



A COMMON AGENDA  
TO ADVANCE SUSTAINABLE  
DEVELOPMENT IN ASIA &  
THE PACIFIC

23 - 27 May 2022 Bangkok | THAILAND



**High-level thematic roundtable on  
Regional supply chains and connectivity  
24 May 2022 | 10:00-10:30 (UTC+7)**

**Background**

Participation in global and regional supply chains has been one of the most reliable economic growth strategies, especially for developing countries in Asia and the Pacific. Smooth and efficient connectivity in both trade and transport has been indispensable to the region's pursuit of the 2030 Agenda for Sustainable Development. However, during the COVID-19 pandemic, the world has seen many of the long-standing vulnerabilities and risks lurking in organizations' supply chains.

Although there has been progress in ensuring connectivity and continuity in supply chains, there have also been disruptions, especially following the pandemic, which have left many businesses facing difficult choices in balancing efficiency and resilience. Containment measures implemented during the pandemic have interrupted production, transport, and distribution, affecting products in supply chains which have a single source of supply. Freight consolidation, lean inventories, and just-in-time delivery, which were hallmarks of existing regional supply chains, suddenly became weaknesses due to these disruptions. Supply chains disruptions during the pandemic have particularly affected small and medium-sized enterprises which have fewer resources to cope with the disruptions and to take mitigating actions. In the case of essential medical supplies, these disruptions put the lives of large groups of people at risk. Furthermore, ever more frequent, and intense extreme climate events are also threatening the functioning of global supply chains everywhere. At the same time, the pandemic has given a momentum to a great number of new and more sustainable and resilient strategies and solutions in both trade and transport and strengthened regional cooperation in this regard.<sup>1</sup>

The COVID-19 Pandemic and the growing climate crisis are thus highlighting the importance of commitments to higher environmental, social, and governance standards in the private sector, as well as in public policy. Companies and governments are being forced to rethink their approach to supply chains. Companies are rethinking their strategies to diminish single-supplier – and even

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<sup>1</sup>ESCAP/ADB, "Seamless Trade and Transport Connectivity in Asia and the Pacific: Regional Cooperation in the Context of the COVID-19 Pandemic", 2020. [https://www.unescap.org/sites/default/d8files/knowledge-products/TIID\\_TD\\_Seamless%20Transport%20and%20Trade%20Connectivity-Final.pdf](https://www.unescap.org/sites/default/d8files/knowledge-products/TIID_TD_Seamless%20Transport%20and%20Trade%20Connectivity-Final.pdf)



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single-region dependence. Governments are increasingly focusing on ensuring that supply chains can offer efficient, sustainable, and inclusive access to goods and services, at all times.

Improving supply-chain resilience and sustainability, however, is not an easy, cost-free exercise for businesses as well as governments. It requires looking at supply chains more holistically, harmonizing regulations, streamlining procedures, digitizing processes, creating some level of redundancy to allow flexibility, and internalizing climate-risks into investment and production decisions.<sup>2</sup> For governments, it involves accelerating the simplification and harmonization of procedures at borders and having emergency plans in place (only 16% of countries confirmed long-term preparedness for future crises in the latest UN Global Survey on Digital and Sustainable Trade Facilitation).<sup>3</sup> Most of the existing bilateral and multilateral transport agreements have insufficient crises provisions built in.<sup>4</sup> It also requires governments to utilize regional trade, transport and economic partnership agreements, as well as policies to enhance regional transport and ICT connectivity. While these strategies may come with higher costs and may affect the long-term global outlook, the potential payoff can be more resilient, inclusive, and sustainable supply chains, which are better prepared to weather future disruptions with less adverse economic and social impact in times of crisis.

Designing policies to support the emergence of supply chains that are both resilient and efficient, while also protecting vulnerable groups and the environment is a challenging process. This high-level roundtable will discuss the roles of trade, transport and regional cooperation in balancing supply resiliency and efficiency and in ensuring that Asia and the Pacific can effectively utilize such supply chains to achieve the SDGs.

## Objectives

This high-level roundtable will explore the challenges and opportunities for economies in Asia and the Pacific as they re-establish supply chains and connectivity. The discussions will focus on the following:

1. What will global and regional supply chains in the post COVID-19 world look like?
2. What can be done at a policy level in terms of building supply chains that will be more resilient and inclusive?

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<sup>2</sup> See Asia-Pacific Trade and Investment Report 2021: Accelerating Climate-smart Trade and Investment for sustainable Development, available at <https://www.unescap.org/kp/APTIR2021>

<sup>3</sup> <https://www.untsurvey.org/report>

<sup>4</sup> <https://www.unescap.org/kp/2021/proposals-crisis-response-provisions-regional-and-bilateral-transport-agreements-escap#>



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3. How should regional cooperation evolve to support the development of sustainable and enduring supply-chains in Asia and the Pacific?
4. What can be done in terms of short and long-term strategies at the national and regional levels as well as regional cooperation to ensure that global and regional supply chains in the post COVID-19 world will serve as a means for sustainable and inclusive recovery of developing countries, especially low-income and least developed countries?
5. What will be the policy priorities for developing Asia-Pacific countries, especially low-income and least developed countries, to catch up with supply-chain partners to remain relevant in digital supply networks and close existing regulatory, infrastructural, and skilling gaps?
6. How can we maximize the potential of trade and regional agreements related to trade, transport, and ICT already in place, to build more resilient and sustainable supply chains in the region?
7. How can we promote the development of regional supply chains that link more directly to the SDGs, such as the supply chains for climate-smart goods and services, supply chains with responsible and sustainable practices that enable decarbonization and minimize adverse effects on the environment?