

**UNITED STATES POSITION  
PROPOSED IFC INVESTMENT IN CONSORCIO NAVIERO NICARAGUENSE S.A. FOR THE  
MONTELMAR PROJECT  
MAY 8, 2013**

The United States appreciates IFC's work to develop this proposed investment. The United States believes that IFC's efforts to address land titling and health issues, while simultaneously improving Montelimar's efficiency of production, will support the development impact in this important industry for Nicaragua.

IFC and Montelimar have worked to formalize Montelimar's existing practices to screen its current and prospective workers for Chronic Renal Insufficiency (CRI). Montelimar's program includes preventative measures such as provision of hydrating fluids, awareness training to discourage alcohol abuse and associated dehydration, and free medical and dental treatment for employees and their families.

The United States understands that there is no formalized land titling process in Nicaragua, and that the government is working with the World Bank to implement a formal system. The United States appreciates that IFC staff is collaborating closely with the World Bank, the Government, and Montelimar to ensure that the titling process is transparent and fair. Montelimar has shown progress in this area – it has helped residents on its farms gain title to their plots. The United States also appreciates that as part of its Environmental and Social Action Plan, Montelimar will conduct censuses where needed, complete a land tenure and community development plan, hire a community liaison officer, and establish a formal grievance mechanism.

These steps, taken together, should help to earn stakeholder support for the project.

Despite this strong work, the United States must abstain on this proposal. As this project has a Category A-rated environmental impact assessment which was not disclosed 120 days prior to board approval, consistent with our legislative requirement the United States asks to be recorded as abstaining on this project.

With these comments, we would like to thank IFC staff for their time and wish them good luck on implementation.