



## ***On the Record: The Rio Negro Campaign***

**Issue 4: In the Shadow of the Dam, April 13, 2000**

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### **From the Editorial Desk: Trail of Broken Promises**

For as long as they can remember, the survivors of the Rio Negro massacres have been living in the shadow of the Chixoy dam. They first heard of the dam in 1976, when officials of the Guatemalan National Institute of Electrification (INDE) arrived by helicopter and told them that their land was to be flooded. By the time they fled from the massacres in 1982, the dam was starting to rise.

Over the last 18 years, the survivors have lived with a deep sense of grievance toward the dam and all connected to it. The chief reason has been INDE's failure to provide adequate compensation for their losses.

This failure explains the intensity of the survivors' struggle for justice, their stubborn refusal to make concessions, and their determination to bring their campaign to Washington. It also explains why Chixoy has become something of a test case for the ability of the multilateral banks to ensure compensation to those who are involuntarily resettled. INDE was not just the Guatemalan agency responsible for building the Chixoy dam. It was also the Guatemalan partner of the World Bank and Inter-American Development Bank in the Chixoy project, and so responsible for executing their policies.

The World Bank was dragged back into the Chixoy controversy in 1996, when the full extent of INDE's failure was finally revealed. Initially the Bank persevered with INDE. But INDE was almost out of money, due in large part to corruption. The Bank was forced to turn elsewhere. Today, Bank officials make little effort to hide their anger and contempt for INDE's performance.

Part 1 of this issue looks at the trail of broken promises, between 1976 and 1996. It begins with a first-hand account by Peter Lippman of his recent visit to the Chixoy dam. Peter then discusses some of the environmental and technical problems that plague the dam, which will almost certainly shorten its working life. In his third article, Peter assesses conditions in Pacux, the first resettlement site that was offered to the Rio Negro survivors immediately after the massacres of 1982. Finally, he pays a visit to INDE.

Part 2 of the issue presents a chronological account of the different stages of resettlement, as it unfolded. The next issue will assess the World Bank's efforts to revive resettlement, starting in 1996.

### **To the Chixoy Dam**

"This project will never pay for itself -- not morally, and not economically."

We hired a taxi to take us to see the dam. There was no other way. We drove down a bumpy, dusty dirt road for a half-hour. The road was so steep and gravelly that it would be better to say we slid. We should have been in a four-wheel drive. As we descended the climate changed, heating up and drying up. The greenery of Alta Verapaz disappeared.

As we turned a bend, a dramatic distant mountain view appeared. We saw cornfields and coffee plantations, some fruit trees, almost no humans. The hull of an ancient truck rusted in the middle of a field. A pair of women wrapped in striped pink and purple hand-woven cloth came out of a wood with firewood bundled on their heads. Nearby stood a couple of mud-brick houses. A roadrunner ("correcamino") passed in front of us.

Presently we reached the entrance to the dam. We stood under the backside of the imposing structure, where the town of Puerto Viejo used to exist. Now there was nothing; just an INDE bus driver chopping some wood, and a young guard with a pistol who did not want to allow me to enter the dam site. At this moment the driver discovered that he had a flat tire and started to replace it. The guard asked if I was from the World Bank. I had to have a pass. There was nothing to do but leave.

We decided to try to get a pass. The local people and the residents of Rio Negro are allowed in whenever they want to go, but foreigners need to go through the appropriate channels. This involved driving/sliding back up the gravel road and going up to Santa Cruz Verapaz, a town north of Tactic, where the regional INDE headquarters was located. This took about an hour.

We passed through a guarded gate and entered the INDE headquarters. The INDE grounds are like a campus or a military residence. This is the most orderly space I have seen in the country. The houses are prefabricated and look like cheap US suburban homes, and the cars are clean and decent. We found the main office. To my amazement, getting the entry pass only took five minutes. I gave my signature to a clerk, didn't even have to show identification, and we were back on the road.

We trudged back to the dam entrance. This time there was no hitch. We zigzagged up the back of the dam to the top. What we saw there was an immense artificial lake, several kilometers wide and many kilometers long. The amount of concrete used to hold it there could cover all Philadelphia.

