland commission has called "Our Common Future". It seems at the end alliances are made for trade and business expansion. Climate change can take a back seat for now.

(http://www.downtoearth.org.in)

As Northern Regions Warm, Will Asian Grasslands Heat Up?

by Jason Clay, 5 September 2017.

NO one knows what the impacts of climate change will be on the global food system. The problem isn't for lack of models and projections, or anecdotal evidence and speculation. But, simply put, we do not know how, when, or precisely where climate change will affect the global food system. For some regions, that doesn't just mean climatic uncertainty, but also social, political, and economic uncertainty, potentially on a scale we've never seen.

Scientists have shown how changing weather patterns will make some areas better or worse for agriculture and how suitability will shift over time. In general, most research predicts that climate change will hamper overall productivity in the tropics and the Southern Hemisphere, while temperate and boreal regions will become better suited for agriculture.

The countries in the Northern Hemisphere projected to benefit most from climate change are north of today's leading production areas. In North America, for example, the corn belt is projected to become the cotton belt and the new corn belt will shift towards the US and Canadian border. According to the former governor of South Dakota, the growing season is 15 days longer than it was 15 years ago. In 2000, farmers in the central Canadian plains could produce four crops, whereas today they can produce 22. Increased productivity helps Canada export more than four million metric tons of surpluses to India alone. The same northward movement of production appears to be happening in Europe.

If climate change affects Asia as it appears to be affecting the West, then we could expect agricultural production to move northward as well. Indeed, we may already be seeing these impacts: In the past decade, soy production in the Russian Far East has reportedly tripled, though total production is still small.

Enter China's Belt and Road Initiative (BRI). On the face of it, BRI is intended to strengthen infrastructure and trade in most of the Eastern Hemisphere, linking China directly to the rest of Asia and connecting to countries even farther into the Middle East, Europe and coastal Africa.

One of the key areas targeted by the northern route of the BRI is the Russian Far East, including the steppes and the boreal forests. The issue in Russia isn't just whether the land will be increasingly suitable to produce food, but also who will be producing it and under what conditions. The Russian Far East is sparsely populated. And, since the dissolution of the USSR, populations have shifted away from rural areas and into cities.

This is where the BRI becomes even more interesting. Not only is China moving to better integrate with the rest of Asia and gain access to much needed natural resources, it is simultaneously moving 250 million people off of farms as a way to increase the scale and efficiency of production domestically. Only a third of those displaced will be integrated back as labour on these larger, more commercial farms. This means that many people with basic agricultural skills would be available to farm elsewhere. Could they move into Russia? Certainly. Would they? That's much harder to answer. What we are beginning to see is that the movement of people is not always "official."

Geopolitical Scramble for Agriculture

There is an old saying: When China buys rice, the world trembles. China and India will both need more food as their populations and per capita incomes increase. With climate change, it is a certainty that they will not always be able to produce all the food they need domestically. In fact, they do not do so today. But with climate change, in bad years they probably won't be able to produce many of the basic staples year in and year out. It is then that they will depend on trade for basic food stuffs—what China now calls national security crops.

But as we have seen in Syria and parts of the Middle East and Africa, free trade doesn't always mean that food will be available or that political systems will be stable. What we are seeing now, with only a relatively small number of people directly affected by food shortages and political conflict, is a period with record global levels of displaced people and refugees. People don't wait for invitations to migrate.

If a similar migration begins in China or Asia more generally, even on a small scale, it could have huge impacts. What will borders mean? Especially ones that are relatively recent in the historical scheme of things. For example, the Russian Far East, even under the czars, was relatively indefensible, but at that point there weren't many interested in the barren region. But, times and temperatures are changing, and natural resources—fertile, productive land, in particular—are becoming scarcer. Imagine what will happen if the Russian Far East becomes one of the most productive regions on the planet due to climate change.

