

Presentation to the OECD conference on improving governance and fighting corruption – new frontiers in Public-Private Partnership (Brussels, 14-15 March 2007)

Delivered by Hans van der Loo, Shell Head European Union Liaison to the panel session
“The role of the private sector in fragile states”

Outline

Introduction

Competition for resources is intensifying. Much of the untapped energy resources today are found in countries with poorly developed political and legal structures. These resources *will* be developed. International oil companies like Shell are best placed to do so responsibly.

The energy industry will be increasingly called upon to operate in weak-governance zones and fragile states

- the need for more energy to drive economic growth
- the need for more sources of energy to safeguard from supply disruptions

Natural resources – a geological and political lottery

- natural resources can be a blessing – all too often a curse
- many of the world’s mineral resources (incl oil) located in weak governance zones
- dilemmas

Not a question of ‘ if ’ they will be developed, but ‘ who by ’ and ‘ how ’

- International Oil Companies – standards, expectations and external scrutiny
- National Oil Companies/service providers – different pressures and paymasters

Shell and how it operates in weak governance zones and fragile states

- Respect for national and international laws and sanctions, policies, guidelines
- Dilemmas persist – continual monitoring, assessment and engagement. Shell Group Business Principles – opportunities to act as force for good

Conclusion

Withdrawing from or not operating in weak governance zones and fragile states is not an option – unless the international community has decided otherwise. IOC s must go to extraordinary lengths to ensure they operate to stringent standards, are not complicit in problems and try to act as a force for good.

For further information please contact Albert Wong, Head of Policy and External Relations, Shell International – Albert.Wong@shell.com