

Concept Note & Agenda

COMMODITIES &
DEVELOPMENT
REPORT 2023

Inclusive Diversification and Energy Transition

UNCTAD-UNESCAP Joint Webinar

Tuesday 7 May 2024 | 11 a.m. –12.30 p.m. (Geneva time)
| 4 – 5.30 p.m. (Bangkok time)

Background

In October 2023, UN trade & development (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 Commodities and Development Report 2023 of the UN trade & development (UNCTAD)'s. 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 Commodities and Development Report.

Commodities and Development Report 2023

The Commodities and development report 2023 critically examines various issues including inclusive diversification, energy transition and green industrial policies. Regarding the member countries covered by UNESCAP, several topics such as economic diversification, inequality, green industrial policies are of interest.

Guiding questions for discussion

- Given the unique economic and environmental challenges faced by ESCAP member countries, what tailored strategies can be employed for inclusive economic diversification and a low-carbon transition?
- How can ESCAP member countries leverage their significant potential in renewable energy sources, such as solar, wind, and hydropower, to drive both economic diversification and energy transition?
- What inclusive policies can be implemented to ensure that the economic benefits of diversification and energy transition are equitably distributed across different societal groups within ESCAP member countries?
- How can regional collaboration within the ESCAP framework be enhanced to support member countries in their diversification efforts and transition to sustainable energy, particularly through shared technologies, investments, and knowledge?
- In what ways can ESCAP member countries utilize technology transfer, innovation, and digital transformation to advance their economic diversification and sustainability goals?
- For countries in the ESCAP region heavily reliant on fossil fuels, what are the key strategies for managing the transition to a greener economy while minimizing social and economic disruptions?
- How can ESCAP member countries develop and implement comprehensive diversification strategies that also help to improve gender equality?
- What successful practices from within the region can be adopted or adapted to foster more gender inclusive economic growth?
- Given that the Asia-Pacific region includes some of the world's largest carbon emitters, what collaborative and innovative strategies can be employed by ESCAP member countries to continue to diversify their economies while significantly reducing their carbon footprint and lead global efforts in combating climate change?

Format

This webinar will be conducted in English (without translation) online via the Zoom platform. Participation includes policymakers, academics, development practitioners, members of international organizations and civil society in the Asia-Pacific region covered by UNESCAP.

Registration

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

Programme

The detailed programme is available [here](#).

Geneva Time	Bangkok Time	Content
11:00 – 11:15 a.m.	4:00 – 4:15 p.m.	Opening remarks
11:15 – 11:30 a.m.	4:15 – 4:30 p.m.	Presentation
		Commodities and Development Report 2023
11:30 a.m. – 12:15 p.m.	4:30 – 5:15 p.m.	Panel discussion
12:15 – 12:30 p.m.	5:15 – 5:30 p.m.	Questions & Answers

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