



Patuca River and Local People Photo: Dr. Kendra McSweeney

Honduras:

PATUCA RIVER AND COMMUNITIES UNDER THREAT

The government of Honduras plans to build three hydroelectric projects on the Patuca River, one of the last (and longest) wild rivers in Central America. One of the dams, Patuca III, is already under construction. If the project is completed, the dams would destroy the river's rich biodiversity; threaten the food security for mestizo, Tawahka and Miskito indigenous peoples; and open up areas for the chaotic and at times violent land grab of tropical forests.

Meandering down the Cordillera Centroamericana, the Guayape and Guayambre rivers join to form the Patuca River, Central America's second-longest river after the Coco. The Patuca runs through Mesoamerica's largest wilderness area and meets the Caribbean Sea in the Gulf of Honduras, fanning out into the Mosquitia, an alluvial plain rich in swamps, lakes and lagoons.

The Patuca River basin, which extends for 23,900 km², is a part of the Mesoamerican Biological Corridor, an area of great biodiversity threatened by the expansion of agricultural, cattle and forest enterprises and land grabbing. The Patuca National Park, mostly consisting of tropical rainforest, and the Tawahka Asangni Biosphere Reserve are a part of the Rio Plátano Biosphere Reserve, the largest protected area in the country with 350,000 hectares. The reserve contains a wealth of natural

resources and wildlife, including white-tailed deer, scarlet macaws, jaguars, tapirs and iguanas, as well as thousands of plant species such as orchids and kapok trees.¹ Taken as a whole, the conservation complex in Northeastern Honduras is contiguous with Bosawas Biosphere Reserve in neighboring Nicaragua, jointly constituting the largest contiguous forest area in Latin America north of the Amazon.

Three Patuca Dams

The Patuca River is now threatened by the construction of three dams. The Patuca III, or Piedras Amarillas Dam, is now under construction and is expected to be completed by 2018. If all

¹ <http://whc.unesco.org/en/list/196>





Dams on the Patuca River

Source: National Geographic map maker

three dams are constructed, the Patuca complex is expected to generate over 520 megawatts (MW) of electrical energy, with 104 MW from Patuca III (Piedras Amarillas), 270 MW from Patuca IIb (La Valencia), and 150–200 MW from Patuca IIa (La Tarrosa). Construction on Patuca IIa and IIb has not begun.

Chinese Dam Builder and Financiers

The development of the Patuca III Dam is coordinated by Honduras' National Electrical Energy Company's (ENEE) Special Unit for Publicly Owned Renewable Energy. In April 2011, ENEE entered into a contract with Chinese company Sinohydro for Phase I of construction (now complete), which included the diversion tunnel, workers camps and access roads. The total cost was US\$50.5 million. In September 2013, UEPER signed a contract for a \$298 million line of credit with the Industrial and Commercial Bank of China to complete the construction, and the loan guarantee was approved by the Honduran congress on December 5, 2013.²

² <http://www.laprensa.hn/honduras/tegucigalpa/429913-98/congreso-de-honduras-aprueba-prestamo-por-l6258-millones-para-patuca>; <http://www.laprensa.hn/economia/laeconomia/383747-98/enee-ultima-detalles-de-pr%C3%A9stamo-para-construcci%C3%B3n-de-patuca>; http://www.sefin.gob.hn/wp-content/uploads/2014/12/informe_cuarentaysiete.pdf; <http://www.laprensa.hn/honduras/tegucigalpa/429913-98/congreso-de-honduras-aprueba-prestamo-por-l6258-millones-para-patuca>

Environmental Impact Assessments

An Environmental Impact Assessment (EIA) for Patuca III, undertaken by ENEE, was approved by the Secretary of the Environment and Natural Resources (SERNA) in 2008, file number 2006-A-163. However, that license was just valid for two years. Nonetheless, in July 2012 ENEE issued a license, implying this fulfilled ENEE's obligations,³ without conducting a new EIA. No study assessing the cumulative impacts of the three Patuca dams has ever been undertaken.

The International Development Bank (IDB)-funded Environmental and Social Impact Assessment was conducted by ÁF Industry AB y Ecología y Servicios S.A., and completed in November 2012.⁴ This study found that ENEE had not undertaken studies to determine the project's impact on downstream protected areas, as is mandated in the IDB Operational Policies (OP 703:B.9). This study also found that the Resettlement Plan created by ENEE in 2008 and revised in 2012 was incomplete and unsatisfactory and did not include consultation with or participation by those affected. Based on the studies, the IDB refrained from any further involvement in Patuca III.

