

# United Nations Conference on Trade and Development

## **LAUNCH OF THE COMMODITIES AND DEVELOPMENT REPORT 2019: COMMODITY DEPENDENCE, CLIMATE CHANGE AND THE PARIS AGREEMENT**

**11 September 2019, Geneva**

### **Commodities and Climate Change: A View from the Systemic Risk Perspective**

by

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# Commodities and Climate Change: A View from the Systemic Risk Perspective

Geneva

11 September 2019



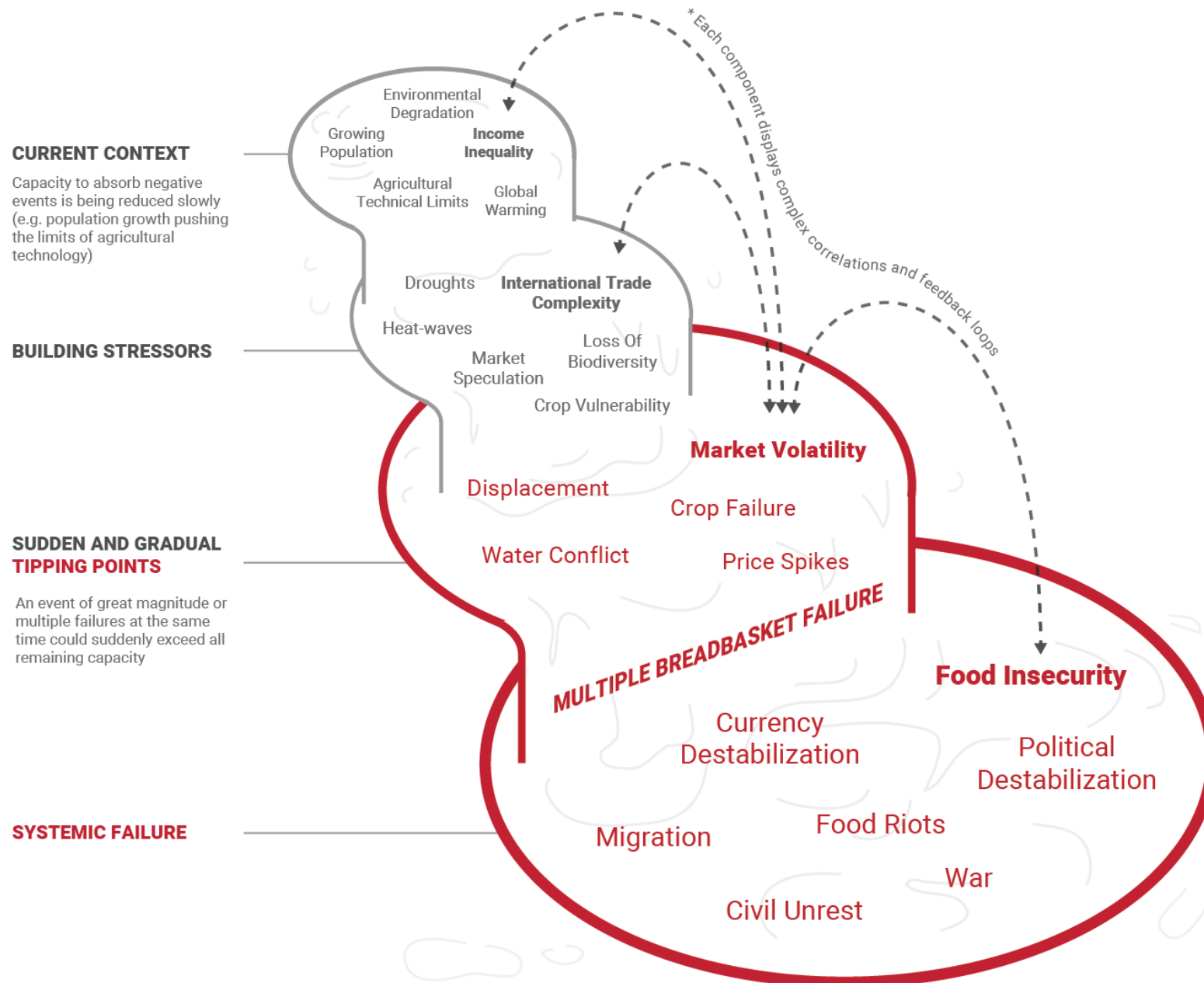


# From managing “conventional” hazards to managing systemic risks

- The world faces new, emerging, and much larger threats than ever before, linked at least partly to climate change, environmental degradation, urbanisation, poverty and inequality.
- These risks could slow or reverse progress towards the UN’s Sustainable Development Goals.
- The Sendai Framework broadened the scope of hazards. It also recognizes the interlinkages, relationships, correlations and dependencies of multiple risks and actors across systems to build a shared understanding and enable decision makers to act.
- People in least developed countries are on average six times more likely to be injured, to lose their home, to be displaced or evacuated, or to require emergency assistance, than those in high income countries.



# Growing risk in a shrinking world



# Climate Change as the Great Risk Amplifier

- Climate change is a major driver and amplifier of disaster losses and failed development.
- Decades-old projections about climate change have come true much sooner than we projected and at a calamitous scale.
- Climate change can generate more powerful storms, exacerbate coastal flooding, and bring higher temperatures and longer droughts.
- climate change is expected to exacerbate health problems that already pose a major burden to vulnerable populations.
- it is hard to predict how changes in the climate and the atmosphere will affect the prevalence of agricultural diseases making plant infections more common.
- Failure to include climate change scenarios in assessment and risk reduction planning will create new risks and increase losses.

