



COP19 (19th Conference of the Parties on Climate Change)

We feature an interview with Azeb Girmai LDC Board Member who attended COP19 in Warsaw in November. She describes what happened and the effects of climate change on African countries.

COP19 (19e Conférence des Parties sur le Changement Climatique)

Nous présentons un entretien avec Azeb Girmai, un membre du Comité de pilotage de. Elle décrit ce qui c'est passé et les effets du changement climatique dans les pays Africains.

Dossier on World Trade Organisation Ministerial Meeting in Bali

Hamadou Sagna from Senegal describes how the trade negotiations at the WTO Ministerial could have a disastrous effect for LDCs. This article was written before the results were known, so we add a short summary of the results.

Dossier sur le Conférence Ministérielle de l'Organisation mondiale du commerce à Bali

Hamadou Sagna du Sénégal décrit comment les négociations commerciales à la ministérielle de l'OMC pourraient avoir un effet désastreux pour les PMA. Cet article a été rédigé avant que les résultats ne soient connus, donc nous ajoutons des brefsrésumé des résultats.

Interview with Dr RatnakarAdhikarion Nepal and LDC 'graduation' –

Dr Ratnakar Adhikari from Nepal talks to Bhagirath Yogi about his country's plan to graduate out of the 'Least Developed Country' category.

Entrevue avec Dr RatnakarAdhikariau sujet du Nepal et le re-classement des PMA

Dr RatnakarAdhikari du Népal parle à Bhagirath Yogi de l'ambition de son pays de sortir de la catégorie des «pays les moins avancés».

About LDC News Service

The LDC News Service offers news and information about the 49 Least Developed Countries (LDCs). It works closely with LDC Watch, a southern-based network of NGOs. LDC News Service runs a web portal: www.ldcnews.com, featuring news and features in English and French about LDCs and a twitter feed @Ldcnews. This newsletter features stories written by journalists from Nepal and Senegal and an interview on the COP19 Climate talks. *Daphne Davies and Bhagirath Yogi*

À propos de PMA Nouvelles

Le service PMA Nouvelles propose des informations sur les 49 pays les moins avancés (PMA). Il travaille en étroite collaboration avec PMA Observatoire, le réseau des ONG dans les PMA. PMA Nouvelles gère un portail web: www.ldcnews.com qui présente des infos et des articles en anglais et en français qui mettent l'accent sur les PMA et un twitter feed @Ldcnews. Ce bulletin présente des articles écrits par des journalistes du Népal et du Sénégal, et un entretien au sujet des négociations de la COP19 sur le changement climatique. *Daphne Davies et Bhagirath Yogi*

This edition of the LDC News Service looks at three issues: COP19 (Climate Change talks) the WTO Ministerial and how LDCs 'graduate' focusing on Nepal.

Cette édition de PMA Nouvelles focalise sur trois sujets: COP19 (négociations sur le changement climatique), la Conférence Ministérielle de l'OMC et comment les PMA peuvent être reclassés, en regardant le cas de Népal.

COP19 on Climate Change: a view from the grass roots



Azeb Girmai, is an environmental campaigner from Ethiopia, who attended the COP19 meeting on Climate Change in Warsaw at the end of November. She is also a board member of LDC Watch, which was active at the meeting. LDC News Service interviewed her about her original hopes for the meeting and why she was disappointed and angry with the results.

LDCNEWS: What were Southern NGOs hoping would come out of the meeting?

AG: We have reached a planetary emergency, and there is no time to linger. We can't have business as usual if we want to keep temperature rises to below 1.5 °C. We're already seeing effects of climate change in Least Developed Countries.

We had hoped that countries, particularly developed countries, would take action to limit emissions to below 1.5 °C by 2015. We wanted a road map to see how this would work, and to see what developed countries would do to support developing countries to adapt to, and mitigate the effects of, climate change.

We need money on the table, not more pledges

We wanted money on the table, as at the Copenhagen COP Meeting developed countries pledged \$100 million per annum until 2020, plus as an initial fund of \$30 billion to support developing countries.



Research has shown Africa will need \$30 billion per annum to adapt to the effects of climate change, and that the National Adaptation Plans for Action (NAPA) in the LDCs alone need \$5 billion, so there is a huge funding gap. Thus we expected money on the table but not more pledges. We also hoped for a loss and damage international mechanism to be established as agreed in COP18.

Finally we wanted to set out the preliminary structures in terms of having a text for the binding agreement on Climate Change to happen in Paris in 2015.

