

A “Micronation for Sale” in Roatan: Tourism imperialism on Caribbean shore of Honduras

<https://mailchi.mp/rightsaction/a-micronation-for-sale-in-roatan>

“We started with a bit of land in Roatan, but maybe after a while we’ll have the whole island, then the neighboring islands and part of the continent, and then we become a country.”

(Christoph Heuermann, a Honduras Próspera investor. Source: <https://twitter.com/WfPSolidCollect>)



Photo: Deiby Yánes

Purposes of US and Canadian-backed ‘regime changes’

This is one more example of the purpose of the 2009 US and Canadian-backed coup d’etat, and 12 years of support for Honduras’ corrupt, military-backed regime.

A Micronation for Sale in Roatan

By Lizz Gabriela Mejía (lizzgabrielam@gmail.com), Contra Corriente, September 27, 2020

<https://contracorriente.red/en/2020/09/27/a-micronation-for-sale-in-roatan/>

The Bay Islands of Honduras are a premier tourist destination for Honduran and foreign visitors alike. Its biggest island, Roatan, has also been designated as a special employment and development zone (Zona Especial de Empleo y Desarrollo – ZEDE) called Honduras Próspera.

This initiative was launched in May 2020 while Hondurans were focused on enduring their third month of lockdown due to the COVID-19 pandemic.

“Did you miss Carnival and are you curious about Free Private Cities? You can have both!,” crows a post on the Staatenlos (Stateless) blog by Christoph Heuermann. “The Stateless 2020 trip for investors is to the Central American country of Honduras. Known for having the highest homicide rate in the Western world, it is still an attractive place to live and invest. By obtaining residency, you can be exempt from foreign income taxes.”

Tax-free cities: Honduras Próspera model city launched in Roatan

The Swiss citizen’s blog promotes Roatan throughout the DACH region, composed of Switzerland, Austria and Germany, as the perfect place to invest tax-free. It touts a combination of tourism and investment in tax-free cities like the Honduras Próspera model city launched in Roatan.

The Próspera Economic Development Platform is a project authorized by the ZEDE law in Legislative Decree No. 236, passed on January 24, 2013. It is billed as the first model city in Honduras, and claims it will provide medical tourism, higher education, and state-of-the-art, sustainable housing, while also strengthening and diversifying the island’s economy. The executives behind this project hope that various domestic and international companies will proceed successfully with investments in ZEDE jurisdictions.

The ZEDEs are zones carved out of Honduran territory that operate under a special regime in which the foreign or domestic investors in the ZEDE are responsible for providing security, resolving conflicts, and establishing fiscal policy. The only Honduran laws that apply to ZEDEs are the Constitution of the Republic and the Penal Code. In other words, ZEDEs would function as autonomous enclaves within Honduras.

The ZEDE planned for the Bay Islands is not the first model city proposed in Honduras. Between 2013 and 2017, an area along Honduras’ Pacific coast was targeted for a model city in an effort to create jobs and attract foreign investment. The mega-project was to be located in the municipalities of Amapala, Goascorán and Alianza, in the department of Valle, and aimed to create a trade logistics center and foment tourism. Once the initiative was given the go-ahead by the Republic of South Korea, a treaty was signed with that nation and feasibility studies were conducted, demonstrating the seriousness of the intent to move forward with the project. However, the ZEDE never materialized.

Honduras Próspera LLC, previously called the Sociedad para el Desarrollo Socioeconómico de Honduras, was (https://opencorporates.com/companies/us_de/6525150) in 2017 in the U.S. state of Delaware. The company’s social media and website (<https://prospera.hn/>) claim it will be the first Próspera project in Honduras, but that the company also has its sights set on La Ceiba, on the northern coast, for another ZEDE with an industrial park, in collaboration with a German consulting company.

According to its website, “Próspera partners with governments like Honduras to promote and operate Economic Development Hubs – similar to Special Economic Zones (SEZ). These hubs are integrated with local communities and have semi-autonomous governance and regulation. With a common law legal framework, familiar and flexible regulations, a bill of rights, low taxation, and protections for the environment, Próspera enables entrepreneurs to solve problems structurally and responsibly for the people of Honduras and the rest of the world.”

Posts to the company’s social media and website indicate that it expects to attract more than \$500 million in foreign investment and create 10,000 jobs over the five-year implementation period. Erick Brimen, a naturalized U.S. citizen from Venezuela, is the CEO and Chairman of the Board of Honduras Próspera LLC. In several LinkedIn and Twitter posts, he has said that the consortium of Honduras Próspera investors include a number of Central Americans, but that Hondurans have invested less than 25% of the total capital.

