

Funding Dams Or Biofuels In Honduras Would Violate International Law And The MCC Mandate

By Annie Bird, Rights Action, November 13, 2010

PEPE LOBO VISITS “MILLENNIUM CHALLENGE” IN DENVER TO TALK ABOUT “RENEWABLE ENERGY”

De facto Honduran President Pepe Lobo's intention to discuss “renewable energy” with the Millennium Challenge Corporation, MCC, in Denver next week is very concerning.

The Honduran regime's renewable energy strategy is overwhelmingly focused on hydroelectric dam instruction and also promotes biofuels.

In September 2010, the de facto Honduran congress illegally granted 41 dam concessions to Honduran military coup sponsors and transnational corporations, despite indigenous and municipal referendums across Honduras rejecting dams.

Though “renewable energy” sounds good, it often refers to projects that significantly contribute to climate change, such as has been demonstrated with both hydro electric dams and biofuel production, unless implemented in very particular circumstances.

In this sector, corporate interests have frequently hijacked funds destined to diminish carbon emissions, for activities which contribute to emissions growth.

The possibility that the MCC fund hydroelectric development or the biofuel sector in Honduras is unconscionable given that such an action would constitute a grave violation of both international law and the MCCs own mandate.

“GOOD GOVERNANCE”? COUP AUTHORS ON MCC BOARD

The Millennium Challenge Corporation of Honduras is partly run by figures directly implicated in orchestrating the military coup in Honduras. Particularly egregious were the roles played by “civil society” representatives on Honduran MCC’s Board of Directors, Honduran Private Business Council (COHEP) and the National Anti Corruption Council (CAN).

The CNA fully participated in politically motivated “corruption investigations” before the coup which were used to justify the coup in the press, while ignoring egregious and widely denounced corruption by Honduran oligarchy that perpetrated the coup.

Following the coup, the CNA has vigorously investigated Zelaya administration officials in what are clearly politically motivated charges aimed at preventing them from returning to Honduras.

Many members of the Honduran Private Enterprise Council, COHEP, were both the primary beneficiaries of the coup, and some of its key supporters. After coup president Roberto Micheletti turned power over to Pepe Lobo, COHEP coordinated speaking engagements in neighboring countries, promoting the viability of the “Honduran model” [coup] in the region.

Secretary of State Hillary Clinton chairs the board of the MCC in Washington. The State Department, under her leadership, went out of its way to ensure that funds to the MCC in Honduras, with its key coup supporting leadership, continue to flow following the military coup.

TO BYPASS THE LAW, STATE DEPARTMENT WOULDN’T CALL THE HONDURAN COUP A MILITARY COUP

After a group of masked Honduran military officers kidnapped Honduran President Manuel Zelaya on June 28, 2009, put him on a plane to Costa Rica (which en route made a quick stop at the US

“Palmerola” military base which is the center of operations for the US Joint Task Force Bravo), and then installed a coup government with an unofficial military junta, a classic military coup, it was denounced in virtually all multilateral diplomatic forums.

Secretary of State Clinton and President Obama refused to recognize the events as a “military coup”, making a subtle distinction in publicly calling it just a “coup”, despite the findings of State Department lawyers, so as to ensure that aid to Honduras, including MCC funds, could continue to flow.

Regardless of last year’s political maneuverings by the State Department to bypass the legal obligation to cut funding to coup governments, the extreme disregard for Honduran and International law by the coup regime and its continuation in the Pepe Lobo administration, which has also been characterized by political violence and human rights abuses, is so evident that it is inconceivable that this government meets the MCC criteria for “good governance.”

MILLENIUM CHALLENGE CORPORATION

The MCC was set up under President Bush in 2004 to administer the Millennium Challenge Account, a fund created as the US contribution to meeting the Millennium Development Goals, focusing on “accountability” in development relations between rich and poor nations. Governments are selected to receive Millennium Challenge Account funding based on criteria that demonstrate “good governance, economic freedom and investments in their citizens.”

The MCC structure, leadership and even discourse make it clearly a “free” market, poverty eradication program. This appears to be a contradiction in terms on many levels. Wealthy corporations have an overwhelming advantage when violence and other illegal means may be used to advance their economic interests, as they have throughout history; when impunity reigns for crimes on all

levels, even the most egregious political crimes such as military coups.