We saw that a lot of NGOs walked out of the meeting. Why?

AG: By the second week we could see nothing was going to happen: there was no sign that developed countries would deliver on the finance pledges they had made; negotiations to establish the international mechanism for loss and damage were not heading as expected; major elements of the text were re-written and the most important elements were deleted. This frustrated most of the developing countries and eventually pushed the G77 to walk out.

Overall, discussions were taking an opposite direction from the principles of the Convention, and there was a lot of manipulation to disrupt equitable outcomes, so we didn't want to witness this year after year and not speak out. What was worse was that fossil fuel industries were officially integrated into COP19, via a parallel meeting of coal producers and their lobbyists, who were advocating that coal was a clean energy and the solution for climate change. Although this deteriorating trend started long ago, Warsaw was the worst manifestation of it. We therefore wanted to say: "Enough is enough. The people of the world have to know, and countries have got to wake up and people need to question what is happening".

Developed countries have a historical responsibility

What about the emerging economies. Do they have some responsibility?

AG: We believe that developed countries are trying to divert attention to other countries, whereas they have a historical responsibility because of the pollution they have created, so they should abide by their principles. Sometimes it seemed as if they were



using this as a tactic to dismantle the Convention on Climate Change. We feel that developed countries are gambling on disrupting past agreements by breaking any alliance between LDCs and emerging economies, which means they don't have to take action on climate change or to commit any finance.

We accept that all countries, including LDCs have a responsibility to prevent climate change, and some are delivering on this - countries like China are already taking mitigation action of their own accord. This is the principle of common but differentiated responsibility that is clearly stated in the Convention, and means that developed countries have historical responsibility to curb their domestic emissions as well as to support those who do not have the capability to do so. Those developing countries that have the capability need to take up their responsibility with due consideration of their historical use of the carbon budget so far.

Were you pleased about the Warsaw International Mechanism for Loss and Damage?

AG: Yes, establishing a mechanism was a positive move, but developing countries are disappointed about how it is being set up as the mechanism has been put under the Cancun Adaption Framework, even though loss and damage should not be associated with adaptation. We had expected that it would be used to address loss and damage caused by extreme events, as they happen, which requires an urgent response. The merging of the two is not

clear, and we still need to know how it will operate. Loss and damage is a threat to adaptation action in developing countries, particularly in the LDCs.

We'll start working now for the Paris meeting in 2015

What do you think will happen at the Paris meeting in 2015?

AG: NGOs from the South aren't going to walk away from the process, despite all the problems. We'll go back to the grass roots levels in our countries to strengthen the national negotiators to come up with their demands for Paris. There has to be a binding agreement, not something 'cooked up' but something that involves all parties fairly and openly, and incorporates all issues that will help reverse the threat posed by climate change. We'll start working for this from now and continue to mobilise for the Peru meeting next year, and until Paris in 2015.

What is going to happen to Africa if there is no progress on limiting global warming?

AG: That is our big fear, as countries are already



facing water stress, intense drought and reduced growing season. All this is resulting in exacerbating food insecurity and malnutrition. Even if we keep temperature rise within its current level, which has not yet reached the 1.5°C upper limit, Africa is suffering. The IPCC has said that Africa is going to suffer most, and that children will be worst affected. Unfortunately the African negotiators are not very strong – they need to take a sectoral approach, negotiating in the different sectors about how they will be affected by climate change, as what happens in Africa is going to spill over to other continents.

Have you noticed the effects of climate change in Ethiopia?

AG: Ethiopia was one of the first countries to be the victim of climate change. We've had more droughts and more frequent floods, and increasingly erratic rainfall, and studies have shown that crop yields decreased by 13% between 1991 and 2008 because of climate change. This is in a country where 85% of the population are farmers or rely on rain-fed agricultural production.

We're all going to be affected if nothing is done. We already see the effects of rises of 1°C in Africa, and we will find it difficult to survive if the temperature rises to 2°C.



FACTS AND FIGURES ON CLIMATE CHANGE

- By 2050, climate change is expected to increase the risk of hunger by 10-20% compared to a no-climate change scenario.
- By 2050 we can expect 24 million more malnourished children as a result of climate change, 10 million children, will be in sub-Saharan Africa.
- Between 1980 and 2006 the number of climate-related disasters quadrupled.
- The number of people affected by climate-related disasters is expected to reach 375 million per year by 2015.
- In 2010, climate-related extreme events and disasters affected some 300 million people, most often in countries which have little capacity to cope.
- With climate change, two thirds of the arable land in Africa could be lost by 2025, according to the UN Food and Agriculture Organization.
- By 2030, climate change could push food prices up by 50-90% more than they would otherwise be expected to rise, according to a recent report by Oxfam.

