

## United States Position

Proposed Guarantees to SDCM Energie SAS and HSBC Bank Plc for their Investments in  
Saur Energie - Cote d'Ivoire  
November 29, 2012

The United States is pleased to see MIGA engaging in Cote d'Ivoire, an IDA-only fragile state emerging from a decade of conflict. Supporting affordable energy supply is important to this country's economic and social recovery. The United States welcomes that this guarantee is taking place in the context of broader Bank engagement in Cote d'Ivoire's energy sector, including in the key areas of (1) strengthening governance, financial management and the overall regulatory structure; (2) tariff adjustments; and (3) technical upgrades to the electricity system.

The guarantee supports development of new sources of natural gas as existing reserves have a limited remaining life. The guarantee also supported the government and joint venture partners in agreeing to a lower and less volatile gas price while extending the tenor of the concession, to the benefit of Ivoirian energy consumers.

Given the significant environmental impacts inherent in oil and gas projects of this type, a strong focus on environmental mitigation measures is particularly important. The United States took note of the well management and emergency plans described in the Environmental and Social Review Summary. The United States was also pleased to see attention to establishing biodiversity baselines and management of drilling wastes and cuttings.

With numerous oil and gas exploration and development projects taking place throughout the Gulf of Guinea, the United States sees a potential role for the Bank in supporting authorities in Cote d'Ivoire and its neighbors in taking a broader look at the cumulative environmental impact of these projects and helping set a strengthened framework for environmental standards. While MIGA and the IFC bring high standards to the projects they are involved with, the Bank is involved in financing only a minority of such projects. The United States urges the Ivoirian authorities, along with neighboring governments, to seek from the Bank regional environmental analysis that could help underpin higher standards applicable to oil and gas projects across the region.

Taking note that the Environmental and Social Review Summary was publicly disclosed only in late August 2012, the United States would like to emphasize our view that such documents should be made public at least 120 days ahead of the Board to permit time for local communities to digest and react to their contents. Accordingly, the United States would like to be recorded as abstaining on this project for legislatively mandated reasons.