

U.S. Position on IFC's Investment in Bolivia's Empresa Forestal S.L.V.

June 23, 2011

The United State is required by law to abstain on this project since the environmental assessment was not publicly disclosed at least 120 days prior to today's Board discussion.

In addition, the United States would like to raise the following points of concern. The rate of deforestation in Bolivia has grown significantly in recent years, and forest areas not designated for forestry management under Bolivian law are at particular risk of being converted to agriculture or other uses. Research and monitoring of biodiversity supported by USAID has shown that in forests under legal management plans, biodiversity is well conserved and better protected in these areas than in forests not under management plans, where pressures from illegal logging and conversion to agriculture are high. We encourage IFC to continue to work to uphold the highest standards of forest management, including through the pursuit of forest certification under the Forest Stewardship Council (FSC). Conservation of "high value forests" (for biodiversity conservation) is a key criterion within the FSC forest certification process. In this context, however, the United States believes there should have been better documentation on enforcement of protection of high-value biodiversity areas, a timetable for FSC certification, and standards for encouraging best practices with a provision for third party verification.