Information supplied by the UN World Food Programme

Dossier de l'OMC et des PMA

Dans ce dossier on inclue un article de notre correspondant à SÉNÉGAL, écrit avant la réunion à Bali qui explique les effets pour des PMA, et deux résumés sur les résultats pour PMA Observatoire et les pays africains.

L'accord de la désolation dans les PMA

Hamidou SAGNA

Dans quelques jours, le destin économique des PMA va se nouer à Bali, en Indonésie. Là, se tiendra, en décembre, la 9^e Conférence ministérielle de l'OMC. Objectif? Briser pour de bon les contraintes douanières et les procédures aux frontières qui, aux yeux des pays développés, plombe la «facilitation du commerce». Mais, un tel accord installe inéluctablement le désastre dans les économies des PMA.

Cette mondialisation outrancière engagée depuis bientôt dix ans a des conséquences désastreuses sur les économies précaires des PMA. Nombre de ces pays sont en proie à des conflits armés. Une situation qui aggrave déjà les crises alimentaires



permanentes. Une fois les contraintes levées, les pays soumis actuellement à une opération de séduction intense devront s'adapter au plan infrastructurel aux conditions de la facilitation du commerce.

Conséquences désastreuses sur les économies précaires des PMA

En clair, si cet accord est paraphé, les gouvernements des pays en développement vont devoir consacrer des ressources à la facilitation du commerce en modernisant les infrastructures portuaires. Car, dans cette perspective, ce sont surtout les importations qui sont visées. Naturellement, les pays développés ne manquent pas d'arguments dans la cour assidue



qu'ils font à leurs homologues en développement. Ils leur font entretenir l'espoir que la facilitation du commerce présente pour eux plus de bénéfices que les pays développés. Bien au contraire!

Cet accord contraignant qui ouvre la porte à la facilitation des importations est destiné aux intérêts des multinationales. Dans un tel contexte, il n'y a aucune place pour les exportations et la production dans les pays en développement. Ainsi, la balance des paiements constamment en difficulté va aggraver l'endettement.

Ferme les yeux sur les objectifs de développement

L'autre inconvénient est que l'accord proposé ferme les yeux sur les objectifs de développement pour mettre l'accent sur l'intensification du commerce. Cette option met en péril la douane et le fret naval exposés à davantage de privatisation. Voilà qui laisserait peu ou pas de place aux opérateurs locaux, conduirait à des pertes d'emplois, à la baisse sur les salaires et à l'érosion des droits syndicaux pour les travailleurs de ces secteurs publics.

Un accord sur la facilitation du commerce accroîtrait le commerce, une cause importante d'émission de gaz à effet de serre qui contribue au changement climatique global.

Concrètement, la signature d'un accord contraignant va affecter les revenus douaniers. Or, la perte de ressources tarifaires aurait de sérieuses conséquences sur le budget et compromettrait ainsi les politiques telles que l'éducation, la santé et la réduction de la

pauvreté.

Il y a donc plus d'intérêt à être vigilant et à maintenir la mobilisation de la société et des gouvernants déjà décidés à barrer la route à la « facilitation du commerce ».

En effet, la mise en œuvre des APE contraint chaque partenaire à l'ouverture de son marché aux produits d'exportation de l'autre. Cela suppose la suppression des droits de douanes et de toute mesure pouvant entraver l'activité de commerce.

Les effets au Sénégal : sucre, tomate, poissons

Au Sénégal, la suppression des droits de douanes sur les importations agricoles entraînent des pertes de ressources importantes pour le Trésor public. En 2000, cette opération devait coûter à l'Etat sénégalais au minimum 5629 millions d'EUROS par an.

Les secteurs les plus menacés sont celui du sucre, des concentrés de tomate, des conserves de poissons, de la viande et des céréales. A propos du secteur du sucre, plus de 3000 emplois sont menacés si l'usine de fabrication de la denrée (Compagnie sucrière sénégalaise, CSS) est fermée.

En ce qui concerne les secteurs de la tomate et des conserves de poissons, les pertes en emplois pourront être très importantes et les effets collatéraux sur les entreprises de fabrication d'emballage et de transport incommensurables.

Au sujet de la filière cotonnière, si les exportateurs de l'UE décident d'augmenter les quantités de friperies, le destin de quelque 450 salariés est en jeu.

