

**United States Position on Proposed African Development Bank Investment in
Bagamoyo Sugar Project in Tanzania**

April 23, 2014

This project seems to be a creative use of a largely abandoned cattle ranch. However, it is not clear why the cattle ranch failed. This suggests that livestock, one of the least water- and capital-intensive forms of agriculture, was not commercially viable. Given that a sugarcane plantation is arguably one of the most water- and labor-intensive types of agriculture, what is the basis for expecting that there will be adequate supplies of water to sustain the operation?

The United States is pleased to see efforts to support local industry and create jobs, including smallholder farmers, while delivering power to the national grid and raw sugar to the local population. There is also the added benefit of assisting smallholder farmers, on land adjacent to the project, to commercialize their operations and increase their sales.

The Additionality and Development Outcomes Assessment (ADOA) rating indicates good development impact and positive additionality.

The United States notes the timely completion of the Environmental and Social Impact Assessment (ESIA) and resettlement action plan.

Care must be taken to avoid, minimize and/or mitigate for environmental impacts, including: impact on local wildlife; potential effect of nearby forested lands and soil fertility; and control of effluents.

Finally, it is the United States' long standing request that the full ESIA and full RAP be available through a link on the Bank's home page. This is the practice at the other MDBs.

The United States supports this project.