

**Liberia – IFC – New Liberty Gold Project**  
**U.S. Position**  
**July 15, 2014**

The United States welcomes this discussion of IFC's proposed investment of up to \$18.93 million in Aureus Mining, Inc., for the New Liberty Gold Project in the Republic of Liberia, a resource-rich, post-conflict state.

The United States appreciates the Bank's efforts to improve public financial management in Liberia, which was among the first Extractive Industries Transparency Initiative (EITI)-compliant countries. The United States notes, for example, active IDA interventions in the areas of developing an integrated financial management information system, training procurement specialists, and improving the technical capacity of the legislature for better oversight of the country's budget. As additional natural resources (e.g., oil and natural gas,) come online, the United States urges the World Bank Group to continue to build on its work and help the country manage the influx of revenue.

Nonetheless, the United States continues to have questions about the development impact of IFC's investments in certain extractive industries (e.g., gold mines), especially in fragile and conflict-affected situations, where there are more pressing needs. Going forward, the United States urges the Bank and IFC to work closely together to make the most of the associated development impacts from mining facilities. The United States looks forward to the opportunity to explore this issue in greater depth at a technical briefing later this year.

The United States also has serious concerns about the environmental and social risks posed by this project, especially as they relate to the use of cyanide and project-related resettlement.

The United States recognizes that cyanide is regularly used in mining operations (and other industrial processes) around the world, including in the United States. However, the U.S. is concerned about the adequacy of ancillary systems (e.g., transportation to and from site and storage,).

In this context, the United States is concerned by the fact that the tailing storage facility will not be lined. While Aureus and IFC believe that no lining is appropriate given the site's geochemistry, the United States would have liked to see further kinetic testing (over a longer period of time). The United States also believes that the company should utilize a life-of-mine waste characterization program, including long-term monitoring, to protect surface streams.

On resettlement, the United States is pleased to see that a resettlement action plan was developed and is currently being implemented, and that a reclamation plan has been developed. Going forward, the United States urges IFC to work with the company to ensure that all appropriate funds are set aside for this plan.

In light of these environmental and social risks, coupled with the fact that the Environmental and Social Impact Assessment disclosure fell far short of the U.S. legislative requirement, the United

States wishes to be recorded as abstaining. Going forward, the United States continues to encourage IFC to disclose environmental and social analyses on a timely basis.