



International  
Trade  
Centre

TRADE IMPACT  
FOR GOOD

# Climate Resilience in International Value Chains

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Trade for Sustainable Development Programme



# Climate Resilience Toolkit

## *Strengthening climate resilience of supply chains*

Blended learning approach of online and offline training for business and trade community

### 1) Adaptation to climate change impacts

- Combining experience of GIZ and ITC in one tool: Climate Expert Approach
- **Main goal:** Reduction of climate induced risks of SMEs in developing countries
- **Piloted by GIZ in:** Bangladesh, Costa Rica, Morocco and Rwanda



### 2) Mitigation of climate change impacts

- Turning ITC expertise and project experience into one tool to mitigate climate change impacts
- **Main goal:** Increase of resource efficiency of SMEs in developing countries
- **Piloted by ITC in:** Kenya (tea and coffee sectors); Uganda (tea and cut flowers sectors)

### Expected results:

- Increased awareness and understanding of the benefits of climate change adaptation and resource efficiency
- Enhanced capacity to formulate, implement and communicate climate adaptation and resource efficiency strategies
- Improved access to green finance, technology and markets to implement climate adaptation and resource efficiency strategies

MITIGATING CLIMATE CHANGE  
IN THE TEA SECTOR



ITC  
TRACE BACK  
FOR GOOD  
50  
1964-2014

→ **Lower costs and risks of business and production practices**

# Climate Expert Approach – example case

**Case:** AVEIRO – Fish processing company in Agadir, Souss Massa, Morocco

**Climate challenges:** Sudden and heavy rainfalls, rising temperatures, more frequent heat waves and severe droughts, flooding

**Climate impacts experienced:** Flooding of plant and storage, delays and product damages due to destruction of transport roads, reduction of productivity by 5% due to heat waves

**Climate impacts observed:** Water scarcity in region → water price expected to increase; migration and decline in fish stock due to rising sea temperatures

**→ Development of climate adaptation strategy**

# Climate Expert Approach – example case

Climate Impacts	Climate Risks	Identified adaptation measure
Heavy and more frequent rains	<ul style="list-style-type: none"> <li>Facilities and premises flooded</li> <li>Stocks of finished products under water</li> <li>Disruption in logistics &amp; supply chain (blocked roads during flooding)</li> </ul>	<ul style="list-style-type: none"> <li>Adapting parts of the company infrastructures to avoid floodings (e.g. pavement)</li> <li>Integrating flood barriers</li> <li>Alternative supply routes and weather alert system to inform fishers on extreme events</li> <li>Strategic inventorial management</li> </ul>
Increased temperatures and more frequent heat waves	<ul style="list-style-type: none"> <li>Power cuts &amp; overheating of fridges during heatwaves</li> <li>Deterioration of working conditions &amp; decrease in productivity during heat waves</li> <li>Degradation of fish quality</li> </ul>	<ul style="list-style-type: none"> <li>New insulation materials for fridges</li> <li>Renewable energies to reduce the company's dependence to the grid</li> <li>Include green spaces at the company premises</li> <li>Optimize indoor ventilation</li> </ul>
Water stress	<ul style="list-style-type: none"> <li>Disruption in water supply because of decreasing groundwater levels</li> <li>Increased water prices</li> </ul>	<ul style="list-style-type: none"> <li>Installation of water recycling machine through matching financing and service provider</li> <li>Awareness raising training of employees on sustainable water usage</li> <li>Collective rain water collection system in the industrial park</li> </ul>
Changing physical - chemical patterns of oceans (e.g. increased temperatures of oceans, acidification)	<ul style="list-style-type: none"> <li>Decrease in available fish stocks and quality</li> <li>Less variety of fish species</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a congelation factory close to the fish suppliers</li> <li>Increase imports and supplier diversification</li> <li>Investment in R&amp;D for product diversification for canned food</li> <li>Engagement in marine ecosystem preservation</li> </ul>

# Climate Expert Approach – Project example

**Title:** Strengthening competitiveness of SMEs through climate resilience in international value chains

**Funded by:** BMZ (via GIZ)

**Duration:** Dec. 2017 – Nov. 2018

**Size:** EUR 548.000

**Target countries and sectors:** Processed food and textiles in Morocco and Kenya

**Project origin:** MoU with GIZ Programme on Private Sector Adaptation to Climate Change on transferring Climate Expert Approach to ITC and resulting collaboration with GIZ Programme on Private Sector Promotion

# Expected impact, outcome and outputs

**Impact:** Contribute to increased competitiveness through reduced climate risk of SMEs in targeted value chains of European companies

**Outcome:** Joint action among selected value chain actors initiated to enhance climate risk management in international value chains

**Output 1:** Awareness and understanding of climate change and its risks and opportunities for businesses increased among selected actors in the targeted value chains

**Output 2:** Capacity to create climate resilience strategies and communication plans of selected actors in the targeted value chains of European companies increased

