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March 24, 2006
Córdoba, Argentina

ING GROUP

Miriam Wolf
Head of Corporate Responsibility
ING Group

RE: Request for Response to Equator Principles Compliance Complaint and Briefing
Developments Cellulose CASE Uruguay

Cc: ING: Michel Tilmant, Cees Maas, Jonathan Attack, Peter Jong, Huib te Haar, Cor Herkstroter, BBVA: José Angel Moreno, Francisco Gonzalez, Tomas Conde, Vitalino Nafria, Manuel Gonzalez Cid, Pablo Fernandez Calvo; Meg Taylor (CAO), Amar Inamdar (CAO), Alieto Guadagni, (World Bank Executive Director for Argentina), Declan Duff (IFC), Atul Mehta (IFC), Santiago Cantón (Inter-American Commission on Human Rights), Jorge Busti (Governor of Entre Ríos, Argentina); Jorge Taiana (Argentine Foreign Minister), Gualaguaychú Environmental Assembly, Keith Kozloff (US Treasury), Johan Frijns (Banktrack); Joseph Wilde (OECD); Business and Human Rights Resource Center; Karl Jackson (World Bank), O. Bordón (Argentine Embassy); Jorge Taiana (Foreign Minister, Argentina), Assembly of Gualaguaychú, Keith Kozloff, Rachel Bayley (US Treasury), BBVA, Nordea.

Dear Ms. Wolff,

Three months have past since we filed the Equator Principles Compliance Complaint to ING Group regarding the Botnia-sponsored Uruguayan Pulp Paper Mill projects in Fray Bentos Uruguay, enumerating countless Equator Principle violations of the mentioned projects, as well as violations to national and international human rights and environmental law, as well as violations to IFC Environmental and Social Safeguard Policies, and we have as yet to receive any response regarding the issues treated and allegations made in this compliance complaint.

We recall ING Group's limited public response to date that:

1. ING Group "will carefully review the Cumulative Impact Study" prepared by the IFC;¹ and ...
2. that ING Group participation in the papermills is subject to:²
 - a) ING Business Principles;
 - b) Applicable Uruguayan environmental and social laws;

¹ Letter from Miriam Wolf, Head of Corporate Responsibility of ING addressed to Mr. Taillant of CEDHA on December 20th. See: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/letter-ing-equator-principle.pdf

² Letter sent via email to from ING Public Affairs to the Business and Human Rights Resource Center on December 22, 2005; see: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/ing-response-cedha-22-dec-2005.pdf

- c) Applicable regulations issued by the *Comisión Administradora del Río Uruguay* (CARU) established by the Republic of Argentina and the Oriental Republic of Uruguay;
- d) The Equator Principles;
- e) The Best Available Technology (BAT) guidelines derived from the European Union's Integrated Pollution Prevention Control (IPPC Directive) ...

It is clear to us from how this case has developed over the past several months, particularly since our Equator Principles Compliance Complaint, that *most* if not all of the points mentioned by ING that are to be considered, are offering clear evidence that this project is not founded on compliance with the various normative frameworks that govern its design and implementation and that this project is in fact in violation of numerous bodies of law and industry standards as established by the World Bank, by the European Union, by the Equator Principles, and by basic principles and common sense regarding contaminating industries.

As we are seeing in recent weeks and months, the pulp paper mill projects by Botnia (to be financed by ING Group) and ENCE (to be financed by BBVA) have led to *never-before seen* mounting conflict, pitting Argentina against Uruguay, imminently to go before the International Court of Justice to resolve this still escalating dispute. ING Group's silence regarding its consideration of support to Botnia, is NOT a NEUTRAL position, but in fact is further aggravating present circumstances and makes ING Group complicit in the violations perpetrated by Botnia and its various partners.

