

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**STRENGTHENING DEVELOPMENT LINKAGES FROM THE  
MINERAL RESOURCE SECTOR IN ECCAS COUNTRIES**

Regional Workshop  
Brazzaville, Republic of the Congo  
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***Presentation of the project***

by

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The opinions expressed in this document are those of the author and do not necessarily reflect the views of UNCTAD.



# **Strengthening development Linkages from the mineral resource sector in ECCAS countries**

**Yanchun Zhang**

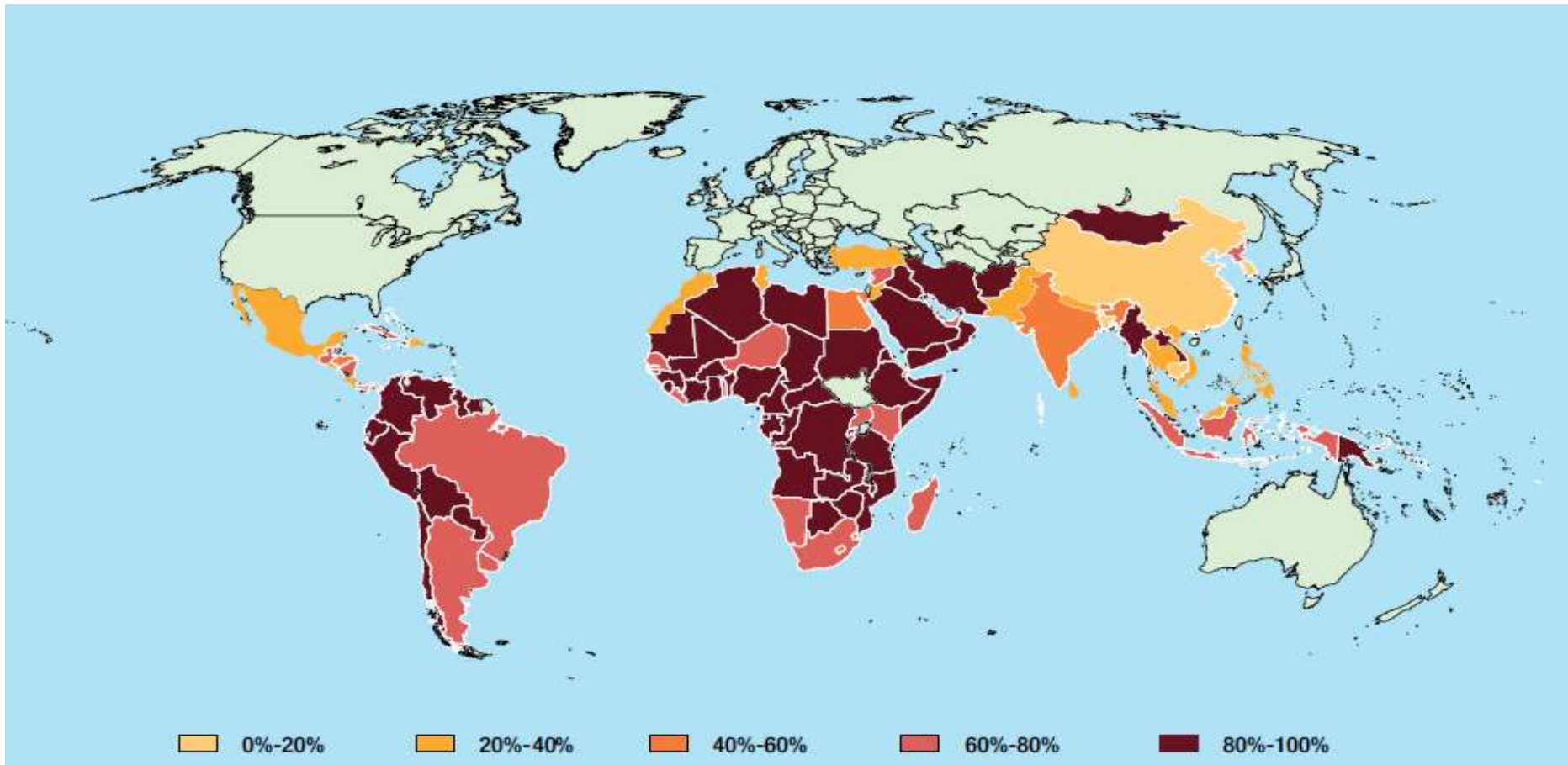
**Chief, CPIOS**

**Special Unit on Commodities**

**26 Septembre 2016**

**Brazzaville, Congo**

# High level of commodity dependence across the developing world



Source: UNCTAD, State of commodity dependence 2014

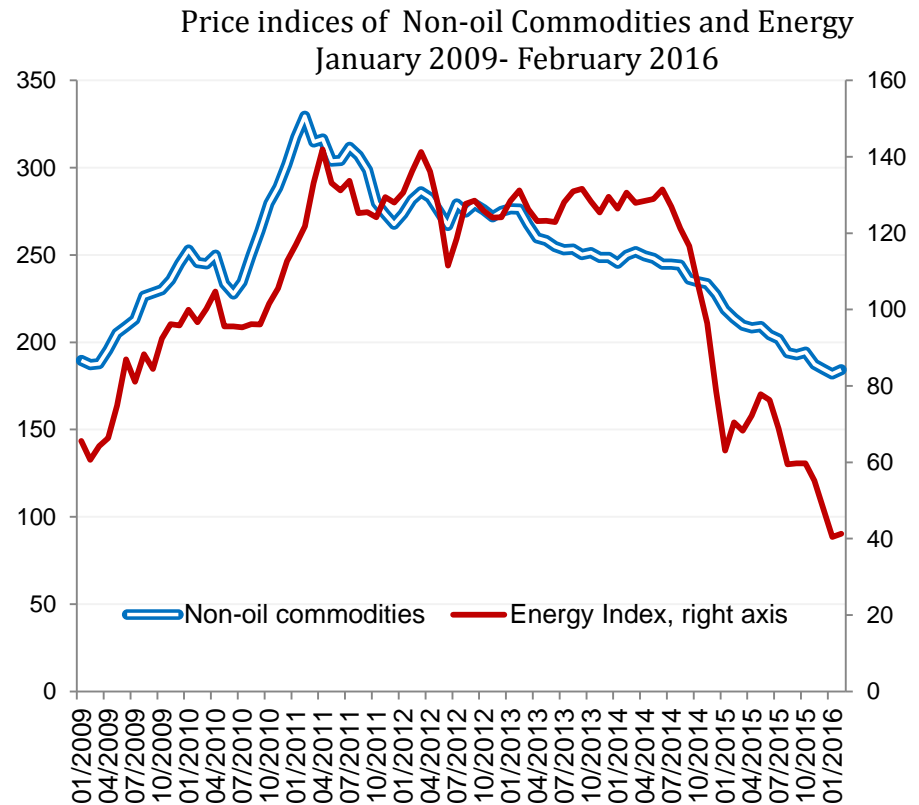
Note: Commodity export dependence is measured as the ratio of primary commodity exports (agricultural products; minerals, ores and metals; and, oil) to total merchandise exports in value term

