

CUTS CCIER ACTIVITIES REPORT

OCTOBER-DECEMBER
2022

Panel Discussion on Competition Policy and Climate Change



CUTS International, CUTS Institute for Regulation & Competition (CIRC) and Institute for Studies in Industrial Development (ISID) jointly organised a panel discussion on 'Competition Policy and Climate Change' to celebrate World Competition Day (WCD) at New Delhi on December 05, 2022.

Jyoti Jindgar Bhanot, Secretary (I/c), Competition Commission of India (CCI), while delivering the special remarks, highlighted that innovation and competition are the two most important pillars which support and foster growth in the economy. However, these pillars need to be supported by sustainable development for safe, secure and liveable future. She opined that while sustainable goals are the need of the hour, competition compliance is equally important. The challenge for the competition authorities is balancing these seemingly conflicting objectives.

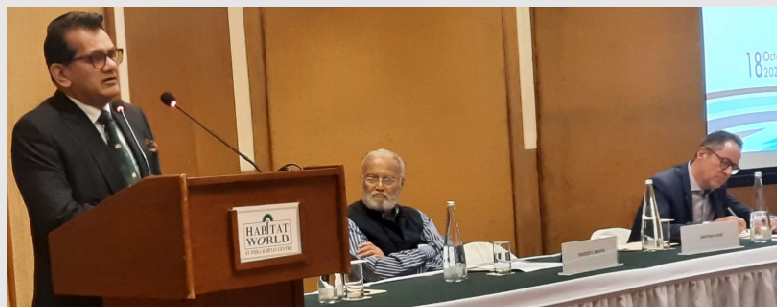
Kirit Parikh, Chairperson, Committee for Reviewing of Gas Price Formula and Chairman, Integrated Research and Action for Development (IRADe) was the Moderator of the Panel in which Dhanendra Kumar, former Chairperson, CCI; Augustine Peter, former Member, CCI; Abha Yadav, Assistant Professor of Law, National Law University, Delhi and Beena Saraswathy, Assistant Professor, ISID were the panellists.

Arvind Mayaram, former Finance Secretary of India and Chairman, CIRC and Satyaki Roy, Associate Professor, ISID, delivered the welcome remarks.

<https://cuts-ccier.org/panel-discussion-on-competition-policy-and-climate-change/>

A Just Transition Approach for Developing a Green Economy

In partnership with Friedrich-Ebert-Stiftung (FES), CUTS International organised a Stakeholder Consultation on 'A Just Transition Approach for Developing a Green Economy' at New Delhi on October 18, 2022. This consultation was based on the



ongoing project '*Exploring the potential of Last Mile Transportation as an enabler for Green Jobs.*'

Amitabh Kant, G20 Sherpa of India and former Chief Executive Officer of NITI Aayog, said that with India aiming to be free from fossil-fuel imports by 2047, the main focus of its energy plans should be on green hydrogen owing to the favourable climatic conditions for manufacturing.

The event was graced by Pradeep S Mehta, Secretary General, CUTS International; Ulrich Storck, Country Director, FES; Gautam Mody, General Secretary, New Trade Union Initiative (NTUI); Anumita Roy Chowdhury, Executive Director, Centre for Science and Environment (CSE) and Siddharth Goyal, Senior Policy Advisor, Energy Programme, International Institute for Sustainable Development (IISD).

<https://cuts-ccier.org/fes-cuts-stakeholder-consultation-on-a-just-transition-approach-for-developing-a-green-economy/>



Advocacy

CUTS Comments on

SEBI Consultation Paper on Green and Blue Bonds as a mode of Sustainable Finance

The Securities and Exchange Board of India (SEBI) released a Consultation Paper on "Green and Blue Bonds as a mode of Sustainable Finance". SEBI looks to boost the means of Sustainable Finance in India through Green and Blue Bonds instruments, amplifying the definitions and monitoring and evaluation through RegTech and SupTech will be key.

