

*Remarks of George Soros to the Plenary of the 4th EITI Global Conference  
Doha, Qatar  
Tuesday february 17 9:30 – 11:00 am The Ritz-Carlton Hotel*

Your Excellency Abdullah Bin Hamad Al-Attiyah,  
Excellencies, Chairman Eigen, President H.E. Ellen Johnson Sirleaf, Distinguished  
Guests.

I want to congratulate everyone here on the tremendous progress EITI has made in six short years.

- Twenty-four countries are implementing EITI
- Azerbaijan, one of the pioneers of the initiative, is the first country to have moved from "candidate" to fully compliant status. Others will follow, as validation takes hold.

This gathering is proof that the principles of transparency and accountability in resource extraction are taking hold world-wide.

- The most important oil and gas producing region in the world is present for the first time we are meeting. It is represented by countries that subscribe to the EITI principles, like our host Qatar, and by two important implementing countries, Iraq and Yemen. They are the first MENA countries to begin to apply the EITI transparency rules to their petroleum sector.
- Norway is the first OECD member to begin to implement EITI

I very much hope that all countries which support the EITI principles will also become implementers. This includes my own country, the United States (as well as Australia, Brazil, Canada, Russia). That is how we will get to a universal standard.

I also very much hope that, in the future, China will come to recognize that EITI stands for international standards, not interference in other countries' affairs.

(pause)

EITI is not just about governments and companies; promoting transparency has truly become a shared enterprise of stakeholders.

- I am proud to have played a role in launching the civil society coalition Publish What You Pay, which has been so central to the success of EITI. I am proud to have cooperated with Norway and the Hewlett Foundation in founding the Revenue Watch Institute to support the movement, encourage participation and help countries successfully implement EITI.
- The free and open participation of civil society is critical to the integrity of the EITI process. It is therefore deeply disturbing that some implementing countries

have violated this founding principle of EITI- in fact and in spirit. Intimidation of civil society poses a threat to the whole initiative and should not be tolerated.

(pause)

Finally, I would like to say something about the financial crisis and its implications for EITI and related transparency initiatives. The financial crisis and global recession have changed the landscape for extraction.

Investors have become severely risk averse. Instead of investors competing to pour money into resource rich countries, countries and companies will have to compete to attract needed capital.

It would be a mistake for these countries to try to compete by giving away their recent hard-won gains in establishing stronger tax structures for extraction and re-negotiating unfavourable deals. The commodity downturn is likely to be temporary, but the deals bind you for decades.

- Transparency and accountability will be at a premium in this new market climate. Investors will want to know that the numbers can be trusted. They will want to see political stability.
- Financial regulators also will demand more disclosure from governments and companies that want to raise funds in their markets.

I am aware of two other exiting initiatives to increase transparency:

- The US Congress is considering requiring companies that raise capital in our markets to publish what they pay to governments in all countries of operation.
- Second, the International Accounting Standards Board may include country- by country payments data in its new reporting standard for extractive industries.

I believe that in this difficult financial climate, resource rich countries that implement EITI will have a competitive edge. EITI not only makes vital information public and verifiable. It also promotes a level of trust among the country's stakeholders that encourages investment.

So, don't compromise your principles of transparency, accountability and good governance, but rather, become more competitive by embracing those principles.

Thank you