

# Pacific Refinery Ecuador

**Sectors:** Oil and Gas Extraction

## ● On record

This profile is no longer actively maintained, with the information now possibly out of date

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**By:** BankTrack

Created before Nov 2016

Last update: Mar 30 2016

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Katharine Lu, Friends of the Earth US

[Project website](#)

## Sectors

### Oil and Gas Extraction

The Ecuadorean government has been in negotiations with China since 2011 about the financing of a new project to increase domestic refining capacity. Despite Ecuador's rich crude oil reserves, the country must import the majority of its refined oil because of limited refining capacity. In 2013, China National Petroleum Corporation and state-owned PetroEcuador, signed a framework agreement to develop the Refinery of the Pacific, which is [slated to begin operations in 2017](#). When fully operational, the facility will be able to process [200,000 barrels of crude oil daily](#). The project will be developed by China National Petroleum Company, PetroEcuador and the state owned company Petroleos de Venezuela (PDVSA). Currently, Petroecuador and PDVSA have [invested](#) 990 million. Project ownership is expected to be [divided](#) among the three developers: PetroEcuador would retain a 51 percent majority ownership, CNPC will take 30 percent and PDVSA will take 19 percent.

## Social and human rights impacts

The project would violate the Collective Rights of the Pueblo Montubio, indigenous communities located along the coast of the nearby project site. The community of Río Manta has filed two complaints about the project in the Constitutional Court, on the grounds that a) project did not respect a petition regarding communities' collective territory and paid indemnification of the purchased territory from previous owner of the property, La Fabril, and b) the project sponsors did not conduct FPIC procedures in assessing the impact of the refinery on communities.

## Environmental and climate impacts

Ecuadorean NGOs, including Ecuadorean human rights group Center for Economic and Social Rights and environmental coalition Leave It In the Ground, strongly suspect that oil for the refinery may be supplied from the Yasuní National Park. Yasuní National Park is considered to be one of the most biodiverse regions in the world and was named a biosphere region by UNESCO. The region is home to numerous indigenous peoples, with some living in voluntary isolation. Oil drilling would essentially dispossess indigenous communities of their livelihood and culture. Additionally, extractive activities on the lands of indigenous peoples in voluntary isolation is classified as "ethnocide" in article 57 of the [Ecuadorian constitution](#). Numerous communities, including those from the Shuar, Kitchwa, Waorani communities and the Tagaeri and Taromenane clans, would be irreparably impacted. In 2014, more than 700,000 [signatures were collected](#) to urge President Rafael Correa to conduct a public consultation on keeping Yasuní oil in the ground. However, Correa denied the request. Since then, Yasuní has become the most contentious issue between Ecuador's environmental movement and its government.

## Norms & standardsOther regulations

### Applicable norms and standards

[China Green Credit Directive](#)

[United Nations Declaration on the Rights of Indigenous Peoples](#)

2014

## Sep 7 2014 | ICBC reports that it is not involved in the Pacific Refinery project

Leave It in the Ground Initiative directly contacted ICBC's Beijing CSR department. After confirming that they received a letter outlining CDES and LINGO's concerns, an ICBC CSR staff stated that the bank could not comment on the letter, as the bank is not involved with the project.

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## Financiers

Institution type Finance type Year [Expand all details](#)

### Industrial and Commercial Bank of China (ICBC)

China

[Profile](#)

[Website](#)

[Details](#)

Type

Amount

Description

Date

Date end

Source

Debt – project finance

USD 9 billion

Not available

2014

Not available

source: [link](#)

[Chinese](#) and [Ecuadorian](#) press reports have indicated that Industrial and Commercial Bank of China would provide virtually all of the financing for the Pacific Refinery through two loan installments totaling about USD \$9 billion. According to Chinese and Latin American media reports, the first loan of USD \$2 billion would be given to PetroEcuador. The second loan, totaling USD \$7 billion, was reported to be tentatively signed in September 2014.

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## Related companies

A PHP Error was encountered

**Severity:** Notice

**Message:** Undefined property: stdClass::\$sponsor\_comp

**Filename:** project/companies.php

**Line Number:** 10

**Backtrace:**

**File:** /home/btwebhost/www/btci3/application/views/sections/project/companies.php

**Line:** 10

**Function:** \_error\_handler

**File:** /home/btwebhost/www/btci3/application/helpers/easy\_helper.php

**Line:** 366

**Function:** view

**File:** /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

**Line:** 106

**Function:** lv

**File:** /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

**Line:** 161

**Function:** view

**File:** /home/btwebhost/www/btci3/application/controllers/Main.php

**Line:** 318

**Function:** content

**File:** /home/btwebhost/www/btci3/index.php

**Line:** 321

**Function:** require\_once

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**File:** /home/btwebhost/www/btci3/index.php

**Line:** 321

**Function:** require\_once

A PHP Error was encountered

**Severity:** Warning

**Message: Invalid argument supplied for foreach()**

**Filename: project/companies.php**

**Line Number: 11**

**Backtrace:**

**File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php**

**Line: 11**

**Function: \_error\_handler**

**File: /home/btwebhost/www/btci3/application/helpers/easy\_helper.php**

**Line: 366**

**Function: view**

**File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php**

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**Line:** 321

**Function:** require\_once

Expand all details

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$sponsor\_comp

Filename: project/companies.php

Line Number: 30

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 30

Function: \_error\_handler

File: /home/btwebhost/www/btci3/application/helpers/easy\_helper.php

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Line: 321

Function: require\_once

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Severity: Warning

Message: count(): Parameter must be an array or an object that implements Countable

Filename: project/companies.php

Line Number: 30

Backtrace:

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