November 23, 2026

Ben Black
Chief Executive Officer
U.S. International Development Finance Corporation
1100 New York Ave NW
Washington, DC 20527
Sent via email: ODP@dfc.gov

Re: Opposition to DFC's support for Vista's oil and gas operations in Argentina

Dear Mr. Black:

Friends of the Earth U.S. (FOE), Fundación Ambiente y Recursos Naturales (FARN), and Asociación Argentina de Abogados/as Ambientalistas (AAdeAA) write to provide comments opposing the U.S. International Development Finance Corporation's (DFC) potential support for Vista Energy's on-shore oil and natural gas development in Neuquén, Argentina. We submit these comments in light of DFC's environmental and social policies and based on a review of the project Environmental and Social Audit Report (ESAR), information from local partners, and past experience with U.S. Government-financed fossil fuel projects.

No discussion of the impact of Vista's projects on seismic activity

The environmental and social documents fail to discuss the potential for earthquakes despite the risks associated with these projects. FARN's research links about 20 earthquakes to Vista's fracking in Bajada del Palo Oeste, plus one in Bandurria Norte between December 2019 and December 2022.[1] The largest was magnitude 4.1 in November 2020, within 10 kilometers (km) of a Vista well pad fractured weeks earlier. The earthquakes damaged homes in the nearby village of Sauzal Bonito and accelerated rockfalls in the area. Vista's impact studies appear to ignore seismicity. This research found that Vista admitted in 2021 that it had no permanent seismic monitoring network. While this research is preliminary and not peer-reviewed and is not a formal causal analysis, the ESAR should provide an analysis of the potential impact of their projects on seismic activity.

Other evidence exists that seismic activity is likely to increase with Vista's fossil fuel projects. Our research has shown that induced seismicity in Vaca Muerta is widely recognized.[2] Other research documents how earthquakes affect Sauzal Bonito, including the Mapuche community Lof Wirkaleo by damaging homes and traumatizing children. While these impacts are not specific to Vista, Sauzal Bonito sits next to Vista's operations, so it is

[1] FARN & Observatorio Sismicidad Inducida (OSI), "Sismicidad a simple Vista" (2023), https://farn.org.ar/wp-content/uploads/2023/09/DOC_Bajada_Palo_Oeste.v3.pdf.
[2] FARN & OSI, "Chevron, fracking y terremotos" (2024), https://farn.org.ar/wp-content/uploads/2024/09/Chevron-fracking-y-terremotos-El-consenso-oculto-de-la-sismicidad-inducida-en-Vaca-Muerta.pdf.

likely that Vista's projects would have similar impacts.[3] The report only mentions earthquakes in the contingency plan (p. 34).

At a minimum, DFC should require (i) a baseline seismic hazard study, (ii) a permanent local seismic monitoring network with publicly available data, (iii) a "traffic-light" protocol with thresholds that trigger reduced pressure or suspension of fracturing, and (iv) a mechanism to repair damage and compensate affected households in Sauzal Bonito.

Deficiencies in the assessment of the impact on Indigenous Peoples

The International Finance Corporation (IFC) Performance Standard (PS) 7 requires identifying Indigenous Peoples in a project's area of influence, engaging them in a culturally appropriate way, and, where circumstances require, obtaining their free, prior and informed consent (FPIC).

In 2019, the project's impact assessment claimed that no Indigenous Peoples were near the project, yet Mapuche communities, including Kaxipayiñ and Campo Maripe, live in the area. The current ESAR once again found, "none of these communities are located within the operational areas under scope of this assessment," (p. 64). This one again ignores the impacts of the project beyond the confines of the operational area. The Mapuche community Lof Wirkaleo in Sauzal Bonito has also been directly affected by the earthquakes linked to fracking. Mapuche communities in Vaca Muerta continue to demand that the state complete the land surveys of their territories and protests have repeatedly shut down access to oil fields.

The ESAR finds that Vista did not have a screening process related to PS7, but does not identify any steps that will be taken to remedy this. The report states, "did not identify evidence of a standalone screening process specifically designed to evaluate the applicability of IFC PS7 criteria across the broader area of social influence contemplated under IFC PS1 and PS7" (p. 65).