Many view China as one of the few countries that uses science and data to plan and anticipate change. It uses its political system and five-year planning process to develop and implement its strategies. If I were a betting man, I wouldn't bet against China being ahead of the curve once again. We are already seeing trade agreements and investments throughout central Asia to give China access to other, new food-producing areas. So, when the thaw comes and the Russian Far East beckons Chinese farmers, what will Russian leaders do?

(http://www.brinknews.com)

When India Meets Switzerland

by Doris Leuthard, President of Switzerland, 29 August 2017.

SWITZERLAND holds India in great esteem; a vast country of diverse cultures with a rich heritage, an emerging economic power and the world's largest democracy. We can depend on close relations based on the Treaty of Friendship that was signed between our two countries almost 70 years ago. Today, the aim is to further deepen that cooperation and to take a determined approach to addressing global challenges for the benefit of both our countries.

Switzerland's swift recognition of India's independence in 1947, the prompt adoption of diplomatic contacts and the conclusion of the Treaty of Friendship in 1948, laid the foundations for the good relations between our two countries that continue to this day. I am therefore delighted that we are launching a programme to mark this anniversary under the heading "70 Years of Swiss-Indian Friendship: Connecting Minds — Inspiring the Future". Although in doing so, we are not looking to the past, but to the future. At a time in which nationalism and protectionism are gaining ground in many places, we, instead, want to seize the opportunities offered by openness and cooperation. That includes the free trade and economic agreements currently being negotiated by the European Free Trade Association (EFTA) and India.

Therefore, during my state visit to India on 31 August and 1 September, one of the topics of discussion with President Shri Ram Nath Kovind, Prime Minister Shri Narendra Modi and members of his cabinet will be free trade. Cooperation in the fields of transport, energy and vocational education and training will also be on the agenda, as will digitalization and climate change.

In our efforts to deepen cooperation we should not overlook how much we have already achieved. The Treaty of Friendship, which was proposed by Jawaharlal Nehru, the founder of the Indian state, as a sign of his appreciation for Switzerland, and which speaks of "perpetual peace" and "unalterable friendship", has served as a basis for our political relations. These have been reinforced in recent decades by regular high-level visits.

We have been able to conclude numerous agreements in a wide range of areas, such as trade, investment, development cooperation, education, visas, migration, air transport and cooperation in science & technology. The two sides signed a joint declaration on the mutual automatic exchange of financial account information in November 2016.

Economic exchanges are also intensive. India is one of Switzerland's most important trading partners in Asia and Switzerland is the 11th largest foreign investor in the country. As of the end of 2015, Swiss direct investment in India had led to the creation of up to 100,000 jobs, which is why a sound investment protection framework is important. Tourism is also thriving with many Indian nationals travelling to Switzerland to discover the country — and many Swiss enjoy travelling to India.

There is a great deal of potential in the bilateral relations between our countries that has yet to be tapped, which is why I am being accompanied on my visit by a sizeable group of business people and representatives from business associations. India has initiated numerous reforms in recent years to further improve its framework conditions. Significant investment is also planned in public transport and renewable energies. Switzerland and its businesses can contribute a great deal of know-how in these areas. Thanks to its capacity for innovation, its well-trained skilled labour, excellent infrastructure and political stability, Switzerland is among the most competitive countries in the world.

Given our common experiences, I am convinced that we should act together on climate policy. Unpredictable monsoon rains and the melting of glaciers in the Himalayas will have an impact on the lives of millions of people in India. The glaciers are receding in Switzerland too, which has an influence on water management and energy production. The thawing of the permafrost will make our hillsides more unstable which in turn poses a threat to many villages and valleys. It would, therefore, make sense to further deepen cooperation in the areas of climate change and sustainable development.

As part of its Energy Strategy 2050, Switzerland has decided to take steps to improve energy efficiency and boost the share of renewable energies in the energy mix. India's energy strategy, which is currently being drawn up, shares the same priorities. In terms of energy efficiency and the increased use of renewable energies, a number of joint projects are already under way between our two countries. One of those is CapaCITIES, where Switzerland is helping municipal authorities in India to reduce greenhouse gas emissions.

