

**Proposed IFC Investment in Pacific Midstream Ltd.  
(Colombia)**

October 28, 2014

The United States carefully reviewed this proposed investment and the United States sees some benefits, including the contribution that this pipeline will make to improving regional energy security, particularly as it represents a key initial step towards a sustainable supply of natural gas resources for Central American and Caribbean countries.

The United States also appreciates the contribution that this project will make to reducing carbon emissions by removing oil trucks from the road and supporting the switch to cleaner-burning fuels.

However, the United States does not find as compelling a case on IFC additionality and development impact. While this project was successful in mobilizing significant private funds for Pacific Midstream, the United States thinks this is an indication of the already high level of private sector interest in Colombia and questions whether IFC's participation was really needed. The United States understands that the client was eager for IFC's involvement, but that there was also interest from other private sector investors. While this demonstrates the positive reputation IFC has built, the United States does not believe the partnership - on its own - is sufficient to justify IFC's involvement in the project, especially without a compelling case with regard to development impact.

On this front, the United States found it difficult to see the critical link to the World Bank Group's twin goals, and even the link to poverty and job creation in Colombia. There is little evidence of job creation, linkages to the broader Colombian economy, and direct impact on poverty.

In summary, when reviewing investments, the United States wants to see not only that IFC is a trusted partner that can mobilize resources, but that IFC is vital financially to get the deal done and, most critically, that there is a compelling case for development impact and a clear alignment with the World Bank Group's twin goals. The United States does not want to see the IFC competing with the private sector for deals or taking on a role that the private sector can fulfill.

Given these concerns, the United States wishes to be recorded as abstaining on this investment.