We have no indications from ING Group that it has reviewed the many documents that are now available, both from CEDHA, from the IFC's Compliance Advisory Ombudsman (CAO), from the CARU, from the Government of Argentina, from the Uruguayan Prosecutor, from the Argentine Prosecutor, and from numerous other sources, which attest and substantiate the numerous allegations made in the original Equator Compliance Complaint submitted by CEDHA to ING Group and in the many other legal and other procedural complaints that have been filed in numerous forums and by numerous actors against these projects.³

With such growing and overwhelming evidence and public and diplomatic opposition to this investment, ING Group's public silence on this case cannot but suggest to the public that *ING Group is failing to uphold its commitment to abide by its obligations under the Equator Principles*. This prolonged silence, and the negative impact it has for local stakeholders, places ING Group into the realm of legal complicity and negligence, with respect to the continued and sustained aggravating actions by Botnia (ING Group's partner), violating international law, pitting one friendly country against another, and placing the local community of Fray Bentos and Gualeguaychú Argentina, at great social, environmental and economic risks.

ING Group's lack of transparency with regards to this project, and failure to provide evidence that it is addressing the Equator Principles Compliance Complaint, to which ING has remained irresponsibly and negligently silent, given the ENORMOUS attention this project is attracting at the local, national and international level, further places ING's own investors at risk with respect to the status of its pending investment, and risk exposure.

A proactive step by ING Group is immediately necessary to clarify its position and avoid further damage to its own reputation as well as provide clarity for its shareholders, to the general public, and to the stakeholders impacted by this project. Continued silence from ING Group regarding this case is not only unacceptable, but it is negligently irresponsible.

CEDHA is already taking steps to file OECD Specific Instance complaints against company sponsors at the relevant National Contact Points, and **unless we receive a convincing**

³ For a full list of filings see: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/

answer and see evidence from ING Group regarding compliance with the Equator Principles, and a response with evidence that shows that ING Group is investigating the clear violations of human rights, safeguard policies, violations of the bilateral treaty between Argentina and Uruguay, and numerous other allegations made in the many other formal legal and process oriented complaints we and other actors have filed, **CEDHA will proceed to file a Specific Instance Complaint against ING Group at the relevant OECD NCP.**

In our original Equator Principles Compliance Complaint, we called ING Group to:

1. Suspend previous, and cease all present and future consideration of financing of these projects until the projects prove to comply with ALL IFC environmental and social safeguard policy, with the Equator Principles as well as with international human rights and environmental law;
2. Initiate any and all internal investigations into the allegations made in this Compliance Complaint and be informed of and consider evidence presented in claims made on these projects to the CAO and to other international and local tribunals based on issues relevant to the Equator Principles;
3. Adhere to CAO recommendations regarding these projects and utilize the CAO Report to inform and guide its own investigation on these projects in terms of compliance with the Equator Principles;
4. Publicly inform clients, customers, stakeholders and the general public on its position with respect to the suspension of financing, or any consideration of financing these projects and the grounds for doing so (or not);
5. Assess and inform itself of project compliance with the Equator Principles and only proceed to provide finance should it be perfectly clear that environmental and social impacts have been properly addressed and mitigated.

As far as we know, none of these requests, questions or issues have been addressed or publicly answered by ING Group to date.

We take this opportunity to offer information to ING Group regarding the above mentioned issues which ING Group has publicly stated it will review, and will offer you additional information about developments in the case so that you can be informed about the serious and concerning evolution of this unfortunate investment project and in hopes that we can avoid taking action against ING Group for failing to adhere to and respond to the pending Equator Principles Compliance Complaint filed for ING Group participation in this investment.

Review the Cumulative Impact Study" prepared by the IFC

The IFC attempted to correct project violations to its Safeguard Policy compliance by commissioning a Cumulative Impact Study (CIS) on the combined impact of the Botnia and ENCE mills, a study which *would never have been made available* to the World Bank if stakeholders had not complained about the failure of project sponsors and the IFC to consider impacts across the border to the Argentine community of Gualaguaychú.