Steep mountains rise directly out of the lake. The overwhelming impression is that of a moonscape. The mountainsides are bare and brown, and as they erode they are sending dirt and debris into the lake. It's impossible to conceive of fixing this through reforestation -- it's just too huge. But it means that the lake is silting up. Barely 15 years old, the dam is predicted only to last another 20 years. This project will never pay for itself -- not morally, and not economically.

We drove along a ridge over the lake and then descended to the lakeside. There were no other people in sight in any direction. A few fishing launches were tied up at the shore. A few cows grazed nearby. Several buzzards circled overhead. The taxi driver told me that 54 people had died in the course of building the dam. "There is a monument to them over by the power plant." There is no monument to the others, who were not killed by accident.

From here one can take a 40-minute boat ride to the far end of the winding lake, not visible from the dam. There stands what is left of Rio Negro, the part that is not under water.

Rio Negro is difficult to get to. Unless I had caught a boat by chance, the only sure way to get there would have been to make an arrangement with someone from there who happened to be in town. That would also involve bringing in a fuel supply to the dam. Another way to get there is to walk from the south, which is said to take at least three hours.

We drove out through a back route, passing some straw-thatched cabins on the way. The road was better, less dusty for having been less traveled.

### **Why the Dam is Dying**

The project that was supposed to solve Guatemala's energy problems was bid at \$270 million in the mid-1970s. By the time it was done, it cost somewhere between \$1 and \$2 billion. The vagueness in this estimate is due to the fact that there is no accurate record of the fate of the money. A journalist who has been following this case for 15 years described Chixoy as "a project where everyone at the top became rich." He spoke of an Italian engineer who was bringing home suitcases full of money.

Due to technical problems, the dam got off to a rough start. The lake was filled in 1983, soon after the massacres, but engineering difficulties delayed power production for another couple of years. It has cost an average \$8 million a year to repair the dam, and it has never operated at more than 70 percent of its projected capacity.

Cesar Castaneda, professor of environmental studies at Universidad del Valle described

the current environmental status of the dam with the help of a 1999 satellite photograph that was color-coded to show vegetation. An area around the dam covering approximately 1,600 square kilometers is devoid of forests. At present, this area is mostly covered by shrubs and grasses. This does not make it suitable for pastureland, however, as the terrain is too steep for cattle.

Mr. Castaneda explained that there are two reasons for the deforestation. One is that the area is naturally a dry one. Although not quite a desert, it receives only around eight centimeters of rain a year. The weather that brings this rain into the region comes from the north, and the area around the dam is blocked by high mountains in that direction. So the clouds drop their rain before they reach this area. Furthermore, since the 1960s there has been much cutting of timber for lumber in this area. By the time the dam project was begun in the late 1970s, trees were largely absent.

"When they constructed the dam, they did not reforest the slopes above the lake, which is absolutely necessary to prevent sedimentation," explained Mr. Castaneda. "It is obvious that there is a lot of sediment being deposited in the dam. During the rainy season, the water is the color of coffee, because of suspended particles."

"In theory, the problem could be solved by dredging the lake and by reforestation, but this would be extremely expensive and this is an area of scarce resources. Very little has been done in this region by way of reforestation. Another problem is that there are areas of lime deposits at the north end of the lake, where the tunnels [that channel the water to the power generators] are located. When the lime dissolves away under the tunnels, it causes cracks in the tunnels. This too would be costly to solve."

Mr. Castaneda's prognosis for the dam was that due to sedimentation, it would not last out its expected life span. "The capacity of the lake has already been diminished," he said, "and it will continue to be. It may last another 20 years, but in a steadily diminishing capacity for electrical production."

"It is true that there is fishing in the lake. Fish have been introduced there. The water is relatively clean, so the fish are healthy, but the volume of fish is not at an industrial level and will never be. People use the lake a little for transportation -- they come up from Cubulco (a town to the west of Rabinal). But again, in relatively small numbers."

All this makes the dam seem like something of a white elephant. "Yet," said Mr. Castaneda, "there are much bigger problems, having to do with the rights of the people who were displaced."

### **Living in Pacux, Living in Poverty**

"The municipality won't help us."