# GAR 2019: from managing “conventional” hazards to managing systemic risks

- ⇒ Commodity sectors affect the climate, can generate new risks and are also highly exposed to climate-related and other hazards.
- ⇒ There is **need for a more holistic and people-centred approach to vulnerability** and to ask why some people do better in overcoming adversity than others by assessing the main obstacles that individuals, households and societies may face in managing risk, including challenges in terms of information, resources and incentives to build back faster and better.
- ⇒ **Cumulative and cascading nature of vulnerability requires timely and continuous investment to effectively protect those groups whose vulnerability profiles** – many structural and many tied to the life cycle – make them more susceptible to risks.

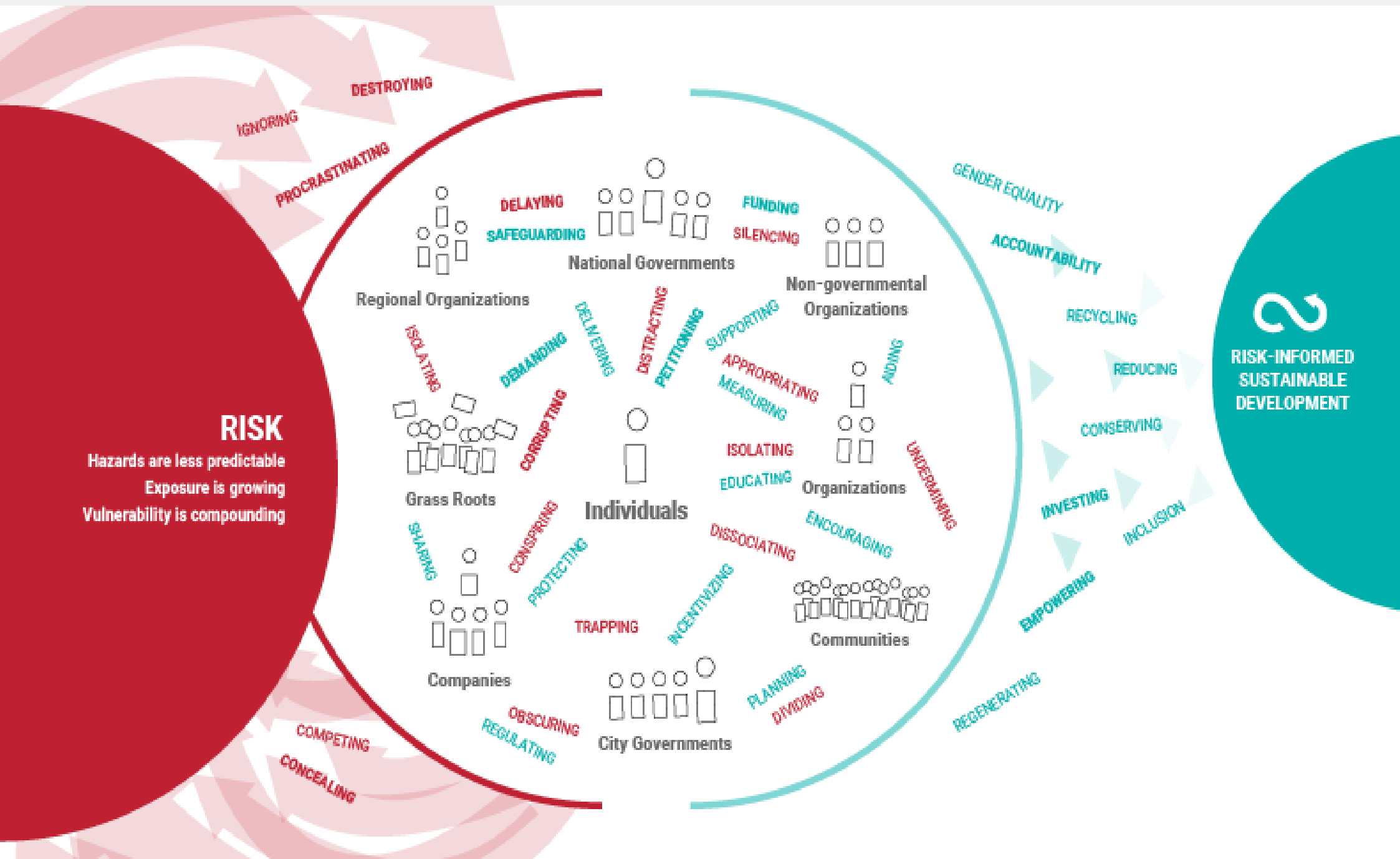
# The State of Food Security and Nutrition in the World

## Commodity Dependence and its Relevance for Food Security and Nutrition

- Eighty per cent of countries with a rise in hunger during recent economic slowdowns are highly dependent on primary commodities. **And are also highly exposed to natural and manmade hazards**
- Close to fifty percent of undernourished people and stunted children live in high commodity-dependent countries. **And are also highly susceptible of being affected by disasters**
- Changes in commodity prices affect the relative value of exports and imports in these countries (external vulnerabilities). **Commodity prices can also suffer fluctuations in the aftermath of disasters**
- Many vulnerable households see their purchasing power reduced by aggregate macroeconomic shocks and coping strategies are ineffective. **The same thing happens when they are affected by a disaster.**
- Need to change consumption patterns lead to cutting spending on basic services for health and/or shift away from nutrient-rich foods.



# GAR19: Risk is everyone's business



# GVR

## Global Assessment Report on Disaster Risk Reduction

2019

# Thank you

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