

Rights Action  
February 2, 2014  
[info@rightsaction.org](mailto:info@rightsaction.org)

Below:

A Washington Post article on efforts to hold the World Bank (WB) and Inter-American Development Bank (IADB) accountable for the massacres and forced evictions of Mayan communities caused by their Chixoy Dam project in Guatemala, implemented in the 1980s in partnership with the brutal military regimes of the day.

A 21 year struggle for justice and reparations, spear-headed by Mayan surviving victims of the Chixoy Dam massacres and evictions in Guatemala, has helped bring about a long overdue decision by the U.S. government to begin to demand (an albeit minimal degree of) accountability from the WB and IADB for harms and violations caused by their "development" project investments.

When will Canada – and other investor nations in the "development" banks – also begin to demand WB and IADB accountability?

What to do?: See below

\*\*\*\*\*

### **U.S. Pushes For Outside Oversight Of World Bank**

Washington Post, January 24, 2014

[http://www.washingtonpost.com/business/economy/us-pushes-for-outside-oversight-of-world-bank-opposes-push-toward-big-hydro/2014/01/24/fb41bb7c-8516-11e3-8099-9181471f7aaf\\_story.html](http://www.washingtonpost.com/business/economy/us-pushes-for-outside-oversight-of-world-bank-opposes-push-toward-big-hydro/2014/01/24/fb41bb7c-8516-11e3-8099-9181471f7aaf_story.html)

The United States is demanding stricter oversight of World Bank projects amid concern that the bank has slipped in how closely it guards against violence, forced resettlement and other conflict associated with the works that it funds.

In a [blow to plans set by World Bank President Jim Yong Kim](#), the United States recently approved an appropriations bill that orders the bank's U.S. board member to vote against any major hydroelectric project — a type of development that has been a source of local land conflicts and controversies throughout the bank's history. The measure also demands that the organization undertake "independent outside evaluations" of all of its lending.

The demand coincides with a spate of disputes between the World Bank, civil society groups and the United States over past bank-funded projects that have been linked to killings of villagers and forcing people from their land.

### **Development Banks and Repression in Guatemala and Honduras**

The cases include still-unpaid reparations from a Guatemala dam project from the 1970s in which hundreds of villagers were killed, concern about forced relocations in

Ethiopia, and funding for a palm oil and food company whose operations in Honduras in recent years were the scenes of deadly fighting between workers and security guards.

The bank has extensive procedures to guard the rights of local residents and a number of ostensibly independent review bodies inside its bureaucracy. But the growing concerns led Sen. Patrick J. Leahy (D-Vt.), chairman of the Senate appropriations subcommittee on foreign operations, to make a broad call for stricter oversight by an outside organization. "Senator Leahy does not believe the evaluation process — the internal process — is what the institution needs to provide independent evaluation of the effectiveness of their lending," said David Carle, Leahy's spokesman. "It is time to make clear that [Kim] needs to look outside the institution."

It is not uncommon for Congress to use the appropriations bill to attach strings or recommendations about the operations of international organizations such as the World Bank, where the United States is the largest shareholder and an influential voice on policy.

The recently approved bill included \$1.55 billion for the World Bank's concessional lending arm — what a spokesman for the bank called "strong support." But the list of amendments reflects skepticism about some of the central ideas that Kim has laid out since he was nominated to the bank's top job by President Obama two years ago.

Kim has said he wants to steer the bank toward larger "transformational" infrastructure projects and has specifically mentioned the building of large-scale hydroelectric dams in energy-starved parts of Africa and elsewhere to advance development and tackle climate change. Carle said that Leahy believes the bank's renewed interest in large hydro projects "is a mistake and wanted to send that message." Kim also has said the bank should focus more of its work in the world's conflict zones, where close oversight of which companies and projects get funded is even more critical.

### **World Bank Investment In Dinant Corp. In Honduras**

In the Honduran case, funding for the Dinant Corp. flowed both directly from the bank's International Finance Corp. and — less transparently — through a Honduran bank that the IFC supported. The IFC was criticized by its internal ombudsman in a recent report for overlooking the risk of violence in the area.

