

May 7, 2020

Ms. Kathy Price  
Campaigner – Latin America  
Amnesty International Canada  
312 Laurier Ave E.  
Ottawa, ON K1N 6P6

To Kathy Price, Amnesty International Canada,

I'm writing in response to your petition regarding EDC's past business support for Empresas Públicas de Medellín (EPM) and, by extension, the Hidroituango dam in Colombia.

As Canada's export credit agency, EDC's mandate is to support the growth of Canadian companies internationally, and to promote Canadian trade. An important part of that mandate is ensuring Canadian companies are supported as they enter new markets. Our goal is to ensure we provide Canadian companies with the support they need to grow and do business in a responsible and sustainable way. This includes working to hold international buyers and suppliers to a higher standard.

In 2015, EDC provided a CAD \$466-million loan to EPM, a portion of which was directed by the company to the Hidroituango dam as part of a consortium of financial organizations financing the project. This dam is one of the biggest infrastructure projects in that country's history and, when completed, it is projected to deliver one-fifth of Colombia's hydro needs. There was significant interest and opportunity from small- and medium-sized Canadian companies to be part of EPM's supply chain in Colombia and, therefore, a role for EDC to introduce them.

In advance of providing the loan, EDC performed environmental and social due diligence screenings of EPM, including the Hidroituango dam. These screenings are a standard part of EDC's approach before entering into a transaction. The purpose is to identify potential risks, which help inform EDC's decision-making before entering into an agreement. If a significant risk to the environment, community, or other stakeholders is identified, EDC reviews with the organization what mitigating measures need to be in place before we are able to proceed with an agreement. At the time, we were satisfied with the results of our screenings and opted to proceed.

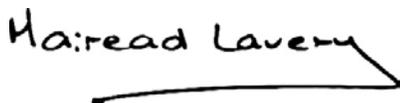
Unfortunately, in May of 2018, a tunnel dug to shunt water around the dam during construction burst open and sent a huge wave downstream that forced 25,000 people to flee to higher ground. Our approach is always that when a new concern or development arises, we work to understand the situation and take appropriate action. Following the 2018 incident, EDC engaged with EPM to learn how it was responding to the situation and what measures were being implemented to prevent a similar incident from occurring in the future. While our initial screening demonstrated sufficient systems in place, our experience with this customer has emphasized the importance of due diligence not only at the prospective stage of a transaction, but after it is signed.

While the human impact of our business has always been important to EDC, we have undergone some significant changes in our policies and practices as it relates to due diligence screening and the business we undertake. Today, we include much more detailed technical assessments of dams and mining projects. We have more on-site visits and much more local community engagement. In 2019, we became Canada's first commercial banking institution to release a dedicated [human rights policy](#) built on the United Nations Guiding Principles on Business and Human Rights (UNGPs). We also became the [first export credit agency to sign on as a supporter](#) to the recommendations of the Task Force for Climate-related Financial Disclosures.

In November of last year, EDC representatives, including Executive Vice-President and Chief Business Officer, Carl Burlock, met with [Canadian civil society representatives and Colombian human rights defenders](#) to discuss EDC's past support of EPM. Amnesty International Canada was among those represented in this meeting. This was an invaluable opportunity for EDC to hear from community members in Colombia; we welcomed the opportunity to connect with organizations like Rios Vivos and Corporación Regional Para La Defensa De Los Derechos Humanos. The work of human rights defenders and community activists is extremely important. Their bravery plays a critical role in representing their communities. Meetings such as this one are helpful in bringing new perspectives and informing EDC's decision-making.

As President and CEO, I see this ongoing and constructive dialogue as imperative not only to EDC, but to supporting Canadian businesses operating internationally. This includes improving our understanding of how EDC can best exercise our leverage when adverse circumstances occur. As part of our [Human Rights Policy Implementation Plan](#), we will be consulting with stakeholders on a path forward in the coming year. I hope we can count on engagement from Amnesty International Canada in this important work.

Sincerely,

A handwritten signature in black ink that reads "Mairead Lavery". The signature is written in a cursive style and is underlined with a single horizontal line.

Mairead Lavery  
President and Chief Executive Officer

Cc: Mary Ng, Minister of Small Business, Export Promotion and International Trade