Downstream Impacts

The Patuca hydropower projects would have significant downstream impacts, including deforestation, changes in

³ <http://www.enee.hn/index.php/proyectos-renobables/patuca-iii>

⁴ <http://www.iadb.org/en/projects/project-description-title,1303.html?id=HO-T1158>

fish populations, changes in the bio-chemical makeup of the river, and alteration of the river's flow and seasonal flooding patterns. Alteration of the river's flow is being cited by ENEE as a benefit of the project. Significant modification of the river's flooding patterns and current would benefit palm plantations, which are currently expanding along the Patuca River. However they would destroy traditional farming practices and the river's ecology.

The 2012 Environmental and Social Impact Assessment found that in addition to downstream impacts on the river ecosystem, the dam would significantly impact biodiversity upstream of the dam as a result of the migration barrier that would block at least two important species of migratory fish. Other expected environmental impacts include a reduction in water quality, potential tectonic impacts, destruction of archeological resources, habitat destruction, and impacts to numerous aquatic and terrestrial fauna.

The 2012 Environmental and Social Impact Assessment found many shortcomings in the analyses and mitigation measures presented in ENEE's Environmental Impact Assessment. In many cases, existing data was not sufficient to adequately address impacts, and the EIA recommended additional data collection. However, these recommendations were not followed and ENEE conducted no additional analysis of impacts, despite changes in the project design subsequent to their Environmental Impact Assessment. Additionally, ENEE has not been complying with the mitigation measures they committed to in the Environmental Impact Assessment. The 2012 Assessment concluded that: ENEE has not prepared the Management Plan within nine months of issuing the Environmental License; ENEE has not provided notification of project modifications since preparation of the Environmental Impact Statement; and based on review of ENEE compliance reports, ENEE is not complying with many of the construction phase mitigation requirements.



Communities affected by the Patuca III Dam
Photo: Annie Bird

Land Expropriation and Missing Compensation

The Patuca III project will impact approximately 400 properties totaling over 8,300 ha. Provisions in Decree 279-2010 permitted the Honduran government to bypass legislation regulating how land expropriations are carried out, severely limiting property landowners' ability to determine their fate. Under these conditions, the 400 soon-to-be-displaced households were forced to "negotiate" the terms of sales beginning in 2011, under the threat of expropriation. The Commission for Patuca III was convened to determine the value of the land and held its first meeting in February 2011. After months of work, it was agreed that land would be divided into four categories of values. Upon arriving upon an agreement on price, ENEE transferred land titles into the name of ENEE, and subsequently began paying for the land.

In June 2015, the Honduran government issued an Executive Decree (PCM032-2015) to expropriate all land necessary for construction of Patuca III. At this point, many land owners had yet to be compensated, but also no longer held their land titles. While some of the largest landowners have been paid in full, the vast majority of landowners have received only a fraction of the payment owed. The government committed a total of 1,200 million lempiras (\$53.128.380) for land purchases. The landowners association reported that in 2011, \$50 million dollars from a \$100 million dollar Petrocaribe loan was designated for Patuca III land purchases. In 2012, a trust fund of 300 million lempiras destined for land purchases was created in Banco Atlantida.⁵ However, only a fraction of this has been used for the Patuca land purchases. Landowners have questioned where the remaining funds have gone.



Patuca III Dam construction site
Photo: Annie Bird

⁵ <http://www.laprensa.hn/honduras/328709-97/hondurenos-y-chinos-dan-forma-a-patuca-iii>

Saving the Patuca River

We are still mourning the assassination of Lenca leader Berta Cáceres for opposing the Agua Zarca Dam in Honduras, and we recognize that the rule of law is extremely weak there. Awareness of the unfolding disaster in the Patuca River is limited, and International Rivers is working to increase public awareness about plans to build dams on the Patuca River and the threats these dams bring to ecosystems and local populations.

Saving the Patuca will depend on the dedication and commitment of many people:

- Concerned citizens who demand cancellation of the dams, including global citizens who speak out when it is too dangerous for people in Honduras to speak.
- River communities who demand that their rights are respected and upheld.
- An active media to report on the situation to build pressure on government leaders so that they are accountable for their decisions.
- Scientists who fill the gaps in our understanding of the Patuca River and how people depend on it.
- Government leaders to make sure that proper

scientific and impact studies and consultations are carried out according to Honduran and international laws, norms and best practices.

- Environmentalists who educate decision-makers about the cleaner, more responsible alternatives to hydroelectric projects.
- Companies that invest in cleaner, more responsible energy technologies in the region.
- Policymakers to effectively promote socially and environmentally responsible development in the river basin.

We are grateful to Annie Bird and Lisa Hunt for the research and writing that has gone into this factsheet. Over the years that we have monitored dams on the Patuca Rivers, Dr. Erik Nielsen and Dr. Kendra McSweeney have provided analysis and information for which we are also grateful.



Patuca III Dam construction site
Photo: Annie Bird