A major rail infrastructure project was completed in Switzerland last year. The opening of the Gotthard base tunnel, which at a length of 57 km is the world's longest railway tunnel, shows that pioneering achievements are still possible in the 21st century. This link through the Alps has brought northern and southern Europe closer together. People and goods are able to reach their destination quicker.

With globalization and digitalization, it seems that the distance between India and Europe is shrinking — and that's a good thing. The world faces many challenges, which can only be overcome by working together. I hope that my visit can help to strengthen bilateral relations between our two nations. As a vast country of diverse cultures with a rich heritage, an emerging economic power and the world's largest democracy, India can be sure of Switzerland's support.

(http://indianexpress.com)

Climate Change Costs India $10 billion Every Year: Government

by Vishwa Mohan, 18 August 2017.

EXTREME weather events are costing India $9-10 billion annually and climate change is projected to impact agricultural productivity with increasing severity from 2020 to the end of the century.

In a recent submission to a parliamentary committee, the agriculture ministry said productivity decrease of major crops would be marginal in the next few years but could rise to as much as 10-40 per cent by 2100 unless farming adapts to climate change-induced changes in weather.

Wheat, rice, oilseeds, pulses, fruits and vegetables will see reduced yields over the years, forcing farmers to either adapt to challenges of climate change or face the risk of getting poorer. Adaptation will need different cropping patterns and suitable inputs to compensate yield fluctuations.

The challenge is particularly urgent for Indian agriculture where productivity for crops like rice does not compare even with neighbours like China. The possibility of a further dip due to climate change will be particularly worrying as it could turn India into a major importer of oilseeds, pulses and even milk.

By 2030, it may need 70 million tonnes more of foodgrains than the expected production in 2016-17.

The Economic Survey, in its latest mid-year report, says "estimates indicate that currently India incurs losses of about $9-10 billion annually due to extreme weather events. Of these, nearly 80 per cent losses remain uninsured". It pointed out that 2014 floods in Kashmir cost more than $15 billion and Cyclone Hudhud the same year cost $11 billion.

The quantum of loss will increase substantially in future if one takes into account the impact of climate change on farm productivity.

Extreme weather events are not always linked to climate change but research shows that their frequency and severity is increasing and this is being increasingly read as a fallout of climate change.

The ministry, in its submission, noted that though most crops will see reduced production in a "business as usual" scenario, climate change may help improve yields of soyabean, chickpea, groundnut, coconut (in western coast) and potato (in Punjab, Haryana and western Uttar Pradesh). Potato production will, however, decline in rest of India, particularly in West Bengal and southern plateau region.

The ministry also noted possible decrease in yields of certain crops in traditional sown areas but an increase elsewhere due to change in weather pattern.

It also observed that increasing food demand due to an increasing population, expanding urbanization and rising income may require India to depend on import if it does not act on time to increase production and productivity of major food crops, pulses, oilseeds and milk by adapting to climate change.

"Vulnerability of Indian agriculture due to vagaries associated with climate change and low adaptation capacity of majority of Indian farmers poses risk to food security of the country", said the Parliamentary Standing Committee on agriculture while referring to various submissions made before it by different ministries. The report of the panel was tabled in the Parliament during the Monsoon session.

"If the country, which is more or less self-sufficient in foodgrain production, moves on with the business as usual approach, it will have to suffer a major loss due to rising temperature and uneven distribution of rainfall. If all the losses are compounded, India will be a major victim of climate change", said an ICAR official, citing the projection made by the public sector agricultural research institution.

The ICAR-National Institute of Agricultural Economics and Policy Research has projected food demand of 345 million tonnes (MT) by 2030 - almost 30 per cent higher than in 2011. Referring to its projected demands for fruits, vegetables, milk, animal products (meat, eggs and fish), sugar and edible oil, the panel said the demand for these products by 2030 is estimated to be 2-3 times more than that in 2011.