CUTS International recommends measures to amplify the definition of Green Bonds further :

- Inclusion of circular economy adapted products, production technologies and processes, pollution prevention and control measures, among other concepts, within the definition of 'green debt security', to amplify the definition of Green Bonds;
- Need for standardised definition of Blue Bonds would be necessary before the introduction of this instrument in the Indian markets;
- Eligibility criteria and entry barriers for private companies issuing green bonds should be relaxed;
- Broaden the scope of Sustainable Finance beyond environmental criteria also to include worker welfare practices, community engagement and inclusive corporate governance. This is included in 'S' criteria under ESG; and
- Regulatory authorities monitor, verify and review claims through regulatory technology (RegTech) and Supervisory Technology (SupTech), to prevent Greenwashing. Partnership with credible civil society organisations for monitoring and evaluating the on-ground situation of allocating proceeds by the firm.

<https://cuts-ccier.org/pdf/comments-on-sebi-consultation-paper-on-green-and-blue-bonds-as-a-mode-of-sustainable-finance.pdf>



Standing Committee on Health and Family Welfare – Mental Health Care and its management

The Department-related Parliamentary Standing Committee on Health and Family Welfare headed by Bhubaneswar Kalita invited comments examining the subject - “Mental Health Care and its management in Contemporary Times” to overcome the stigma associated with Mental Health. Under this issue, the committee sought out submissions in the form of memorandums on the following sub-issues, amongst other things:

- High prevalence of mental health issues and the rising cases of suicide in the country;
- Shortage of mental healthcare workers in the country;
- Urgent need to integrate mental health with other healthcare services being delivered at the grassroots;
- Impact of the pandemic and related lockdown on mental well-being;
- Psychological support and mental health support provided by the government during and after the pandemic;
- Status of the implementation of the Mental Healthcare Act, 2017;
- Goals envisioned under the National Mental Health Policy that focuses on reducing the mental health burden in the country;
- Status of the dedicated healthcare infrastructure in the country; and
- Awareness generation programmes and other initiatives to overcome the stigma associated with mental health.

CUTS International observed a few critical issues in the memorandum. Mental health is integral to health; it is more than the absence of a mental condition; it is the foundation for individuals’ well-being and effective functioning. It includes mental well-being, prevention of mental disorders, treatment and rehabilitation.

<https://cuts-ccier.org/pdf/memo-sc-health-and-family-welfare.pdf>

RBI Discussion Paper on Charges in Payments Systems

RBI released a Discussion Paper on “Charges in Payment Systems”, it outlines existing rules and the manner of charges levied in payment systems while presenting other options to levy such charges.

CUTS International submission highlighted the need to undertake the Regulatory Impact Assessment (RIA) and Cost Benefit Analysis (CBA) of regulatory decisions. It also recommended that the regulator puts the consumers’ interest first and enhances competition. In the questions regarding debit card charges, CUTS International recommends that competition be promoted by reviewing and reducing barriers to entry, operating, and existing in the acquisition, issuance, and PSO businesses. This is in light of differential treatment between RUPay and other debit cards leading to unintended adverse consequences for consumers.

<https://cuts-ccier.org/pdf/comments-on-the-rbi-discussion-paper-on-charges-in-payments-systems.pdf>



Open Network for Digital Commerce (ONDC) Consultation Paper 'Building Trust in the ONDC Network'

The consultation paper discusses various stages in the life cycle of a transaction under the ONDC model, explaining what measures ONDC has taken to foster trust at each stage and posing specific questions to solicit feedback.

CUTS International submitted its comments, making some recommendations which included:

- Clear standards must be established for each buyer and seller app's listing options;
- The network must have effective mechanisms to prevent the creation and dissemination of paid and fake sales or review data;
- ONDC should have a strong and effective grievance redressal system manned by experts and with effective representation from both the buyer and seller sides;
- To be successful and instill trust in users and sellers, the ONDC network must have excellent standards for privacy and data protection, as well as combating cyber threats;
- For effective enforcement and implementation of network regulations and standards, the network must include SupTech, RegTech, and smart contracts to serve as alert systems and highlight course correction; and
- Audits should be performed regularly (annually) and not just in response to complaints.

<https://cuts-ccier.org/pdf/comments-on-ondc-building-trust-paper.pdf>

Department of Telecommunications, Ministry of Communications, on the Draft Indian Telecommunication Bill, 2022

CUTS International submitted its comments to the Department of Telecommunications (DoT), on the 'Draft Indian Telecommunication Bill, 2022'. Through this draft bill, DoT suggested fresh legislation to reform and regulate the telecom sector.

