

Daughter of Berta Cáceres seeks criminal probe in Honduras

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Tegucigalpa, July 18 (RHC)-- A petition for a criminal probe against the Dutch state-run development bank FMO has been filed in the Netherlands for alleged complicity in bloodshed in Honduras.

FMO, the acronym for the Netherlands Development Finance Company, had been involved in financing the controversial Agua Zarca dam project in northwest Honduras from 2014 to 2017. The project, slated for construction in Indigenous Lenca territory, drew international scrutiny after several murders surrounding the project, including the 2016 assassination of world-renowned Indigenous water defender Berta Cáceres.

Cáceres had led the resistance to the dam, which many Indigenous people said would displace them from the Gualcarque river, regarded as sacred. She was later killed by a hit squad whose members had connections to both the Honduran military as well as DESA, the dam-building company receiving loan money from FMO.

David Castillo, the former chief executive of DESA, was sentenced to 22 and a half years in prison on June 20 for being a collaborator in the killing.

Cáceres's daughter Bertha Zúñiga Cáceres, who on June 28 jointly filed the 138-page petition with a Dutch court along with Amsterdam-based law firm Global Justice Association, alleged that FMO was negligent in ignoring warning signs that their money was being embezzled on an enormous scale, allowing that money to go towards violence. They say that doing so may violate Dutch anti-money laundering laws.

One of the payments of FMO loan money, they argue, closely corresponds to WhatsApp conversations extracted by Honduras's public prosecutor in which Castillo, the CEO of the dam company, and the head of the assassin squad discussed needing money to carry out Cáceres's murder several days later.

"For the Lenca people this new legal action is the opportunity to reveal the criminal activity inherent to the financing of the Agua Zarca," Zúñiga Cáceres told Al Jazeera. It is also a way, she said, "to know that my mother wasn't mistaken in establishing that these businesses and these banks are criminals".

In a written response to Al Jazeera, FMO spokeswoman Monica Beek referred to a June 28 statement published on the financier's website over the allegations.

"As we understand from several news articles, charges have been filed against FMO by the Cáceres family," the statement read. "This is a new development that relates to legal proceedings that have been ongoing since 2018. As we have said several times before, we deeply regret the death of Berta Cáceres. Her death is a dark page in our history. However, we distance ourselves strongly from the accusations that – as we understand – have been put forward against FMO. If it should give rise to an investigation, FMO will of course fully cooperate."

Newly released Dutch and U.S. legal documents published by The Intercept last month revealed that FMO had repeated access to paperwork showing their Honduran loan recipients appearing to embezzle millions of dollars — requesting funds for companies that no longer participated in the Agua Zarca project while at the same time routing them to an unrelated concrete company that, based off of the Honduran corporate registry, appeared to be inactive.

Several of these payments, sent through an offshore account with Deutsche Bank NYC, were personally signed off by an FMO representative despite the apparent inconsistencies between the supposed recipient and the bank account to which the money was in fact being sent.

One of these payments, a \$1.7 million transfer signed off by an FMO representative, closely corresponded to text exchanges between Castillo and the head of the assassin squad in which they discussed needing funds for Cáceres's killing, according to her daughter and the Global Justice Association.

Following an abortive attempt at killing her in February, the head of the squad said he needed "logistics" money. Early on March 1, 2016, Castillo texted the head of the group that he could pay him later that morning because "the requested loan can be available." Cáceres was murdered the following day.

FMO prides itself on investing in "high-risk" countries where corruption and investors would deter other investors. Since a 2009 coup some allege was greenlit by the US State Department, Honduras has consistently been one of the most dangerous countries in the world outside a war zone. It has also been one of the deadliest for environmental defenders, with more than 120 murdered since the coup, according to Global Witness — with many of them resisting dam, mining or agrobusiness projects.

Cáceres had warned FMO to not finance Agua Zarca for these reasons. But it did not stop them from signing a loan agreement in February 2014.

The potential criminal investigation of FMO would not be the first time an international lending institution has come under fire for alleged complicity in bloodshed in Honduras.

In 2017, a civil lawsuit was filed in a US court against the International Finance Corporation (IFC), the private lending arm of the World Bank, for funding Dinant, a Honduran palm oil company implicated in bloody land wars on the country's Caribbean coast. The suit, which is ongoing, alleged the IFC loaned Dinant millions while the company "hired (and continues to hire) paramilitary death squads and hired assassins" that have been accused of many killings. Dinant has denied any responsibility for the violence.

The new petition for a criminal investigation against FMO will "hold [the bank] accountable for suspected criminal behaviour," according to legal jurist Ron Rosenhart Rodríguez, associated with the Global Justice Association. "It's an important and relatively unique step in an already emblematic case which will hopefully shed further light on the violence against the people [affected by Agua Zarca] and the killing of Berta Cáceres."

Powerful actors were at play behind the Agua Zarca project. One of the main backers was the Atala Zablah family, a banking family with immense political power in Honduras and investments in construction, finance, and sports. José Eduardo Atala Zablah was formerly part of the Central American Bank for Economic Integration (CABEI), which financed Agua Zarca alongside FMO. His son, Daniel Atala Midence, the CFO of DESA, requested numerous loans from FMO wherein the stated recipient did not match the account number listed. The family has repeatedly denied any involvement in the killing.

"Agua Zarca has shown that development banks are capable of sacrificing the protection of human rights for commercial gains," Rosenhart Rodríguez told Al Jazeera. "There are several other examples of development financing that reflect that same disregard to community rights. In our view, there is indeed a more structural mentality problem within these banks."

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