

Open Letter to the China Development Bank:

We, the undersigned Latin American civil society organizations, demand urgent improvements in the environmental and social governance of the China Development Bank

The Chinese government has indicated that air, water, and soil contamination, together with poverty and financial risks, are China's "three tough battles." The old exporting model based on raw materials established in the region has also imposed those same battles upon us Latin Americans.

In its efforts to address the environmental crisis domestically, the Chinese government has declared a "war against pollution," while the concept of an "eco-civilization" can be found in the majority of official documents related to development strategies. In the international realm, President Xi Jinping has proposed the concept of "the community of a common destiny of humankind" as a pillar of harmonious and peaceful development for all people. We, Latin American civil society organizations (CSOs) embrace these visions with great satisfaction.

Since the beginning of the millennium, China and Latin America and the Caribbean (LAC) have developed a deep, interdependent relationship. To a significant degree, this has been due to the voluminous financing extended by the China Development Bank (CDB). We are aware that the CDB is the largest development bank in the world and a key vehicle by which the Chinese government implements its development policies both within and outside of China. Unfortunately, CDB financing has gravely impacted unique ecosystems and local communities by funding large-scale petroleum, mining, hydroelectric, agribusiness, and infrastructure projects and demanding that some of its loans be paid back in natural resources.

We, the undersigned Latin American CSOs, declare our profound concern regarding the nature of CDB financing on our continent, especially with regard to the following:

1. The CDB has targeted its financing primarily at extractive and infrastructure projects in LAC. Several of these projects are located in or near ecologically vulnerable areas and indigenous territories. Paradoxically, some of them have been launched with environmental impact studies that are incomplete and not up-to-date, and/or without having obtained the free, prior, and informed consent of indigenous peoples and traditional communities living in the territories impacted by such projects. For example, this is the case with the Hydroelectric Complex on the Santa Cruz River (located in the Argentine Patagonia, which would impact the Perito Moreno Glacier, a Natural World Heritage Site); Villonaco I Wind Farm in Ecuador, whose definitive environmental and social study was performed after the project was constructed; and the Shougang and Las Bambas mining projects in Peru.
2. The CDB does not possess any environmental or social policies or safeguards that are public and mandatory. Nor does it have a department or team dedicated to evaluating and managing socioenvironmental risks, and typically does not respond to the requests made by CSOs in LAC seeking to communicate with the Bank to inform about and remediate the negative impacts of its loans.

3. A veil of opaqueness surrounds the CDB's operations. The lack of public information from the Bank makes it virtually impossible to gain a full understanding of the projects it finances. The Bank does not publish its sovereign or corporate loans. In fact, in 2017 the Comptroller General of the State of Ecuador emphasized that the lack of information about three lines of credit from the CDB affected the capacity of public institutions to assert control over the progress of the projects, disbursements from the Bank, and hiring processes for their construction.

4. The CDB's loan contracts do not contain environmental or social clauses setting forth the responsibilities for each of the parties with regard to the potential impacts of projects financed during the project lifecycle. Rather, the contracts only very generally mention the need to respect national laws. As a result, the CDB washes its hands of any responsibility for environmental harms or abuse suffered by local communities resulting from the implementation of its loans.

5. The CDB has continued to support several million-dollar projects tarnished by inefficiency, corruption, and considerable negative socio-environmental impacts. Frequently, these projects have been questioned, delayed, and even suspended, such as, for example, the Tinaco-Anaco railroad track in Venezuela. That contributes to enlarging odious debt that frequently ends up being paid with funds that should be utilized for social spending.

Aggravating the situation, the climate and health crises are causing even more grave damage in LAC. According to calculations made by the United Nations (UN), the impacts of COVID-19 pose a threat to pushing half of the LAC population into poverty or extreme poverty. Therefore, to the degree that the countries and societies find ways to confront these crises, the CDB must seriously consider, based on its own experience, the fact that low-quality, high-risk financing not only generates disastrous environmental, social, climatic, and economic impacts, but can also facilitate the propagation of pandemic diseases as a consequence of destroying pristine ecosystems.

For all of these reasons, we, the undersigned civil society organizations of the Latin America and Caribbean region urgently call on the CDB to:

1. Reorient its energy financing policy abroad by moving away from building large dams and extracting fossil fuels. The CDB should not finance any coal plant under any circumstances. To the contrary, the CDB should increase its financing for wind and solar energy projects and ensure that the supply chains for such industries and projects are truly clean.