At present, the IFC has completed a *first draft* of this CIS, and has taken in comments through its website and through a unilaterally presented schedule of local meetings. However, the consultation process established by the IFC failed to create stakeholder credence and/or involvement in the process, as it was hurriedly carried out in the middle of holiday season. Furthermore, the terms of reference of the CIS were never shared with stakeholders before the study was designed, in violation of IFC's Environmental Safeguard

Policy (Paragraph 12 OP 4.01). Further, the CIS consultation was fixed on inflexible schedule, unilaterally designed by IFC with no stakeholder participation, and failed, despite repeated requests by the CAO and by stakeholders, to establish clear, transparent and agreed-upon rules of engagement. This is a basic request and condition for ANY consultation process to occur in a fair and transparent manner, yet even this was ignored by the IFC.

A new consultant has been hired by the IFC for a review panel which the IFC unilaterally created. This panel was supposed to have Argentine and Uruguayan members, however, since NEITHER country lent credibility to the IFC CIS Consultation Process, both countries refused to name candidates the panel. IFC was forced to unilaterally name this illegitimate panel without the blessing of either country. In fact, both Argentina and Uruguay have of their own volition and at the presidential level, discussed conducting *their own* studies in their own independent process, ignoring the IFC altogether. President Kirchner (ARG) and President Vazquez (URU) have tentatively agreed to a 90-day cease-construction period to conduct new studies which would have legitimacy for local stakeholders.

For this reason, the findings of the IFC's CIS that will be concluded at some future time (a specific date has not been established) will be stillborn, as the CIS process does not have stakeholder legitimacy or country support. It is critical to stress for example, that the CIS at present DOES NOT address the concerns of the vast majority of stakeholders of these projects (particularly the Assembly of Gualaguaychú, consisting of nearly 50,000 stakeholders immediately affected by the projects, which refused to participate in the unilaterally imposed and no-rules IFC consultation). The CIS, for example, fails to explore impacts on tourism, which is by far *the issue of highest concern* to local stakeholders who depend on tourism in the region for their livelihoods.

For this reason, ING Group *must not* sit idly awaiting the conclusions of a CIS that fails to provide credible information regarding the impacts of this project. Further, if Argentina and Uruguay move with their decision to conduct their own studies, over a new 90-day period, this will make any conclusions offered by the CIS entirely moot.

ING Business Principles

ING Business Principles on Human Rights commits support for the Universal Declaration of Human Rights and 'endeavours to apply its principles throughout its operations worldwide'.⁴ The case submitted against Uruguay to the Inter American Commission on Human Rights attests to the violations of these projects to ING Groups Business Principles.⁵ ING is also committed to the promotion of sustainable development in its external business dealings. As such, ING 'aims to manage the environmental risks resulting from these activities'.⁶ ING also actively participates on the Round Table of Human Rights and is a member of the World Business Council for Sustainable Development (WBSCD). ING is no doubt aware that impacts and actions associated with the Botnia project breach the UDHR and are contrary to the principles of sustainable development. The evidence offered by the many filings against these projects clearly shows that risks have been ignored, consultations have been ignored or fraudulent, while studies fail to show that key local livelihoods and the health of local communities would not be negatively impacted. In fact, available studies by Argentina and other independent experts show that these projects will contribute negatively to environmental sustainability and particularly to the livelihoods of local communities, which depend on clean environment and rich natural resources for their sustainability.⁷

⁴ http://www.ing.com/group/showdoc.jsp?docid=074041_EN&menopt=ins%7Cpli

⁵ http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/peticion-cidh-final.doc

⁶ http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/peticion-cidh-final.doc

⁷ see Sejenovich Report: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/sejenovich-report-spa.zip

Applicable Uruguayan environmental and social laws

In a continuing case before national courts, the Uruguayan prosecutor has unearthed evidence pointing to illicit handling of the application for environmental permits for the pulp mill projects.⁸ Additionally in Argentina, a television program broadcast recently on Channel 9 in Argentina, an interview with a an Uruguayan Environmentalist (Marcel Kairuz) that claims that Carlos Faroppa, the legal representative of Botnia in Uruguay, paid him and at least one other Uruguayan environmentalist so that they would quell protests in Uruguay against the mills.⁹