L'adhésion aux APE contraint les autorités sénégalaises



à abandonner les cultures vivrières au profit de l'agro-industriel. Une nouvelle donne aux conséquences réelles sur la politique agricole où le maître mot est l'autosuffisance alimentaire.

Paquet PMA Très Faible – PMA Observatoire



A Bali, PMA observatoire a fait pression sur les gouvernements des PMA et non-PMA pour un ensemble de mesures "PMA MAINTENANT", en conseillant vivement les PMA de rester ferme en attendant que ces mesures soient adoptées et en demandant aux gouvernements non-PMA à soutenir le développement des PMA.

L'ensemble de mesures portait sur quatre questions qui ont été pré-négociés dans la période précédant Bali, avec l'idée qu'ils seraient formellement adoptés

lors de la réunion..... Cependant, à Bali ces mesures ont été mises à l'écart en raison d'importantes confrontations au sujet de la sécurité alimentaire et de la facilitation du commerce.

- En fin de compte, les pays partenaires développés ont simplement convenu de résultats non contraignants et engagements très peu ambitieux par rapport aux objectifs mieux solides, correspondant aux besoins des PMA. Comme d'habitude, les pays développés ont perdu le moins et gagné le plus tandis que les pays en voie de développement, notamment les PMA, ont perdu le plus et gagné le moins. Les quatre questions concernées sont les suivantes:
- Accès au marché libre de taxe ou quota: les pays développés se sont engagés seulement au meilleur effort, c'est à dire qu'ils "chercheront à améliorer" leur position sur ces mesures en ce qui concerne les produits venant des pays PMA, alors que les PMA avaient exigé une amélioration plus solide de l'engagement pris dans 2005.
- Règles d'origine préférentielles: un accord d'une formulation non contraignante était conclu seulement, tandis que les PMA avaient demandé un accord définitif donnant préférence aux régimes PMA.
- Application d'une dérogation concernant services: en 2011 les pays développés ont accepté d'ouvrir aux PMA un accès préférentiel aux marchés des services, mais il n'y a toujours pas d'engagement contraignant, seulement une simple promesse sur ce sujet émanant d'une conférence de haut niveau, et encore du parler de meilleur effort de la part des pays développés et en voie de développement.
- Accès au marché libre de taxe ou quota pour le coton d'ici le 1er janvier 2015, y compris la disparition des subventions à l'exportation pour le coton: il y avait seulement un accord pour la poursuite des discussions et aucune obligation de résultat définitif dans un délai déterminé.

Le vue officielle des résultats de l'OMC à Bali.

- Il simplifie les procédures commerciales et réduit les tracasseries administratives, diminuant le coût du commerce transfrontalier.
- Sur l'agriculture - les pays en développement ont plus d'options pour la sécurité alimentaire sans devoir faire face aux défis de l'OMC.
- Les PMA ont amélioré l'accès aux marchés pour leurs produits de coton et ont gagné de l'aide au développement pour la production dans certains pays.
- L'accord favorise le commerce des PMA en améliorant l'accès au marché et en éclairant des règles d'origine dans les pays développés.
- L'accord a sauvé l'OMC comme un organe de négociation et moniteur de règles commerciales.
- Bali a rééquilibré le rapport de force entre les pays émergents et les pays développés.
- Les résultats ont été fortement critiqués car elles permettent aux grandes entreprises de faire fi aux réglementations nationales si elles entravent le commerce.



Interview with Dr Ratnakar Adhikari on Nepal's proposed graduation from LDC status

Dr. Ratnakar Adhikari was recently appointed Executive Director of the Enhanced Integrated Framework Executive Secretariat at the World Trade Organization (WTO). Prior to this, he was Chief Executive Director of South Asia Watch on Trade, Economics and Environment (SAWTEE), a Kathmandu-based regional think tank. A former Senior Adviser to Nepal's National Planning Commission, he has also worked at the UNDP's Asia Pacific Regional Centre in Colombo. Dr Adhikari obtained his PhD from the University of Warwick, UK. He spoke to LDC News Service in the aftermath of Nepal government's announcement to attempt to graduate from the LDC status in a decade. Follows excerpts of the interview:

What are the main obstacles for Nepal towards graduating from the LDC status?

Of the three criteria for graduating from LDC status, Nepal has already achieved the criterion of Economic Vulnerability Index (EVI) and is extremely likely to attain the criterion of Human Assets Index (HAI) by 2021. However, it is unlikely to meet the Gross National Income (GNI) criterion even by 2024, which UNCTAD's 2012 report *Enabling the Graduation of LDCs: Enhancing the Role of Commodities and Improving Agricultural Productivity* has vindicated. This is partly because of Nepal's own weaknesses in achieving a sustained high level of economic growth, and partly because of several factors beyond its control.

