

June 14, 2017

Luis Alberto Moreno
President
Inter-American Development Bank

Dear President Moreno,

We, the undersigned national and international human rights, faith-based, environmental, labor, immigrant and refugee rights organizations, and indigenous peoples' councils, write to express our concerns in advance of the Conference on Prosperity and Security in Central America, during which the Inter-American Development Bank (IADB) is co-hosting an event on June 14, alongside the US Chamber of Commerce, a private lobbying group. We are troubled by the absence of civil society voices in the conference and by the limited scope of the conversation. We urge you to ensure that the human rights and humanitarian needs and challenges in the region are not sidelined, and to direct IADB assistance towards initiatives developed with civil society, with a focus on improving quality of life and local sustainable livelihoods.

It is a crucial moment to discuss the multitude of factors driving the forced displacement and migration of thousands of families, individuals and children from Guatemala, Honduras, and El Salvador. In 2016, the number of homicides in each of the three countries was well above the minimum identified by the United Nations to constitute an epidemic of violence.ⁱ Labor rights are not respected, prompting complaints filed against Guatemala and Honduras under the Central American Free Trade Agreement.ⁱⁱ Moreover, Guatemala is consistently one of the deadliest countries in the world for labor rights advocates.ⁱⁱⁱ There are also high levels of violence against women and girls and the LGBTI community.^{iv} The Northern Triangle countries also continue to face tremendous challenges in addressing corruption, gang violence and organized crime. Military operations and abuses by security force members have been a driving factor of displacement in the region. The 2016 U.S. State Department human rights reports on Guatemala, as well as Honduras and El Salvador, document the involvement of security forces in crimes such as excessive use of force, unlawful killings, sexual violence, and corruption.^v

At the same time, access to justice for ordinary citizens is elusive and the majority of crimes, including corruption and abuses involving high-level officials, remain in impunity. Many of the most vulnerable in the region are indigenous and *campesino* families who face violent evictions, land grabbing, and insecurity related to extractive and hydroelectric projects. Investments in industrial agriculture and large-scale monoculture crops such as palm oil have similarly had a devastating impact on these communities' livelihoods and security.^{vi} Indigenous peoples, community leaders and human rights defenders who denounce abuses, and work to protect their lands, risk being victim of public defamation, intimidation, baseless legal complaints, criminalization, and assassination. Guatemala and Honduras rank among the most dangerous countries in the world for environmental defenders.^{vii} Those who flee this violence, including women, families, and children, have sought international protection not only in the United States but also in Mexico, which last year had a record number of asylum requests, the majority from Central America.

In this context, civil society organizations in the U.S., Mexico, Honduras, Guatemala, and El Salvador have called for government action to prioritize protecting the most vulnerable and to ensure the international rights of refugees and asylum seekers. They have called for external assistance to be targeted at strengthening anti-corruption efforts, accountability, and access to justice; combatting criminalization; ensuring a living wage for workers; and promoting full respect for human rights. Communities have also reiterated time and again that sustainable, inclusive economies that reduce poverty and improve livelihoods can only be achieved through transparent programs implemented in partnership with local citizens and with full respect for indigenous peoples' right to self-determination.

Unfortunately, this conference does the opposite, creating a platform for corporate investors while excluding civil society voices, and proposing "job creation" as the primary solution to security and economic challenges. In fact, in a recent interview with Reuters, Mr. Moreno, you described the Miami meeting as an attempt to "deliver 'an investment shock' to create jobs and prevent migration."^{viii}

This approach obscures complex governance and human rights challenges, and reinforces economic drivers of inequality. While job creation is important, investment without basic labor rights will perpetuate instability and poverty, and fail to address the root causes of migration. At the same time, public and private investment in energy, agriculture, and infrastructure projects have had widespread, negative impacts on vulnerable communities in the region. Rather than supporting land tenure and food security for small farmers, this approach will likely speed the transfer of thousands of hectares of land, needed for subsistence farming, into the hands of large-scale agribusiness and transnational companies, exacerbating displacement and forced migration. Moreover, this approach neglects completely the protection needs and human rights of poor or marginalized communities, as well as women, families, and children.