Taking into account all available evidence, the project is at serious risk of violating environmental and social norms established by the Uruguayan Constitution, namely Article 44 'right to health', Article 47 1(b) that establishes the necessity of sustainable development especially pertaining to the waterways, whilst guaranteeing the involvement of civil society and the public in decision-making processes; and Article 47 1(d) 'prioritizing the supply of potable water over other factors such as economic development'.¹⁰

Applicable regulations issued by the *Comisión Administradora del Río Uruguay (CARU)* established by the Republic of Argentina and the Oriental Republic of Uruguay

These mills are being constructed on the border of the Uruguay River, dividing Argentina and Uruguay. Both countries signed a bilateral treaty in 1975 called the Uruguay River Treaty, which established a collaborative framework for management and protection of these very sensitive waters, whose oversight is entrusted to the CARU (or Binational Commission). The IFC and World Bank Group, it is important to note, also has an International Waterways Safeguard Policy, established precisely so that World Bank projects do not harm border waters, and that they comply with international law established to protect such waters. The project sponsors and the IFC ignored the stipulations of the River Uruguay Treaty (this is verified by the CAO which draws attention to this concern in its Preliminary Assessment)¹¹, and the government of Uruguay ignored its responsibilities to inform Argentina of its intentions to locate two contaminating industries on the river. As a result, Argentina has complained on numerous occasions to Uruguay and to the World Bank President, that it does not agree with the decision to locate these mills at that precise site on the Uruguay River. Argentine experts have provided thousands of pages of technical analysis from worldly recognized environmental experts substantiating the concerns expressed by local citizens, environmental groups and scientific experts.¹²

As we had previously informed ING Group via our letter¹³ of February 6th, as of January 31st, both Uruguay and Argentina had recognized that negotiations by CARU had failed. Two reports were issued by Uruguay and Argentina respectively detailing issues and concerns, as well as the numerous violations that Argentina alleges against Uruguay.¹⁴ The summary report presented by Argentina states among other things, that the authorization of the plants was a "unilateral decision of Uruguay ... violating its international obligations as established by the Uruguay River Treaty of 1975. ..." (p.1), and that these projects fail to comply with the

⁸ www.cedha.org.ar/en/initiatives/paper_pulp_mills/denuncia-uruguay-viana.pdf

⁹ See for example www.lanacion.com.ar/EdicionImpresa/politica/nota.asp?nota_id=786884

¹⁰ Available at <http://www.georgetown.edu/pdba/Constitutions/Uruguay/uruguay04.html>

¹¹ <http://www.cedha.org.ar/docs/cao-preliminary-assessment-eng.pdf>

¹² See for example: the abbreviated version (180pp) of the Sejenovich Report at: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/sejenovich-report-spa.zip; or the Cordoba University Report at: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/informe-papelera-unc-cordoba-spa.doc.

¹³ see: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/carta-ing-feb-2006.pdf

¹⁴ see: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/analisis-ministerio-exterior-spa.pdf

necessary legal responsibilities mandated in their own countries ... with respect to projects that can have cross-border environmental impacts". (p.1). Further the report states: "both the Environmental Impact Assessments done by the companies, and the Draft Cumulative Impact Assessment presented by the IFC, fail to clarify considerations for citing and justification of citing of, as well as alternatives to the mills, ... [going on to say] that when confronted with this issue, the Uruguayan delegation of the Binational Commission responded that it had no need to answer this question as it was a done deed". (p.1) The report reads: "the Argentine Delegation [of the Binational Commission] with evidence to sustain its opinion, concludes that the proposal to install the Orion and M'Bopicuá plants does not attain the objective of preserving the environment and the ecosystem of the River Uruguay to the 'highest degree possible as per international standards', as was agreed it should by the Binational Commission in its first meeting". (p.2) "The eventual operation of the plants will negatively impact the Province of Entre Rios, affecting productivity, existing industries, commerce – especially relative to tourism, property values, and the health of the local community, livestock and crop". (p.3)