A World Bank spokesman said that the U.S. demand was still being analyzed and that "we will work with the U.S. to understand their views."

The U.S. vote alone would not be enough to block hydroelectric or other projects from moving forward. But the Leahy amendments recommend withholding U.S. funding for the bank unless an outside evaluation process is established. They also require U.S. Treasury officials and the American member of the World Bank board to pressure the organization to more quickly resolve disputes where "individuals and communities . . . suffer violations of human rights, including forced displacement, resulting from any loan, grant, strategy or policy."

The amendments apply to all international financial institutions, including regional ones such as the Inter-American Development Bank and the African Development Bank. But the focus was on the World Bank, and the measure referred specifically to disputes in Cambodia, Ethiopia and Guatemala.

### **WB And IADB Investment In Chixoy Dam In Guatemala**

The Guatemalan case in particular stands out for its level of violence at the time and for the long-standing demand for reparations for the community involved. [Construction of the Chixoy Dam in the 1970s](#) was funded by the World Bank and the Inter-American Development Bank. It coincided with a bloody civil conflict, and several hundred villagers were killed and thousands displaced in clashes as the army tried to clear the way for the project.

The uprooted community has struggled since. In 2010, a reparations plan was agreed to by the Guatemalan government, but the money has not been paid. Under the Leahy amendment, U.S. Treasury officials are expected to begin pressuring the World Bank and the IADB to push for payment. There is a separate threat to withhold military training funds from the Guatemalan army unless the reparations are paid.

The bank has suggested using money from existing projects to benefit the affected families, and a spokesperson said the bank would “look for opportunities” to do more.

\*\*\*\*\*

### **More Information**

- Grahame Russell, [info@rightsaction.org](mailto:info@rightsaction.org), 860-751-4285
- Annie Bird, [annie@rightsaction.org](mailto:annie@rightsaction.org), 202-680-3002
- Monti Aguirre, [monti@internationalrivers.org](mailto:monti@internationalrivers.org), 510-848-1155

Film:

### **Chixoy Dam Massacres and Evictions: No Reparations, No Justice, No Peace**

16 minute film by Lazar Konforti, August 2012

<http://www.youtube.com/watch?v=xF3YI7XMNEE&feature=youtu.be>

Blog:

**The Rio Negro Project:** <http://rionegroproject.blogspot.com/>

### **Tax-Deductible Donations (Canada & U.S.)**

To support community based work in Guatemala and Honduras to hold the Development Banks accountable for harms and violations caused by their investments, make check payable to "Rights Action" and mail to:

- United States: Box 50887, Washington DC, 20091-0887
- Canada: (Box 552) 351 Queen St. E, Toronto ON, M5A-1T8

Credit-Card Donations (Canada & U.S.): <http://www.rightsaction.org/tax-deductible-donations>

- Be a monthly donor (Canada & U.S.)
- To donate stock: [info@rightsaction.org](mailto:info@rightsaction.org)

## Letter Writing

Please send copies of this information, and your own letters, to your own elected politicians (MPs, Congresspersons, Senators) and other government officials, urging your government to demand that the WB and IADB ensure implementation of the Chixoy Dam Reparations Plan.

- Member Of Parliament:  
<http://www2.parl.gc.ca/Parlinfo/Compilations/HouseOfCommons/MemberByPostalCode.aspx?Menu=HOC>
- Congress: <http://www.house.gov/> to get info for your member of Congress, and call: 202-224-3121
- Senate: <http://www.senate.gov/> to get contact for your Senator, and call: 202-224-3121

\*\*\*\*\*

Comments / Questions: [info@rightsaction.org](mailto:info@rightsaction.org)

Get on/off Rights Action's listserv: [www.rightsaction.org](http://www.rightsaction.org)

Follow Rights Action on facebook: [www.facebook.com/RightsAction.org](http://www.facebook.com/RightsAction.org)

Please re-post and re-publish this information

\*\*\*\*\*