IADB lending in the region has reflected this approach in the past, and despite the existence of social and environmental safeguards, communities affected by Bank-funded projects consistently raise complaints about adverse project impacts.^{ix} For example, the IDB has supported “sustainable forest management practices of the forest communities” in the Maya Biosphere Reserve,^x where, on June 2, 2017, the Guatemalan military initiated forced evictions in communities that fall within the Reserve; an estimated 700 people have sought refuge in Mexico and more evictions are planned today.^{xi} Bank investments in financial intermediaries such as Banco Ficohsa and Banco Industrial add another layer of complexity. It is notable that, at the same time that the International Finance Corporation’s Compliance Advisor Ombudsman released an extremely critical report of IFC’s lending to Ficohsa, in 2016,^{xii} the IIC announced it was expanding its support to the Honduran bank, which has funded companies linked to violent conflict, such as Corporación Dinant.^{xiii}

Furthermore, IADB support for border initiatives in the Northern Triangle also raises concern. At the El Salvador-Honduras border, the IADB is presently funding a program aimed at “reducing under-registration and improving legal identity in border areas, by means of gathering information about non-registered Salvadoran children and adolescents who reside in the border area with Honduras.”^{xiv} At the Guatemala-Mexico border, the Bank has been poised, since 2015, to fund programs to strengthen fiscal reforms, improve border infrastructure and contribute to “better border control of migrants that cross the border on their way to the United States.”^{xv} The technical assistance to El Salvador was provided without any public project documents; in Guatemala, Defense Ministry was named as the executing agency, sparking opposition from civil society. Both projects raise questions about the full scope and objectives of the funding, what support – if any –will be afforded to vulnerable populations, and how the Bank will ensure these projects don’t contribute to violations of the internationally-recognized rights of refugees and asylum seekers.

Given these concerns, we urge the IADB to use the upcoming conference to engage in a broader conversation about an effective response to forced displacement and migration from Guatemala, Honduras, and El Salvador. The Bank must recognize the complex root causes of this phenomenon and carefully analyze its own interventions, and must create a viable space for meaningful and robust civil society leadership in any discussions regarding models for sustainable development. Regional development plans should be drafted only after consultation with communities and civil society in the region. Specific funding initiatives, likewise, should only be approved after consultation – and free, prior, and informed consent when applicable – as well as serious consideration of, and appropriate remedy for, adverse impacts during all stages of project preparation and implementation.

Private investment and job creation must go hand-in-hand with human rights protections, which include respect for indigenous rights, enforcement of labor rights, support for vulnerable populations, environmental safeguards, and meaningful community participation. Inaction on these issues risks destroying local livelihoods and exacerbating the plight of those fleeing violence. We call on the Inter-American Development Bank to demonstrate leadership in addressing these challenges during the upcoming conference and beyond.

Sincerely,

Central America and Mexico

ADES Santa Marta – El Salvador

Alianza para la Conservación y el Desarrollo (ACD) -- Panamá

Asociación de Mujeres Profesionales por el desarrollo Integral/ AMPDI – Nicaragua

Centro de Análisis Forense y Ciencias Aplicadas (CAFCA) - Guatemala
Centro Internacional para Investigaciones en Derechos Humanos (CIIDH) - Guatemala
Consejo del Pueblo Maya de Occidente (CPO) - Guatemala
Consejo de Pueblos K'iche' (CPK) - Guatemala
FIATPAX HAGAMOS LA PAZ - Nicaragua
Instituto de Derecho Ambiental A.C. – México
Red Jesuita con Migrantes – El Salvador
Seguridad en Democracia (SEDEM) – Guatemala
Unidad de Protección a Defensoras y Defensores de Derechos Humanos de Guatemala-UDEFEGUA
Unión Nacional de Mujeres Guatemaltecas (UNAMG) - Guatemala
XAJ-K, Autoridades Ancestrales del Pueblo Q'eqchi', Norte de Guatemala

Regional and International

Accountability Counsel
Amazon Watch
American Friends Service Committee (AFSC)
Asociación Interamericana para la Defensa del Ambiente (AIDA)
Bank Information Center (BIC)
Both ENDS
Center for International Environmental Law (CIEL)
Chile Sustentable - Chile
Committee in Solidarity with the People of El Salvador (CISPES)
Crude Accountability
Ecosistemas - Chile
Forest Peoples Programme
Fundación para el Desarrollo de Políticas Sustentables (FUNDEPS) – Argentina
Global Rights
Global Witness
Guatemala Human Rights Commission/USA
International Accountability Project
International Rivers
International Trade Union Confederation (ITUC)
Jamaa Resource Initiatives
JASS (Just Associates)
Latin America Working Group (LAWG)
Maryknoll Office for Global Concerns
Movimiento Sueco por la Reconciliación - SweFOR
Network in Solidarity with the People of Guatemala (NISGUA)
Other Worlds
PBI-USA
Sisters of Mercy of the Americas' Institute Justice Team
Women's Refugee Commission

