

U.S. Position on Inter-American Development Bank Investment Corporation's Investment in the Kuldipsingh Port Facility in Suriname

December 14, 2021

- On the basis of the U.S. fossil fuel energy guidance, the United States wishes to be recorded as “abstaining” on this project.
- This was a challenging transaction to review and raised critical questions about assessing private sector support to an economy increasingly focused on extraction of oil and gas.
- As the discussions at COP26 made clear, further investments in fossil fuel extraction are incompatible with achieving the Paris Agreement goal of limiting global warming to 1.5 degrees.
- Achieving the goals of the Paris Agreement presents difficult decisions in an economy like Suriname, with significant oil reserves and pressing human and economic development needs. The United States believes it is important to support multi-purpose infrastructure in developing countries, where consistent with other policy objectives and legislative mandates.
- IDB Invest’s participation provides significant financial and non-financial additionality for this transaction and the port expansion will not directly support extraction and handling of oil and gas reserves.
- Nevertheless, the port expansion is partially driven by servicing the oil and gas industry, which runs counter to the spirit of our fossil fuel policy to oppose all oil-based energy projects. Under Treasury’s Fossil Fuel Guidance, Treasury opposes oil projects, generally by voting No.
- The United States recognizes that IDB Invest financial support will allow the client to maintain the mixed-use nature of the port and continue to service general and containerized cargo, which is welcomed.
- In that spirit, the United States strongly welcomes the commitment by the client to reserve 50% of the berth space to support general and containerized cargo, and that this will be tracked amongst the results of the project.
- Despite the merits of the project, the Biden administration has prioritized measures to meaningfully tackle the climate crisis and has prioritized ending international financing of carbon-intensive fossil fuel-based energy. Given the mixed use of the expanded port facility and the commitment by the client to reserve 50% of berth space to support general and containerized cargo, Treasury chose to abstain rather than vote No on this project.
- The United States looks forward to working with IDB Invest and with Surinamese partners to achieve sustainable development while pursuing inclusive and equitable growth for all its citizens.