An insufficient analysis of the impact of greenhouse gases

Section 5.3.2 discusses the impact of greenhouse gases in a perfunctory manner. The analysis uses the global warming potentials from the 2007 IPCC AR4 (p. 48). International Financial Reporting Standards S2 requires those from the most recent IPCC assessment (IFRS S2, B21). Even so, the report states that it is aligned with IFRS S2 (p. 28). AR4 underestimates methane emissions.

[3] OPSur, Sismos on earthquakes (March 2024), https://opsur.org.ar/wp-content/uploads/2024/03/ApuntesdeTrabajo_Sismos_Marzo2024.pdf.

The "neutrality" target for Scopes 1 and 2 relies on credits from nature-based solutions provided by the subsidiary Aike (pp. 49, 63). The quality of these credits—including additionality, permanence, and the risk of reversal—is not assessed.

Vista promotes itself as a low-emissions producer, but its own data shows that the gas it flared nearly doubled from 2021 to 2025, from 13 million cubic meters to 24 million, after peaking at 40 million in 2023. These figures cover only assets Vista operates. They may, therefore, exclude assets where it holds a stake but is not the operator, such as La Amarga Chica, which it acquired through the purchase of Petronas Argentina in 2025.

Vista's intensity target says little about absolute emissions. Intensity can fall while total emissions rise, and Vista's output has grown sharply, reaching a record 169,000 barrels of oil equivalent per day (boe/d) in the third quarter of 2026, after the acquisitions of Petronas Argentina's stake and Equinor's assets. Vista's goal is to reach 180,000 boe/d by 2028. Vista plans to invest more than $4.5 billion between 2026 and 2028 and holds 1,473 well locations in inventory; it has since raised its investment plan to $5.6 billion. Vista's target covers only Scopes 1 and 2. IFC Performance Standard 3 requires quantifying direct and indirect greenhouse gas emissions for projects that exceed 25,000 tonnes of carbon dioxide equivalent (tCO_2e) per year. Scope 3 (the combustion of the oil and gas Vista sells, 73% of its oil is exported) is not addressed, and it typically makes up the large majority of an upstream producer's emissions. The ESAR does not clarify whether the target is measured before or after offsets, and it relies on neutrality credits whose quality is never assessed. Since the target year is 2026, the ESAR should report actual performance against it, and it should explain how the target squares with the near-doubling of flaring between 2021 and 2025. The 2020 baseline, a year of atypical activity, should also be justified. Finally, the ESAR identifies no methane-specific target or leak detection and repair program.

This expansion of upstream oil and gas production runs counter to Argentina's obligations under the Paris Agreement. Article 4.3 requires each Nationally Determined Contribution (NDC) to represent a progression beyond the previous one. Finally, at the Conference of the Parties (COP) 31, Argentina has formally submitted its new NDC to the United Nations Framework Convention on Climate Change, after, in November 2025 the government convened two formal sessions to present the preliminary results of its NDC 3.0, which would set an emissions ceiling of 375 metric tonnes of carbon dioxide equivalent ($MtCO_2e$) for 2030 and 2035, compared to 349 $MtCO_2e$ in its updated second NDC of 2021. The government attributes the difference to methodological changes. Climate Action Tracker rates Argentina's climate policies as "highly insufficient" and projects that emissions will be about seven percent above 2024 levels by 2030. It also warns that Argentina's improved rating reflects the economic recession rather than new climate action, and that it is unclear whether current policies can be sustained after drastic cuts to human and financial resources, which links the budget adjustments to compliance with the Paris Agreement. Its recommendation is clear: stop supporting upstream oil and gas.