Pacux is a dusty settlement of unpaved roads a few blocks wide and a few blocks long, bounded on all sides by farm fields. The hundred-odd houses that INDE built there to resettle the families of Rio Negro between 1980 and 1983 are wood structures on

concrete pads, some with cinderblock foundations.

In addition to the houses, INDE built a church, a community center, and an elementary school, all out of cinderblocks. The church is roughly the size and shape of a North American gas station, with a concrete cross in front. The school is modest but decent in appearance, with plenty of windows.

Jesus Tecu Osorio, a community leader, described the situation of the Rio Negro survivors now living in Pacux. There are approximately 125 families. Another seven or so have returned to the small part of Rio Negro that has not been submerged by the lake at Chixoy dam. Four farms ("fincas") near Pacux were given to the people of Rio Negro as part of their reparations.

The land at Rio Negro was fertile farmland, but these four fincas at Pacux are of such poor quality that only one is really usable for farming. Three have too many rocks and ravines. The usable one adjoins Pacux and a brook runs alongside it. Corn, beans, and peanuts are cultivated there.

This farming takes place in the wet season, and Jesus explained that the ground is too hard to work in the summer or dry season. However, he said, if the community had the use of water pumps, it could irrigate during the dry season, and thus have two harvests. In the summer, corn, beans, and peanuts could be grown, as well as melons and other fruits and vegetables. Money is also needed for fertilizer.

In terms of employment, Jesus said that some people go to the south coast of Guatemala to work seasonally on the coffee and cane harvests at the large fincas, where they earn 15 Quetzales a day. Others stay in Rabinal and work as day-laborers on farms or in construction. These people earn about 15 to 20 Quetzals a day, or \$2.00 to \$2.50. But this is not steady work because Rabinal is a poor municipality.

The houses of Pacux are little more than huts, constructed with horizontal siding and very few windows. Built in the early 1980s, many of them are already showing signs of rot and disrepair. One house had a cracked concrete pad, a tilted cinderblock wall, and breaks in the wood siding.

"We are not satisfied with the houses that were built for us," said Jesus. "They were supposed to be constructed from cinderblocks. The metal roofs and wooden walls make it very hot. When we light a cooking fire in the house, it is too hot. There are many problems with water, too. It is not always available --sometimes only a couple of times a week in the summer, for a couple of hours a day."

Cristobal Osorio Sanchez, President of the Pacux Improvement Committee, reinforced these complaints: "INDE has not fulfilled all of its promises. For example, it did not construct the houses well. INDE is responsible because it did not build our houses right. They promised that they would be made of cinderblocks, but they built them of wood. Our big problem is that we do not have a source of work in order to be able to fix our

houses."

"We would like to build a factory in Pacux, to make juice, for instance, something to sell. Or a chicken-processing factory. We need a water pump. We have requested this of the municipality, but they won't help us. We would also like to pave the streets. A cinderblock factory is needed, and it would be a source of work for the women. There are many widows."

"We would like to go back to Rio Negro, but we have no money to rebuild. Now, seven families live there. They have no houses -- just shelters of straw with some tin roofing. But there is no place to plant, because the land where we used to plant is under water. Those people are living from fishing. But they lack nets, and equipment for transporting the fish. They sell them now in Puerto Viejo, by the dam."

### **Discussion with INDE**

"An office hermetically sealed from reality."

A few days later, on my return to Guatemala City, I visited the office of INDE -- the agency that conceived the plan for construction of the Chixoy dam and borrowed the money from the World Bank and the Inter-American Development Bank to implement the plan.

I had heard that INDE has been privatized and is therefore unwilling to provide further compensation to the Rio Negro survivors. Raul Martinez, who is director of the Electrical Energy Generation Division (EGEE) of INDE, told me that to date only the electricity distribution division has been privatized.

Martinez explained that the Chixoy dam accounts for 69 percent of INDE's energy production and that INDE itself supplies 43 percent of Guatemala's energy, which means that Chixoy accounts for about 30 percent of Guatemala's total energy needs. The rest of Guatemala's supply sources are privately owned.

"The dam and lake have generated a large amount of work for people, and changed the economy and way of life of the region," said Martinez. "For example, it is a source of fish. People are fishing in the lake and drying various species of fish. This has become a commercial product. The lake also serves as a mode of transportation between communities."

