

August 3, 2017

Mr. Jürgen Rigterink, CEO
Dutch Development Bank (FMO)

Mr. Jaakko Kangasniemi, Managing Director and CEO
Finnish Fund for Industrial Cooperation Ltd (Finnfund)

Dear Mr. Rigterink and Mr. Kangasniemi,

On July 6, 2017, the Dutch development bank FMO, and its Finnish equivalent, Finnfund, announced they had finalized their exit from the Agua Zarca Hydroelectric Project. The withdrawal comes over a year after two people connected with the Agua Zarca Project were charged for the murder of Berta Cáceres, General Coordinator of COPINH and an internationally recognized Indigenous leader in opposition to the Agua Zarca Hydroelectric Project.

We welcome the withdrawal of FMO and Finnfund from the Agua Zarca Project; however, we have concerns regarding the way in which FMO and Finnfund are undertaking the exit. In the FMO and Finnfund statement of July 6, 2017, you request that “all external stakeholders allow for local communities to initiate a dialogue among themselves to decide on the future of the area, the development options they have at hand, and if a hydroelectric project should be one of them or not.” But the integrity of this request is undermined by the fact that you call for international institutions to convene the proposed dialogue process.

In effect, the FMO and Finnfund are calling for a belated consultation process that violates the principles of free, prior, and informed consent, and ignores the fact that Lenca communities clearly rejected the development of a hydroelectric dam in 2010, before DESA began construction, as was noted in the 2016 Honduras Country Visit Report of the UN Special Rapporteur on the rights of indigenous peoples.

We are also concerned that FMO and Finnfund seem to be promoting this process in close coordination with project owner, DESA, even as COPINH, the Lenca federation with which many project affected people are associated, has warned the FMO that given the high levels of violence and other forms of repression against dam opponents in the region, the process you are promoting could actually accelerate attacks against dam opponents.

We are reminded that Berta Cáceres herself wrote to FMO in 2013¹ to inform you of the violence and illegalities associated with the Agua Zarca project and request that financing be withheld. Yet, the FMO and Finnfund proceeded to enter into a contract with DESA. Once again, we see Lenca authorities have written to inform the banks² of the violence and repression that could result from this decision-making process. And once again, you are ignoring these warnings. This history should not be repeated.

Rio Blanco community members further report that they know people in other communities who are afraid to speak their minds out of fear of repercussion. Your proposed dialogue process essentially asks people to ignore four years of intense repression and violence and pretend they can speak freely with regards to whether or not they want a hydroelectric dam. This is simply not possible, and it is not realistic to ask that they do so.

As the U.N. Special Rapporteur on the rights of indigenous peoples has noted, a pattern of repression against dam opponents has emerged since 2013 surrounding DESA's entry into the region. This violence includes evictions by state security forces, death threats, the murder of Tomas Garcia, attacks on dam opponents by people associated with DESA, death threats, defamation campaigns, false criminal charges, and the assassination of Berta Cáceres.

There are numerous pending investigations and ongoing prosecutions related to the project which need to be resolved. These include: charges related to abuse of authority by public officials, illegal granting of land titles on ancestral indigenous land, murder, and attacks, among other things. Many of the crimes and acts of repression related to the project have been shrouded in impunity. Even in cases where there are judicial proceedings underway, such as with the murder of Berta Cáceres, the intellectual authors have yet to be prosecuted. This ongoing impunity for the masterminds behind the violence deepens concern that similar violence against project opponents could continue and influence the decision-making process.

Additionally, there are credible concerns that the Agua Zarca Project is in fact illegal, as it was "approved" without the legally required free, prior, and informed consultation of the indigenous people in the region, in violation of ILO Convention 169. It is only through functional access to justice that conditions for fair and equitable development can exist. However, Honduras's justice system faces serious challenges. As relevant international institutions have made clear, Honduras's justice system is fraught with corruption, which plays a significant role in enforcing

¹ Berta Cáceres e-mailed letters to FMO on October 19, 2013 and again on November 14, 2013.

² Letter from the Indigenous Council, Council of Elders, and members of the community of Rio Blanco, sent to Juan Dumas, April 22, 2017. Letter available at: <http://copinhenglish.blogspot.com/p/blog-page.html>

impunity for the political and economic powers, while advancing malicious and biased prosecution of rural communities and rights defenders.

The FMO and Finnfund call for a “credible international institution” to convene this decision-making process. But we call on all international institutions to abstain from this request. Instead, we call upon international institutions to closely monitor advances or lack thereof in multiple justice efforts, and do all in their power to support efforts for truly impartial justice, particularly with regards to the legality of the project, the historic discrimination and abuse against indigenous communities in the Rio Blanco region, and an independent investigation into the assassination of Berta Cáceres. The FMO and Finnfund should follow the lead of human rights advocates in Honduras and around the world.