These observations by the Argentine technical experts of the Binational Commission, summed to the escalating diplomatic conflict that these projects are having between Argentina and Uruguay, which will now face trial at the International Court of Justice at the Hague, in addition to the other legal complaints that have already been filed at local and international tribunals, are an indication, that not only are these projects violating international law, human rights and environmental law, as well as environmental safeguards of the IFC, and numerous other codes of conduct, as well as ethical business practice; it is clear from the evidence of these findings, **that these projects are unwanted by local residents of Argentina**, and specifically, by the communities that reside, work, and take leisure in the surroundings of the projected mills. President Kirchner has ALREADY gained both Congressional and Senate support, as is needed to take this action and is presently preparing the complaint to the Hague.

Because of a World Bank project and the negligent actions of project sponsors and IFC project staff, and because of the promised support to these projects by financial institutions like ING Group, two otherwise friendly nations are about to enter a maximum dispute settlement process at the international level. By supporting these projects, ING Group would be erroneously and unwisely taking sides in an unprecedented international legal dispute between two nation states. Silence, in this case, we stress, is interpreted as implicit support

The Equator Principles

In our Equator Principles Compliance Complaint, we listed numerous violations to the Equator Principles, including nearly 4 pages of detailed violations to Principles 1, 2, 3, 4, and 5,¹⁵ which we will not restate here. However it is worth noting that the issue of siting has consolidated itself as a central concern to local stakeholders. It is simply *unacceptable* that a contaminating industry be located in the heart of a pristine environmentally rich region, and in the midst of a tourism driven economy. Citizens of Gualeguaychú, environmentalists, local communities and everyday people have expressed that the cellulose industry projected by Botnia based on a Chlorine bleaching system and knowingly resulting in odorous stench of rotten egg, is incompatible with the greater objective of sustainable development and with the identity and characteristics of the region.

Regarding Botnia's choice to site their facility in this ill-conceived site, it is telling that they devote only ONE page to the siting question in over 1000 pages of an extensive, albeit

¹⁵ see: http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/complaint-letter-to-ing-eng.pdf

incomplete Environmental Impact Assessment.¹⁶ The insufficient analysis only considers the benefits to Botnia of locating the plants at the present site. Botnia knowingly ignored difficult siting questions in its EIAs, and failed to consider the impacts its contamination would have on the most important and most obvious industry in the region, which is tourism. It is clear to us that had Botnia actually done a real siting assessment, they could have never concluded that their industry should be located at their present site. Botnia also failed to consider issues such as the growing adverse impact Eucalyptus tree plantations are having on subterranean water resources, leaving small farmers without water for local crops-such as in the community of Mercedes Uruguay, where due to growing eucalyptus tree farming producing for both Botnia and ENCE, local farmers have been left without subterranean waters. Additionally air quality and water impacts to the Uruguay River will also directly affect local tourism by contaminating beaches, creating awful rotten egg smell, polluting river waters, washing up algae on the beaches, and offering a terrible skyline of industrial smoke to tourist visitors to the pristine beaches of Gualaguaychú and Fray Bentos, all hardly conducive to promote tourism.