When I asked whether INDE still owes on the loans for the dam, Martinez responded, "No, I think that the government has paid off those loans."

Martinez admitted that sedimentation was a problem. "The dam was designed to last for 50 years. So it should last another 30 years from now. The sedimentation is a problem. We have replanted some trees, but when the people see the trees growing, they cut them for firewood." Martinez said that there was no plan to find an alternative source of electricity when the dam becomes unusable.

I asked him for his position on INDE's responsibility to the people of Rio Negro.

"Five communities were resettled because of the dam, amounting to about 450 families," he said. "We provided them with places to live and space to cultivate crops. Each community has a school, a church, a multiple-use space, and a health center. Each also has water and electricity. The promises have been completely fulfilled. The World Bank has supervised this restitution, making sure that the promises were fulfilled. I don't know why people ask for more. We have given houses. Some people have sold their houses."

Martinez said that he had not heard of the campaign mounted by 60 Guatemalan organizations, facilitated by the human rights ombudsman, to press for restitution for all the crimes committed by the military during the war.

I chose not to question his understanding of the role of the dam and lake in the lives of the region's people. From what I had seen at Chixoy, there was transportation from nowhere to nowhere, on an environmentally doomed lake. I left with a feeling that I had visited an office hermetically sealed from reality.

Struck by the dissonance between what I saw in Pacux and what I had just heard at INDE, I went downstairs to the union office in the same building, hoping to learn a different perspective on INDE's responsibilities.

STINDE is the union of INDE workers, a relatively large union that has a reputation for combativeness. During its formation period in the early 1980s, its activists suffered assassinations and exile, just as did many other activists around the country.

Posters on the wall of the STINDE office proclaim: "Workers of Maquilas for Dignified and Just Work," and "Working for Peace and Development of Guatemalan Women." Although I had come unannounced, I was received quickly by Victor Chacon, Secretary General of STINDE.

Our discussion was short and disappointing. I told him about what I had seen in Pacux and Sahomax, and asked whether he felt INDE had a responsibility to make further reparations to the community of Rio Negro.

"No," he replied. "The promises were made, and they have been fulfilled, except perhaps in some small cases. The people were offered land earlier, and they kept saying that they didn't want this land, they didn't want that land."

"Times are different now than when those promises were made," he continued. "Now the communities want more. They are adding to what they say they are owed, but they got what was promised to them. Also, maybe they didn't really own 22 caballerias of land before the dam was built. Can they prove it? And maybe there are more people now in their community, more families than there were before."

From our readers: A letter from Stefan Schmitt, co-founder of the forensic team that exhumed the Rabinal remains in 1993.

### **Countdown to Failure: A Resettlement Timeline of the Chixoy Project as Seen by the Rio Negro Survivors and their NGO Allies**

1974: The LAMI consultancy consortium carries out a feasibility study of the Chixoy river valley at the request of INDE, the Guatemalan electrification institute. The study finds that "in the area of study there is almost no population."

1975: INDE publicly unveils the project. Construction begins on access roads, but further work is delayed for 15 months owing to an earthquake, which occurs in 1976. Plans for the dam are adapted.

1976: INDE secures \$105 million in loans from the Inter-American Development Bank, which assumes responsibility for drawing up a "Human Resettlement Plan" with INDE, which INDE will implement. An executive committee is established to oversee compensation, but without any participation by the communities affected.

It is predicted that 463 families (about 1,500 people) will be affected, living in five separate communities. The largest of these is Rio Negro, with 150 families. According to a 1981 INDE estimate, the population of Rio Negro stands at 791 persons.

According to the community, Rio Negro owns 22.25 caballerias of land (1,440 hectares), half of which is privately owned. The other half is common land. INDE will subsequently claim that this is exaggerated. Many families have titles to the land, but some do not.

The Human Resettlement Plan is based on the principle that the living standard of those displaced must be equal to or better than it was previously. With this in mind, the IDB-INDE study identified eight guidelines:

- 1) Consideration is to be made of the socioeconomic condition of the people, especially the culture;
- 2) Land awarded is to be equal to or better than the land flooded and is to include forests;
- 3) Resettlement communities are to be designed according to the customs of the population;
- 4) The community is to receive training as artisans due to the changes in the environment in which they live;
- 5) The population is to receive training and assistance in animal husbandry for commercial purposes;
- 6) Fishing in the reservoir is to be encouraged and assisted for commercial and nutritional purposes;

7) The tourist industry is to be built up, exploiting the archeological wealth in the area;

8) Populations affected are to receive sociological support in the resettlement process.

