

Concept Note & Programme

COMMODITIES & DEVELOPMENT REPORT 2023

Inclusive Diversification and Energy Transition: African Opportunities

Joint UNCTAD-UNECA webinar

24 January 2024 | 9 a.m.–10.30 p.m. (Geneva time)
| 11a.m.–12.30 p.m. (Addis Ababa time)

Background

In October 2023, UNCTAD launched a new Commodities and Development Report titled “Inclusive Diversification and Energy Transition.” This report highlights that most developing countries depend heavily on exporting commodities, and they are often very vulnerable to various shocks such as fluctuations in exchange rates, drop in commodity prices, pandemics, and conflicts. As a result, these so-called commodity-dependent developing countries (CDDCs) have volatile incomes and slow growth in productivity. Their limited range of commodities exported also affects public revenue and the potential for investing in sustainable development.

If CDDCs are to achieve the Sustainable Development Goals (SDGs) by the deadline of 2030 in this increasingly uncertain global economic and political environment, they will need to become more resilient. Resilience implies that they have to move along value chains and diversify production to generate a greater variety of exports. Diversification not only insures against future market shocks, but also fosters economic growth and drives structural transformation. Economic diversification can either be horizontal or vertical. Horizontal diversification typically broadens the range of production and exports. Vertical diversification can involve greater variety in a sector’s value chain, such as refining crude oil to produce gasoline or petrochemicals.

However, CDDCs now have to diversify through low carbon paths in the context of climate change and energy transition. Historically, economic diversification has relied on the extensive use of fossil fuels. From 1995 to 2019, on average, diversification of one new export is associated with adding 3.1 tons of CO₂ equivalent of greenhouse gas in the atmosphere. CDDCs need to make growth less carbon-intensive without compromising their economic development.

While diversification brings long-term economic benefits, producing a wider range of more sophisticated products can increase inequalities within countries if not accompanied by inclusiveness policies. From 1998 to 2018, on average, a one per cent increase in the number of products exported by a country was associated with an increase of almost half a point in the ratio of the shares of income of the 10% richest and the 40% poorest in an economy. Thus, CDDCs, while moving along value chains and increasing the range of products, need to take active redistribution measures.

CDDCs should leverage untapped potential in renewable energy sources to explore new energy markets and green products that can help create new jobs, boost incomes and reduce inequalities. The global community needs to play a more active role in providing the support needed for green industrial policies in commodity-dependent developing countries to succeed. Commodity-dependent developing countries need access to affordable and sufficient investment financial services and technologies to implement active productive policies and mitigate the climate-related risks associated with climate change towards making their economic structures more diversified, resilient and prepared for a low-carbon future.

Objective

The main objective of this webinar is to inform participants about the key findings and messages of the UNCTAD's Commodities and Development Report 2023. This dissemination activity is also an opportunity to receive feedback on the report and seek for guidance of the issues that could be explored in the forthcoming UCDRs.

Commodities and Development Report 2023

UNCTAD's Commodities and development report 2023 critically examines various issues including inclusive diversification, energy transition and green industrial policies. Regarding Africa, several topics such as economic diversification, inequality, green industrial policies are of interest.

Guiding questions for discussion

- What are the major policy recommendations regarding the African region in the UCDR 2023?
- What is the role of African Continental Free Trade Area (AfCFTA) in fostering an inclusive diversification?
- What strategies can be taken by countries to address gender and income equality? What best practises can be shared?
- How can the African Continental Free Trade Area (AfCFTA) promote low-carbon, nature positive value chains?
- How could Africa's endowments in resources that are essential for renewable energy supply, such as lithium and cobalt, support its energy transition and industrialization agenda?

Format

This webinar will be conducted in English (without translation) online via the Zoom platform. Participation includes UNECA member staff, diplomatic missions, academia, and international institutions based in Addis Ababa and other subregional offices of UNECA.

Registration

All participants are required to register [here](#)

Programme

Geneva Time	Addis Ababa Time	Content
9:00 – 9:15	11:00 – 11:15	<p data-bbox="898 528 1145 562">Opening remarks</p> <p data-bbox="555 636 1406 707">Ms. Miho Shirotori, Acting Director, Division on International Trade and Commodities (DITC), UNCTAD (tbc)</p> <p data-bbox="555 763 1414 835">Mr. Stephen Karingi, Director, Regional Integration and Trade Division (UNECA) (tbc)</p>
9:15 – 9:30	11:15 – 11:30	<p data-bbox="927 909 1114 943">Presentation</p> <p data-bbox="703 994 1337 1028">Commodities and Development Report 2023</p> <p data-bbox="555 1070 1485 1142">Mr. Clovis Freire Junior, Chief, Commodity Research and Analysis Section, DITC, UNCTAD</p>
9:30 – 10:15	11:30 – 12:15	<p data-bbox="898 1272 1145 1305">Panel discussion</p> <p data-bbox="555 1379 1433 1451">Moderator: Mr. Taro Boel, Associate Economic Affairs Officer, UNCTAD</p> <p data-bbox="951 1525 1094 1559">Panellists</p> <p data-bbox="563 1621 1461 1731">Ms. Elena Antoni, Environment and Trade Policy Expert, African Trade Policy Centre, Regional Integration and Trade Division, UNECA</p> <p data-bbox="563 1776 1469 1848">Mr. Nitin Chikuri, Senior Agricultural Planning Officer, Ministry of Agro-Industry and Food Security, Mauritius</p> <p data-bbox="563 1888 1366 1921">Ms. Edith Kagwera Trade policy specialist, Rwanda, (tbc)</p>
10:15 – 10:30	12:00 – 12:30	<p data-bbox="866 1984 1174 2018">Questions & Answers</p>

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