Documents from U.S. Securities and Exchange Commission

Documents obtained from the U.S. Securities and Exchange Commission present a different picture than the public statements made by Honduras Próspera LLC. In 2019, the company offered \$400,000 in equity shares, of which \$300,000 were sold. Earlier this year, \$5 million in equity shares were offered, but only \$250,000 were sold. The project does not seem to be progressing as expected, which perhaps explains why the company has flooded social media with advertising to promote the Honduras Próspera ZEDE.

We contacted Brimen via a Twitter Direct Message with questions about the project. “We are starting with 58 acres but we have the option to buy approximately 400 additional acres, to continue growing in the future throughout the Northern corridor, especially around La Ceiba, and we’re also looking at Cuyamel,” said Brimen. He added that the project was initiated with \$10 million in seed capital, and that they have about 30 investors. He did not answer our questions about the equity offerings.

Brimen added that “Christoph [Heuermann] does not represent the [Próspera] group and doesn’t have a management role. He is one of several investors, and has a relatively small share (less than 0.5%). His principal enthusiasm for the project is because he recognizes it will attract the ‘digital nomad tourists’ who follow his blogs,” referring to Heuermann’s Staatenlos (Stateless) blog.

This model city will be developed in three phases. Phase 1 consists of building Próspera Village, a residential housing development, on an initial 58 acres of land. It will also include entrepreneurial training and business acceleration programs. The Próspera website indicates that the land has already been transferred to the ZEDE, and is ready for development.

Some Roatan residents say that this land was purchased from private sellers, and that the company has tried to engage local businesses and residents to buy more land. Brimen says that the land purchases have all been done legally between private parties, and that they acquired the land “from good neighbors hoping to have a positive and socially inclusive impact.”

The Town of Próspera will be the primary development focus for Phase 2, which will take 10 years to complete. It is a mixed-use plan composed of resorts, educational buildings, a private hospital, parks, a public beachfront promenade, and residential, retail, financial and business centers. Lastly, the Phase 3 plan is to build the City of Próspera, which will follow international standards for sustainable infrastructure, buildings, and operations.

Local resistance

The foreign developers of the Próspera project first arrived on the island in December 2017 to meet and talk with people living in the project site's neighboring areas. They initially proposed a tourism project that would attract foreign investment to the municipality. This was amenable to the people of Crawfish Rock since tourism is the biggest business in Roatan, which has coexisted with foreign investment for a long time.

The islanders first realized that Próspera wasn't just a tourism project, but a model city, when press releases and social media posts began to appear earlier this year. Village councils (patronatos) reacted by organizing meetings and requesting information about this project that would completely change the face of their community.

On August 10, the federation of village councils and several civic associations in Roatan released a joint statement about the unrest caused by the project, given that it went into motion without adequate community awareness or consultation. The statement contended that their right to be informed of the project's socio-economic, political and territorial impacts had been violated. Among their concerns is the prospect of being subject to unknown foreign laws, the deprivation of the right to enter and circulate in Roatan's municipalities, and becoming expatriates in their own country, all for reasons of public utility.

"Various communities in the Bay Islands are concerned since Articles 25, 26 and 28 of the ZEDE law indicate that there is no guarantee that private property will not be EXPROPRIATED for the presumed common good. Thus, the Crawfish Rock community (one of nine ancestral towns of the English-speaking Bay Islanders) has valid concerns regarding the initiation of the project promoted by the Próspera Economic Development Platform (PROSPERA.HN) in our island community," says the statement issued and signed in Roatan.

Oscar Hendrix, one of the village council members, says that after the statement was issued, the Chairman of the Board of Honduras Próspera met with the Crawfish Rock village council, the future neighbors of the ZEDE. His purpose was to convince them to support the initiative, and disassociate themselves from the statement issued in early August. The model city developers even sent a letter on August 20 to the residents of Crawfish Rock indicating that the village council had disassociated itself from the public statement and supported the Próspera project. But no village council members signed this document.

"We understand that there are some concerns regarding the current government of Honduras and ZEDEs, in general. However, these groups do not represent us nor do we agree with the

position expressed in their public statement as it specifically relates to Próspera. We are actively and directly working with Grupo Próspera. Our experience so far has been positive, and they have supported our community in many ways since they became our neighbors. They have provided educational opportunities for our children and jobs for many of us. We appreciate the intentions of others, but they may have negative repercussions for us and our community, as our jobs and future opportunities are at risk due to third parties who incorrectly claim to represent us. We have open communication with Próspera, and will raise our concerns, if any, directly with the Próspera Group,” states the unsigned letter.

