

**UNCTAD OILGASMINE
Special Event
15-16 October 2014
Palais des Nations, Geneva**

CLOSING STATEMENT
by Mr. Petko Draganov,
Deputy Secretary-General of UNCTAD
16 October 2014

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Excellencies,
Distinguished delegates,
Ladies and gentlemen,

All too soon we have come to the end of the OILGASMINE special event. Although the event took place in Geneva, an unusual venue for this meeting, the theme has remained in line with our objective of addressing developmental issues that arise in Africa's extractive industries. The central theme of this year's event was "*Achieving sustainable development goals through investment in oil and gas field services*".

Over the last two days, our distinguished panelists debated and exchanged ideas on concrete solutions in achieving sustainable development in the oil and gas industry. These debates have shed light on ways to boost local participation in oil and gas field services and provided different perspectives for us in our analysis of the sector.

Several interesting observations were made during the first session. First, we heard why oil and gas field services are important to host countries. Then we learned of proposals to set up a training academy to address critical skill gaps, to develop an African Gas Hub, and the need for south-south cooperation.

During the session, it has also been observed that the lack of governance in Africa has led to weak development and corruption in the industry as well as unrest and conflicts. These issues could be addressed through community involvement, greater transparency and a clear communication strategy.

During the policy dialogue session of this special event, experts debated the challenges facing the industry as a whole and in particular the incorporation of local entrepreneurs into oil and gas field services. Some of the challenges include for instance, financing of local entrepreneurs, structuring agreements to promote local participation, knowledge transfer, among others.

We also heard about some exciting private sector achievements in the area of transfer of technology, innovative ways to enhance academic standards at technical schools and the establishment of a database of qualified oil and gas suppliers to facilitate technical transfer partnerships.

Negotiating better and fairer contracts was underscored as crucial in ensuring host countries to increase local participation in oil and gas field services. Financing was also highlighted as one of the major obstacles faced by local entrepreneurs in participating in the oil and gas field services. Creating an enabling environment by

governments for development of domestic and regional capital markets to address working capital needs was identified as critical.

Some of the main recommendations highlighted at the meetings include:

- National Oil Companies must strive to bring their managerial and operational standards up to international levels;
- Harmonization of all types of contracts is one way in which governments can negotiate better contracts with investors and operators;
- National Oil Companies should develop a strategy of localizing services which helps build capacity and enhance competitiveness of domestic suppliers; for example they can develop less sophisticated industry segments first;
- It is useful to set up a local content measurement method consistent with the country development;
- In collaboration with foreign service providers, National Oil Companies should build up research capacity in higher institutions of learning;
- Last but not least, develop a communication strategy involving all stakeholders was agreed to be important.

In closing, I would like to congratulate the panellists and participants on the recommendations they arrived at from this Special Event. I hope these key lessons can help countries in developing a sustainable oil and gas industry.

The value of the OILGASMINE event is in the platform it provides to debate issues in commodities and development.

I extend my thanks to you - members of the audience. You have animated the Forum with your diversity of opinion - coming from the public and private sector, civil society organisations, international organisations, academia and the press. Thank you for taking the time out of your busy schedule to contribute to this event.

Next year, the event will go back to Africa, but we are yet to have a host. I leave it to government representatives to resolve this issue.

Thank you again for participating in the 2014 OILGASMINE event. Have a safe journey home and I look forward to welcoming you to the next OILGASMINE event in 2015.