For Immediate Release

Mexican Lawmakers Call for the Immediate Suspension of the Cerro de Oro Hydroelectric Project

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OAXACA, Mexico, January 27, 2011 – On Wednesday, Mexican lawmakers called upon the State Governor of Oaxaca to suspend the Cerro de Oro Hydroelectric Project. The call comes in support of indigenous communities in the Project area who filed a complaint to a U.S. government agency financing the Project based on concerns about the Project's impacts on their drinking water, livelihoods, health, and environment. Although construction began last year, local residents have not been fully informed or consulted regarding the Project and its impacts.

In a rare move, Congresswoman Angela Hernández Solís asked that the work on the Hydroelectric Project be stopped until its impacts are made known to the affected communities. "When indigenous communities and their territories are involved, they have the right to give or refuse consent for the project in question," said Hernández Solís on Wednesday during LXI session of the Oaxaca State Legislature. She called on her peers to form a commission to inspect the site, a request that was approved unanimously. The commission is expected to visit the site by early next month.

Members of the affected Chinanteco indigenous communities have expressed concern about the Hydroelectric Project to various state agencies and to the implementing company, Electricidad del Oriente and COMEXHIDRO, to no avail. Members of three affected communities filed a complaint in November 2010 to the Office of Accountability of the Overseas Private Investment Corporation (OPIC), a U.S. federal agency that financed the Project through a New York-based investment firm, Conduit Capital Partners. The complaint requests a mediated forum to address community concerns about the Project. It also calls for an audit by the Office of Accountability regarding OPIC's failures to follow its own social and environmental policies. For example, OPIC has not yet received required social and environmental impact assessments from the company, despite the fact that construction on the Project began last year and is already causing harm.

U.S. Congress created the Office of Accountability in 2005 so that complaints like this one may be addressed in a fair and objective manner. The Cerro de Oro complaint is only the fifth case to be filed with the Office. The Washington D.C.-based OPIC Office of Accountability visited the communities in early January 2011 to assess the situation on the ground. A report from the Office of Accountability is expected soon.

The communities are assisted in their call for accountability by a coalition of Mexican and U.S.-based organizations. Accountability Counsel is a non-profit organization that supports communities around the world seeking accountability for human rights and environmental harm through citizen complaints and policy advocacy. More information about Accountability Counsel and the Cerro de Oro case may be found at www.accountabilitycounsel.org.