



ClimxTrade#2 Resilient Value Chains: implications of Covid19 in view of climate change

Event Information: closed door round table

Date: 20th May 2020, 3:00-4:30pm BST

Place: **Overseas Development Institute**, 203 Blackfriars Road, London SE1 8NJ and **over video conferencing**: Meeting URL: <https://bluejeans.com/355465714>

Meeting ID: 355 465 714

RSVP by 19 May 2020: <https://forms.gle/k3wxSFp4EaZxMbF96>

Twitter #: ClimxTrade

Keynote: Professor Carlo Pietrobelli, Head of Department and Professor of Economics at University Roma Tre, Italy, Professorial Fellow at UNU-MERIT, Maastricht, and Adjunct Professor at Georgetown University, Washington D.C.

Commentator: Kevin Adams, Research Fellow, Stockholm Environmental Institute

Chair: Dr Jodie Keane, Senior Research Fellow, Overseas Development Institute

ClimxTrade#2 round table will explore:

- The COVID-19 pandemic has exposed vulnerabilities in GVCs; how can resilience be enhanced in view of the future risks associated with climate change?
- What are the implications of the shortening of GVCs for climate change adaptation and mitigation efforts?
- What are the likely implications for trade policy frameworks and the climate change support architecture?

Brief

Global value chains (GVCs) had already begun to shorten after the Global Financial Crisis in 2008/09; the coronavirus outbreak may intensify this process, affecting the trade and development trajectories of developing country suppliers. This potential restructuring of GVCs comes when many countries are moving towards the mitigation of climate change and adaptation to its physical effects. Movement towards regional value chains is one aspect of this transformation. Even without consideration of climate change, the coronavirus crisis has laid bare the fragility of global supply chains and the nature of relationships with suppliers in poorer countries.

With a few lead firms, buyers and traders typically controlling access to end markets, suppliers have more limited market power; this in turn results in a more limited ability to adapt to demand shocks. Reduced inventory management as a result of just-in-time delivery has clear limitations as viscerally demonstrated during the coronavirus pandemic. The relationships between buyers and suppliers within GVCs and their interaction, as framed by public policy, is crucial to effective risk management.

On 13 April 2020, the B20 called on the G20 to launch a dialogue on how to make global supply chains more resilient. But major questions remain as to how to do this. Whilst policy makers seek to enhance the resilience of their supply chains through reducing dependence on external suppliers, there are risks that poor countries will lose access to markets that have provided vital footholds out of poverty. Coupled with the impacts of climate change, this poses challenging questions for the international trade and development community to confront given that increasing export diversification can also be a climate change adaptation strategy.

“ClimxTrade” is a cycle of critical discussions on Climate, Trade and Development policy. It aims to bring together specialists within these fields to evaluate and identify evidence based “triple-win” policy outcomes in advance of COP26 - The 26th session of the Conference of the Parties. Its primary audience are policy makers in the developed and developing worlds, academia and civil society.

Blogs in this series include: <https://set.odi.org/securing-a-climate-compatible-trade-regime/>