Board of Directors Inter-American Development Bank Group 1300 New York Avenue, N.W. Washington, D.C. 20577, USA

Re: Concerns on the IDB's lack of transparency and stakeholder engagement in the development of the South Connection Program

Dear Board of Directors and Counselors.

The undersigned organizations are writing to express our concern regarding the lack of transparency and stakeholder engagement in the development of the South Connection Program (SCP). We are members of the IDB Working Group, a coalition of regional and international civil society organizations that have been monitoring the work of the Inter-American Development Bank Group (IDB) for years and advocating for a stronger relationship with civil society, improved policies, and accountability.

The SCP aims to catalyze regional development and integration; however, it also entails significant environmental and social risks that must be addressed in the design before implementation. To date, no public information has been made available regarding the SCP's components or the projects currently under consideration. The Program has largely been developed behind closed doors, with national and subnational governments, excluding groups likely to be impacted by its implementation, such as Indigenous Peoples, Afrodescendants, and local communities.

Our monitoring of IDB projects and programs demonstrates that good intentions, when paired with weak design and inadequate stakeholder engagement, too often result in harmful implementation. Such shortcomings have fueled land grabbing and forced displacement, undermined the livelihoods of Indigenous Peoples and local communities, and exacerbated social conflict. Environmental impacts have also caused irreversible damage to ecosystems, including biodiversity loss and deforestation. Without upstream planning and participation, program-wide strategic social and environmental assessments (including political and social context analysis), robust alternatives assessments, meaningful stakeholder engagement, free, prior and informed consent (FPIC), access to information, and effective implementation of the Environmental and Social Policy Framework (ESPF), the SCP risks eroding rather than strengthening regional governance and stability.

Following our second meeting with IDB Management during the Annual Meeting in Santiago,

the undersigned organizations held two additional meetings on the SCP. In those instances, IDB management committed to creating a space for dialogue, receiving and considering our input, and sharing both a draft proposal of the program and a work plan for collaboration with the Amazonia Forever initiative. To date, these commitments remain unfulfilled. While President Goldfajn has opened meaningful dialogue with civil society, we continue to encounter resistance from Bank officials reluctant to engage substantively. We had hoped the SCP would reflect lessons learned from past experiences and integrate civil society perspectives from the outset; unfortunately, this has not been the case.

To make the SCP more transparent and open, we urge the Board of Directors to take into consideration the following recommendations:

- Open meaningful and informed consultations with civil society, Indigenous Peoples,
 Afrodescendants and local communities who are likely to be impacted by the SCP on the
 goals, theory of change, components, priorities, and potential projects or corridors to be
 included. The Program should prioritize a model for local development that focuses on
 the needs of communities and strengthens the protection of the Amazon and other
 valuable biomes.
- Establish an independent Advisory Panel composed of representatives from Indigenous Peoples' and Afrodescendant movements, affected communities, civil society, and the scientific community, to support strategic program design and oversee monitoring and evaluation. A precedent exists in the Amazon Forever program, which created a multi-stakeholder Advisory Panel to guide its implementation.

We urge the Board to take an active role in this process and request that management consider the points outlined above to enhance the Program's transparency and effectiveness, thereby maximizing benefits for local communities. We also look forward to collaborating with IDB management to improve the design and implementation of the CSP.

Sincerely,

Asociación Ambiente y Sociedad (AAS Colombia)

Asociación Interamericana para la Defensa del Ambiente (AIDA, Regional)

Bank Information Center (United States)

Coalition for Human Rights in Development (International)

Conectas Direitos Humanos (Brazil)

Derecho, Ambiente y Recursos Naturales (Peru)

ECOA - Ecologia e Ação (Brazil)

Fundación Ambiente y Recursos Naturales (Argentina)

Fundación CAUCE: Cultura Ambiental-Causa Ecologista (Argentina)

Fundeps (Argentina)

GT Infraestrutura e Justiça Socioambiental (Brazil)

International Accountability Project (International)

ONG Sustentarse (Chile)