Other weaknesses of the ESAR

The assessment of the environmental and social impacts of the projects has a wide range of additional deficiencies:

- The report claims to assess compliance with Argentine regulations (p. 23), but it lacks a legal framework. It never cites the General Environmental Law (Law 25,675), environmental insurance requirements, the Escazú Agreement (Law 27,566), the Native Forests Law (Law 26,331), or the Climate Change Law (Law 27,520). Nor does it refer to the legal framework on Indigenous Peoples, including ILO Convention 169 (Law 24,071) and Article 75(17) of the National Constitution, which recognizes the ethnic and cultural pre-existence of Indigenous Peoples and their right to participate in the management of the natural resources that affect them.
- Water: There is a numerical inconsistency: freshwater consumption (5,059 ML) exceeds total consumption (4,659 ML) (p. 68). Beyond this numerical inconsistency in freshwater consumption, the ESAR does not clearly identify the sources of water and abstraction permits, the share of water that is recycled or reused, or how flowback and produced water are managed and ultimately disposed of. These are central issues in Vaca Muerta. Research by the Stockholm Environment Institute (SEI) and its local partners estimates that wells in the region used an average of about 32,800 m^3 of water per well per year for fracking between 2014 and 2024. The same research found that almost one quarter of wells in the effective extraction category report only flowback volumes, not the water originally injected, so the public data do not show a full water balance. It also notes that flowback can only be reused for fracking or stored permanently in wells to avoid contamination, and that more than 3,000 fracking wells pose a contamination risk to water sources, farms and population centers. An earlier SEI study warned that climate change threatens the timing and quantity of water available for competing uses, and that shale production can pose risks to water quality. A project of this scale requires a site-specific water assessment that DFC and the public can verify.
- BPO spills are classified as “low” without specifying volume or frequency (p. 93). Appendix C mentions an area undergoing remediation due to a 2026 spill and “recurring spills” at BPO and BPE (p. 138).
- Waste (pp. 61–62, 93–94): The report does not name the waste treatment facilities, nor does it audit the chain of custody. In the region, there are complaints against plants such as Comarsa regarding approximately 300,000 m^3 of untreated waste (AAdeAA).
- Liolaemus cuyumhue is likely critical habitat in Bandurria Norte (BN) and Aguada Federal (AF). The IUCN classifies it as critically endangered. It is endemic to the Bajo de Añelo dunes, an unprotected area. Vista commissioned a study on this “critically endangered endemic species” in BN and AF (p. 122). Even so, ERM concludes that the information is insufficient to determine whether it occupies critical habitat, and rates it as “low” (p. 111).

- Bajo del Toro (BdT) overlaps with the Auca Mahuida Nature Reserve, and the report lists this as a "data gap" (p. 112). For Águila Mora, the report notes infrastructure near intangible zones (p. 110).
- There are no limnological studies, despite the presence of seasonal watercourses, marshes, and lagoons in Bandurria Norte (pp. 111, 122).
- There are no action thresholds for invasive species such as Tamarix gallica (pp. 98–99).
- In La Amarga Chica, there is no biodiversity plan, no monitoring, and no indicators (p. 111).
- The methodology for the sensitivity maps is not described (p. 111).
- ERM notes that there is no social impact management plan (p. 42). The EIAs have a social approach limited to local regulations, which are less stringent than IFC standards (p. 37).
- The team has 35 unarmed patrol officers, plus an agreement with the police (p. 96). There is no security and human rights risk assessment.
- As of 2025, 257 concerns and 10 complaints have been reported (pp. 49, 69), but a breakdown by asset, issue, and resolution time is missing, as ERM acknowledges (p. 53).
- There is no integrated assessment of community health and safety. Rural communities are excluded from drills because models indicate there is no direct impact (p. 96). Heavy traffic on Routes 7 and 8 and dust—which the landowners themselves mentioned (pp. 95–96)—were not assessed.
- The report claims to assess compliance with Argentine regulations (p. 23), but it lacks a legal framework. It never cites the General Environmental Law, environmental insurance, the Escazú Agreement, or the Native Forests Law.

A comprehensive assessment is needed of Vaca Muerta

Vaca Muerta needs a strategic, cumulative environmental assessment.[4] There are many operators and projects in the Vaca Muerta region, meaning that the impacts are broader than just the impacts of one company or one project. Such an assessment of the cumulative impacts is especially relevant in this case because the support under consideration is corporate-wide support rather than support for a single project.

