

To the  
CDM Executive Board  
Martin Luther King Strasse 8  
P.O. Box 260124  
D-53153

**Re: CDM project application 3197: Aguan biogas recovery from Palm Oil Mill Effluent (POME) ponds and biogas utilisation - Exportadora del Atlántico, Aguan/Honduras**

4 January 2011

Dear Chair,

On behalf of Biofuel Watch, Salva la Selva/Rettet den Regenwald and CDM Watch we are writing to express our serious concerns about the proposed CDM project involving Exportadora del Atlántico in Bajo Aguan, Honduras.

Registration has been requested following a validation report by TUV Sued which recommends approval. **Deadline for requesting review is 5 January 2011.** Our concerns relate to human rights abuses involving the company in question as well as serious questions regarding their claim to the land on which the oil palm plantations are located, and thus to the requirement for CDM projects to support 'sustainable development' and, furthermore, to additionality.

Human rights abuses and questionable land claims:

Exportadora del Atlántico is a subsidiary of Grupo Dinant, a company owned by Miguel Facusse.

16 farmers belonging to MCA (Peasant Movement of Aguan) and MUCA (United Peasant Movement of Aguan) were assassinated in 2010, with strong evidence that paramilitaries under orders of Miguel Facusse were responsible for the assassinations. The most recent killings took place on 15th November 2010, when five farmers (Teodoro Acosta, Raúl Castillo, Ignacio Reyes, Syriac Jesus Muñoz and José Luis Saucedo) were killed and others were wounded. An Open Letter by six international NGOs, directed at the European Union (APOL, APRODEV, CIDSE, CIFCA, FIAN International and FIDH), states that according to their information, "the killings occurred when about 200 security guards, allegedly on the orders of palm oil producer Miguel Facusse Barjum, carried out a violent eviction in the farm El Tumbador and opened fire with heavy weapons against the peasants". The organisations express particular concern about the complete impunity of human rights abuses in Honduras and state that the failure of the regime, since the military coup in June 2009, to implement agrarian reform legislation, has contributed to this impunity ([tinyurl.com/36vgrq2](http://tinyurl.com/36vgrq2)).

Between March and November 2010, the International Observatory on the Situation of Human Rights in Honduras has made several requests for information to the Special Prosecutor for Human Rights on the murders, yet they have seen no evidence of any investigations having been commenced.

In April 2010, 40 international organisations had condemned the murder of eight peasants in Bajo Aguan and the increasing militarisation, violence and repression in the area, as well as the impunity of human rights abuses since the coup ([tinyurl.com/2wegcy2](http://tinyurl.com/2wegcy2)).

In May 2010, the Interamerican Commission on Human Rights visited the area and expressed their concerns about the militarisation in Bajo Aguan and about Executive Decree PCM-014-2010 which mandates the involvement of armed forces to 'aid' the National Police in the area ([tinyurl.com/3a62gbv](http://tinyurl.com/3a62gbv)).

Human rights abuses, including killings of journalists and political activists, and impunity in Honduras have been widely condemned since the coup, including by the European Commission ([tinyurl.com/3a3l8ek](http://tinyurl.com/3a3l8ek)).

Given the serious human rights abuses on palm oil plantations belonging to Dinant, which supply palm oil to the palm mill to which the CDM application relates, we believe that the application must not be granted because it would not support 'sustainable development'.

Furthermore, there is strong evidence that Miguel Facusse and thus Exportadora del Atlántico hold no legal titles to the land on which the plantations are located, or at least to large parts of it. 5,000 hectares of the land previously belonged to the former US Regional Military Training Centre. Legislative decree 18-2008, which came into force in May 2009, mandated the National Agrarian Institute (INA) to transfer those lands to landless families, yet since the coup, this and other agrarian reform legislation have not been implemented. Following land recuperations by MCA, the current regime signed a deal with MCA under which peasants would be given 3,000 hectares of oil palm plantations and 3,000 hectares of uncultivated land where they could grow food, as well as a further 5,000 hectares over the next year ([tinyurl.com/34p86v2](http://tinyurl.com/34p86v2)), on the condition that they had to continue to grow oil palms on the 3,000 hectares already cultivated with it and to sell the palm oil to Miguel Facusse. Yet Miguel Facusse's Grupo Dinant/Exportadora del Atlántico has not released the land and has instead responded with greater violence.

Company claims over other plantations in the area are equally questionable. According to MUCA, most of the land held by Facusse was 'sold' to him by cooperatives in the early to mid-1990s yet under the Law of Agrarian Reform those sales were illegal: The sales were far below the market price, and the terms of the sales stipulated that the land would remain state owned but could be farmed by peasants. The former President Zelaya had signed an agreement in June 2009 that guaranteed state resources to resolve the conflict. ([tinyurl.com/ygxdgfg](http://tinyurl.com/ygxdgfg)).

We believe that the serious questions regarding the legality of the project applicant's land claims, with well-documented evidence against those claims, are another strong reason against the application being approved.

#### Additionality:

The contract under which Bio-Tec was to deliver two biogas digesters to Dinant in Bajo Aguan was signed in 2007. A further contract, in respect of biogas production by Exportadora del Atlántico, was signed in 2009 ([tinyurl.com/3xntpla](http://tinyurl.com/3xntpla)). In 2009, the World Bank's International Finance Corporation approved \$30 million for Dinant, part of which was for "installing biogas recovery facilities in order to use the methane to fuel boilers for electricity generation", according to the application report ([tinyurl.com/36nf92l](http://tinyurl.com/36nf92l)). The fact that biogas production at the site has already been financed through the IFC is not mentioned in TUV Sued's report.

On the basis of these serious concerns about human rights abuses and questionable land claims as well as doubts about the additionality of the project we believe that the project

does not qualify as a CDM project and should therefore be rejected. Since deadline for requesting review is 5 January, we would like to urge you to initiate a review of the registration request as soon as possible.

We trust that you take our concerns seriously.

Yours faithfully,

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Biofuel Watch

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