



Going Beyond Transparency:

The scope of the EITI and other initiatives to promote wider accountability and reform

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GDF SUEZ E&P



- A presence in 16 countries, with activities centered in Europe and North Africa
- 362 exploration/production licenses of which 206 are operated (57%)
- The Group is in process of entering into Kazakhstan / Russia
- 51 Mb of yearly production (74% natural gas)
- 815 Mb of reserves (76% natural gas)

GDF SUEZ and the EITI

- GDF SUEZ E&P has followed the initiative with great interest since **2006** and became officially supporting member in 2009.
- We annually publish taxes and revenues figures in 5 different countries that are either compliant or candidate country: Germany; UK; Norway; the Netherlands and Azerbaijan.
- We are participating in multi-stakeholder groups.
- In all countries regardless of their participation towards the EITI, GDF SUEZ applies its Ethics & Compliance charter regarding:
 - Fraud
 - Process for contracts and suppliers in competition bids
 - Ethical principles in relations with contractors and suppliers
 - Gifts and invitations

GDF SUEZ E&P promotes support to local populations

- Local content: Encourage local employment and procurement in Algeria

- Diversity in employment:
Graduate Development Program, Egypt

Local recruitment : Two-year training programme gives recent university graduates a chance to learn and work internationally.

- Solidarity action:
Street Children Center, Alexandria, Egypt



The challenge of developing E&P actions in new areas

- Ricardo's comparative advantage theory:

Refers to the ability of a country to produce a particular good or service at a lower opportunity cost than another country.

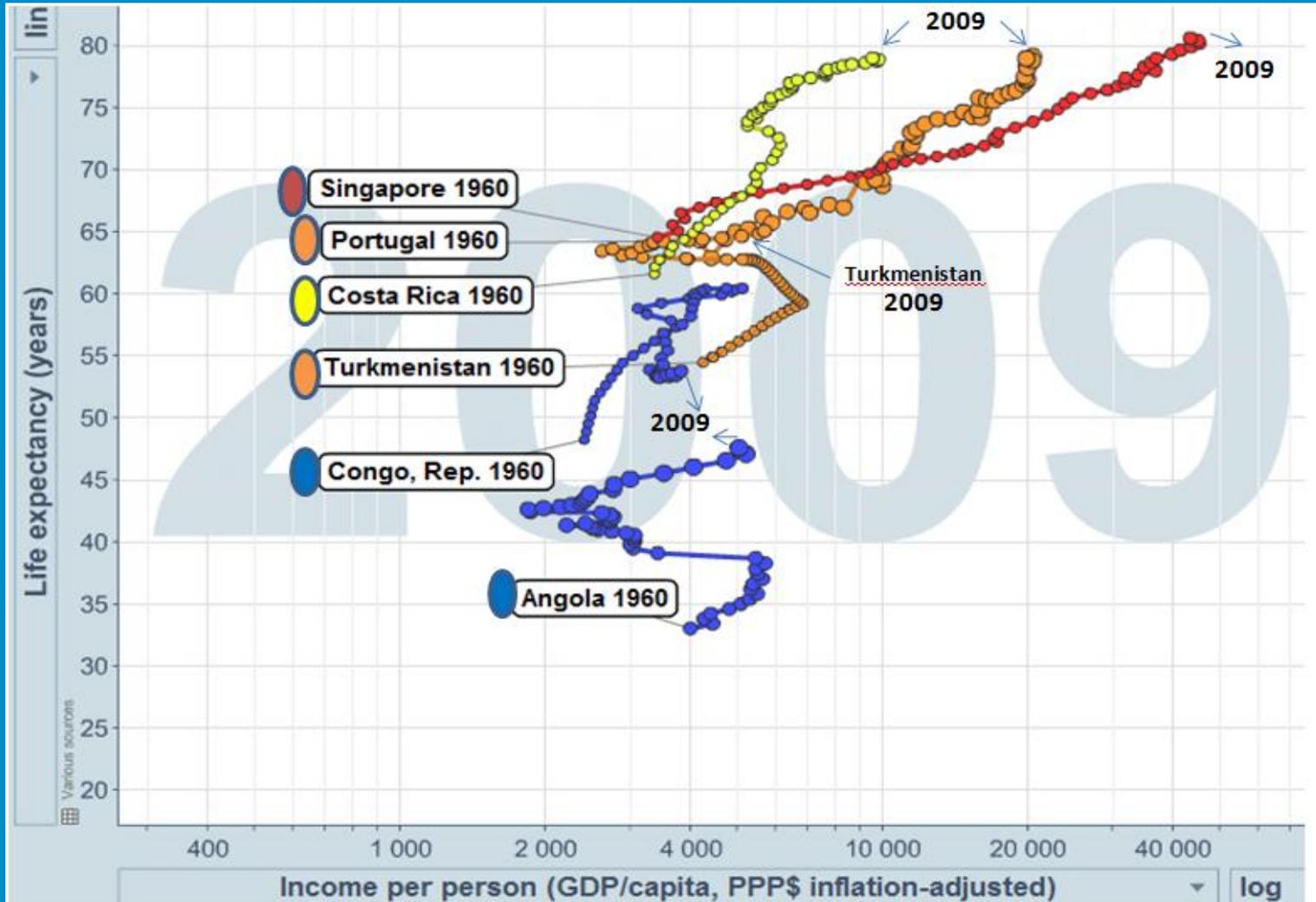
- The « Dutch disease »:

Revenues from natural resource exports damage a nation's other productive economic sectors by causing an increase of the real exchange rate and wage increase, making sectors such as agriculture and manufacturing less competitive in world markets.

The Netherlands in the late sixties and seventies was the first documented case of “natural resources curse”.

- The « natural resource curse » and it's mechanism is topic for debate

Extractive resources , GDP & life expectancy



- We, as an industry, cannot simply accept the curse as an unwanted but unavoidable consequence of our activity.
- What tools are available to the extractive industry not to contribute to the « *resource curse* »?
- Transparency (EITI) is only part of the solution
 - New kinds of cooperation with governments ?
 - What can we learn from NGOs ?
 - Partnerships with local or regional organizations ?
 - Can the extractive industry identify and promote good practices?