



AGUA ZARCA REACTIVATION WILL BE ESSENTIAL FOR GENERATING EMPLOYMENT, DEVELOPMENT, AND OPPORTUNITIES IN HONDURAS

An independent report commissioned by FMO highlights that communities will suffer an immediate negative impact if the project is not reactivated.

The report states that "there is clear evidence that Agua Zarca brings great social benefits and has significant support from the communities that are directly affected"

TEGUCIGALPA, Honduras, 22nd of September, 2016 – As a result from the report and the recommendations of “Mission of Independent Investigation” commissioned by the Dutch Bank of Development (FMO for its acronym in English), held between the 23rd and 28th of May 2016 in Honduras, the developer Agua Zarca reaffirms its commitment to not rest until this important renewable energy project revives, which aims to contribute to the development and generate more employment opportunities in Honduras. As FMO, Agua Zarca works for the peace and development of the people.

Most importantly the report states that Agua Zarca represents a positive development for the communities, who are in a desperate, urgent need of jobs. Due to this reason, the report recommends that the Agua Zarca Hydroelectric Project should continue for communities to achieve a sustainable development path.

The report also notes that currently 60 % of the Honduran population lives in poverty, a figure that is even higher in rural areas. On the other hand, the unemployment rate in the country is around 40%, which is why the report notes it is important to ensure the viability of projects like Agua Zarca, which contribute to the creation of jobs, opportunities and development for the country, and particularly for the most marginalized communities.

It is very important to mention that the Mission of Independent Investigation and international independent experts who were commissioned by FMO carried out a process of research and consultation with relevant national stakeholders, from government officials to members of the communities in the areas of influence, and they concluded that the project was developed in accordance with the rules in force in Honduras, and according to the performance standards of the World Bank and the International Finance Corporation (IFC) for such projects .

The report concludes that the Free, Prior and Informed Consent was conducted in the catchment areas directly impacted by the project and that the ten impacted community gave their consent to proceed.

That said, experts suggest the project continues so that the economic and social development remains growing from sources of work that represent a path to wellness.

###