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**“Prove it”: Groups challenge World Bank to demonstrate the  
development impacts of its gold mining investments**

*Citing social, environmental and economic problems at World Bank-supported gold  
mines, civil society demands public reporting on project-specific development impacts*

*Singapore and Washington, DC:* Today, civil society organizations released a briefing paper which details social and environmental problems at gold mines supported by the International Finance Corporation (IFC), the World Bank's private sector arm, and challenges the institution to prove that its mining projects are reducing poverty and improving people's lives. It calls on the IFC to report on development impacts on a project-by-project basis, and to invest in other areas if such projects are found not to be benefiting the poor.

The briefing, entitled *Tarnished gold: mining and the unmet promise of development*, is being released during the World Bank Annual Meetings in Singapore from September 14-20 and coincides with the 50th "Golden" anniversary of the IFC this year.

*Tarnished gold* argues that as a public institution with a stated mission of poverty reduction, the IFC should --

- clearly identify the intended poverty reduction and development impacts of each of its projects,
- measure the project's performance against those outcomes,
- and publicly report on it.

Currently, the IFC reports the poverty reduction and development impacts of the projects it finances only on an aggregate, institution or sector-wide basis.

"What this kind of reporting ignores is that, unlike profits and losses in a financial portfolio, poverty reduction, environmental damage, and impacts on individuals and communities cannot be averaged across the IFC's portfolio," explained Nikki Reisch, Africa Program Manager at the Bank Information Center. "A farmer who loses his land near a mine in Peru does not benefit when a small business owner in central Europe gets a catering contract with a mining company."

*Tarnished gold* challenges the most common claims made by the IFC to justify its support for gold mines and raises fundamental questions about the poverty reduction and development benefits of its mining investments. The experience at IFC-supported gold mines in Peru, Ghana, Guatemala, and Kyrgyzstan, as well as the World Bank's own research in mining-dependent countries, illustrate that the costs to local communities affected by mining often exceed the benefits they receive.

The brief also recommends:

- the creation of a multi-stakeholder commission to evaluate the actual poverty reduction and development benefits generated by its investments in large-scale mining projects and recommend alternative uses of IFC funds to maximize poverty reduction,
- and an independent audit of the IFC's technical capacity to adequately assess and manage the broad range of social and environmental impacts associated with large-scale mining projects.

"The IFC claims that its operations promote sustainable development, but in order to prove that, we're asking the IFC to evaluate the long-term negative impacts of its mines on land and water resources, livelihoods, and the health of local communities," said Radhika Sarin, International Campaign Coordinator at EARTHWORKS.

"It's clear that the IFC and its corporate clients are making a profit from their mining investments," said Keith Slack, Senior Policy Advisor at Oxfam America. "What's less clear is whether the poor are benefiting. As a development institution, should the IFC be profiting at the expense of communities and the environment?"

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**Download a copy** of *Tarnished gold: mining and the unmet promise of development* at [www.earthworksaction.org](http://www.earthworksaction.org):

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