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COMMUNIQUÉ

CAO Releases Investigation Report of IFC Investment in Junior Mining Company

August 25, 2016 – The Office of the Compliance Advisor Ombudsman (CAO) today released a compliance investigation report related to International Finance Corporation (IFC) investments in Eco Oro Minerals Corp. (previously Greystar Resources Ltd.), a junior mining company headquartered in Canada (“the company”). The company owns 100% of the Angostura gold and silver exploration project near Bucaramanga, in the Santander region of Colombia.

A CAO compliance investigation considers IFC’s performance against its environmental and social policies and standards.

The investigation responds to a June 2012 complaint from local civil society committees in Bucaramanga, with the support of several international NGOs. The complaint focused on the company’s plan to develop a mine in an area of environmental sensitivity, and raised concerns about the company’s security arrangements and its disclosure and community engagement.

The investigation identifies shortcomings in relation to IFC’s environmental and social risk assessment of its investment, and its supervision of the company’s activities. In particular, IFC’s review focused on the company’s immediate planned activities, which involved the completion of feasibility study and an Environmental and Social Impact Assessment for the proposed mine. The investigation found that this approach permitted IFC to take an equity stake in a company that was planning to develop a mine for which the potential to comply with IFC’s environmental and social standards was uncertain and potentially challenging. The investigation also found that IFC’s supervision of the company’s security arrangements and its progress on biodiversity studies was not adequate to assure itself that the company was in compliance with IFC standards.

CAO will monitor IFC actions in response to these findings and will issue a monitoring report within a year.

More details on the case, including CAO’s investigation report, and IFC’s formal response, are available at: www.cao-ombudsman.org

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About CAO:

CAO is the independent accountability mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. CAO’s mandate is to address complaints from people affected by IFC and MIGA projects in a manner that is fair, objective, and constructive with the goal of enhancing environmental and social outcomes on the ground. CAO reports to the President of the World Bank Group. CAO’s investigations, conducted with the participation of external experts, focus on IFC’s performance and do not make compliance findings in relation IFC clients or their business activities.