The Crawfish Rock village council elections were held on August 29. Only those who have lived in the area for at least three years could vote or be elected to the council. Rosa Danelia Hendrix, president of the Bay Islands Federation of Village Councils, announced that despite having widely communicated this requirement, a young man who works with Próspera and does not live in Crawfish Rock wanted to vote in the election. Due to the clear conflict of interest and the failure to meet the residency requirement, the assembly did not allow him to vote.

As of mid-September, the Bay Islands have seen a steep increase in COVID-19 cases, and lack the medical supplies needed to attend to these cases. The Crawfish Rock village council has since decided to suspend all public activities and gatherings until further notice. Village council president Luisa Connor informed Próspera that, “to protect lives and ensure the safety of our community during the COVID-19 pandemic, we have cancelled all public gatherings to prevent the spread of the virus.”

Among the cancellations was a meeting with Erick Brimen and other representatives of Honduras Próspera LLC. A member of the community said that Brimen reacted by saying: “Throughout history, actions like this by people in power have generally been associated with tyrants who think they know better than everyone else. Próspera strongly believes that these are fundamental human rights, and therefore opposes any attempt to deny these fundamental human rights, regardless of the cloak of authority that they wear.”

Nevertheless, Próspera officials ignored the order and met with some residents on September 18 in the community’s public square to discuss Article 28 of the ZEDE law. This article states that the State can expropriate property through the ZEDes for reasons of public utility or need, if it is considered necessary for the development or expansion of the ZEDes. The village council members were not invited to this meeting.

As Brimen began to read Article 28 and explain the project objectives, the Roatan Municipal Police arrived and ordered the meeting to end. This caused a confrontation between the Próspera representatives and the police, who evicted Brimen and his colleagues after some shouting and pushing.

On September 19, Próspera issued a statement with its version of the events, and clarified that there would be no land expropriations for this project, as all land had been purchased from

landowners who, with no outside coercion, had freely exercised their right to sell their land, and that the company would continue working this way. The statement berated the actions of “some sectors of society that distorted the recent events” and denounced the actions taken by the Municipal Police against their director.

Although Erick Brimen and his colleagues have tried to demonstrate that the project will not affect the residents of the neighboring areas, the village council members contend that the opposite is true. Connor, the village council president, says they have never opposed foreign investment because it is usually beneficial, but this situation is different because it has caused division in the community. She says that during the elections for the village council, there was friction with other candidates who were promising cash for votes. In the end, these candidates did not win any board positions.

Connor says that despite the division in Crawfish Rock, the village council is always protecting the interests of everyone in this under-resourced community, because during a pandemic they do not need feuds, strife or more sick people. When asked about Roatan Mayor Jerry Hynds’ role in this conflict, Connor says he has been fully informed and, for the time being, awaits answers.

“Taking land away from people? How can anyone agree to that? That’s very serious, and it’s very sad that it’s come to this,” said Jerry Hynds to reporters. “At this time when all public gatherings are prohibited, they went ahead with their meeting as if nobody could stop them,” he said.

There is also fear that this model city will expand into Roatan’s urban areas, as another company has applied for a permit to develop a model city in a municipality in eastern Roatan, called José Santos Guardiola.

Christoph Heuermann, a Honduras Próspera investor, promotes these types of projects in his Staatenlos blog. In a February 21, 2019 interview with Mikkel Throup for The Expat Money Show podcast, Heuermann said that the objective is to expand as much as possible. “We started with a bit of land in Roatan, but maybe after a while we’ll have the whole island, then the neighboring islands and part of the continent, and then we become a country,” he continued, “the next Singapore or Hong Kong.”

A year after this podcast interview, Heuermann began promoting an excursion in his blog for potential investors to travel to an island that is fertile for investment, since it has the most advanced private city project in the world, referring to Próspera in Roatan.

The excursion to Honduras’ Caribbean islands promised scuba diving on coral reefs, jaunts to the beach, nightlife in West End village, and visits to other islands like Utila and Cayos Cochinos. But the primary objective was to meet with the ZEDE developers to learn about Próspera and visit the future model city site.

Also planned was a visit to Santa Elena, a tiny island off the coast of Roatan, where Swiss, German and Austrian investors plan to create a “micronation” that specializes in education and will be an extension of the Honduras Próspera ZEDE. This island is the fifth largest of the Bay Islands archipelago, has few inhabitants, and is not currently a popular tourist destination.