The Best Available Technology (BAT) guidelines derived from the European Union's Integrated Pollution Prevention Control (IPPC Directive)

Despite Botnia's claim to the contrary, the project is NOT designed with best available technology, since it is using Element Chlorine Free (ECF) technology, which is a "second-tier technology" which is not the best available technology with regards to the use of chlorine and persistent organic pollutants, and goes against the World Bank's recommend use of Total Chlorine Free (TCF) technology in closed circuit systems.¹⁷

Further Issues to Consider

Public Opposition

These projects ran into problems when nearly 50,000 people took to an international bridge uniting Argentina and Uruguay in the site vicinity, in early 2005, in opposition to the installation of these mills in the heart of a thriving and environmentally pristine tourist region and on the waters of one of the cleanest river systems in the southern cone region. A Citizen's Environmental Assembly was born from this movement that has not only signed the complaint filed to the CAO (with 39,366 hand written signatures) on these projects in September, but which today is still and ever-more fervently actively protesting against the installation of these mills. Neither the project sponsors (Botnia or ENCE) nor the IFC have appropriately taken into account the opinion of Argentine stakeholders who live immediately within the projects sphere of influence or of the Assembly of Gualaguaychú which in the words of the CAO is a "powerful and coherent voice which has raised legitimate questions about how to promote development on the Rio Uruguay".¹⁸ Several other assemblies in other cities both in Argentina and Uruguay, have since joined the Assembly of Gualaguaychú to opposed these mills. Recently, in an IFC-summoned meeting with the Assembly of Gualaguaychú, the IFC delegation refused to attend the meeting on the grounds that too many stakeholders were present (see letter to Paul Wolfowitz regarding this incident).¹⁹ Eight

¹⁶ . Uruguay EIA, Capitulo 3, Ubicación y descripción, p2
[www.ifc.org/ifcext/lac.nsf/AttachmentsByTitle/Uruguay_EIA_chapter3_Spanish/\\$FILE/Uruguay_EIA_chapter3_Spanish.pdf](http://www.ifc.org/ifcext/lac.nsf/AttachmentsByTitle/Uruguay_EIA_chapter3_Spanish/$FILE/Uruguay_EIA_chapter3_Spanish.pdf)

¹⁷ World Bank Pollution Prevention and Abatement Handbook, Pulp and Paper Mills

¹⁸ see CAO Preliminary Assessment p10 at: http://www.cao-ombudsman.org/html-english/documents/preliminary_assessmentFINAL.pdf

¹⁹ http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/carta-wb-ene-2006.pdf

hundred common citizens, including, elderly, women, and children stakeholders awaited eagerly to talk to the IFC but the delegation never showed up. The IFC did meet that day, and all that week, however, with pro-mill actors lending further legitimate belief to stakeholders that the IFC is biased in favor of investors in these projects. The IFC team gave illegitimate and ridiculous excuses for not showing up to the meeting, such as that their translator could not be present at the meeting at the time agreed. As representatives of the Assembly and other stakeholders, we reiterated on numerous occasions, to the IFC and to the World Bank President, that the IFC's negligent behavior was not only generating mistrust, but also causing desperation and social unrest due to the imminent installation of these mills, without any local say in the matter. It should be stressed, that the IFC not only has done nothing to avoid this unfortunate conflict, but on the contrary, its disrespectful conduct towards the local citizenry and the violations of its own Operational Safeguard Policy have served to further aggravate the conflict.

For over 40 consecutive days, the Assembly of Gualeguaychú as well as other common and concerned citizens, have constructed a Human Roadblock and have blocked international traffic between Argentina and Uruguay, the FIRST TIME EVER, that an environmental concern has resulted in such a situation. Uruguay claims that already its economic has lost millions of dollars due to falling tourism and trade. All of this is cause by this unfortunate project.

Media Attention

Since tensions over these projects escalated over the past several months, due to the international complaints filed, due to more and extended public protest (local and regional press have covered the issues permanently, making headlines, appearing in ALL local and major newspapers, everyday, and raising the degree of tension and conflict over these projects). We have also begun to see these projects appear in international press, including the New York Times, BBC, Univisión, CNN, and other major media channels in Europe, including the Netherlands. Newer press coverage point not only to ongoing concerns the companies are raising in other investments internationally, but also to alleged videotaped bribes given by one of the company's executives to local civil society organizations to avoid local protest. Another article which recently appears reveals a draconian host government agreement signed between Botnia and the Uruguayan government exempting Botnia from any losses due to public protest stemming from eventual environmental impacts of the firms, and a specific clause in this agreement exempting Botnia from appearing in local courts in the case of any future disputes regarding environmental contamination. The press is also reporting that ENCE, the Spanish company, fearing backlash, is now suggesting that Botnia's last minute appearance with its mega investment, and increased strain on the environment, is accountable for problems the investments have produced locally and internationally.