Though foodgrain production has increased from 259.29 MT in 2011-12 to 275.68 MT (estimated) in 2016-17, the country still needs to take multiple measures to match the projected demand of foodgrain by 2030.

(https://economictimes.indiatimes.com)

How Far will Freeland Go to Get Climate Change in NAFTA?

by Carl Meyer, 14 August 2017.

FOREIGN AFFAIRS Minister of Canada Chrystia Freeland says she wants to see environmental provisions strengthened in a re-done North American Free Trade Agreement, but it's not clear exactly how far Canada's top diplomat will go to get climate change into NAFTA.

The Trudeau government minister said that strengthening environmental provisions is "absolutely a Canadian goal going into these talks." In three separate public appearances on the same day — one at the University of Ottawa and two on Parliament Hill — she sought to reinforce a message that environmental protections are a clear focus.

Canada wants to "ensure that the member countries can benefit from protecting the environment and investments," said Ms. Freeland in front of the House of Commons environment committee. She said Canada would "fully support efforts to target climate change."

But the minister has so far declined to answer definitively whether Ottawa would walk away from negotiations if the term "climate change" doesn't wind up in the deal's final text.

Ms. Freeland has been part of a massive, across-the-board push by the federal government, provincial and territorial governments, businesses, political parties and organizations to engage with Americans on the upcoming NAFTA talks. The talks were triggered earlier this year when US President Donald Trump said he wanted to renegotiate the deal because he believed it wasn't fair to American workers and countries.

Mr Trump nearly sent formal notice in April that the US would withdraw from the trade deal. But he changed his mind after phone calls from Prime Minister Justin Trudeau and Mexican President Enrique Peña Nieto.

Ms Freeland said the Canadian government has made 185 visits to the US and met 200 members of Congress, as well as 50 governors and deputy governors.

Part of this push involves reminding the United States of the two countries' inter-connectedness, she said. In a discussion about the importance of Quebec's relations with the United States, Ms Freeland paused to mention an "example" that grabbed everyone's attention.

"The electricity in Trump Tower comes from Quebec," she said, before quickly moving on.

The province's utility sends over 40 per cent of its exports per year to New England and has been looking to expand power sales to the US Northeast.

(http://www.nationalobserver.com)

Paris or No Paris, India Committed to Protecting the Climate: PM Modi in Russia

by Devika Bhattacharya,
2 June 2017.

INDIA has asserted that it is committed to protecting the climate irrespective of international deals or other countries stand on it.

"Paris or no Paris, our commitment to preserving the climate is for the sake of future generations," Prime Minister Shri Modi said at St Petersburg International Economic Forum (SPIEF).

His comments came hours after US President Donald Trump's stormy exit from the Paris Agreement on climate change.

The Prime Minister said India had been working to protect the environment even before 190 countries had agreed to sign the Paris deal in 2015.

"I have in simple way stated the dream of 'new India'. I quoted from 5000-year-old Vedas to say humans have a right to milk the nature but have no right to exploit it," Shri Modi said.

When asked about his stance on Mr Trump's withdrawal of the US from the international climate change deal, Shri Modi said he won't take sides on the subject as he was on the side of the future generations.

Shri Modi said he was asked a similar question in Germany earlier this week, before the US decision was made public. At the time, he had replied: "Paris or no Paris, it is our conviction that we have no right to snatch from our future generations their right to have a clean and beautiful earth."

The Prime Minister reiterated the same message in St Petersburg and also pointed out that India is investing billions of dollars in clean energy infrastructure to cut down on emissions and reduce its carbon footprint.

Earlier in the day, Mr Trump had announced that the US was withdrawing from the Paris climate change deal and accused China and India of benefitting from the accord at the expense of the US.

China and the US, the world's first and second biggest polluters, respectively, are together responsible for some 40 per cent of the world's emissions. India accounts for 4.1 per cent of global emissions and is the third largest carbon-emitting country.

