

## PRESS RELEASE

### FMO and Finnfund finalize Exit Agua Zarca

THE HAGUE, 6 July 2017

Two of the lenders of the Agua Zarca hydropower project in Honduras, FMO (Netherlands Development Finance Institution), Finnfund (Finnish Fund for Industrial Cooperation), together with owner and developer DESA, mutually agreed to end their existing contractual relations. This joint conclusion was reached after extensive consultations with a large number of local and international stakeholders and through the work of an independent fact finding mission and an independent consultant.

The lenders have supported this project believing that it would bring positive development impacts for the country and local communities. This view has been shared by many of the communities living in the area of influence of the project but not all of them. Whoever takes the time to visit each of the communities in the area and listen to what their members have to say will find that there is more than one position about the situation, the project and the solution going forward.

The lenders' exit from the project is intended to reduce international and local tensions in the area. The lenders wish that all external stakeholders allow for local communities to initiate a dialogue among themselves to decide on the future of the area, the development options they have at hand, and if a hydroelectric project should be one of them or not.

The lenders believe such a dialogue should be voluntary, convened by a credible international institution that is acceptable to all parties, allow for all the views of community members to be heard and respected, and should be free from interference from any private or public external institution or group. Furthermore, it is important that a credible international human rights institution that can monitor the situation on the ground before any dialogue is initiated so as to ensure that participants can feel free to speak their minds without fear of retaliation from anyone.

The lenders note that no proven connection has been established between DESA and allegations regarding any illegality. They also appreciate DESA's willingness to put the project on hold to allow for such a dialogue to happen and their commitment to accept its outcomes.

Certain community development projects that were underway will be finalized and measures will be taken to mitigate environmental risks that result from the construction activities being put on hold.

### END OF PRESS RELEASE

For more information, please visit the Agua Zarca page on the FMO website:

- <https://www.fmo.nl/agua-zarca>

## About FMO

FMO is the Dutch development bank. FMO has invested in the private sector in developing countries and emerging markets for more than 46 years. Our mission is to empower entrepreneurs to build a better world. We invest in sectors where we believe our contribution can have the highest long-term impact: financial institutions, energy and agribusiness. FMO has an investment portfolio of EUR 9.8 billion, spanning over 85 countries. [www.fmo.nl](http://www.fmo.nl)

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