



MiningWatch Canada
Mines Alerte



For Immediate Release

July 4, 2013

Press contacts: Miguel Ramos, Committee for the Defense of Water and Páramo of Santurbán
abogado.mr@gmail.com, (57) 314 416 45 31
Astrid Puentes Riaño, AIDA, apuentes@aida-americas.org, (52-55) 5212-0141
Jennifer Moore, MiningWatch Canadá, jen@miningwatch.ca, +1 (613) 569-3439
Amanda Kistler, Center for International Environmental Law, akistler@ciel.org, +1 (339)-225-1623

World Bank Investment in Eco Oro Minerals in Colombia to be Audited

Decision supports complainants' arguments that the International Financial Corporation did not adequately evaluate the environmental and social impacts of company's project in Colombia

Washington/Bogota/Ottawa. The Compliance Advisor Ombudsman (CAO), the independent complaints office of the International Financial Corporation (IFC), will carry out an audit of the IFC's decision to purchase US\$18.2 million in shares of Eco Oro Minerals (previously Greystar Resources). The Canadian company is proposing to develop the Angostura gold mine project in the high altitude wetlands – known as páramos – of Santurbán, located in the Colombian departments of Santander and North Santander.

The decision comes in response to a complaint presented in June 2012 by the Committee for the Defense of Water and Páramo of Santurbán with support from the Interamerican Association for Environmental Defense (AIDA), the Center for International Environmental Law (CIEL) and MiningWatch Canada. The complainants argue that the investment did not comply with the social and environmental sustainability policies of the IFC, an arm of the World Bank Group.

“We welcome the decision of the CAO to move forward with an audit. This adds to our arguments regarding the unviability of the Angostura project in Santurbán,” stated Miguel Ramos lawyer and member of the Committee for the Defense of Water and Páramo of Santurbán. “If the CAO concludes that the project fails to comply and will not comply with the standards, the IFC should sell its shares in the company.”

The IFC recognized that páramo, high altitude wetlands, provide fresh water and habitat for endemic species and species in danger of extinction, such as the Andean bear and the Andean condor. They are also essential ecosystems for climate change mitigation. Colombian and international law prohibit mining in páramos. As a result, in May 2011, the Colombian Ministry of the Environment denied Eco Oro's petition for an environmental license for the project, initially designed as an open-pit mine and now proposed as an underground operation.

“Whether this project is designed as an open-pit or underground mine, we believe that it will cause irreparable damages to an ecosystem that is essential for Colombia and for the region given its high biodiversity, importance to mitigate climate change and as a source of fresh water for two million people,” said Astrid Puentes, Co-Executive Director of AIDA. “It should simply not be implemented.”

The CAO’s investigation will focus on whether the evaluation of social and environmental risks was adequate, particularly considering the long-term and cumulative risks.

“The IFC invested in order to stimulate the mining sector in Colombia without necessary information about potential impacts, whether of Eco Oro’s project or of the development of a mining district in the area of Santurbán, which has been affected by the armed conflict and where some 70,000 hectares have been concessioned to various companies since Eco Oro arrived,” remarked Jen Moore, Latin American Program Coordinator for MiningWatch Canada. “The decision reveals an irresponsible and unmanageable policy.”

The CAO’s decision comes two weeks after it similarly decided to carry out an audit of a copper mine in Peru. In this latter case, the IFC bought shares in the project at an early phase in the project without evaluating the impacts.

“From our perspective, by continuing with these sorts of investments, the IFC would fail to comply with its standards. It’s a highly worrisome trend,” concluded Kris Genovese, Senior Attorney at CIEL.

The organizations that presented the complaint hope that the result of the CAO’s investigation will be comprehensive and will fundamentally question the current policy of the IFC to stimulate large scale mining through acquisition of equity holdings in exploration mining companies, known as junior firms.

See a pdf version of the CAO’s report here (in English): http://www.aida-americas.org/sites/default/files/CAO_Appraisal_EcoOro_C-I-R9-Y12-F172.pdf

For more information about the Angostura case visit the following website: http://www.aida-americas.org/en/protecting_the_santurban_paramo_from_angostura_project