While Shri Modi avoided a direct reference to the US pulling out of the Paris Agreement, Russian President Mr. Vladimir Putin emphasized that the world needs to work together with the US on the issue of climate change.

"You shouldn't make a noise about this, but should create the conditions for joint work. If such a major emitter as the US is not going to cooperate entirely then it won't be possible to agree any deal in this area," Mr Putin told media persons at SPIEF.

He also insisted that he didn't blame Mr Trump for quitting the landmark accord and that the US leader "shouldn't be judged" for his decision.

Other world leaders have reacted with anger and defiance after Mr Trump's announcement abandoning the single most important international effort to curb global warming. Led by Germany's Angela Merkel and France's Emmanuel Macron, they have branded Mr Trump's decision as misguided and vowed to defend an accord they consider crucial to the future of the planet.

The Paris Agreement commits signatory countries to keep rising global temperatures "well below" 2 degrees Celsius above pre-industrial levels and "endeavour to limit" them even more, to 1.5 degrees Celsius.

(http://timesofindia.indiatimes.com)

Merkel and Macron Key to Modi's Europe Strategy

by Indrani Bagchi, 31 May 2017.

INDIA is re-engaging Europe as the world enters a period of profound changes. The UK is peeling away from the EU, creating a great deal of uncertainty. Across the pond, Mr Trump appears to be upending an international order with his inexplicable tactical moves. To the east, the growth of China as an aggressive expansionist power impacts both India's interests and growth trajectory.

Shri Modi is using his Schengen visa cleverly. After his meetings with German Chancellor Angela Merkel, Shri Modi's enduring message is this - India wants a cohesive Europe and a strong leader in Germany. Addressing a press conference with Ms Merkel, Shri Modi said, "the cohesiveness of EU is very important".

That's the message PM Modi will carry with him to Spain and France. Germany, France and Spain are the top three economies in Europe following Britain's decision to turn its back on the continent. These are also countries looking for new, stable partners in the developing world, particularly as China is received with admiration and discomfort in equal measure.

India too has moved on with its own policies regarding this old continent - it is still easier for India to deal with individual countries rather than the cumbersome 27-nation EU. But from quietly sneering at the practicality of the European project, India has decided to embrace it. That is an important development.

Shri Modi paid tribute to Ms Merkel as a wise and strong leader. "I learn and benefit from her knowledge," he said. Ms Merkel and Mr Macron or rather the Franco-German alliance is at the heart of this engagement. Hence Shri Modi's meeting with France's new President Emmanuel Macron later this week.

With former US President Mr. Barack Obama, Shri Modi connected on the issue of climate and environment. Mr Trump doesn't care much for such stuff, so India will engage with EU much more closely to endorse the EU stand on climate change. At the same time, India will also tap EU countries for technology to deal with it. Shri Modi is clear India would have to grow cleaner, whether Mr Trump agrees or not.

In return, from all accounts, India is being less curmudgeonly about free trade pacts and has promised to move on it within a year.

There is another reason for India to engage EU in a deeper way than before - China is building railway tracks right up to Europe's door, bringing with it a very different way of governance and values. If India doesn't set itself up as an easier and more attractive partner, China can stitch up its FTA and bully EU into lifting the arms embargo. That would effectively make EU a no-go strategically for India. It was not a surprise, therefore, to find China's OBOR to be a big topic of conversation between Shri Modi and Ms Merkel, both sharing the same discomfort with this connectivity project.

In another way, India is also hedging its bets against an unpredictable US. Just as it is playing the balance of power game in the East, India is playing a similar game in the West, engaging both Europe and US with equal attention. After his European sojourn, which will include Russia and the annual meeting with Mr Putin, Shri Modi will then look towards Washington DC as he and Mr Trump hold their first meeting in June. That will be followed by his visit to China for the BRICS summit, rounding off with Japanese premier Mr Shinzo Abe's visit to India in September.