A <https://www.staatenlos.ch/wp-content/uploads/2019/11/Ausschreibung-Roatan.pdf> by Christoph Heuermann, indicates that three companies from Germany, Austria and Switzerland have jointly purchased a five-acre beach property on the undeveloped, eastern end of Santa Elena. The document notes that this is not a run-of-the-mill development project, but an initiative that has a partnership agreement with the Honduras Próspera ZEDE.

The connection between the ZEDE and the still unlaunched special zone in Santa Elena will be defined by the main ZEDE project’s consultants and investors. The active contributors to the special zone project are Marc-Felix Otto, a partner in the Advisory House consulting firm, Rahim Taghizadegan, a director of the academic research institute Scholarium, and Christoph Heuermann, an investor in private cities.

In addition to all the legal contradictions posed by these projects, they are the manifestation of a government policy to hand over sovereign territory to the highest bidder. By doing so, the government surrenders all control over these zones and grants absolute autonomy and freedom to the ZEDE principals. Article 1 of the legislation authorizing these zones states that they are an inalienable part of the nation of Honduras, subject to the Constitution of the Republic and its central government. However, the investors and promoters of these mega-projects clearly affirm that they own the zones where the model cities will be developed, and that they have the right to impose their own autonomous justice and law enforcement systems.

Julio Gaborit, a Honduran attorney, believes that ZEDEs violate Honduran law, even though they will still be subject to the nation’s Constitution and Penal Code. “It’s like owning a house and selling – not renting – a room to someone who intends to use it however they like, regardless of the house rules,” says Gaborit, noting that conflicts could arise between the Constitution, international treaties, and the internal laws of the model city.

Gaborit says that the law authorizing the ZEDEs is silent on the structure, authority, and jurisdiction of the ZEDE government. If laws exist that are only applicable to a model city, then a legislature for this model city would need to be created. Other considerations are whether a ZEDE can remand an internal legal case to the nation’s Supreme Court, or if ZEDEs will create separate judicial branches. “Just because a law has been passed by the National Congress doesn’t mean that it’s correct. Other unconstitutional and illegal laws affecting the country have also been passed in Congress,” he said.

See this: <https://newrepublic.com/article/120559/honduras-charter-cities-spearheaded-us-conservatives-libertarians> on charter cities

The consortium designing and building the housing for the future residents of the Roatan ZEDE is composed of Zaha Hadid Architects (ZHA), AKT II, and the Hilson Moran Partnership. The housing ranges from small studio apartments to single family homes, and will be built using prefabricated materials made from locally sourced timber. According to ZHA, prospective homeowners can customize the furniture placement, materials, and interior room distribution of their residences.

The project plans include some ecological features like water collection through a dehumidification system, and photovoltaic panels with battery storage systems that are integrated into shade awnings. The consortium's promotional material assures that appropriate technology will be used, and that waste, pollution, and energy consumption can be reduced, along with the development's carbon footprint, through better construction quality.

Fernanda Aguilar, a Honduran architect, says that while the ZHA consortium's proposed plan looks cutting-edge and ecologically friendly, the world of architecture is well aware that these designs often aren't feasible because they're usually expensive to build and maintain. They are infrastructure projects for a small minority, if they can even be financed at all.

"Zaha Hadid's projects are undoubtedly impressive, but their maintenance and environmental impact are often a problem," said Aguilar. "We know about buildings of theirs that didn't have a large enough budget for proper maintenance, and two projects were even demolished because they weren't economically viable." She believes these buildings would not be successful in Honduras because of the high cost, the need for skilled labor, and the high risk to the construction workforce.

An example of the high workforce risk in projects designed by the ZHA consortium is the Al Wakrah stadium in Qatar, which will be used for the 2022 World Cup. Official reports indicate that three workers were killed in construction-related accidents, but some sources indicate that many more have lost their lives. Humanitarian organizations such as Human Rights Watch and Amnesty International have issued statements denouncing the abysmal working conditions in the construction of these stadiums.

The Heydar Aliyev Center is another intrusive and expensive project that ignored the needs of the broader population. ZHA was hired by Azerbaijani President Ilham Aliyev to help transform the Asian country's capital into a new cultural landmark. Although the design of the Center, named after President Aliyev's father, won the London Design Museum's 2014 Design of the Year award, it evicted 250 families from their homes.

Erick Brimen asserts this project will be different. "Absolutely no damage can be done to the reef, protected areas must be respected, and if a tree is cut down, two must be planted to replace it. Additionally, a best practices committee is being established," he said. Responding to our Twitter messages, he revealed that home prices will be between \$25,000 and \$1 million, saying, "We anticipate that the biggest sellers will cost between \$50,000 and \$100,000 (for young professionals), and the first houses will be ready before the end of 2021."