1976: INDE measures the land to be flooded with help from the Committee of National Reconstruction, a body established after the earthquake and made up of military personnel. It is decided that 150 families of Rio Negro will receive between two and three hectares of land each, depending on how directly they are affected.

1976: INDE officials visit Rio Negro by helicopter and inform the inhabitants that their lands are to be flooded. After responding angrily, the community selects a committee to negotiate with INDE, and discussions then take place between INDE and the community. Initially, these are loosely based on the Human Resettlement Plan. INDE offers two sites, which are rejected by the community as unsuitable.

In spite of growing distrust on both sides, it is agreed that the Rio Negro survivors will move to a site at Pacux, just outside the town of Rabinal (eight hours away from Rabinal on foot). INDE commits to providing for following:

- 1) Block houses with duralite roofs;
- 2) Potable water and free electricity;
- 3) Three (3) hectares of fertile land per family;
- 4) A communal truck;
- 5) Economic compensation for crops flooded;
- 6) A church, school, health center and road;
- 7) A boat;
- 8) Essential social services.

1978: INDE begins construction in Pacux. Over the next months, the plan is discussed and rejected by more and more families. Twenty families decide to take up the offer.

1978: The World Bank loans \$72 million to Guatemala for the Chixoy project.

1979: Without telling the community, INDE begins to remove gravel from land that is shared by Rio Negro and neighboring communities of Xococ and Pajales. Rio Negro confronts INDE, which agrees to pay the three communities \$12,000. The money is divided unequally, causing resentment between Xococ and Rio Negro.

INDE contracts with a French archaeological team to remove Mayan artifacts from the ceremonial sites but is prevented from excavating near the Rio Negro community by villagers. The French accuse villagers of stealing artifacts (which belong to the community).

1980: INDE takes the 20 families to the Pacux site. They are dismayed by the cramped conditions and decide to return to their own lands.

INDE persuades Rio Negro residents to turn over their land titles, which it promises to return but never does. The titles never reappear.

March 4, 1980: Two Rio Negro youths are accused of stealing from the canteen of Cogefar (the Italian company that is building the dam under contract to INDE) and arrested by security officials employed by Cogefar. The two are taken to the village, along with a third man, provoking an angry confrontation in which seven villagers are shot dead. One of the three drowns while trying to escape.

July 1980: Two Rio Negro representatives go to the dam site, at INDE's request, carrying the documentation on the resettlement offers. Their mutilated bodies are found a week later.

1982: The year of the massacres. There are 427 people killed in four massacres. According to witnesses, the military who took part in the May 14, 1982, massacre were transported in a truck owned by the construction company Cogefar.

January 1983: The Chixoy basin is filled. Those families still in Rio Negro abandon their homes.

1983: Four farms ("fincas") are purchased by INDE near Rabinal, comprising 122 hectares, instead of the 450 hectares (three per family) that was promised by INDE. Most of the land is rocky, without access to water, and largely unsuitable for farming. INDE conducts another census of the families in Pacux and decides that only 106 are eligible for compensation, based on those present in Pacux. This makes no allowance for those who fled or the heirs of those killed in the massacres. As a result, 44 families are excluded from compensation. INDE says that they came from communities other than Rio Negro. Adivima, the community organization, says they are closely related to victims of the massacres and had lived their whole lives in the Rio Negro basin. As such they are entitled to compensation under Guatemalan law.

June 1983: The Chixoy dam starts producing electricity.

1985: The World Bank lends another \$44.6 million to INDE for Chixoy.

1995: Pressed by the Catholic Church's pastoral office of Coban to honor its commitment to the Rio Negro survivors, INDE creates a second commission of human resettlement. No action is taken.

1996: Witness for Peace issues a hard-hitting report, entitled "A People Dammed." In response, the World Bank dispatches a high-level mission to Guatemala. The mission meets with survivors. Its report, released in September 1996, states: "It is clear the resettlement effort was poorly managed by INDE." The report also outlines steps to be undertaken to ensure compliance with the original promises.