(http://timesofindia.indiatimes.com)

The Time is Right for India and Bangladesh

by Pankaj Patel, 4 April 2017.

PRIME MINISTER Sheikh Hasina's visit to India after a seven-year hiatus, just ahead of Poila Boishak, Bengali new year, couldn't have been more opportune.

There are two compelling reasons for renewed bonding between India and Bangladesh.

First, the current dynamics of the relationship are very positive. Currently, the volume of bilateral trade between India and Bangladesh is about $6.6 billion; there are estimates that the trade potential is at least four times the present level.

New Delhi and Dhaka are looking at strengthening economic cooperation through joint investments and cooperation under the 'Blue Economy' programme which entails synergized efforts of littoral states in the exploration of hydrocarbons, marine resources, deep-sea fishing, preservation of marine ecology and disaster management.

Secondly, the two countries see themselves converging around a sense of indispensability, not just as neighbours battling the scourge of terrorism, but as leading economic partners whose collective strengths can transform not just their own economies, but also that of the region and the world. As the second fastest-growing economy in the world in 2016 with more than 7 per cent growth, Bangladesh has a firm footing in the global apparel markets and is now a role model for the developing world in poverty reduction, achieving success in health & education and fighting climate change, among others. India continues its run of strong GDP growth with a resilient economy powered by fast paced economic and tax reforms, measures on ease of doing business, increased public investment in infrastructure, opening up of defence, aviation and pharma sectors to 100 per cent foreign direct investment.

Well-catalyzed

These triggers are matched by the contributions of industry bodies that have been nurturing economic relations and undertaking various initiatives with their counterparts in Bangladesh.

India and Bangladesh are pushing for faster and higher growth and this merits a close look at extending support to Bangladesh for infrastructure projects such as improving road capacity in Bangladesh, cooperation in upgrading some customs posts, as well as establishing border markets for vendors along the 4,096-km boundary along with efforts to integrate the region's economies with road, rail and shipping routes can yield rich dividends. This is a good time for the industry in India to look for opportunities for collaboration in defence, such as in military hardware, space technology, technical assistance, exchange of experience, and development of sea infrastructure.

Connectivity offers a game-changing opportunity for India and Bangladesh. This is pivotal to India's connectivity with its north-eastern region and with countries of Asean. Equal emphasis on physical and institutional connectivity between India and Bangladesh will facilitate the exploration of more opportunities through trade and investment.

This is particularly important in the context of both the Make in India initiative as well as India's Act East Policy. The Digital India programme offers tremendous scope for sharing of experiences and greater business engagement.

Expanding Opportunities

While energy has witnessed new highs in an exponential expansion of bilateral cooperation, there are rich prospects for an India-driven proposal for a joint venture among BBIN (Bangladesh, Bhutan, India and Nepal) countries. This is a mega cooperation initiative which complements India's ongoing investments in power joint ventures in Bangladesh.

On the energy front, new opportunities are opening up for energy companies in India in LNG and supply of petroleum products. On a broader canvas, there is tremendous potential held out by the initiative on sub-regional cooperation amond BBIN nations that envisages transport and transit facilitation between the two countries through a motor vehicle agreement. There is much that industry on both sides can work on such as containerized cargo movement, technical assistance and capacity building requirements.

The scope has just got wider with India looking at an expanded sub-regional cooperation among BBIN countries to cover initiatives in rail which would open opportunities in land ports and land customs stations, air connectivity as also the power sector. Industry can be a constructive partner in tapping the opportunities for power trade and inter-grid connectivity cooperation in future power projects, and water resources management among the four countries.

Indeed, Bangladesh and India are at a historic juncture of diplomacy embedded in a rich matrix of history, religion, culture, language and kinship. As we look ahead at a future of shared prosperity, the onus is on our industry and governments to carry forward the aspirations of our people.

