

**JOHN D. HOFMEISTER
REMARKS BEFORE THE
UNITED NATIONS
COMMISSION ON SUSTAINABLE DEVELOPMENT
MAY 10, 2006**

Secretary-General, honored ministers and fellow
executives:

I am honored to represent Shell Oil Company and our
parent Royal Dutch Shell Group in this important dialogue
on delivering energy for sustainable development. Shell is a
global group of energy and petrochemical companies
operating in more than 140 countries. It is very fitting that
Shell be part of this dialogue, because in many ways this
commission's charter and Shell's mission are so closely
aligned.

We are both committed to meeting the world's growing demand for energy, and doing so in ways that are environmentally and socially responsible. **Access to energy is fundamental to our civilization, and economic and social development is fuelling a growing demand for reliable, affordable and clean energy.**

For us in Shell, contributing to sustainable development means, above all, finding innovative energy solutions that meet society's needs, while also meeting society's environmental and social expectations. A key challenge, but not the only one, is meeting the demand for affordable energy while addressing the risk from global climate change.

We are addressing this energy challenge with the knowledge that traditional fossil fuels produced and delivered in traditional ways are not going to be the whole answer.

This is an effort that requires us to push technology on many fronts.

- We are increasing the available supply of **traditional fossil fuels produced in environmentally sensitive ways.** .
- We are using **traditional fossil fuels in new ways** that increase supply diversity and reduce pollution. Natural gas used for transport fuels, using GTL – Gas to Liquids technology – is a prime example.

- We are developing new energy sources that can supplement and eventually supplant traditional energy and fuels. Solar energy, wind energy, hydrogen and biofuels are all opportunities to provide plentiful and clean energy. Our challenge is to make these technologies affordable and viable.

Business alone cannot provide all the solutions to sustainable development and energy, any more than governments or civil society can succeed alone. What is frequently required is partnership across sectors of society.

Let me give just a couple of examples among very many of how Shell is working in partnership.

- Through IPIECA (the International Petroleum Industry Environmental Conservation Association), we are participants in the UN Partnership for Clean Fuels and Vehicles. The partnership, with the World Bank Clean Air Initiative for Sub Saharan Africa. and the active support of the oil industry and Shell, has been successful in achieving the phase-out of leaded fuels in sub-Saharan Africa.
- We are also members of the Clean Air Initiative in Asia, sponsored by the Asian Development Bank.
- The Shell Foundation is also active in addressing some of the challenges of promoting development. Small and medium sized enterprises are the “engine” of economic growth in developed countries - and could

and should be in developing countries. But often they lack access to finance. To overcome these problems, the Shell Foundation (in active partnership with GroFin, a specialist financier) has established funds in Africa that deliver finance combined with tailored business development assistance.

The Foundation's latest fund, called Aspire, is investing \$24 million in small and medium enterprises in Kenya, Uganda and Tanzania. Forty percent of this fund is focused on energy-related companies. This follows successful similar initiatives in South Africa and previously in Uganda.

To find out more, I would urge you to look at the Shell Foundation's website, www.shellfoundation.org.

We in Shell don't believe that meeting the energy demands of people striving to advance economically and protecting the environment are incompatible goals.

We look forward to building on this dialogue and working alongside governments and NGOs who share this commitment to meeting the energy challenge.