

World Bank's Guarantee for Cote d'Ivoire—Gas Field Expansion Project

U.S. Position

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The United States welcomes the plans to expand Cote d'Ivoire's energy resources, especially its offshore gas production, on which the country's power generation heavily depends. Developing Cote d'Ivoire's off shore gas fields will enable the country's own energy security and support regional energy needs. The project also underscores the need for more private investment in Cote d'Ivoire, an International Development Association (IDA) country recovering from a decade of conflict.

Having emerged from conflict only two years ago, Cote d'Ivoire's political fragility coupled with the electricity sector's poor financial performance necessitate this partial risk guarantee. On balance, this project will maintain the availability of clean natural gas, and enable lower cost power generation through 2024. To this end, the project provides a credit enhancement mechanism to address low creditworthiness of both the country's power sector and the government.

The expansion of existing offshore gas platforms and the construction of the related pipeline infrastructure is a project that requires detailed environmental due diligence. The United States appreciates the two earlier environmental and social impact assessments (ESIAs) and the recent environmental audit. Additionally, both MIGA and IDA have undertaken due diligence risk management that are consistent with the WBG performance standards.

However, the final ESIA for this operation was only released in April. It outlines the audit's recommendation for additional assessments on inland impacts, which is reflected in a loan covenant to guarantee completion of these activities. The United States wishes to be recorded as abstaining on this project, because of legislatively mandated requirements for 120 day prior release of a comprehensive ESIA.