

The Rt Hon Chris Huhne MP

Secretary of State
Department of Energy
and Climate Change

CDM Watch and Biofuelwatch
By email

U April 2011

Dear Sir/Madam,

REQUEST TO WITHDRAW UK AUTHORISATION OF THE AGUAN BIOGAS RECOVERY PROJECT IN HONDURAS

Thank you for your letter sent to the UK Designated National Authority (UK DNA) on 4 February 2011, regarding allegations of human rights abuses connected with two CDM projects in Honduras. I am grateful to you for bringing this disturbing situation to my attention and apologise for the delay in responding.

Before addressing the substance of the allegations I would first like to clarify that of the two projects affected, the UK DNA has only issued a Letter of Authorisation (LoA) for the "Aguan Biogas Recovery Project". To date no application has been received for the "Lean Biogas recovery from Palm Oil Mill Effluent (POME) ponds and biogas / biomass utilisation" project.

With respect to the allegations themselves, these are clearly very serious and deserve careful consideration. You will appreciate the difficulty that the UK Government faces in verifying the specific allegations, and in particular the extent to which they are linked to the Aguan Biogas Recovery Project in this case. To that end I have written to a number of relevant organisations and responsible bodies and asked for further information.

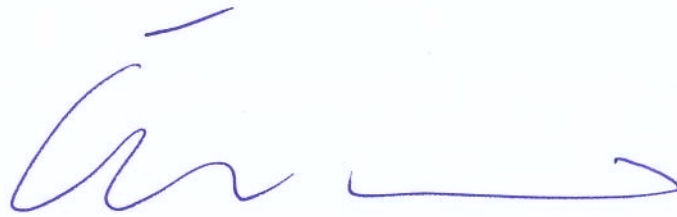
Firstly, as you will know, the primary responsibility for ensuring projects meet the Clean Development Mechanism (CDM) requirement of contributing to sustainable development lies with the host country authorities – in line with the internationally agreed rules for the CDM. I have therefore written to the Honduran DNA and requested further information and a response to the allegations.

Secondly, as you may be aware, the CDM Executive Board is due to review the project on Thursday this week (14 April). I have written to the Board asking that they take account of the allegations described in your letter to the extent that is possible when reconsidering the project. I have also written to the project participant, EDF Trading Ltd, seeking their responses to the allegations.

More broadly, the UK is aware that land issues are a sensitive subject in Honduras, and of the reports of serious human rights abuses in the Bajo Aguan area linked to the land conflicts there. The UK Embassy in Guatemala also covers Honduras and our Ambassador and her staff have visited Honduras and met with NGOs to hear about their concerns, and to raise human rights issues with the Honduran Government.

We are also working more broadly in the region on sustainable development and climate change issues, and earlier this year (17-18 February), we held a clean energy conference in San Pedro Sula, Honduras with a wide range of public and private sector representatives. One of the key sessions looked specifically into issues of planning, mediation with local communities, and the sustainability of clean energy and environmental projects.

We will study the result of the CDM Executive Board's review, as well as any responses from EDF Trading Limited and from the Honduran authorities and we will then assess whether any further action by the UK government is appropriate.



CHRIS HUHNE