2. Establish efficient, modern environmental and social governance systems that include, at a minimum, the following: (i) obligatory sectoral and thematic environmental and social safeguards; (ii) a citizen complaint and participation mechanism; (iii) a policy on access to information; (iv) a classification of each project according to its potential impacts; and (v) due diligence practices throughout the lifecycle of project execution.

3. In order for the systems and actions described in point 2 above to be effectively implemented, the CDB should establish the following in parallel: (i) a specific

department responsible for environmental and social evaluations of projects, with a sufficient budget, as well as technical personnel with authority and political support; (ii) better communication with the general public, publicizing the information contacts in the Bank's offices in countries where projects are executed; and (iii) promote a culture of commitment and dialogue with social organizations in host countries social organizations, instruct bank offices in borrower countries to that end, and where such offices do not exist, the Bank should request support from the respective embassies to channel communications with the Bank in its offices in China.

4. Incorporate an environmental annex into loan contracts that includes, though not limited to, demanding compliance with: (i) national social and environmental laws and other regulations that are applicable to the project; (ii) the highest international environmental standards relevant to the project to be financed; (iii) the relevant Chinese environmental and social directives; and (iv) detail the CDB's methods for evaluation, reporting, and supervision throughout the lifecycle of the project.

5. Develop a strategy for providing debt relief specifically designed to support LAC countries and consider the possibility of performing debt-for-nature swaps and exchanges as a way to tackle the climate crisis.

6. Refrain from financing projects or accepting natural resources (as payment for its loans) that are located in or come from indigenous territories and traditional communities where free, prior, and informed consent has not been obtained, either for executing the projects or extracting the resources that are used to pay back the loans.

7. Refrain from financing projects in or that affect ecologically important areas, such as those that are a part of national systems of protected areas or internationally recognized as Natural or Cultural World Heritage or Ramsar Sites. The CDB should not finance projects that directly or indirectly affect primary or mature forests, block the free flow of rivers or biological corridors, or impact endangered species.

8. Refrain from financing agribusiness projects that directly or indirectly drive deforestation in native forests in LAC, particularly in the Amazon.

We close in hopes that the CDB accepts our recommendations as part of the Chinese government's commitments to stabilize and revitalize the global economy in an ecologically safe manner that is sustainable and aimed at our peoples' needs. However, if the CDB decides to not immediately and decisively address the gaps we have pointed out, there is no doubt that its financing will accelerate and deepen the environmental crisis that is devastating LAC and the entire world.

Sincerely,

Organizations of the region:

Acción Internacional para la Salud, Peru

Agrupación de Pequeños Regantes y no Regantes del Río Mostazal, Chile

Agrupación Ecológica CHADENATUR Chañaral, Chile

Alianza de Organizaciones por los Derechos Humanos, Ecuador

Alianza para la Conservación y el Desarrollo (ACD), Panama

Amazon Watch, Ecuador

Amigos del Río San Rodrigo A.C. (ARSR), Mexico

Apoyo Para el Campesino indígena del Oriente Boliviano (APCOB)
Asamblea de Unidad Cantonal de Cotacachi, Ecuador
Asamblea Permanente de Derechos Humanos de Bolivia (APDHB)
Asociación Ambiente y Sociedad (AAS), Colombia
Asociación de Mujeres Indígenas Taihuel, Chile
Asociación Flor de Caña, Ecuador
Asociación Guayllabamba Waterkeeper, Ecuador
Asociación para la Investigación y Acción Social Nomadesc, Colombia
Asociación Proyecto Amigo, Peru
Asociación Nacional de Centros de Investigación, Promoción Social y Desarrollo, Peru.
Asociación Servicios Educativos Rurales, Peru
Asociación Unión de Talleres 11 de Septiembre, Bolivia
Associação de Trabalhadores Rurais do Desenvolvimento (PDS), Brazil
Banco de Bosques, Argentina
BRICS Policy Center, Brazil
Central de Comunidades Indígenas Tacana II Río Madre de Dios (CITRMD), Bolivia Center
Amazónico de Antropología y Aplicación Práctica (CAAAP), Peru
Centro Andino de Educación y Promoción José María Arguedas, Peru
Centro de Comunicación y Desarrollo Andino (CENDA), Bolivia
Centro de Derechos Humanos, University of Chile
Centro de Desarrollo Andino Sisay, Peru
Centro de Documentación e Información Bolivia (CEDIB)
Centro de Documentación en Derechos Humanos "Segundo Montes Mozo SJ" (CSMM),
Ecuador
Centro de Ecología y Pueblos Andinos CEPA, Regional
Centro de Estudios Jurídicos e Investigación Social (CEJIS), Bolivia
Centro de Estudios y Apoyo Al desarrollo Local (CEADL), Bolivia
Centro de Promoción de la Mujer "Micaela Bastidas", Peru
Centro de Incidencia Ambiental de Panama (CIAM)
Centro de Información sobre Empresas y Derechos Humanos (CIEDH), Regional
Centro de Políticas Públicas y Derechos Humanos (Peru, EQUIDAD)
Centro Investigación Capacitación Asesoría y Promoción, Peru
Centro Latino Americano de Ecología Social (CLAES), Uruguay
Círculo de Políticas Ambientales, Argentina
Corporación Nacional de Bosques y Reservas Privadas del Ecuador (CNBRPE-Red de
Bosques), Ecuador
Colectivo Árbol, Bolivia
Colectivo Ciudadano "No a la Tala de Árboles en Cochabamba", Bolivia
Colectivo de Coordinación de Acciones Socio Ambientales (Colectivo CASA), Bolivia
Colectivo lluvia comunicación, Ecuador
Colectivo Libertário Mais Amor Menos Capital, Brazil
Colectivo VientoSur, Chile
Colectivo Voces Ecológicas (COVEC), Panama
Comisión de Derechos Humanos (COMISEDH), Peru
Comisión de Ecología y Cuidado de la Creación de la Diócesis de Lurín (CECC), Peru
Comisión de Justicia Social (CJS, Chimbote), Peru
Comisión de Solidaridad Desarrollo y Justicia (COSDEJ), Peru
Comisión Ecuménica de Derechos Humanos (CEDHU), Ecuador
Comisión Episcopal de Acción Social (CEAS), Peru
Comisión Nacional de los Derechos Humanos (CNDH-RD), Dominican Republic

Comissão Justiça Ecpaz Arauificese de Santarém (Pará), Brazil
Comité de Defensa Tierra y Teritorio de Mujeres Guaraní, Bolivia
Comunidad de Derechos Humanos, Bolivia
Comunidad Ecuémica Martin Luther King, Chile
Comunidad Indígena Amazonica Cordillera del Condor Mirador, Ecuador
Comunidades Eclesiales de Base de Catamarca, Argentina
Confederación de Pueblos Indígenas del Oriente, Chaco and Bolivian Amazon (CIDOB Orgánica)
Confederación de Nacionalidades Indígenas de la Amazonía Ecuatoriana (CONFENAIE), Ecuador
Confederación Nacional de Mujeres Indigenas de Bolivia
CooperAcción, Peru
Coordinadora Andina de Organizaciones Indígenas (CAOI), Bolivia
Coordinadora de las Organizaciones Indígenas de la Cuenca Amazónica (COICA), Ecuador
Coordinadora Ecuatoriana de Organizaciones para la Defensa de la Naturaleza y el Medio Ambiente (CEDENMA), Ecuador
Coordinadora Nacional de Defensa de Territorios Indígenas Originarios Campesinos y Areas Protegidas de Bolivia (CONTIOCAP)
Cuencas Sagradas, Ecuador y Peru
Defensa y Conservación Ecológica de Intag (DECOIN), Ecuador
Derechos Humanos y Medio Ambiente (DHUMA), Peru
Escuela de Líderes Ambientales (ELA), Regional
Ecologia e Ação (Ecoa), Brazil
Equipo de Reflexión, Investigación y Comunicación, Honduras
Equipo Jurídico por los Derechos Humanos, Honduras
Federación de la Nacionalidad Shuar de Pastaza (FENASH-P), Ecuador Fomento de la Vida (FOVIDA), Peru
Foro Nacional por Colombia
Foro Suroccidente, Colombia
Fundación Alejandro Labaka (FAL), Ecuador
Fundación Ambiente y Recursos Naturales (FARN), Argentina
Fundación CAUCE: Cultura Ambiental - Causa Ecologista, Argentina
Fundacion Cerro Verde, Ecuador
Fundación CONSTRUIR, Bolivia
Fundación Ecológica Arcoiris (FAI), Ecuador
Fundación Ecología, Hombre y Desarrollo, Ecuador
Fundación Ecuémica para el Desarrollo y la Paz (FEDEPAZ), Peru
Fundación Ética en los Bosques, Chile
Fundación Humedales Wetlands International LAC. (WI LAC), Argentina
Fundación Naturaleza y Cultura Ecuador, Ecuador
Fundación Pachamama, Ecuador
Fundación para el Desarrollo de Políticas Sustentables (FUNDEPS), Argentina
Grupo de Estudos, Desenvolvimento, Modernidade e Meio Ambiente da Universidade Federal do Maranhão (GEDMMA/UFMA), Brazil
Grupo de Formación e Intervención para el Desarrollo Sostenible (GRUFIDES), Peru
Grupo de Trabajo Cambio Climático y Justicia (GTCCJ), Bolivia.
Grupo Kanaka, Colombia
Instituto Brasileiro de Análises Sociais e Econômicas (IBASE), Brazil
Instituto de Capacitación para el Desarrollo (INCADE), Bolivia Instituto Maíra, Brazil

