Presentation of the project

by

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Strengthening development Linkages from the mineral resource sector in ECCAS countries

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High level of commodity dependence across the developing world

Source: UNCTAD, State of commodity dependence 2014
Note: Commodity export dependence is measured as the ratio of primary commodity exports (agricultural products; minerals, ores and metals; and, oil) to total merchandise exports in value term.
A Harsh Reality: Commodity Booms & Busts

- Latest commodity boom: 2003-2011;
- Overall price decline since 2011;
- Commodities can fuel growth & contribute to poverty reduction;
- But note the challenges:
  - Price volatility
  - Maximizing development gains
  - Diversification
  - Integrating Global value chains (GVCs)
Commodity market overview

- Prices pressed down
- Key driving factors:
  - oversupply
  - reduced demand
  - strong US Dollar

Source: Data from UNCTADStat (Non-oil Commodities) and WB (Energy)
Notes: Indices of Non-oil Commodities (2000=100), Energy (2010=100)
Falling commodity prices and challenging environment for CDDCs

Falling commodities prices:

- Huge challenges for various stakeholders in the raw commodity sector, especially in CDDCs
- Particularly damaging for countries where governments have poorly anticipated the reversal of the upward price trend after almost a decade-long boom:
  - worsening fiscal position,
  - Increasing debt vulnerability and sovereign risk
  - Deteriorating current account balance
  - Depletion of foreign reserves
Major Deliverables on Commodities
SUC - UNCTAD
http://unctad.org/commodities

Research and analysis
Consensus building
Technical cooperation

INCREASE SYNERGIES
Among the 3 pillars
Aim of SUC's Technical Cooperation Activities

- To **improve the capacity** of commodity-dependent developing countries to harness development gains from their commodity production and exports;

- To **enhance international cooperation** to addressing trade and development problems associated with the commodity economy (e.g. job creation, poverty reduction, sustainable development challenges, and etc.).
3rd pillar: Technical Cooperation

Technical cooperation focus areas

Market Information Services
Infocomm

UN development account (9th tranche)
Strengthening the capacity of the ECCAS to enhance domestic production linkages from the mineral resources sector

Iron Ore Trust Fund Project

Global Commodities Forum

UN development account (10th tranche)
Value addition of cotton by-products in Eastern and Southern Africa

Africa OILGASMINE
Project Strategy

- The project aims to provide guidelines for designing policies and frameworks for

  - Nurturing local businesses to move up regional and global value chains

  - Transforming them into viable business entities to capture market shares in services such as construction, processing, logistics, marketing, and business.
Project Activities

- Developing legislation, frameworks and methodologies to empower local businesses to move up the value chain;
- Identifying relevant partnerships between training institutions to develop programmes for upgrading skills in the value chain-related sectors;
- Developing a platform to facilitate access to information on the value chain that would boost investment and highlight potential niches for local entrepreneurs.
Activities completed

- Chad's national needs assessment
- Congo's national needs assessment
- Chad's national workshop
- Validation of Chad's national task force
- Chad's national project road map
- On-line training workshops
- Study tour
- Project website
- (http://unctad.org/en/Pages/SUC/Commodities/SUC-Project-1415P.aspx)
National Project Road Map for Chad

- Chad's road map focuses on analysis, capacity building and technical assistance.

- Capacity building activities
  - target the development of human resources in the Ministry of Petroleum and Energy; the national oil company Société Hydrocarbures du Tchad (SHT); the Ministry of Mines and Industry; the Ministry of Economy, Trade and Touristic Development; and the Chamber of Commerce.
  - include study tours, training of trainers, and strengthening of professional training and assistance to SMEs.
National Project Road Map for Chad

- Technical assistance includes
  - policymaking guidance;
  - review and design of legal, institutional and regulatory frameworks;
  - creation of monitoring and evaluation mechanisms;
  - identification of needs of local communities that reside near mining sites and contributions to the design of a regional development strategy suitable for the needs of the concerned communities.
Upcoming Activity

- 1st national workshop in Congo
- 2nd regional workshop in Congo
- 2nd national workshop in Chad
- National project road map for Congo
- Project road map for regional activities
- Study tours
- Collaboration with World Bank