CC:

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ⁱ “*Violencia siguió desatada en el Triángulo Norte: 14 mil 870 homicidios en 2016*”, Departamento 19, Honduras, 7 de enero de 2017, (<http://www.departamento19.hn/index.php/elcamino/ddhh/42993-violencia-siguio-desatada-en-el-triangulo-norte-14-mil-870-homicidios-en-2016-.html>)

ⁱⁱ See information on Guatemala complaint (<https://ustr.gov/issue-areas/labor/bilateral-and-regional-trade-agreements/guatemala-submission-under-cafta-dr>) and Honduras complaint (<https://www.dol.gov/ilab/reports/pdf/HondurasSubmission2012.pdf>)

ⁱⁱⁱ A survey of violations of trade union rights found that, in Guatemala, there is “no guarantee” of freedom of association, collective bargaining and the right to strike. See <http://survey.ituc-csi.org/Guatemala.html#tabs-1>.

^{iv} A recent study found that sexual and gender-based violence was a principle factor in many women and girls’ decision to migrate. See Kids in Need of Defense, *Childhood Cut Short: Sexual and Gender-based Violence Against Central American Migrant and Refugee Children*, June 7, 2017 (<https://supportkind.org/resources/childhood-cut-short/>)

^v U.S. State Department, Human Rights Reports, <https://www.state.gov/j/drl/rls/hrrpt/>

^{vi} See, for example, information on the Polochic evictions in Guatemala (<http://www.ghrc-usa.org/our-work/current-cases/polochic/>), violence related to Palm Oil in Guatemala (<http://www.truth-out.org/news/item/33085-guatemalan-activist-murdered-after-court-suspends-palm-oil-company-operations>), land conflict related to palm oil and sugar cane (https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-land-power-inequality-latin-america-301116-en.pdf), and violence in Honduras related to land conflict (<https://www.globalwitness.org/en/campaigns/environmental-activists/honduras-deadliest-country-world-environmental-activism/>, <https://www.theguardian.com/world/2016/oct/19/honduras-land-rights-activists-killed-unified-peasant-movement>)

^{vii} United Nations, Office of the High Commissioner, Report on Environmental human rights defenders, 2016 English, (<https://www.protecting-defenders.org/pdf.js/web/viewer.html?file=https://www.protecting-defenders.org/sites/protecting-defenders.org/files/environmentaldefenders.pdf>). For Guatemala, see also UDEFEGUA’s 2016 annual report (<http://udedefgua.org/wp-content/uploads/2017/05/Informe-Genaral-2016-FINAL6.pdf>) and on Honduras: the Deadliest Place to Defend the Planet,” Global Witness, January 2017, <https://drive.google.com/file/d/0B8bQtL9UvhPNRTBvc2hTTG44S0k/view>. As a region, the Americas have been the most dangerous

^{viii} U.S. coaxes Mexico into Trump plan to overhaul Central America, By Gabriel Stargardter, May 4, 2017, (<http://www.reuters.com/article/us-usa-immigration-central-america-idUSKBN1800E4>)

^{ix} See, for example, the Mareña Renovables Hydropower project (<http://www.iadb.org/en/mici/me-mici002-2012-marena-renovables-wind-project-mexico-compliance-review-report-published-after-consideration,20488.html>), and other cases filed at the IADB’s Independent Consultation and Investigation Mechanism. (<http://www.iadb.org/en/mici/mici,1752.html>)

^x See project details related to funding for the Maya Biosphere dating back to 2005. (<http://www.iadb.org/en/projects/project-details,1301.html?Country=&Sector=&Status=&query=Maya+biosphere>)

^{xi} See press release from the International Commission of Jurists, dated June 5, 2017, and the alert by the Guatemala Human Rights Commission/USA (<https://ghrcusa.wordpress.com/2017/06/12/700-guatemalans-take-refuge-in-mexico/>)

^{xii} CAO investigation info IFC lending to Ficohsa (http://www.cao-ombudsman.org/cases/case_detail.aspx?id=209)

^{xiii} Banco Ficohsa will expand its SME portfolio with support from IIC, IIC, 12-22-2016 (<http://www.iic.org/en/media/news/banco-ficohsa-will-expand-its-sme-portfolio-support-iic#.WS7aLxPyyuqA>)

^{xiv} IADB project page (<http://www.iadb.org/en/projects/project-description-title,1303.html?id=ES-T1248>)

^{xv} Project Profile for “Programa de Integración Fronteriza Guatemala-Mexico (GU-L1086),” Inter-American Development Bank (<http://IADBdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39595659>)