



Enhancing Development Linkages in the Mineral-rich ECCAS region

Concept Note

9th Tranche Development Account Project 1415P Regional Workshop
5-6 December 2017, Libreville, Gabon

Background

The ECCAS region is well endowed with large reserves of minerals and metal resources. It accounts for about a third of Africa's crude oil production, nearly half of Africa's copper mine production, more than half of the world's total production of industrial diamonds and tantalum, a quarter of world total cobalt production, and smaller quantities of other minerals such as gold, iron ore, lead, niobium, columbium, phosphate rock, platinum-group metals.¹ The production and trade of these commodities generate important economic activity and revenues for resource owners in the region. For example, in 2013, Angola's hydrocarbons accounted for about 97% of the country's total exports, 80% of Government revenue, and 42% of the gross domestic product (GDP).²; Equatorial Guinea Hydrocarbons accounted for 92% of exports, 86% of government revenue and about 70% of the GDP.³ The contribution of mining to the economies of producing countries in the region is also significant. For example the mining and mineral processing sector in Congo (Dem Rep of) accounted for an estimated 20.9% of GDP in 2013. Such high dependence on minerals and metals make continuing economic growth prospects of the ECCAS minerals and metals producing countries vulnerable to lower than expected international market prices

To assist countries in the region in mitigating this vulnerability and also to derive greater benefits that accrue to them as a result of exploitation of their mineral resources, UNCTAD launched a project in 2015 on strengthening the capacity of three pilot countries (Chad, Congo Brazzaville and Equatorial Guinea⁴) to enhance potential development linkages from the mineral resources sector to the rest of the economy. These linkages (backward, forward, horizontal, fiscal, spatial) would not only help to reduce commodity dependence but would also help in fostering diversification of the national economies and overcoming the enclaves that often form around extractive projects. To date, the project has undertaken a variety of activities to strengthen the capacity of the pilot countries to enhance potential development linkages from the mineral resources sector to the rest of the economy. These activities include capacity building workshops and study tours to develop knowledge in areas such as development of suppliers to the extractive sector, local content policy implementation, value addition and transfer of skills.

¹ <https://minerals.usgs.gov/minerals/pubs/country/2013/myb3-sum-2013-africa.pdf>

² <https://minerals.usgs.gov/minerals/pubs/country/2013/myb3-2013-ao.pdf>

³ <https://minerals.usgs.gov/minerals/pubs/country/2013/myb3-sum-2013-africa.pdf>

⁴ Due to logistical challenges, activities implemented in Equatorial Guinea were limited.

So far, the preliminary results from these activities have contributed to impacts such as; i) increased knowledge of public sector officials and other stakeholders in methodologies and best practices for formulating strategic plans for their participation in the extractive industries; ii) better understanding of diversification and local content strategies in Latin America; iii) improved dialogue between stakeholders and increased transparency; iv) increased collaboration between educational institutions in Chad and Congo and the private sector on design of programs to upgrade skills of the local workforce to participate in the extractive industries.

The next stage in this project's implementation is a final regional workshop to enable all member countries of ECCAS share their own experience in establishing development linkages so that it can be a cross fertilization learning experience. This will help member countries assess best practices' applicable to their national circumstances and develop policies for establishing development linkages between their extractive sectors and the rest of the economy.

Who should attend?

Stakeholders from the extractive industries, including high level representatives from National governments, businesses and international organizations, as well as experts from civil society, academia and the press.

For more information on the 9th tranche development account Regional workshop, please visit the following website.

<http://unctad.org/en/Pages/SUC/Commodities/SUC-Project-1415p.aspx>

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