Under pressure from the Bank, INDE starts renegotiating with the inhabitants of Pacux. Using 1978 prices, INDE offers each family only \$50 for its crop losses and undertakes to purchase more land. But INDE is strapped by years of mismanagement and corruption (some estimates put the amount lost at \$12 million). INDE has only 250,000 quetzales (\$25,000) to purchase land. The World Bank starts to look for another partner.

### **A List of INDE's Unfulfilled Promises**

Issued by Adivima, the Community Organization in Rio Negro:

- Did not construct the houses in Pacux as promised, but of poor quality wood that is already in poor condition, with roofs of metal instead of duralite (a composite material with insulating qualities).
- Did not provide free electricity (the community is now paying for this).
- Did not comply with the promise of free water. The existing pump does not fulfill the needs of the community, and it does not work during the summer.
- Did not provide 3 hectares of fertile land for each family.
- Did not buy a communal truck.
- Did not give compensation for lost plants and harvests.
- Did not construct a bridge over the dam.
- Did not form a fishing cooperative.
- Did not buy a fishing boat.
- Did not recognize 44 families of the community as directly affected although they were sons, brothers, or cousins of the original owners of the submerged land.

Sources:

- "A People Dammed: The Impact of the World Bank Chixoy Hydroelectric Project in Guatemala." This 1996 report from Witness for Peace provided the starting point for subsequent investigations. The hard copy is currently out of print.
- "The Chixoy Dam in Guatemala and the May Achi Genocide." A March 1999 submission to the World Commission on Dams by the Reform the World Bank campaign (Italy) and 41 other Italian NGOs. (email: [Riforma-BM@cambio.it](mailto:Riforma-BM@cambio.it))
- "Restitution for Communities Affected by Construction of Chixoy Dam." A March 2000 background note by Rights Action. (email: [info@rightsaction.org](mailto:info@rightsaction.org))

For more information about Carlos Chen's activities in Washington, and about his work in Guatemala, contact Rights Action, 1830 Connecticut Avenue, Washington DC, 20009, tel: 202-783-1123, email: [Info@rightsaction.org](mailto:Info@rightsaction.org).

## **From our Readers: A Letter from Stefan Schmitt, Co-Founder of the Forensic Team That Exhumed the Rabinal Remains in 1993**

*Stefan Schmitt, from the School of Criminology and Criminal Justice at the University of Florida, was one of the founders of the forensic team that conducted the exhumations at Rabinal in 1993.*

*Stefan writes to us:*

"I'm glad to see you do such great work through the documentation I have been receiving regularly through the Advocacy Project! Thanks ...and keep it going!"

- Stefan has a summary of a book on the Rabinal massacres ("Las Massacres en Rabinal," edited by Ronaldo Sanchez), which he can make available. Contact Stefan directly at: stefanschmitt@mail.com.
- Stefan's website documents the work of the forensic team in Guatemala and has several pages on individual exhumations, including Rabinal.

*The following is taken from Stefan's site:*

"I came upon human rights and forensic anthropology together. It was in the latter part of 1991 that I was traveling in the Highlands of Guatemala. There we heard about an exhumation of a mass grave in a little town called Chontola."

"On arrival we ran into Dr. Clyde Snow who was directing an exhumation carried out by several members of the Argentinean Forensic Anthropology Team. I saw that the remains were skeletal, and being a student in archaeology at the time, I asked if I could help...."

"From then on, I have been actively involved in the documentation of human rights violations through forensic anthropology. When government, whose responsibility it is to protect its citizens, instead persecutes, tortures, and assassinates them we come in to uncover and document the truth -- scientifically and without the possibility of denial."

"I am one of the founders of the Guatemalan Forensic Anthropology Team, the Equipo (now: Fundación) de Antropología Forense de Guatemala, which I directed and with whom I worked for many years. I have also worked, subcontracted through the nongovernmental organization Physicians for Human Rights (PHR), with the U.N.'s International Criminal Tribunals for Rwanda and the former Yugoslavia. I also teach a class at Florida State University called International Human Rights Investigations."