The stakeholder engagement plan fails to provide sufficient information

The Stakeholder Engagement Information Package (SEIP) lays out the process for addressing complaints, but fails to provide sufficient information on what consultation has occurred with whom and any details on the concerns and complaints that have arisen. The SEIP explains that one community meeting took place in 2025, but failed to provide details on who attended. In our experience, ensuring a breadth of participants is key because communities

[4] FARN, "El ambiente fracturado" (2022), https://farn.org.ar/wp-content/uploads/2022/01/AMBIENTE-FRACTURADO_links.pdf.

are not monoliths. With other projects, we have seen reports from the project sponsors that there was support for the project, but that only came from community leaders, who did not represent the views of much of the communities. Therefore, providing those details on who attended is essential. Moreover, the SEIP lists 257 concerns and 10 complaints, but failed to explain what the complaints and concerns were and how the company is addressing them. At first glance, that appears to be a very high number of concerns and complaints, but it is hard to judge without any details.

DFC should require the full Stakeholder Engagement Plan (SEP) to be made public, together with a complete record of how consultations were actually carried out: dates, locations, format, language used, materials shared, and the minutes or attendance records for each meeting. That record should identify every participant and the organization or community they represent, including whether Indigenous authorities and community members were present or only company and government representatives. This matters especially given the high level of conflict between oil and gas operators and the Indigenous communities of the area, which assert that their right to free, prior and informed consent (FPIC) is not being recognized in practice. In that context, a general description of "community engagement" is not enough to show that PS1 and PS7 requirements have been met. Without a verifiable record of who participated and how, it is impossible to determine whether the affected communities, and not just local leaders or intermediaries, have been heard.

The ESAR, the SEIP, and the ESAP should be published in Spanish and disseminated in Neuquén, including through channels accessible to rural and Indigenous communities, consistent with the access-to-information and public-participation obligations of the Escazú Agreement, to which Argentina is a party. We ask DFC to extend the comment period so that affected communities can review these documents and to hear directly from the affected communities, including Mapuche communities, before making any decision.

Outstanding questions regarding the last support DFC provided to Vista

In 2019, DFC's predecessor, the Overseas Private Investment Corporation (OPIC), considered a loan of up to $300 million to Vista for the development of the Bajada del Palo Oeste concession. FARN, FOE, and the Center for International Environmental Law submitted comments then, raising serious deficiencies in the Environmental and Social Impact Assessment on Indigenous Peoples, waste management, greenhouse gas emissions, and the lack of an analysis of alternatives. In addition, nine U.S. Senators wrote to OPIC expressing concerns about the potential support to Adelph and Vista. In response, OPIC committed to making stakeholder mapping and engagement programs a condition of support. It also said a biodiversity management plan would be developed under the Environmental and Social Action Plan (ESAP) and that regulators and an Independent Engineer would monitor cumulative waste impacts over the term of the project.

In September 2019, OPIC approved $450 million for fossil fuel projects in Vaca Muerta in Argentina. On January 6, 2023, DFC responded to our request for information about the

project by stating that DFC's system said canceled with regards to the project.[5] We followed up with DFC to try to get additional information on why the support was canceled, but we never received a response. Before proceeding with this new round of support, DFC should be transparent about why the 2019 deal fell apart.

Our requests to DFC

For these reasons, we urge DFC not to approve support for Vista Energy. If DFC nonetheless decides to move forward, we request that, at a minimum, any support be conditioned on the following, with compliance verified by an independent party before any disbursement:

- Seismicity: an independent seismic hazard assessment and a permanent, publicly accessible seismic monitoring network with protocols that reduce or suspend operations when thresholds are exceeded and a mechanism to repair damage to affected households.
- Indigenous Peoples: a PS7 screening that covers the full area of influence, and a culturally appropriate free, prior and informed consent process with the Mapuche communities with documented participation.
- Climate: a methane management plan that includes leak detection and repair and flaring reduction targets, GHG accounting based on the latest IPCC global warming potentials, an assessment of the quality of the carbon credits, and disclosure of Scope 3 emissions.
- Water: a site-specific water assessment covering sources, permits, recycling, and flowback management.
- Cumulative impacts: a strategic, cumulative environmental and social assessment of Vaca Muerta.
- Transparency: publication of the full ESAR, SEIP, and ESAP in Spanish, a complete record of the consultations held, and a public explanation of why the 2019 support was canceled.

We appreciate your consideration of our comments. We request a meeting with the relevant DFC staff to discuss this potential support at your earliest convenience.

Sincerely,

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