Other Legal Action taken due to these projects

The CAO complaint was only the first complaint filed against these projects. Many others have followed including:

- Criminal complaint against company executives of Botnia and ENCE in Argentina for which a Federal Circuit Judge has order an investigation;²⁰
- Civil suit by an Uruguayan Prosecutor for dubious permit granting in Uruguay²¹;
- Complaint to the Inter-American Commission on Human Rights against Uruguay for which the Commission has initiated investigations; it should be noted that due to this

²⁰ http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/denuncia-penal-botnia-ence-spa.pdf

²¹ http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/denuncia-uruguay-viana.pdf

- case, a World Bank Project is FOR THE FIRST TIME EVER, subject of a complaint filed to an international human rights tribunal;²²
- An additional Equator Principle Compliance Complaints filed against BBVA of Spain²³ for project failure to meet up to IFC Environmental and Social Safeguards;
 - Human Rights and Corporate Social Responsibility violations against Nordea,²⁴ a Swedish-based financial services group financing Botnia;
 - Four imminent OECD Guidelines complaints to be filed in Finland, Netherlands, Sweden and Spain;
 - And finally, in preparation is the filing of Argentina against Uruguay in the International Court of Justice, the Hague.

In closing, we would like to call on you, ING Group to seriously and closely consider the issues at stake if you are to keep silent on your intentions to proceed with financing these mills, given the great degree of project failure to comply with World Bank Environmental and Social Safeguards, the public disgrace and bad example that these projects will create for Equator Bank projection of responsible private sector investment, given the growing and widespread public opposition that exists to these projects by local stakeholders, given outstanding litigation that exists on numerous fronts (locally, regionally and internationally), and given that the projects have caused enormous damage to bilateral relations between Argentina and Uruguay. **Under such conditions, ING Group should categorically refuse to provide any financing to these projects.**

Investment decisions, and especially pull out decisions, are always difficult, and even risky. Yet it is more risky and ethically irresponsible to sit idly awaiting for someone else to make decisions for us. ING Group has promised to uphold and strive for responsible investment. In the midst of this flagrant violation of policy and international law by these projects, it behooves ING Group to take a proactive stance, and publicly announce a withdrawal of its support, at least until the local actors can sort out their differences and settle this matter, without the pressure of international financial groups like ING, taking complicit sides to foreign grievances, against the interests of sustainable development, against the respect for the law and against the very essential need to defend human rights of local communities.

It is clear to us and should be to ING Group that the evidence regarding these projects clearly suggests that **ING Group should under no circumstance**, choose to proceed consideration of financing Botnia for its investment in Uruguay in pulp papermills. While we are not opposed to the pulp paper mill industry in general, **we find clear evidence that this project was not designed in compliance with the regulatory frameworks, national or international law and is in violation of the IFC's own safeguard policies, which in turn imply violations to the Equator Principles.** Furthermore, this project, along with the investment by ENCE is resulting in extremely tense diplomatic and public opposition. We trust that ING Group will make the right decision, and immediately and publicly take a position withdrawing its support to these projects.

We are at your disposal to provide you with ANY and all further evidence you made need to clarify the points presented in this brief. We take the opportunity to send you a full brief and additional relevant information regarding these projects via electronic mail.

Sincerely,
Jorge Daniel Taillant
Executive Director
Center for Human Rights and Environment
Legal Representative to 39,366 CAO Complaint Stakeholders from Uruguay and Argentina

²² http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/peticion-cidh-final.doc

²³ http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/complaint-letter-to-bbva-eng.doc

²⁴ http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/denuncia-nordea-csr-eng.pdf