These are the same actions (repression and coups) that have generated massive poverty and the ever growing and historically record breaking division between rich and poor on a global level. The MCC in its actions around the Honduran coup is a clear demonstration of this.

The MCC, headquartered in Washington DC, is currently run by Denver businessman Daniel Johannes and overseen by a board of directors that includes the Secretary of State, Secretary of the Treasury, the US Trade Representative, the USAID administrator and three members from the private sector.

Currently representing the private sector are the director of the International Republican Institute, a venture capitalist and an owner of one of the largest medical services providers in the United States.

Funding of the MCC began in 2004, the annual budgets approved by Congress have varied between 1 and 2 billion dollars annually divided between approximately 24 countries.

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**OPEN LETTER TO THE MILLENIUM CHALLENGE CORPORATION (MCC)
Funding Dams or Biofuels in Honduras would violate International
Law and the MCC Mandate**

November 13, 2010

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Dear Mr. Johannes:

Pepe Lobo's expressed intention of discussing "renewable energy" with the Millennium Challenge Corporation, MCC, in Denver next week is very concerning. The Honduran government's renewable energy strategy is overwhelmingly focused on hydroelectric dam construction and also promotes biofuels.

The possibility that the MCC fund hydroelectric development or the biofuel sector in Honduras is unconscionable given that such an action would constitute a grave violation of both international law and the MCCs own mandate.

On September 2 and 3 of this year, the de facto congress of Honduras approved concessions for 41 hydroelectric dams. This action was in direct violation of Honduras' obligations under international law, by which Honduras is required to obtain the free, prior and informed consent of indigenous communities affected by large development projects such as hydroelectric dams. Far from having obtained communities consent, many of the concessions granted directly impact indigenous communities, many of which had already held local referendums to express their rejection of the projects.

The authority of the de facto congress to make concessions, and thus the legitimacy of those concessions, is already questionable given that many nations in the hemisphere do not recognize the authority of the current Honduras regime, including its congress, and Honduras continues to be suspended from participation in the Organization of American States.

Given the amply documented and extremely high incidence of grave human rights abuses and political violence in Honduras, it is impossible to guarantee the safety, well being and rights of all communities and people, indigenous or not, which are affected by hydroelectric concessions or biofuel plantations.

The MCC's mandate requires compliance by beneficiary nations with criteria for good governance and investment in people. Innumerable sources, including the OAS and the United Nations, as well as NGOs, have documented the lack of good governance in Honduras, manifest in the corruption of the justice system, the systematic violation of human rights, among many other factors.

The MCC's mandate also requires eligible member nations to invest in people. The World Commission on Dams, sponsored by the World Bank, and many other sources, documented that large dam construction has pushed an estimated over 80 million people in the world into extreme poverty. This is not investment in people.

In a similar way, the Inter American Development bank has currently suspended funding to biofuel industries in general given widespread reports of rights violations and negative environmental impacts resulting from biofuel production.

In Honduras specifically, the biofuel production sector has been implicated in serious rights abuses, with the complicity of Honduran authorities.

For the reasons outlines above, we urge the MCC not only to explicitly and publicly reject the possibility of funding hydroelectric and biofuel development in Honduras, but also that they suspend funding to Honduras in general for lack of compliance with standards of good governance, as was demonstrated by the 2009 coup ... and the ensuing systematic repression and impunity.

Sincerely,

Annie Bird and Grahame Russell
Co-Directors
Rights Action

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for indigenous and campesino communities working for community controlled development and a return to democracy and the rule of law in Honduras, make check payable to "Rights Action" and mail to:

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Rights Action is a not-for-profit organization, with tax charitable status in Canada and the USA. We directly fund and work with community-based development, environmental, disaster relief and human rights projects and organizations fighting to eliminate poverty and impunity and the underlying causes of poverty and impunity in Guatemala and Honduras, as well as in Chiapas [Mexico], El Salvador and Haiti. We educate about and are involved work aimed at critically understanding unjust north-south relations and global development, environmental and human rights issues and the challenges of poverty eradication.

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- RECOMMENDED DAILY NEWS: www.democracynow.org / www.upsidedownworld.org / www.dominionpaper.ca
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