Below is a summary of CUTS International's recommendations and proposed changes:

- The jurisdictional scope of the Draft Bill needs to be clearly demarcated. The executive powers conferred under the Bill must be accompanied by judicial oversight to place appropriate checks and balances;
- Comprehensive definitions of key terms like 'unauthorised access', 'public safety', 'national security' or intercepting a message 'unlawfully' must be included to dissipate any legal uncertainty;
- There is a need to ensure regulatory harmonisation. This can be achieved by formally incorporating consultation mechanisms with related regulatory bodies like the Telecom Regulatory Authority of India (TRAI) and the Competition Commission of India (CCI), among others; and
- An emphasis must be placed on conducting CBA and analysing good international practices.

<https://cuts-ccier.org/pdf/comments-on-the-draft-telecom-bill-2022.pdf>

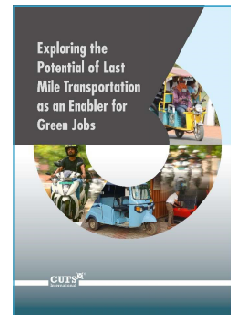


Publications

Research Report

Exploring the Potential of Last Mile Transportation as an Enabler for Green Jobs

The study explores the potential of decarbonisation last-mile connectivity on the local economy and livelihood opportunities. This includes gender and skill inclusivity, reduced environmental pollution, and standard of living from a 'just transition' point of view. The overarching aim was to explore the connectivity practices in two Tier 1 (Delhi & Bengaluru) and two Tier 2 (Jaipur & Lucknow) cities of India and construct a comparative map regarding the preferable modes and strategies for electrification for last-mile delivery and last-mile connectivity of passengers.



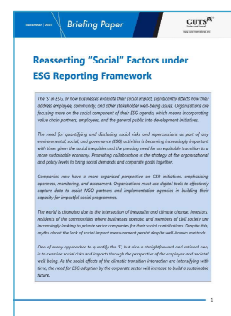
<https://cuts-ccier.org/pdf/exploring-the-potential-of-last-mile-transportation-as-an-enabler-for-green-jobs.pdf>

Briefing Paper

Reasserting “Social” Factors under ESG Reporting Framework

The 'S' in ESG, or how businesses evaluate their social impact, significantly affects how they address employee, community, and other stakeholder well-being issues. Organisations are focusing more on the social component of their environmental, social, and governance (ESG) agenda, which means incorporating value chain partners, employees, and the general public into development initiatives.

The need for quantifying and disclosing social risks and repercussions as part of any ESG activities is becoming increasingly important with time, given the social inequities and the pressing need for an equitable transition to a more sustainable economy. Promoting collaboration is the strategy at the organisational and policy levels to bring social demands and corporate goals together. One of many approaches to quantify the 'S', but also a straightforward and rational one, is to examine social risks and impacts through the perspective of the employee and societal well-being.

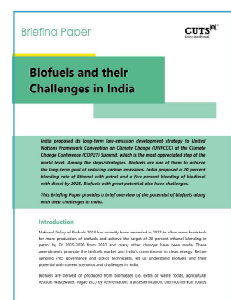


<https://cuts-ccier.org/pdf/bp-on-reasserting-social-factors-under-esg-reporting-framework.pdf>

Biofuels and their Challenges in India

India proposed its long-term low-emission development strategy to United Nations Framework Convention on Climate Change (UNFCCC) at the Climate Change Conference (COP27) Summit, which is the most appreciated step at the world level. Among the steps/strategies, Biofuels are one of them to achieve the long-term goal of reducing carbon emissions. Biofuels with incredible potential also have challenges, such as food security, deforestation, research and policy gaps.

CUTS International released a Briefing Paper on “Biofuels and their Challenges in India”. The Paper provides a brief overview of Biofuels' potential and their challenges in India.