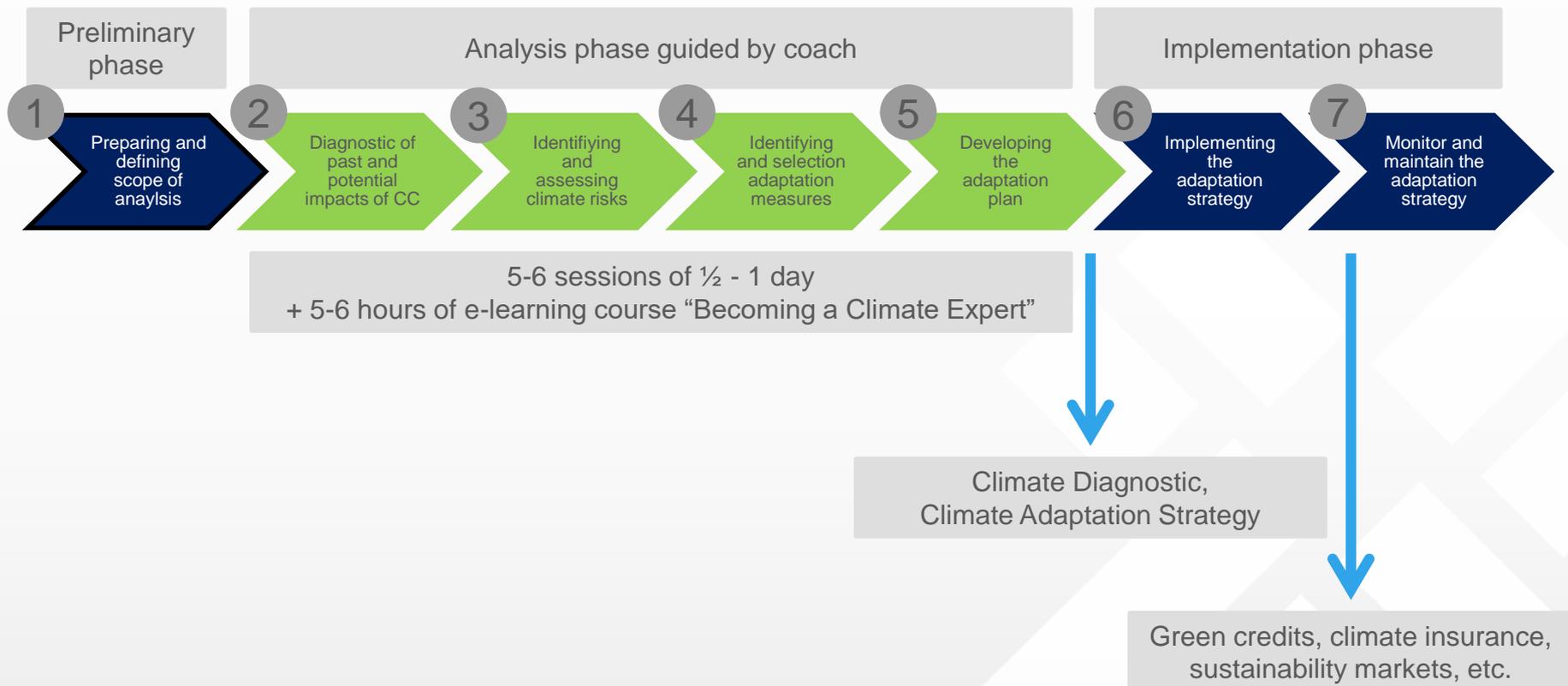
**Output 3:** Service portfolio of technical assistance providers addressing climate change risk management in value chains enhanced

**Output 4:** Implementation of joint action plan to addressing climate change risks among selected value chain actors

# Project approach

- **Initiate collaboration between different supply chain actors** in order to address climate induced risks along the value chain
- Value chain actors include **European companies, local SMEs** that supply into value chains and **other relevant actors in the business ecosystem**
- Building **alliances between the actors along the value chain**, working towards common benefits (e.g., better risk management in the VC, reduced vulnerability to climate change)
- **SMEs** will receive **coaching on how to adapt** to climate induced risks and realize opportunities (Climate Expert Approach)
- Project is aimed at SMEs that already have established business operations and that are supplying into value chains of European companies

# Climate Expert Approach - Coaching



# Methodological results

- **Supply chain specific guides** on best practices when implementing the Climate Expert Approach
- **E-learning course “Becoming a Climate Expert”**
- **Training material** for “Training of Trainers” and “Training of SMEs”
- Pre-assessment for measuring “**Climate Preparedness of SMEs**” available on Sustainability Map ([www.sustainabilitymap.org](http://www.sustainabilitymap.org))
- Established **network of trained trainers** in Morocco and Kenya

**→ All materials will be available in French and English (possibly Arabic) and ready to be integrated into new and existing projects**