The pandemic in Roatan

Heavily dependent on tourism, the economy of the Bay Islands has been severely affected by the ongoing COVID-19 pandemic. The decline in tourists and cruise ships has left many islanders without a steady income. According to statements to the media made by Menotti Maradiaga, president of the Honduran Federation of Chambers of Commerce and Industry (Federación de Cámaras de Comercio e Industrias de Honduras), the tourism sector is losing about L600 million in daily revenue, which is threatening the jobs of an estimated 150,000 workers.

Roatan businessman Rony Alemán told us that the quarantine hit his business and family hard. “The impact on us has been high. Unfortunately, the cruise ships aren’t coming here anymore, which means that there is little need for tourist transportation services,” said Alemán, who has a transportation service for island vacationers. He also said that Roatan’s hotels have been mostly occupied by Hondurans living abroad returning for a vacation.

Even though Tourism Minister Nicole Marrder announced the re-opening of tourism in mid-August, Alemán says that the influx of tourists, mostly local Hondurans, has been minimal. He hopes that the Roatan-La Ceiba ferry service will start again soon, since air travel to the island is expensive and difficult, which means fewer tourists.

Like Alemán, many small and medium-sized businesses are suffering the consequences of the country’s total shutdown, a poorly planned decision that didn’t offer real solutions or relief to those who make a living from tourism.

On top of all this is the shaky condition of the Roatan Public Hospital, which in the early days of the public health crisis didn’t have the necessary biosafety supplies to care for patients and protect health care workers. Public health authorities didn’t take the situation seriously until Roatan’s first case of COVID-19 was confirmed. The hospital’s coronavirus unit has limited space and can only accommodate 15 to 20 patients. Another unit was set up later to accommodate 30 more patients.

Despite being home to over 50,000 people and the premier tourist destination in Honduras, Roatan lacks the hospital infrastructure needed to care for its population in the best of times, much less during a pandemic. One hospital and two health centers are the only medical facilities available to the general public. Those who can afford it go to the one private clinic on the island.

The people of Crawfish Rock have expressed their concern and consternation in their public statements, village council elections, and meetings. Oscar Hendrix says that the activities of the businessmen involved in the ZEDE’s development seem suspicious, since the project is being initiated in a manner that disregards the island’s internal regulations, and is happening in the midst of the pandemic when most people are isolated at home without the means or resources to organize protests. In spite of their confinement, Hendrix says “people are lining up against this, because they feel that they’ve been lied to and are just now seeing what’s really going on.”

Unsere mikronation — “our micronation”

Meanwhile, Staatenlos dangles jobs in front of Austrians, Swiss, and Germans who want to work in Roatan as supervisors of a housing project built along the pristine beaches of a nation that hands over its land to a tax-free, autonomous enclave with its own laws and police. Unsere mikronation — “our micronation” — is the rallying cry for investors and adventurers who, like characters in an old Western movie, are ready to live in a model city carved out of one of the poorest, most violent, and corrupt countries in the world.

Why do thousands of Hondurans & Guatemalans flee into exile year after year?

The US and Canadian governments, the World Bank and global businesses and investors (in the sectors of mining, dams, African palm, sugarcane, bananas, garment “sweatshop” factors, tourism, etc.) maintain enriching and empowering relations with anti-democratic, corrupt, repressive governments in Honduras and Guatemala, contributing to and benefitting from exploitation and poverty, environmental harms, repression and human rights violations, corruption and impunity.

Act / Stir up the pot / Chip away

Keep sending copies of Rights Action information (and that of other solidarity groups/ NGOs) to family, friends, your networks, politicians and media, asking ‘*Why do our governments, companies and investment firms benefit from and turn a blind eye to poverty, repression and violence, environmental and health harms that caused the forced migrancy / refugee crisis in Guatemala and Honduras?*’

- U.S. Senate: <https://www.senate.gov/senators/contact>
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- CISPES (Committee in Solidarity with People of El Salvador): www.cispes.org
- Honduras Solidarity Network: www.hondurassolidarity.org
- Witness for Peace Solidarity Collective: www.solidaritycollective.org
- Friendship Office of the Americas: <https://friendshipamericas.org>
- NISGUA (Network in Solidarity with People of Guatemala): www.nisgua.org
- GHRC (Guatemalan Human Rights Commission): www.ghrc-usa.org
- Breaking the Silence: www.breakingthesilenceblog.com
- Alliance for Global Justice: www.afgj.org
- CODEPINK: www.codepink.org
- School of Americas Watch: www.soaw.org
- Mining Watch Canada: www.miningwatch.ca
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