

[for public release]

International Finance Corporation (IFC)  
Multilateral Investment Guarantee Agency (MIGA)  
Proposed IFC Investment in and Proposed MIGA Guarantees for Orion Uruguay  
United States Position  
Board Date: November 21, 2006

The United States takes environmental and social safeguards very seriously. While we appreciate and respect differing views, we support the proposed IFC investment and MIGA guarantee for Orion Uruguay.

The Orion Pulp Mill represents a major investment in Uruguay that will contribute significantly to the economy's GDP and exports over the medium term. The project is expected to directly or indirectly create about 2,500 jobs in an area that has been economically depressed since a major meat packing plant closed in 1979. Furthermore, we were quite impressed by the comprehensive cumulative impact study reviewed by independent experts, which concludes that there should be no significant deterioration in the air and water quality in the area due to operation of the plant.

We urge IFC and MIGA to work closely with Botnia to ensure that the project fulfills the cumulative impact study's conclusions and that all mitigation measures anticipated in the cumulative impact study are implemented promptly, including in particular the specific actions, design measures and emergency plans articulated in Botnia's Environmental and Social Action Plan.