



July 25, 2012

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Re: Reparations for the Communities Affected by the Chixoy Dam, Guatemala.

Dear Dr. Kim and Mr. Moreno,

We, the undersigned, represent international civil society partners of communities affected by the construction of the Chixoy Dam. Dr. Kim, we welcome you to your new position as President of the World Bank Group and wish you success in your term.

Sirs, we would like to draw your attention to the outstanding debt that the World Bank and the Inter-American Development Bank (IDB) have to the Maya-Achi communities that were affected by the construction of the Chixoy Dam. Additionally, we would like to highlight the great opportunity that you now have to help repay this debt and restore the dignity of the Maya Achi in Guatemala.

The construction of the Chixoy Dam was funded by the World Bank and the IDB during 1970's and 80's, while at the same time a civil war was taking place in Guatemala, leading to state-sanctioned violence against the Mayan communities in the Chixoy-Negro River Basin, including destruction of villages and massacres of communities. International financing specifically earmarked for the Chixoy Project, including repairs in the 1980s, totaled \$955 million and by the mid-1990s represented some 45% of Guatemala's foreign debt. At the suggestion of the World Bank, the electricity utility INDE was privatized in 1996, creating the means to repay all bank loans in full.¹

The construction of the Chixoy Dam necessitated the displacement of more than 3,400 Maya Achi people living where the new reservoir would be located. In addition, more than 6,000 households in the broader region suffered losses from the construction of the dam and its reservoir.² When community members opposed relocation and sought better compensation, they were massacred,

¹ See: Barbara Rose Johnston (2005:7-9) "Table 2: International Financial Institution and Bilateral Involvement in Planning and Building the Pueblo Viejo-Quixal (Chixoy) Dam" in *Chixoy Dam Legacy Issues Study, Volume Two*. Center for Political Ecology and the American Association for the Advancement of Science < shr.aaas.org/guatemala/chixoy/vol2.pdf >

² Chixoy Dam Legacy Issues, Barbara Rose Johnston. Center for Political Ecology.
(<http://www.internationalrivers.org/node/4050>)

tortured and kidnapped. Between 1980 and 1982, some 500 people were massacred due to their opposition to the dam project, including hundreds of women and children. In 1982, INDE (the electric utility) revoked people's titles to their lands, the only legal documentation that gave them the right to compensation.³ When construction was complete in January 1983, ten communities in the Chixoy River Basin had been destroyed by massacres: Río Negro, Los Encuentros, La Laguna, Agua Fría, Comalmapa, Jocotales, Chitucan, Los Mangales, Pacaal, and Hacienda Chitucan. Because of their opposition to the dam, the project left the survivors landless and without income or livelihood. For years survivors have lived in extreme poverty but never given up their call for justice. Despite the circumstances, the World Bank and Inter-American Development Bank continued to finance the project.

Since the time of their displacement, the communities have been fighting for reparations. With great efforts, 33 dam-affected communities organized themselves in the Coordinating Committee of Communities Affected by the Construction of the Chixoy Dam (COCAHICH). In 2005, COCAHICH began a transparent process of negotiation with the government of Guatemala, involving the past two administrations. This roundtable negotiation was facilitated and mediated by the Organization of American States, and included the participation of the World Bank, the IDB, the Office of the United Nations High Commissioner for Human Rights, the Human Rights Attorney's Office and several high-ranking government agencies, including the Presidency.

As a result of the negotiations, two reports were produced and endorsed by communities and the government: The Identification of Damages⁴, and a Reparations Plan for Damages and Negative Impacts Suffered by the Communities Affected by the Construction of the Chixoy Dam (the Reparations Plan – April 2010)⁵. The Reparations Plan was produced, agreed upon and signed by all parties in April 2010. This set a historical precedent not only for Maya Achi communities, but also for other communities in Guatemala affected by the state-sponsored violence of the 1970s and 1980s.

The plan includes the following provisions:

- Compensation for material and non-material damages and losses will be provided to communities affected by Chixoy Dam.
- 191 homes will be constructed for the resettlement community of Pacux, and for orphans that were not taken into account in the original resettlement program; 254 homes in other communities will be repaired; there will be improvement of roads, water and sewage systems, and other infrastructure projects considered urgent and of priority.
- The President of Guatemala will deliver an apology to affected communities.
- The communities will have access to documents in the Historical Archive of the National Police related to the control by the State, and repression used against communities during the construction of the Chixoy Dam.
- A management plan will be developed for the Chixoy Basin based on integrated watershed management, which includes reforestation with native plants, establishing an adequate ecological flow for the basin, and guarantees of minimum water quantity and quality.

However, the Reparations Plan until this day has not been implemented. For reasons unknown to

³ "The Chixoy Dam Destroyed Our Lives", Monti Aguirre. Human Rights Dialogue: "Environmental Rights" (Spring 2004)

⁴ <http://www.internationalrivers.org/resources/report-on-the-identificacion-and-verification-of-damages-caused-by-the-chixoy-dam-2473>

⁵ The Reparations Plan is available upon request from: <adivima@yahoo.com>

communities, former President Alvaro Colom refused to sign a legally binding decree that would put reparations into effect. President Otto Perez Molina has not shown any signs of interest in addressing this issue. Given the great amount of time and resources spent on negotiating the agreement, communities are bitterly disappointed that the Guatemalan government has reneged on its commitments.

Representatives of communities and the undersigned have met with representatives of both banks for years to alert them to the importance of the banks' position on this issue. But we have not received any positive reaction. Ultimately, both of your banks bear responsibility for the impacts caused by the Chixoy Dam and subsequent losses sustained by affected communities. Your banks have been notably silent since the negotiations process ended, and we believe your banks have a role to play in ensuring that just reparations are paid to affected communities. Therefore, we would like to request that you, Mr. Presidents:

- Lobby the government of Guatemala to sign the Government Agreement as agreed at the negotiations that ended in April 2010, thereby making implementation of the agreement legally binding.
- Agree to fund reparations for the damages caused to communities affected by the Chixoy Dam construction. The total amount agreed upon in the Reparations Plan to cover all these damages is US\$154.5 million and should come from both the World Bank and the IDB.

Mr. Presidents, as you know, to succeed in development, the welfare of local populations and their environment must be a priority. This did not happen with the Maya-Achi people who were affected by your investments. Both banks have a debt to the affected communities because of their role in financing the project.

The communities affected by the construction of the Chixoy Dam and international civil society will not forget the great harm caused by this project and the historical need to repair the damages. We will continue to monitor the situation of the dam-affected communities and we hope that you act quickly to review and promote this proposal.

We look forward to your response.

Sincerely,

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