

**CNUCED Projet 1415P: Renforcement des capacités dans les secteurs pétrolier  
et minier dans les économies des pays de la CEEAC**

Atelier de formation sur la gouvernance de la chaîne de valeur dans le secteur extractif:  
renforcement des capacités institutionnelles et humaines  
15-19 mai 2017, Auditorium du Ministère des affaires étrangères, Brazzaville,  
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**Discours d'introduction**

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Les opinions exprimées sont celles de l'auteur et ne reflètent pas nécessairement les points de vue de la CNUCED.

## Opening remarks

By Dr. Samuel K. Gayi

Head, Special Unit on Commodities, UNCTAD

### Training workshop on Governance of the Value Chain in the Extractive Sector: institutional and human capacity development

Mr. Patrick Alakoua (Advisor to the Minister of Planning, Statistics and Regional Integration on Planning and Development)

Mr. Ted Galou Sou, Focal point for this project,

Distinguished participants

Ladies and gentlemen,

It gives me great pleasure to welcome all of you to this National capacity building workshop on “Governance of the Value Chain in the Extractive Sector: Institutional and Human Capacity Development”. I take this opportunity, first, to thank the Minister of Planning Statistics and Regional Integration, Hon. Mrs. Ingrid Olga Ebouka-Babackas, for her support to UNCTAD in organizing this workshop. Second, I would like to thank the Ministry of Mines and Energy, the Ministry of Economy, Industrial Development and Promotion of the Private Sector, and the Ministry of Finance for the support given to UNCTAD in the planning and organization of this workshop. Finally, I’d like to express my appreciation to Ms. Jacqueline Nzalankazi, former Advisor to the Minister of Planning Statistics and Regional Integration for welcoming UNCTAD to the Republic of Congo at the inception of this project, and Mr. Ted Galouo Sou, the national focal point for his dedication, efforts, coordination and willingness to go an extra mile to ensure this workshop gets underway.

Ladies and Gentlemen, I’d now like to provide you with some background on UNCTAD and the Special Unit on Commodities, which is responsible for organizing this capacity building workshop.

UNCTAD is a permanent intergovernmental body established by the United Nations General Assembly in 1964 to promote the development-friendly integration of developing countries into the world economy. Over the years, it has progressively evolved into an authoritative knowledge-based institution whose work aims to help shape current policy debates and thinking on development; with a particular focus on ensuring that domestic policies and international action are mutually supportive in bringing about **sustainable development**. It is unique as an institution in dealing with the integrated treatment of trade and development in all its manifestation – international trade, financial flows (investment and debt), technology and enterprise development, and related issues. As such, it has been

playing a crucial role in emphasizing the development dimension of all these issues: For example, how do we address the imbalances of globalization, and the supply constraints of developing countries, so as to ensure development gains and poverty reduction? Incidentally, this is a **central** objective of this workshop, which also reflects the three functions through which UNCTAD fulfils its mandate:

- i. Forum for intergovernmental deliberations, supported by discussions with experts and exchanges of experience, aimed at consensus building.
- ii. Research and policy analysis (and data collection) for the debates of government representative and experts; and
- iii. Technical assistance tailored to the specific requirements of developing countries; with special attention to the needs of the least developed countries and economies in transition.

The Special Unit on Commodities (SUC) was established in 2008 as an autonomous unit reporting directly to the UNCTAD Secretary-General while maintaining its original mandate of addressing the trade and development issues associated with the commodity economy, giving due attention to all commodity sectors such as agriculture, and the extractive sectors (metals, minerals, oil and gas).

When UNCTAD was established, the observation at that time, which is still the same, was that commodity-dependent developing countries often export their commodities as raw materials without much value added at relatively lower prices, while spending their limited foreign exchange reserves to import expensive manufactured products made from their raw materials. Historically, only a few natural resource rich countries - Canada, Australia, Norway, and recently Malaysia - have managed to build linkages between their natural resource sectors and the rest of the economy. Instead most natural resource rich countries lose much of the value added in production to foreign service providers, thereby forgoing the potential spin-off or multiplier effects of production for local industrial development, job creation, sustainable development and poverty reduction.

It is in this context that UNCTAD is implementing a project on strengthening the capacity of the Economic Community for Central African Member States to enhance development linkages from the mineral resources sector to spread the benefit of this sector to the rest of the economy. To this end, the following activities have been completed:

- i) A needs assessment of Congo's extractive sector which produced a set of guidelines and recommendations for policy implementation of local content in the oil value chain (completed in March 2017);

- ii) A national and regional workshop to launch the project and build a road map for its implementation in Congo, organized in September 2016;
- iii) Setting up of a national task force in the country to oversee the development of strategic plans, frameworks and guidelines for enhancing development linkages from the sector, including local content policies;
- iv) A study tour to Ecuador for two members of the national task force to benefit from the experience of Latin America in developing linkages between the extractive sector with the broader economy. The tour also allowed for knowledge sharing among African and Latin American participants thereby enhancing South-South cooperation.

One of the activities planned under the project is this capacity building workshop on value chain governance in the extractive sector. The aim of the workshop is to:

- i) Strengthen the capacity of public policy officials in the design of policies for maximizing development linkages in the extractive sector;
- (ii) Enhance partnerships between private sector, national, regional and international training institutes;
- (iii) Strengthen the capacity of stakeholders to use the information on the extractive sector to enhance its linkage to the rest of the economy.

The workshop will cover many areas that would be of particular importance to public policy officials. For example experts will discuss development of small and medium scale enterprises (SMEs), promotion and development of local content in the extractive sector value chain, and improving the competitiveness of SMEs and improving access to finance. They will also discuss how access to information could be improved to facilitate implementation of local content policy as well as establish monitoring mechanisms to ensure compliance with local content legislation and policy, contract negotiations for better local content development, and knowledge and technology transfer.

As you already know, skills development is a key component of increasing local participation in the extractive industries, including in fostering the creation of SMEs, and the development of linkages with the sector. On this subject, experts will discuss ways of improving the relevance and quality of formal technical, vocational and university education, as well as training programmes to develop the skills required to enhance local participation in the sector. In this respect, it is imperative to forge a close partnership with the private sector because it can contribute significantly to designing curricula and training programmes so as to reduce the mismatch between education and skills on one hand, and available job opportunities on the other. It is equally important to enhance partnerships and collaboration between training institutions (national, regional, international) so that

up-to-date, and relevant technical education/training, sought by the private sector is delivered effectively. The experience of countries like Malaysia shows that skills and capabilities acquired from the extractive sector can contribute to creating new industries such as plastics, polymers and fertilizers.

Ladies and gentlemen

In the coming months we will be implementing the remaining activities of this project. The focus will be on regional activities and development of skills in the design and implementation of policies aligned with sustainable development goals. We have planned activities that include a final regional workshop, a second study tour to an African country on developing local content policies and their implementation; and a website/platform to share information on the mineral value chain.

Today, we have gathered various stakeholders in the extractive industries – public policy officials, civil society, academia, experts, local business organizations, professional associations and investors to discuss and share experience on building development linkages with the extractive sector. We hope that your contributions to the discussions would generate concrete ideas and build capacity on ways and means of ensuring that investments in minerals activities facilitate the creation of new economic activities.

In conclusion, let me welcome you once more to this workshop. We would like it to have interactive sessions so I would encourage you to share your experiences and ask as many questions as possible.

I wish you a fruitful meeting.

Thank you for your kind attention.