First of these is the "shifting goalpost". In 1991 the income criterion for graduation was Gross Domestic Product (GDP) per capita of US\$700. In its March 2012 triennial review, the Committee on Development Policy (CDP) of the United Nations Economic and Social Council (ECOSOC) changed this to the figure of Gross National Income per capita of US\$1190. At this rate, GNI per capita threshold is likely to reach the figure of US\$1,630 while Nepal's GNI is likely to be around US\$1,560.

A second exogenous factor on which Nepal has little control is the exchange rate. The above income prediction does not take into account possible fluctuation in exchange rates either way. However, given the relatively gloomy outlook of the global economy and the Indian economy's lackluster growth coupled with its ballooning imports and less than anticipated export growth, exchange rates are more likely to head North in the years to come. This is particularly crucial because the Nepalese currency is de facto pegged to India's.

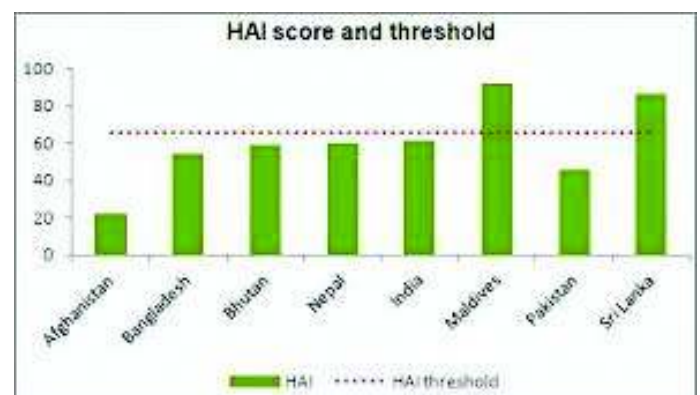


Nepal's graduation still faces challenges

The impossibility of graduating based on income criterion has probably led Nepal to focus on two other criteria for graduation: the human asset front and the Economic Vulnerability Index (EVI), which seem to be attainable. However, these also present a few challenges.

First, the indicators to be achieved on human asset front are daunting to say the least even if we go by the data prepared by the Nepalese government's National Planning Commission. In order to achieve the HAI graduation threshold by 2021, Nepal needs to reduce the share of undernourished population to 13% by 2021 from 17%, and the mortality rate to 26 per 1000 from 49 per 1000 in 2012. Similarly, secondary school enrolment will have to increase from 52% in 2012 to 65% by 2021 and the literacy rate from 59% to 95% in the same period.

Second, the complacency amongst policymakers that Nepal has attained the EVI threshold for graduation does not augur well. Climate change could reverse the gains made thus far on a number of vulnerability-based indicators, such as the percentage of people falling victims of natural disasters due to the poten-



tial for flash floods, glacier lake outburst floods as well as the instability of agricultural production.

Third, on EVI criteria, Nepal can become a victim of

what I would term “false comfort” because “Merchandise export concentration” is one of the eight indicators of vulnerability whereas “Export destination concentration” is not considered as an indicator. While Nepal’s merchandise export basket is fairly



diversified, which contributes to the country achieving better score on this indicator, more than 2/3rd of its exports are destined to a single country – India, which makes the country equally vulnerable. The fact that this is not accounted for gives a false sense of assurance, which is dangerous.

One has to remember that graduation thresholds – even if going by only two criteria – must be met by a country for two consecutive reviews held at a three year interval before it could graduate. Even if Nepal meets the threshold in 2021, it has to sustain the progress in 2024 (and meet the criteria set for the year by the review committee) to be eligible to graduate. It is also worth noting that no country can return to the LDC status once it has graduated. Although this has not happened so far, it is likely to become a reality in the context of the turbulent economic, ecological and political environment we face at present.

What type of concessions will Nepal lose if it graduates from the LDC status?

The threat of losing concessions after graduation need not dissuade a country with high national pride like Nepal from graduating to a developing country status. Some of these ‘concessions’ are merely rhetorical, others will continue during the ‘transitional’ period, while others will have outlived their usefulness by the time Nepal is likely to graduate.