It is of utmost importance that FMO finally acknowledge that the project it financed has been a causal factor of violence in the region, and that reports link DESA to violent actors who continue to operate in the region.³ But the proposed process does just the opposite: it erroneously perpetuates the fiction that the violence related to the Agua Zarca Project is the fault of the local communities, meanwhile ignoring the role of DESA and the state of Honduras.

We call on FMO and Finnfund to cease promoting such an inherently flawed and potentially dangerous process. We sincerely hope international institutions will instead support efforts to obtain justice and truth, which are necessary to move forward and enable the communities to truly heal. There must be recognition of the crimes committed and the intellectual authors must be held accountable. Most of all, we sincerely hope that the FMO, Finnfund, and other international institutions will follow this basic imperative: please cause no more harm.

Sincerely,

Alliance for Global Justice

Appleton Foundation

Asociación de Investigación y Especialización Sobre Temas Iberoamericanos

Asociación Paz con Dignidad, Madrid

Austrian Solidarity with Guatemala

BankTrack

Both ENDS

³ For instance:

<https://www.frontlinedefenders.org/es/statement-report/honduran-and-international-march-commemorate-bertha-caceres-attacked-counter>, <https://copinh.org/article/copinh-denuncia-represion-en-rio-blanco/>, <https://www.copinh.org/article/el-copinh-exige-que-se-respete-la-integridad-fisic/>, and <https://www.theguardian.com/global-development/2016/apr/25/bertha-caceres-murder-honduras-death-threats-hitman-agua-zarca-dam>

Brücke · Le pont, Switzerland
Cadena de Derechos Humanos Honduras, Germany
Center for International Environmental Law (CIEL)
Center for Research and Documentation Chile-Latin America, Berlin
Chicago Religious Leadership Network on Latin America
Christliche Initiative Romero (CIR)
CNCD-11.11.11, Brussels
CODEPINK for Peace
Colettivo Italia Centro America (CICA)
Committee in Solidarity with the People of El Salvador (CISPES)
Count Me In! Consortium (AWID, CREA, JASS, Mama Cash, Urgent Action Funds)
Crash, Finland
Cumberland Countians for EcoJustice
Doctors for Global Health
EarthRights International (ERI)
Ecosistemas – Santiago, Chile
Faiths Without Borders, Finland
Fellowship of Reconciliation, USA
Finance & Trade Watch, Austria
Fondo Centroamericano de Mujeres (FCAM)
Friends of the Earth Finland
Friends of the Earth United States
Friends of the Landless Finland
Friendship Office of the Americas, United States
GegenStromung, Germany
Global Alliance for Green and Gender Action (GAGGA)
Global Fund for Women
Grassroots Global Justice
Grassroots International
Grupo belga ‘Solidair met Guatemala’
Guatemala Human Rights Commission
Guatemala-Netz Zürich, Switzerland
Guatemalagruppe Nürnberg e. V., Germany
Guatemalanetz Bern, Switzerland
Honduras Forum Switzerland
HondurasDelegation Germany-Austria
IEPALA-UCM
Indigenous Peoples and the Earth, Specialist Action Group, Finland
Information Group on Latin America (IGLA)

International Fellowship of Reconciliation – Austria
International Rivers
InterReligious Task Force on Central America, Cleveland, Ohio, USA
Juan Pablo Orrego S., 1997 Goldman Environmental Prize Winner
Just Associates (JASS)
Just Foreign Policy, United States
Khulumani Support Group
KM207 Guatemala-Suisse
La Voz de los de Abajo, Chicago
Labour, Health and Human Rights Development Centre
Latin America Solidarity Committee--Milwaukee, United States
Latin America Task Force of the Interfaith Council for Peace and Justice, Ann Arbor, Michigan
Latin America Working Group
Leicester-Masaya Link Group, Leicester, UK
MADRE: Demanding Rights, Resources & Results for Women Worldwide
Mangrove Action Project
Maryknoll Office for Global Concerns, United States
National Lawyers Guild, United States
Network for Environmental & Economic Responsibility of United Church of Christ
New Wind Association, Finland
Ökumenisches Buero für Frieden und Gerechtigkeit e.V., Munich, Germany
Other Worlds
Portland Central America Solidarity Committee, United States
Presbyterian Peace Fellowship, United States
Program on Human Rights in the Global Economy, Northeastern University School of Law
Red Europeo de Comites Oscar Romero
Rights Action, US and Canada
School of Americas Watch
Sisters of Mercy of the Americas – Institute Justice Team, Washington, DC
Sisters of Mercy South Central Community
SOAW-San Francisco
Task Force on the Americas (MITFA/TFA)
The World March of Women - US Chapter
TONATIERRA
Transnational Institute
Utz Che' - Guatemala
Witness for Peace
XminY