

U.S. Position on IFC's Investment in the Regional Africa Railways Limited Project

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The United States appreciates management's efforts to take into account the lessons learned from the IFC's investment in the failed Tanzanian railways concession when structuring this proposed equity investment. The United States believes that the business case for this rail investment is much stronger and the sponsors are more committed to turning the business around. In addition, the demand for rail in Kenya and Uganda appears significantly higher than in Tanzania. There will be a number of challenges associated with this project, not the least of which will be managing resettlement in a fair and equitable manner. Since this is a Category A project and triggers certain legislative mandates for the United States regarding the timeframe for disclosure of the environmental impact assessment, the United States wishes to be recorded as abstaining on this investment because the environmental impact assessment was not posted 120 days prior to Board consideration.