Let me start with the first one. Although, at a rhetorical level, LDCs are eligible for concessional foreign assistance, which is 0.15% of the GNI of OECD countries, this has rarely happened in the past and there is no way this can be enforced. This is partly because most foreign assistance is dictated by a providing country’s aid policy, rather than being based on the needs of the LDCs. Moreover, since Nepal has never been a

‘donor darling’ country and continued dependence on foreign aid is unlikely to be sustained, this concession should not be taken seriously.

Nepal still needs preferential market access....

However, the second category of concessions is critical. One of the most significant is preferential market access. Although there is as yet no agreement within the World Trade Organization on providing a binding Duty Free Quota Free (DFQF) market access for its member LDCs on all products, some markets such as those of European Union, Canada, Australia, Norway and Switzerland do provide duty-free access to LDC products. The list of countries providing increased market access concessions to LDCs is growing with some emerging countries such as Brazil, China, India and Turkey providing reasonably generous concessions to LDCs. However, given the fact that these concessions could continue three years after graduation, this should also not pose a major problem.

... and aid for trade

Another important concession is the access to aid for trade, which is only available for LDCs, such as that provided by the Enhanced Integrated Framework (EIF). However, the initiative has not only been sup-



porting recently graduated countries such as Cape Verde and the Maldives, but will continue to provide “second generation” support in days to come depending on the availability of resources. It is unclear whether this initiative will continue to operate up until the time of Nepal’s proposed graduation, but should this be the case, a concrete policy would be adopted to support countries that have graduated but continue to require assistance that this initiative provides. Moreover, since the major objective is to promote economic growth and contribute to poverty alleviation, those countries which have graduated based on other criteria without meeting the income threshold, may require support from this initiative for an extended period.

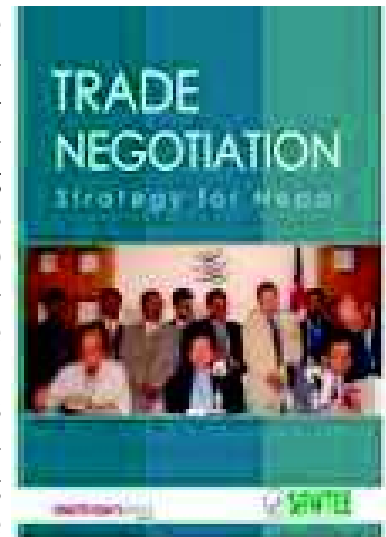
A third category of concessions includes flexibilities

in implementing different international obligations such as under the WTO. Various WTO agreements, such as those on agriculture, intellectual property rights, standards-related agreements and trade remedy measures provide LDCs with flexibility through reduced commitment levels, a higher transitional period, a threshold for triggering certain unilateral measures and the possibility of obtaining technical assistance for implementing commitments. This last one is particularly important given that the Agreement on Trade Facilitation recently agreed at the WTO's Bali Ministerial Conference explicitly mentions the provision of technical assistance to the LDCs and makes the commitment conditional on acquiring requisite capacity for which technical assistance is indispensable.

The agreement on trade facilitation

If Nepal is committed to graduate within 10 to 12 years, it would be wise for the country to use all the

technical assistance available for implementing the Agreement on Trade Facilitation and implementing all the commitments within this period so that no further assistance is required three years after graduation. Nepal and other LDCs which plan to graduate without attaining the requisite income threshold should explore the possibility of continuing to benefit from several flexibilities provided by the WTO, particularly those that directly contribute to economic growth, so long as income threshold is not achieved.



Graduating from the LDC status

To 'graduate' out of the LDC category, a country must meet at least two of three criteria:

- a) Income criteria - per capita income should be higher than US\$ 1,190,
- b) Human Assets Index (HAI)- it should have made significant progress in terms of nutrition, health and education.
- c) Economic Vulnerability Index (EVI) - it should be able to deal with structural vulnerability due to exogenous shocks.

Alternatively, a country can qualify for graduation if its Gross National Income (GNI) per capita is US\$ 2,380 or more, irrespective of its HAI and EVI scores.

Every three years, the Committee for Development Policy (CDP) reviews the progress made by the LDCs and recommends the country concerned for graduation from the LDC category.

Following the recommendation by the CDP and endorsement by the UN Economic and Social Council (ECOSOC), the UN General Assembly takes note of it. After three years, if the country continues at this level it is declared as having graduated from the LDC category.

So far, Botswana, Cape Verde and the Maldives have graduated from the LDC category. Samoa is set to graduate in January 2014 while Tuvalu and Vanuatu are recommended for graduation. Angola and Kiribati have already met the criteria for graduation and they will undergo review again in 2015.