<https://cuts-ccier.org/pdf/bp-biofuels-and-their-challenges-in-india.pdf>

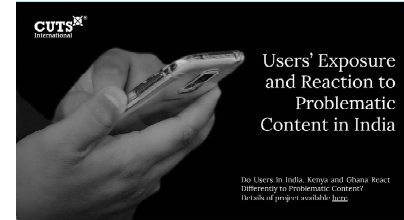


Publications

Slide Deck

Users' Exposure and Reaction to Problematic Content in India

Social media platforms have the potential to become a vehicle for inclusive, democratic, and free expression. However, their misuse by circulating allegedly incorrect, sensational, divisive, hateful, and misleading information (problematic content) causes significant harm to users. CUTS International's study titled 'Understanding Users' Exposure and Reaction to Problematic Content in India' explores this through a pan-India survey of over 2000 social media users.



Among other things, it finds that most users consider the source of the content as a factor for trust. Compared to users with low exposure, a greater percent of users with high exposure to problematic content react to it. Most users want social media platforms to be held accountable. To curb the adverse impacts, raising awareness amongst users and building their capacity to identify and appropriately deal with such content is necessary. Social media platforms need to be made more accountable towards problematic content being spread on their platforms.

<https://cuts-ccier.org/pdf/slide-deck-users-exposure-and-reaction-to-problematic-content-in-india.pdf>



Representations

- Akash Sharma was one of the speakers at the Winter Business Conference on Sustainability organised by the Great Lakes Management Institute in Gurgaon on December 20, 2022. He also attended the South Asia (BBIN) Power Summit organised by the Confederation of Indian Industry in New Delhi on December 16, 2022.
- Amol Kulkarni was one of the speakers at a virtual conference on Ease of Doing Business in Maharashtra on December 12, 2022. He was also one of the speakers at the 2nd India Spectrum Management Conference in New Delhi on December 07, 2022.
- Sidharth Narayan and Asheef Iqubbal participated in Australia-India Cyber and Critical Technology Partnership (AICCTP) Roundtable in New Delhi on November 18, 2022.
- Ujjwal Kumar was one of the speakers at the VII International Conference 'Antimonopoly Policy: Science, Practice, Education' in Moscow, Russia on November 09-10, 2022.
- Asheef Iqubbal participated in the Grappling with Goliath: Assessing the Quad's Efficacy on 5G and Open Network Architectures at Centre for Social and Economic Progress in New Delhi on October 27, 2022.
- Ujjwal Kumar was one of the speakers at the VIII Eurasian Antitrust Forum in Almaty, Kazakhstan, on October 06-07, 2022.



Advocacy through Media

Why courts should study the economic impact of decisions

Livemint, December 30, 2022

By Pradeep S Mehta

As another year ends, I am filled with hope that the new year will bring greater empathy for - and progress to - the helpless and vulnerable. The reason? The actions and assertions of D.Y. Chandrachud, the 50th Chief Justice of India. For quite some time, Justice Chandrachud has spearheaded an initiative to modernise the Indian judiciary by ensuring transparency, accessibility and accountability through digital and inclusive means. He has conveyed his belief that the judiciary should work for all, uphold constitutional morality, and make its decisions equitable, comprehensible and implementable. He also understands the importance of having well-capacitated district and higher courts.

<https://cuts-ccier.org/why-courts-should-study-the-economic-impact-of-decisions/>

Levy a Tobin tax for the climate loss and damage fund

Livemint, November 30, 2022

By Pradeep S Mehta

The COP27 outcome was the second-best solution, and it failed to address critical aspects of capping the Earth's temperature rise at 1.5° Celsius above its pre-industrial level. While the Global North has agreed to pay the South for losses and damages due to climate change, it should know that this is not charity. Its disproportionate consumption of the planet's resources has created a historical, moral and legal obligation to pay for it. We require an imaginative approach to raise funds without burdening any government, and not by robbing the rich to pay the poor.

<https://cuts-ccier.org/levy-a-tobin-tax-for-the-climate-loss-and-damage-fund/>

Here's how G20 can fix the sustainable development funding problem

The Economic Times, November 26, 2022

By Pradeep S Mehta

When attending a recent seminar on preparations for India to take over the G20 presidency next week, Nirmala Sitharaman spoke about financial issues as a major handicap in achieving the Sustainable Development Goals (SDG) agenda. Financial commitments made by rich countries at the 1992 Earth Summit in Rio de Janeiro, Brazil, the 2002 Monterrey Consensus in Mexico, the 2015 Addis Ababa Action Agenda in Ethiopia, and various COPs have never been met. Looking at the current economic downturn and shrinking revenues, despite agreeing to set up a loss and damage (L&D) fund, it will become more difficult. Taxing financial flows to raise unhinged funding could be the only way forward.