Instituto para el Desarrollo y la Paz Amazónica, Perú Kanan Derechos Humanos, Mexico
Kawsak Sacha - Seleva Viviente, Ecuador
Land is Life, Ecuador
Latinoamérica Sustentable, Regional
Luna Creciente, Ecuador
Maloka "Teko Porã Renda", Argentina
Mancomunidad de Comunidades Indígenas de los Ríos Beni, Tuichi y Quiquibey, Bolivia
Mocovi Center Ialek Lav'a / Provincial Bureau of Indigenous Peoples-Government of Santa Fe, Argentina
Movimiento por la Defensa de los Territorios y Ecosistemas de Bocas del Toro (MODETEAB), Panama
Movimiento Manuela Ramos, Peru
Movimiento Once de Mayo-Moreno (11M), Argentina
Movimiento Ríos Vivos, Colombia
Movimiento Social Intercultural del Pueblo de Ixcán, Guatemala
Movimiento Socioambiental Comunitario por el Agua y el Territorio (MOSACAT), Chile
Mujeres Amazónicas Defensoras de la Selva, Ecuador
Observatorio de Ecología Política, Venezuela
Observatorio Latinoamericano de Conflictos Ambientales (OLCA), Chile
Oficina Jurídica para la Mujer, Bolivia
Origen (ORGN), Chile
Otros Mundos AC/Chiapas, Mexico
Pachamama Alliance Perú, Peru
Página Sociedad, Política y Des/colonialidad del Poder, Peru
Parlamento de los Pueblos Indígenas del Chaco Americano y Zicosur, Regional
Pastoral Social del Vicariato de Jaén, Peru
Popol Na, Nicaragua
Reacción Climática, Bolivia
Redesisform, Ecuador
Red Chimpu Warmi, Bolivia
Red de Protectores del Ambiente, Ecuador
Red Muqui, Peru
Red Regional Agua Desarrollo y Democracia, Perú Red Uniendo Manos Perú, Peru
Reserva Maquipucuna, Ecuador
SALVAGINAS Colectivo Ecofeminista, Bolivia
Saviafund, Ecuador
Sistema de Alerta Temprana (SAT), Regional Somos Sur, Bolivia
Surco Común, Ecuador
Sustentarse, Chile
Unión de Afectados por Texaco (UDATL), Ecuador
YASunidos Piñas, Ecuador

International organizations:

Balay Alternative Legal Advocates for Development in Mindanaw, Inc. (BALAOD Mindanaw), Filipinas
Bank Information Center (BIC), USA
BioInequalities, Germany
Campaña "Minería Perú - La riqueza se va, la pobreza se queda", Germany
Center for International Environmental Law (CIEL), International
Community Resource Centre, Thailand

Crude Accountability, USA
Defenders Protection Initiative, Uganda
Federación de Organismos Cristianos Servicio Voluntarios (FOCSIV), International
Global Alliance for the Rights of Nature (GARN), International
Global Justice Ecology Project, International
Green Advocates International, Liberia
Inclusive Development International, International
Informationsstelle Peru e.V., Germany
International Rivers, International
International Accountability Project, International
Jamaa Resource Initiatives, Kenyan
NGO Forum on ADB, Asia
Porgera Red Wara (River) Women's Association Incorporated (PRWWA INC), Papua New Guinea
Public Interest Law Center, Chad
Recourse, Holland
Redmira, International
Réseau Camerounais des Organisations des Droits de l'Homme / Cameroon Network of Human Rights Organisations, Cameroon
Rivers without Boundaries, Russia
Rivers without Boundaries Coalition, Mongolia
SHINGNIP-Kachin Legal Aid Network, Myanmar
The Responsible Business Lab, Australia
United Explanations, Peru y Spain
Unite for Climate Action (U4CA), International
Urgewald e.V., Germany
Water Justice and Gender, International
Wetlands International, Brazil
Witness, International
350.org, International