## 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)

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## 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

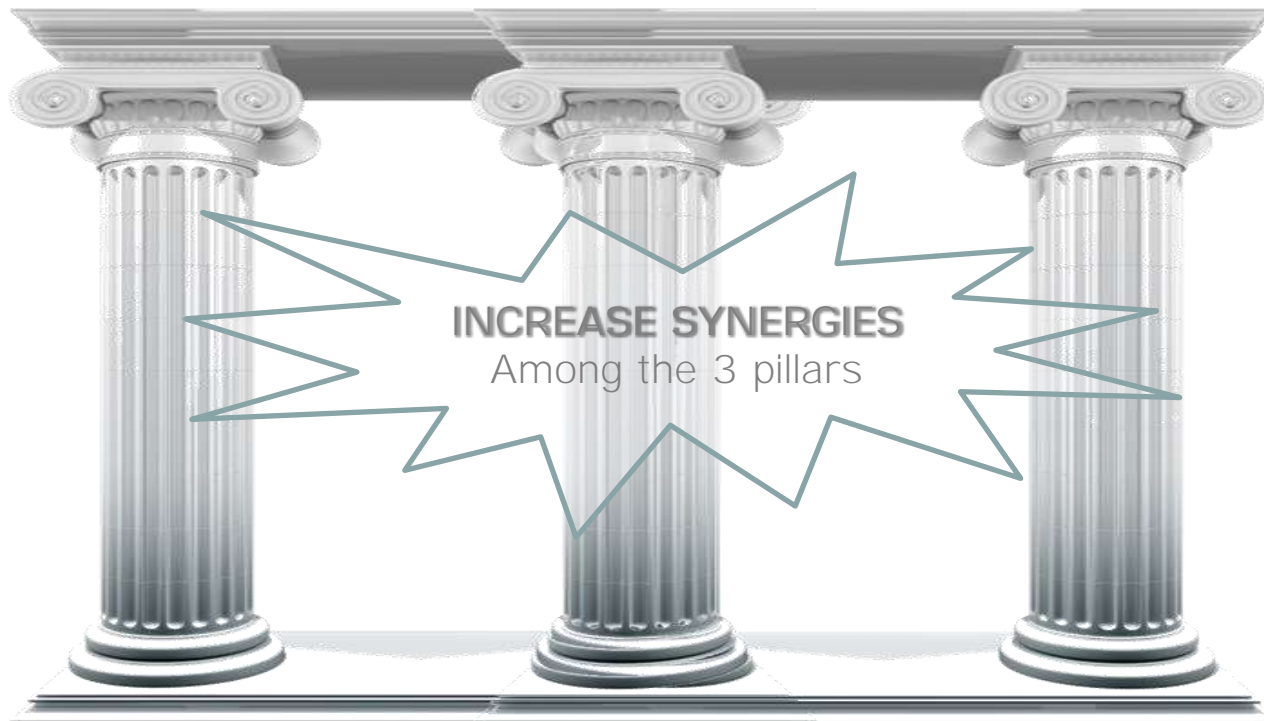
SUC - UNCTAD

<http://unctad.org/commodities>

Research  
and analysis

Consensus  
building

Technical  
cooperation



## 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.).



# 3<sup>rd</sup> pillar: Technical Cooperation

## Technical cooperation focus areas

Market Information Services  
Infocomm

Global Commodities  
Forum

UN development account  
(9<sup>th</sup> tranche)

UN development account  
(10<sup>th</sup> tranche)

*Strengthening the capacity of the ECCAS to enhance domestic production linkages from the mineral resources sector*

*Value addition of cotton by-products in Eastern and Southern Africa*

Iron Ore Trust Fund Project

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

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