

Role of Policies: NTIS 010 as a tool Promoting Bio trade in Nepal

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COVERAGE

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- NTIS 2010 -Products Encouraging Bio trade
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Bio Trade Defined

- Bio-trade is concerned with the production or collection and commercialization of goods and services that are derived from native biodiversity: the vast array of plants, species and organisms on our planet. This includes trade in products that come from genetic resources, species and ecosystems and that are used in line with environmental, social and economic sustainability criteria.

Source:

<http://www.unctad.org/templates/Page.asp?intItemID=3790&lang=1>

Why bio trade is important for

Nepal

- Natural diversification - The geographical variation creates diverse climatic conditions from a sub-tropical climate in the southern part to the alpine temperatures in the north. Similarly, diversity of flora and fauna.
- Low level of industrial base-potential in biodiversity products
- To become more competitive in World market -Industrial products are gradually losing preferential market access in world market
- Obtaining gain from International carbon trade (Nepal is set to earn \$3.5 million every year under the Clean Development Mechanism (CDM) — an environment—friendly world carbon trade. Nepal earned \$600,000 in 2009)
- Rural poverty , employment and income generation for the poor. In 2002-2003, 80 per cent of new chemicals introduced globally as drugs could be traced back to or were inspired from natural sources. Profits from these developments can be significant; for example, 2006 estimates of the value of anti-cancer agents from marine organisms are up to US\$ 1 billion a year.

<http://www.unep.ch/etb/publications/Biotrade%20Flyer%202010/UNEP%20FLYER%20BIOTRADE.pdf>

How Policies Support ?

If Bio-trade is production or collection and commercialization of goods and services that are derived from native biodiversity then the existing policies could be instrumental in;

- Establishing of Forward and Backward linkages
- Development/promotion of the products (based on natural resources/bio-diversity)
- Marketing of the products to the potential destinations
- Institutional Arrangements for the development (Trade Support Institutions)
- Budgetary Support
- Capacity development

The Key (Trade) Policy Instruments

- National Development Plan (TYP 2010-2013)
- Trade Policy 2009
- Nepal Trade Integration Strategy 2010
- Sectoral government policies – directed towards bio friendly e.g. forest, agriculture, tourism etc..

Three Year periodic Plan

Vision

To support poverty alleviation and economic development by addressing the challenges emerging out of the process of globalization and by increasing the trade of goods and services with deep forward and backward linkages.

Objective

- To help alleviate poverty by ensuring that the benefits from trade reaches the people through the maximum use of local physical and human resources.
- To mobilize trade to achieve the goal of economic development through the development and promotion of goods with competitive advantages and identifying areas of comparative advantages with the private sector involvement.
- To help alleviate poverty by taking advantage from the opening of trade service under the WTO agreement.
- To reform and develop commercial, physical and institutional infrastructure in order to take the maximum advantage arising out of
- the changes in the bilateral, regional and multilateral trade and
- transit system.

Trade Policy 2009

- To create a conducive environment for the promotion of trade and business in order to make it competitive at international level.
- To minimize trade deficit by increasing exports of value added products through linkages between imports and exports trade.
- To increase income and employment opportunities by increasing competitiveness of trade in goods and services and using it as a means of poverty alleviation .
- To clearly establish interrelationship between internal and foreign trade, and develop them as complimentary and supplementary to each other.

Trade Policy 2009 and its provision of bio trade promotion

- Identified more than 10 agricultural products that really helps bio trade and provisioned facilities accordingly:
 - Tea
 - Vegetable seeds
 - Pulses:
 - Floriculture
 - Gingers/dried gingers
 - Herbs and essential oils
 - Handmade paper and paper products
 - Honey
 - Vegetables
 - Orange
 - Coffee
- These Nepalese products could be established as a major exportable product in the prospective of the geographical diversity, climatic suitability and comparative advantage. Intergraded programme is there e.g. incentives, policy relaxation, development policies etc. needs to be applied.

Nepal Trade and Integration Strategy(NTIS 010)

- Covers 4 broad objectives
 1. Strengthening trade negotiation
 2. Strengthening NTB related domestic capacity
 3. Strengthening supply capacity of "inclusive exports potential"
 4. Strengthening capacity for managing AfT & TRTAs

NTIS Products Encouraging Bio trade

- **Tea**
- ***Cardamom***
- **Lentils**
- **Ginger**
- **Herbs and essential oils**
- **Honey**
- **Noodles**
- **Handmade paper and paper products**
- **Chyangra Pashmina**
- **Tourism**
- **Hydropower**

Problems Promoting Bio trade

- Policy issues- No specific bio trade policy
- Complexity to define bio products- What does it mean what not?
- Lack of awareness- People do not know the importance
- Coordination among agencies- many agencies dealing with bio products and its development.
- Inadequate resources allocated- Low level of recourse for promotion of bio products.
- Paradox of Consumption of bio products –at national level no capacity to buy, international level needs a lot of requirements imposed- to export.

Work Ahead

- Creating an enabling environment for 'bio-trade' in general and value chain (of bio-products) in particular
- Disseminate information on issues related to trade in product and services derived from biodiversity
- Facilitating decision making processes and generating awareness
- Providing technical assistance to biodiversity based enterprises and their suppliers
- Promoting national and international trade of biodiversity-based products and services
- To integrate sustainability issues in productive processes in particular

Actions Recommended (Immediate)

- Harmonization of government policies
- Awareness on bio-trade and green economy
- Incentives/support for bio-trade promotion
- Partnership with stakeholders on trade and environment issues
- Declaring pesticide free zone
- Promotion of bio product at local level
- Technical assistance from our Development Partners

NTIS 10 Could be Helpful in....

1. Improving the living conditions of rural people through biodiversity enterprises. (1. *Strengthening supply capacity of "inclusive exports potential"*)
2. Making better motivation of private enterprises whose products and services are biodiversity-based. (2, *Strengthening NTB related domestic capacity*)
3. Providing access to foreign markets. (*Strengthening trade negotiation and AfT mobilization*)
4. Maintaining and conservation of biodiversity.
5. Building capacity of national institutions that support bio-trade enterprises.
6. Making effective contribution to national economy by diversifying bio exports and expanding national trading base.
7. Exploring ways to enable product differentiation and verification for SMEs engaged in Bio-trade.



Comments and Suggestions are
highly appreciated.

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THANK YOU

NTIS Four Broader Objectives

- **If bio trade we consider** production or collection and commercialization of goods and services and making it sustainable also relating to NTIS objectives then the it could help;
- **Objective 1: Strengthen Trade Negotiations (especially bilateral.)**
- **Objective 2: Strengthen the Technical Capacity of domestic Non-Tariff-Barrier (NTB) and other Business Environment supportive institutions.**
- **Objective 3: Strengthen the Export Capacity of “Inclusive” Export Potential Goods and Services.**
- **Objective 4: Strengthen the Government of Nepal’s Capacity to Coordinate and Manage Trade-Related Technical Assistance (TRTA) and Aid for Trade (Aft) and to implement NTIS.**

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- Bio diversity in Nepal



