UNITED STATES POSITION
PROPOSED INVESTMENT BY IFC IN MINERVA S.A. FOR MINERVA BEEF PROJECT
MAY 20, 2013

The United States would like to thank IFC staff for their extensive engagement with our office ahead of this proposed investment. Our conversations gave us the opportunity to understand better how IFC has worked with this client to design an investment in a controversial sector.

The United States would like to highlight some of the mitigating measures IFC staff has incorporated into this investment. This includes: the use of geographic information systems; consideration of biodiversity conservation; indigenous people's land rights; and controls against slave labor. Minerva goes further to integrate its supplier database into nation-wide supplier verification systems, which significantly contributes to the sustainability of this sector. The United States also appreciates Minerva's adherence to Brazilian federal beef programs, the moratorium on Amazon beef, and prohibition on purchases of beef from suppliers whose land tenure rights are not valid or who use child labor.

Nevertheless, the United States requests to be recorded as abstaining on this proposed investment for two reasons. First, as a Category A project, this proposal does not meet the United States' legislative requirements for timely disclosure of environmental impact assessments.

Secondly, the proposal does not require the timely implementation of measures to mitigate environmental impacts. Minerva's environmental and social action plan does not require implementation of relevant IFC Performance Standards for all its investments in Uruguay or Paraguay until December 2015. Although the United States recognizes it is not uncommon for an IFC client to come in to compliance with these policies post-Board approval, the United States believes that, given the project's inherent social and environmental risks, a two and one-half year implementation period for compliance is too long.