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**Press Release: For immediate release**

## **UN's offsetting project Barro Blanco hampers Panama peace-talks**

*Brussels / Panama City, 15 March 2012. The heavily contested hydro power project Barro Blanco, approved under the UN offsetting scheme, continues to impede ongoing peace talks between the Panamanian government and the indigenous Ngöbe-Buglé people over a law banning mining and hydroelectric projects in indigenous territories. Environmental groups around the world call for a withdrawal of the concession for Barro Blanco and a suspension from the carbon offsetting scheme. They also call on banks and companies to immediately freeze their support to the project.*

Recent violent clashes between the police and indigenous protestors against government plans for a vast copper mine and hydroelectric schemes on their territory left at least two dead and more than a hundred wounded and arrested. Ngöbe-Buglé, the largest indigenous peoples group of Panama, demand protection of their rights and resources through a law banning mining and hydroelectric projects affecting their territories, which are legally recognized by the Government of Panama as collective property of the Ngöbe-Buglé indigenous people. They demand that all concessions that were granted without their approval, including for the contentious Barro Blanco hydro-electric project, be cancelled.

Barro Blanco is a 28.84 MW hydroelectric CDM project on the river Tabasara. The project is being financed by European Banks from Germany (DEG) and the Netherlands (FMO) and was approved under the UN's offsetting scheme in June 2011 despite concerns about accuracy of the Environmental Impact Assessment and local stakeholder requirements. The water reservoir of the dam is expected to flood land belonging to the Comarca of the Ngöbe-Buglé - a semi-autonomous reservation owned and administered by Panama's indigenous Ngöbe and Buglé people. More than half a dozen townships along the riverbanks in Ngöbe-Buglé territory will be flooded and the livelihoods of some 5000 Ngöbe farmers who rely on the river for potable water, agriculture and fishing will be negatively and irrevocably impacted. Yet, the project developer Gensia has publicly made misleading claims that the flooded area will be smaller than it actually is and not impact the tribal communities.

### ***UN must ensure impartial review***

Due to increasing clashes between the communities and the government, the United Nations is now facilitating the peace talks. The deadlock was brokered with an agreement to carry out a review of the project's disputed Environmental Impact Assessment.

*"Although required by law, Barro Blanco failed to conduct a second Environmental Impact Assessment after it increased the originally foreseen capacity from 19 to 28 MW. The increased size causes the additional flooding of 25 hectares and impacts the lands of the Ngöbe-Buglé" said Oscar Sogandares of the Environmental Group Asociación Ambientalista de Chiriquí "The EIA also fails to mention the impacts of the dam on the biodiversity of the exuberant tropical rain forest and wildlife in the Tabasara valley. Several endemic species are facing extinction if the dam is built."*



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*“The rights of the Ngöbe-Buglé are enshrined in Panama’s Constitution and must be upheld by all projects affecting their territory, including by the Barro Blanco project. We call on all banks and companies involved in this project to suspend their support.”* commented Guadalupe Rodriguez from Salva la Selva.

On a surface of barely 75,000 km<sup>2</sup> Panama has 30 CDM hydro projects with an installed capacity of 1804 MW in the pipeline of the UN’s offsetting scheme.

*“If carbon offsetting projects violate the enshrined rights of indigenous peoples, the UNFCCC must act and restore trust in the UN”* commented Eva Filzmoser from CDM Watch. *“We call on the UNFCCC and the national authority ANAM to make sure that the Environmental Impact Assessment of the Barro Blanco project is thoroughly reviewed and the approval subsequently withdrawn.”*

ENDS.

**Supporting Documents for Download:**

- [Letter highlighting concerns of Barro Blanco to the CDM Executive Board](#) – 9 February 2011
- [Second letter to the CDM Executive Board](#) – 24 March 2011
- [Response by the CDM Executive Board](#) - 20 December 2011
- [Assessment Report for European Investment Bank](#) – May 2011

**More information:**

- <http://www.guardian.co.uk/world/2012/feb/19/panama-protest-silvia-carrera?INTCMP=ILCNETTXT3487>
- <http://intercontinentalcry.org/in-defence-of-the-rio-tabasara/>
- <http://www.laestrella.com.pa/online/impreso/2012/03/13/cuestionan-a-la-anam-por-proyecto-barro-blanco.asp> (Español)

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