



Embassy of the United States - Port Moresby
remarks by
Acting Deputy Chief of Mission, Lee Calkins
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Oversight and Regulation Assistance Seminar
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Energy Governance and Capacity Initiative

On behalf of U.S. Ambassador Teddy Taylor and the U.S. Embassy in Port Moresby, I want to thank all of you for coming here today.

I also want to thank the EGCI team from the Department of Interior. The Energy Governance and Capacity Initiative (EGCI) is a U.S. interagency effort to provide a wide range of technical and capacity-building assistance to the Government of Papua New Guinea.

The EGCI team works closely with U.S. technical experts in the U.S. Departments of Treasury and Commerce, in U.S. Industry, in USAID, and in International Organizations. This team represents the topmost experts in energy policy in the United States government. This team has global expertise on issues related to petroleum geology; exploration and production operations; revenue management; sector regulation; policy reform and implementation; and energy sector finance. These experts provide unbiased, sound guidance that can further long-term institutional stability and good governance.

Papua New Guinea is blessed with rich natural resources. Papua New Guinea is also on the verge of becoming a member of the world's next generation of oil and gas producers.

EGCI's core objective is to help Papua New Guinea establish the capacity to manage your own oil and gas sector revenues wisely and in a manner that maximizes value for the government of Papua New Guinea.

EGCI helps to maximize the value, efficiency and positive development impact of oil and gas production and revenue. EGCI accomplishes this goal by providing

guidance related to governance, revenue management, and technical capability. Sound management of the energy sector and sound management of revenue flows are absolutely critical for newly producing countries such as Papua New Guinea.

Oil and gas resources are finite. As such, earnings generated from these resources are also finite. They will not last forever. It is important that these resources be managed properly and responsibly.

Through the maximization and efficiency of oil and gas resource development, Papua New Guinea has a unique opportunity to further political, economic, and human development for all Papua New Guineans.

The U.S. Department of State, under the leadership of David Goldwyn, Secretary Clinton's Coordinator for International Energy Affairs, arrived in Port Moresby in 2010 to establish the Energy Governance and Capacity Initiative (EGCI) program in Papua New Guinea.

During that trip, Special Envoy Goldwyn said the following: "We are here to offer Papua New Guinea technical assistance in the areas of resource assessment, environmental safety standards and transparent resource management."

"We think that this is a critical moment for Papua New Guinea. The world's attention will be focused on how the country manages its revenues and how the investment climate develops. The time to set up a transparent management system and the time to embrace international standards like the Extractive Industries Transparency Initiative (EITI) is now. The United States stands ready to help Papua New Guinea develop these systems."

Today, as you can see by the presence of this EGCI team, the U.S. remains ready to help Papua New Guinea develop these important systems. On behalf of the Ambassador and the U.S. Embassy, I congratulate you for taking these important responsibilities to heart. Thank you.

**Speech as is written*

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