(http://www.thehindubusinessline.com)

Responding to Trump, Climate Change and Global Delinquency,

by Paul Keenlyside, Coordinator of the Trade Justice Movement, 26 May 2017.

As the Trump Administration prevaricates over the Paris Agreement, countries that remain committed to avoiding dangerous climate change may well ask what can be done if the US pulls out.

They may look to the text of the Paris Agreement for guidance. Unfortunately, due to the weakness of the Paris Agreement – for which US negotiators are in part responsible – they will find little guidance, and still less any legal mechanism for responding to recalcitrant parties. It is worth recalling that the US government has form in this area, having weakened the Kyoto Protocol in the 1990s by loading it with offsetting mechanisms, before pulling out under a subsequent president.

It is also worth recalling why this matters. If one country takes little or no action to reduce its greenhouse gas emissions due to the short term economic gain of dumping into the atmosphere, the costs - extreme weather, crop failure, mass extinctions and so on - are shared by every person on earth. The bigger the country and the more polluting its economy, the worse the effect.

Known in economics jargon as 'free-riders', large polluters acting in bad faith sap the popular energy and political will out of efforts to tackle climate change elsewhere. As George Orwell noted in 1941, the lady in the Rolls-Royce car is more damaging to morale than a fleet of bomber planes.

That is why a globally coordinated response to global warming is needed. But in 2017, this looks further away than ever. The Paris Agreement, though symbolically important, is not by any means a globally coordinated response.

To provide a sporting analogy, the Paris Agreement is a bit like a game plan for winning the Champions League (the 1.5 degrees target) in which every player gets to choose their position and style (known as 'nationally determined contributions'), where there are no salaries (e.g. climate finance) and no penalties for staying in bed on a Saturday morning (e.g. an enforcement mechanism). Relying on corporate social responsibility meanwhile, is a bit like hoping that the opposition team score enough own-goals for you to win without turning up.

So let's assume that a country or group of countries are serious about climate change, and are in the process of swiftly decarbonizing their domestic energy, transport and agricultural sectors. What measures can they take to avoid being totally sunk by emissions elsewhere?

This is where trade and investment policies could offer some answers. Trade policies can level the playing field between domestic producers subject to climate change regulations, and overseas producers turning out cheaper goods with a higher carbon footprint. Trade policies can address the huge amount of emissions "embedded" in goods from palm oil and beef to cotton and steel that are poorly regulated at the point of production, and poorly accounted for at the point of consumption. Investment policies can limit the carbon intense development overseas driven by capital exporting countries that are often the financial beneficiaries of "development". And trade and investment policies can be designed in a way that is sensitive to a country's historical responsibility for climate change and its resources and technical capacity to address it.

A robust, trade-based response to Mr Trump's climate absurdism would not be anti-American. There are many people in the US that worry "a great deal" about climate change – 45 per cent according to the latest polling. Showing that there are consequences to riding roughshod over all of our futures would be an effective way to support their struggle against denial at the highest levels of government.

Of course, this would require a rethink of what trade and investment policy is for. Whereas trade policy traditionally tries to tackle the dumping of goods at below market prices, it must now tackle the "environmental dumping" of goods at prices that discount the social cost of pollution. Whereas trade policy traditionally aims at tearing down "market barriers", it must now assess whether barriers are indeed necessary to shield responsible producers and deter global delinquency.

Bringing together trade and climate policy is no small task. The World Trade Organization agreements do not mention climate change, and in the mega-regional trade agreements of recent years, climate change is either absent or discussed in tokenistic fashion. More often than not, trade agreements have the opposite effect, placing roadblocks in the way of ambitious action on climate change. Meanwhile, the Paris Agreement and the UNFCCC are silent on trade. This is no accident, but the result of a lack of political courage to address what climate negotiators understand to be an elephant in the room.

With atmospheric levels of carbon dioxide spiralling ever higher, it is time for that to change.

(http://tjm.org.uk/blog/2017)

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