



Río Salá Hydroelectric Project



Guatemala



Hydro



FMO, IFC, IDB Invest,
Finnfund, CABI, CMIC

Criminalization of indigenous communities

Fausto Sánchez Roblero is a Maya Mam community leader and catechist in the municipality of San Pablo, in the northwestern department of San Marcos, Guatemala. Since 2008, Fausto has vocally opposed a hydroelectric dam slated for his community. He and many others in the surrounding indigenous communities fear that the dam will negatively impact their lives and livelihoods.¹ On November 10, 2014, Fausto was arrested on charges of kidnapping, illegal detention, and illicit association, in part at the urging of the Guatemalan hydroelectric company behind the proposed dam.² He would spend more than two years in detention before charges would be dropped for lack of merit.³

Río Salá is a proposed 15 MW hydroelectric project along the Salá River under the operation of Hidro Salá S.A., part of the FABRIGAS group.⁴ Hidro Salá says that the hydroelectric dam will bring development, education, cleaner water, and employment to the region.⁵ But community authorities from the local indigenous Maya Mam population requested the project not be approved, alleging that prior consultation was negligible and fearing risks of negative impacts on food security in the communities due to a possible reduction in river flow.⁶

The surrounding communities have faced multiple aggressions since Hidro Salá came to the area, including intimidation, criminalization, surveillance by the police and private security, defamation, and smear campaigns in the media.⁷ Hidro Salá has used the press to depict community leaders as anti-development terrorists, members of organized crime, and political opportunists creating opposition to the dam to advance their own ambitions.⁸

Despite local opposition, the government approved the dam's environmental impact assessment in October 2009, denied a June 2010 community request for municipality-wide consultation, and in February 2011 issued Hidro Salá S.A. a 50-year operating contract.⁹ In

November the municipality of San Pablo approved the dam's construction license.¹⁰

On June 11, 2012, impacted communities gathered in the town square to request that Hidro Salá withdraw from the area. The mayor issued a decree requiring Hidro Salá to withdraw its machinery within 24 hours.¹¹ Hidro Salá immediately filed a court injunction against the decision, which San Marcos courts upheld.¹²

Protest in San Marcos, "There is no peace without justice, Fausto is innocent."



Norma Sancir, Prensa Comunitaria

Despite the record of public opposition to Hidro Salá, in November 2012, a consortium of development financiers purchased a 51% controlling interest in Generadores Electricos S.A. (Genhidro), another FABRIGAS company, and Hidro Salá's majority shareholder and administrator, through a mezzanine fund called CAMIF I.¹³ CAMIF I, the first "Central American Mezzanine Infrastructure Fund" raised



Press conference against criminalization of indigenous authorities in San Marcos.

US\$150-million in financing, largely from the Inter-American Investment Corporation (IIC) (now IDB Invest), the International Finance Corporation (IFC), the Central American Bank for Economic Integration (CABEI), the Dutch Development Bank (FMO), the Finnish Fund for Industrial Cooperation Ltd (Finnfund) and the Mexican Fondo de Fondos (CMIC).¹⁴

Little news emerged from Genhidro for over a year, but on July 8, 2014, two civil engineers working for Hidro Salá were stopped by a large group of community members.¹⁵ The engineers, under duress, signed an agreement that they would not carry out further activities for the dam and were released several hours later.¹⁶

On November 10, 2014, police arrested Fausto Sánchez Roblero, ancestral authority Lorenzo Ramírez Rodríguez, and Plutarco Irineo Clemente Pérez and charged them with kidnapping in relation to the July encounter. Working with the Unit for Organized Crime in the Public Prosecutor's Office of San Marcos, Hidro Salá joined as a co-plaintiff against the community leaders.¹⁷ The Mayan Peoples Council (CPO) and other indigenous organizations denounced the arrests as a strategy of criminalization seen in other parts of Guatemala, where judicial harassment is used to deter and prevent communities from organizing in opposition to development projects.¹⁸

A month later, six other community members were arrested, charged with trying to free Fausto Sánchez

from pre-trial detention. The defendants denied involvement but said they were pressured to sign affidavits of their guilt as a means to reduce their sentences. All were convicted and sentenced to between two and four years in prison.¹⁹ Even after their release, several have reported experiencing health complications and feel they are under constant surveillance.²⁰

On January 21, 2015, Hidro Salá attempted to bring in additional machinery to the area, accompanied by approximately 200 police officers. The next day, hundreds of people wearing ski masks and bearing AK-47s burned the machinery.²¹ In a subsequent press conference, Hidro Salá's Community Relations Manager accused community members of collaborating with organized crime to attack the company.²² Others have speculated that the police were behind the attack.²³ It remains unclear who was responsible.

According to CAMIF I's fund manager, Latin American Partners (LAP), following CAMIF's environmental and social review process, Genhidro opted not to pursue the Hidro Salá project, and in March of 2016 sold its holding in the company to FABRIGAS, Genhidro and Hidro Salá's mutual parent company.²⁴ This shift of ownership rearranged the corporate structure but did not defund Hidro Salá. Genhidro and Hidro Salá remained intertwined, sharing promotional materials on the proposed dam, as well as the same office in Guatemala City.²⁵



On August 6, 2016, Maya Mam ancestral authorities from San Marcos held a press conference to denounce human rights violations committed by the company and to demand the release of imprisoned community members.²⁶ Leaving the press conference, ancestral authority Óscar Sánchez was arrested on charges of illegally detaining and assaulting a well-known supporter of the dam.²⁷ Óscar spent two and a half months in pre-trial detention and was ultimately sentenced to two years in prison, although the prosecution's lead witnesses reportedly provided contradictory testimony.²⁸

On December 10, 2016, Duarle Licardie, the secretary for the Maya Mam Council, was arrested in Mexico on charges related to the 2014 detention of Hidro Salá's

civil engineers. The courts dismissed the case for lack of merit.²⁹

Since 2017, communities opposing the project have faced continued smear campaigns, and spurious criminal charges, preventing those individuals from engaging in normal activities of daily life, for fear of arrest.³⁰ The relationship between FABRIGAS and its subsidiaries remains opaque; while HidroSalá and Genhidro continue to share office space with FABRIGAS, Genhidro no longer has a public staff list, contact page or online presence. The development banks invested in CAMIF I state that they no longer have a connection to Hidro Salá, because as LAP attests "Genhidro is no longer involved in any way in the Hidro Salá project."³¹ However, in a request for comment sent to GenHidro, Hidro Salá's management replied using GenHidro's email account. They denied any wrongdoing and rejected community claims that project opponents have been criminalized, stating that the company and its workers have been victims of violence by a small group of "terrorists" supported by the political agendas of outsider organizations. In their communication they accuse several well-known national indigenous organizations of being linked to organized crime and drug trafficking.³²

On December 5, 2018, the Guatemalan Supreme Court, in response to a petition from the Maya Mam council of San Pablo, granted a provisional injunction against the installation of Hidro Salá, provisionally suspending five ministerial licensing agreements for violating the rights of indigenous communities.³³

Endnotes

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