<https://cuts-ccier.org/heres-how-g20-can-fix-the-sustainable-development-funding-problem/>

A habitual offender?

Financial Express, November 24, 2022

By Pradeep S Mehta and Sidharth Narayan

The penalties of Rs 1,337 crore, and Rs 936 crore (collectively \$280 million), imposed on Google by the Competition Commission of India (CCI), are for the abuse of its dominance (AoD) with respect to Android mobile devices and Play Store policies, respectively. Google has been penalised on similar issues by other competition regulators across the world as well. Google's competition woes in India started in 2018, when it was fined Rs 135 crore (\$16 million) by the CCI on a complaint filed by Matrimony and CUTS International regarding the imposition of unfair conditions in agreements with websites pertaining to general search and search advertisement services. A penalty of 5 percent was imposed, based on relevant turnover, after six years; this has been appealed.

<https://cuts-ccier.org/a-habitual-offender/>



Advocacy through Media

Mitigating climate change through competition and cooperation

The Economic Times, November 19, 2022

By Pradeep S Mehta, Sneha Singh and Nishant K Upadhyay

Well-formulated and enforced competition policies can act as catalysts and complements to efforts in mitigating and adapting to climate change. The world will discuss this on December 05, World Competition Day, to garner greater attention to one of the most pressing problems humanity is facing today.

<https://cuts-ccier.org/mitigating-climate-change-through-competition-and-cooperation/>

ESG frameworks must put people first

Livemint, November 14, 2022

By Pradeep S Mehta

As COP27 in Sharm El-Sheikh, Egypt, puts the environment back in the global news, Environmental, Social and Governance (ESG) proposals have become the flavour of the day. This is a new formulation of an older triad of 'People, Planet and Profits', where people came before the other two concerns. Today, stakeholders, particularly investors, need to reshape the discourse to identify better strategies for the progress of people in a highly competitive world badgered by various debilitating factors.

<https://cuts-ccier.org/esg-frameworks-must-put-people-first/>

Being Free and Fair: Indian Corporates Chasing a Global Dream

Outlook Business, November 01, 2022

By Pradeep S Mehta

At a time when Indian corporates want to be known as global entities, their social responsibility record is being scrutinised. With the emergence of the ESG model, expectations are rising further. Can the Indian corporate leader also turn a visionary for social change, something the early nationalist businessman claimed as his trump card?

<https://cuts-ccier.org/being-free-and-fair-indian-corporates-chasing-a-global-dream/>

Festival sales 'great' only for e-com companies

Financial Express, October 25, 2022

By Pradeep S Mehta and Sidharth Narayan

Large e-commerce companies have launched annual festival sales, luring consumers with hefty discounts. It has been estimated that e-commerce companies will garner sales of around US\$12bn in the festive season, and these may make up ~20 percent of their total annual sales. Such staggering discount-driven sales are portrayed to be benefitting consumers and small online sellers. However, there is more than what meets the eye—preferential treatment of select large sellers, predatory pricing to drive away the competition, selling sub-standard and counterfeit products, etc. The time has come to rein in such unfair business practices effectively.

<https://cuts-ccier.org/festival-sales-great-only-for-e-com-companies/>

Climate change: De-risking India's banks, NBFCs

Policy Circle, October 17, 2022

By Pradeep S Mehta and Sushil Muhnot

Different studies by climate scientists indicate that a 1.5p C rise in average global temperature will cause a 3-5 times increase in extreme weather events such as heat waves, droughts, and floods worldwide. India is slated to be among the worst sufferers of such events and may suffer huge economic losses. The ministry of earth sciences, in its report assessment of climate change over the Indian region, corroborates these findings and further predicts that even if the world meets the Paris Agreement 2015 commitments, global warming may exceed 3p C by the end of the century.

<https://cuts-ccier.org/climate-change-de-risking-indias-banks-nbfc/>