

Opening remarks

Date : 15 September 2017

For Isabelle Durant, Deputy Secretary-General of UNCTAD

Meeting: Trade and Development Board, 64th Session
Item 9: Establishing development linkages in the extractive sector:
Lessons from the field
Palais des Nations, Room XXVI
Geneva, Switzerland

Date: 18 September 2017

Time: 15h00 – 18h00

Excellencies,

Distinguished Panellists,

Ladies and Gentlemen,

- Welcome to this afternoon’s session, Item 9 of the agenda, on: *“Establishing development linkages in the extractive sector: Lessons from the field”*
- This theme fits with UNCTAD’s mission to help member states benefit more from trade, towards meeting their development objectives.
- For developing countries dependent on exports of raw commodities – such as crude oil, mineral ores or agricultural produce - UNCTAD’s mission is to assist them in adding more value to their natural resources, while simultaneously broadening their export basket.
- The so-called extractive sectors – mining, oil and gas – present particular challenges to the increased participation of developing country actors:
 - Mines and oil wells are often geographically isolated from the local economy; and
 - They are capital- and technology-intensive, so participation is often beyond the means of local companies and the host country government.
- Given these barriers, developing countries have often relied on taxation as the main channel to benefit from the exploitation of their natural resources.
- But this revenue model has proven insufficient, especially with respect to job creation and structural transformation.
- In recent years, countries have begun exploring additional channels to draw benefits from their natural resources. These include:

- At the strategic level, planning how targeted participation in the extractive sector can have spill-over effects into the wider economy – so-called “production linkages”; and
- At the regulatory or contract level, using local content rules to require foreign investors to procure a portion of goods, services and labour locally.
- Some developing countries have already implemented these types of policies, such as The Nigerian Oil and Gas Industry Content Development Act of 2010.
- But many others want to know more about these types of policies and how best to implement them.
- To respond to this need, UNCTAD is implementing a technical cooperation project entitled:
 - **FR** : « Renforcement des capacités des Etats membres de la Communauté économique des États de l'Afrique centrale (CEEAC) pour améliorer les effets structurants du secteur des ressources minérales sur l'économie locale »
 - **EN**: “Strengthening the capacity of the Economic Community for Central African States (ECCAS) to enhance domestic production linkages from the mineral resources sector”
- UNCTAD is implementing the project in Chad and the Republic of the Congo (Brazzaville), from 2014 until the end of 2017.
- In this session we will discuss the lessons learned to date from the implementation of the project, with the following programme:
- UNCTAD will first present a background paper it prepared for the session;
- We will then hear presentations from our panellists:
 - H.E. Mr. S.E. M. Kamal Gubara Mohamed SALIH, Ambassador and Deputy Permanent Representative of the Republic of the Sudan to the United Nations Office and other international organizations in Geneva
 - H.E. Mr. Malloum Bamanga Abbas, Ambassador Extraordinary and Plenipotentiary Permanent Representative of the Republic of Chad to the United Nations Office and other international organizations in Geneva
 - Mr. Jules César Botokou Eboko, Minister Counsellor, Permanent Mission of the Republic of the Congo to the United Nations Office and other international organizations in Geneva
 - Mr. Mark Lewis, Director, Practical Action Consulting Latin America (video presentation) : « Evidence and Lessons from Latin America »