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President Littlefield and Ms. Boomgard:

Friends of the Earth U.S. writes to provide comments on OPIC's potential support for the proposed expansion of an existing Bauxite mine in Sangaredi, Guinea. We have reviewed the project Environmental Impact Statement and we submit these comments in light of OPIC's environmental and social policies, as well as its development mandate. We raise the following concerns about the project:

**Development mandate not fulfilled with this mine expansion:** The financing of the expansion of the bauxite mine in Sangaredi would help Compagnie des Bauxite de Guinee (CBG) to extract ore from the mine at a faster pace. The assessment fails to explain how this expansion would provide economic development beyond what the current mine contributes. It seems that local communities are more likely to be harmed by the negative environmental and social impacts of the projects than helped by the economic gain reaped from the ore's extraction. CBG will profit from the increased mining, but the communities impacted by the project will be harmed by the increased pollution and receive little benefit as most jobs will likely go to non-locals who are more likely to have the required skills.<sup>1</sup> Moreover, there are concerns that OPIC will not be able to ensure that human rights violations will not occur as they often do with mining operations throughout the world because OPIC's human rights clearance process remains vague and ineffective. In a country with a literacy rate of about 30 percent and only about 25 percent of the population has access to electricity, other investment would more directly help Guinea to develop sustainably.

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<sup>1</sup> The ESIA estimates that the project will result in 300 non-temporary jobs that it admits will not be completely fulfilled locally. EEM, ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT OF THE CBG MINE EXTENSION PROJECT, CHAPTER 6 – STAKEHOLDER CONSULTATION 6-7, [https://www3.opic.gov/environment/eia/cbg/Chapter\\_6/PX047\\_EEM\\_EIES\\_Chapitre\\_6\\_ENG\\_version.pdf](https://www3.opic.gov/environment/eia/cbg/Chapter_6/PX047_EEM_EIES_Chapitre_6_ENG_version.pdf)

**Cumulative impacts not properly analyzed:** In 2012, Guinea was the sixth largest bauxite producing country in the world, extracting 19 million metric tons that year.<sup>2</sup> This number is expected to more than double with estimates ranging from 40.7 to 61 million tons of bauxite extracted annually by 2017. In addition to bauxite, Guinea also has significant diamond, gold, and iron ore mining – all of which have substantial negative environmental and social impacts. Considering that bauxite and other mining are such large industries in the country, it is imperative to understand the cumulative environmental and social impacts in order for OPIC to properly assess whether it is in the country’s best interest to finance the expansion of this industry. The assessment claims to lack sufficient data and puts the onus on the government to study the impacts of the mining industry in the region. Therefore, this assessment fails to provide the necessary information on and the potential mitigation efforts to address the cumulative effects of the air and water pollution and ecosystem destruction.

**Alternatives assessment fails to consider no action:** The analysis of alternatives assumes that some form of expansion is necessary and simply evaluates the alternative ways to accomplish that goal. This false assumption means that the assessment fails to weigh the impacts of not taking any action. Analyzing this option of no action would have brought to light the social and environmental benefits, as well as potential economic implications of not increasing the extraction and transportation of bauxite in Guinea from this mine. As the assessment admits, this project will have significant negative impacts on the local air, water, and wildlife, including endangered species.<sup>3</sup> To avoid these effects by not expanding the mine and related infrastructure is an alternative that the assessment should consider. Otherwise, OPIC cannot properly weigh the potential development and economic benefits and risks of investing in this project.

If OPIC finances this mine expansion, it would add yet another project to the growing number of projects that OPIC has recently financed that do not aid development and result in harmful environmental and social impacts. These projects are often massive industrial projects involving incredibly harmful or toxic substances and processes. These include Tahrir Petrochemical complex in Egypt and the Azura Edo natural gas power plant in Nigeria.

In light of the concerns raised in this letter, Friends of the Earth U.S. urges OPIC to reject financing for the bauxite mine expansion in Guinea and to consider financing for other projects

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<sup>2</sup> KPMG INTERNATIONAL. GUINEA: COUNTRY MINING GUIDE 18 (2014), <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/mining-country-guides/Documents/guinea-mining-guide.pdf>

<sup>3</sup> At least one species, the green sea turtle, is listed as an endangered species in the United States. EEM, Environmental and Social Impact Assessment of the CBG Mine Expansion Project, Chapter 4 - Biological Impact Assessment 4-35, [https://www3.opic.gov/environment/eia/cbg/Chapter\\_4/PX047\\_EEM\\_EIES\\_Chapitre\\_4\\_ENG\\_version.pdf](https://www3.opic.gov/environment/eia/cbg/Chapter_4/PX047_EEM_EIES_Chapitre_4_ENG_version.pdf); US Fish & Wildlife Service, ECOS Environmental Conservation Online System, Green Sea Turtle (*Chelonia mydas*) [http://ecos.fws.gov/tess\\_public/profile/speciesProfile?scode=C00S](http://ecos.fws.gov/tess_public/profile/speciesProfile?scode=C00S) (last visited October 30, 2016)

that truly help with development goals, such as distributed renewable energy projects that improve access to affordable and clean electricity.

Sincerely,

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