

# Barro Blanco dam project Panama

**Sectors:** Hydroelectric Power Generation

## ● On record

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[Project website](#)

<b>Sector</b>	Hydroelectric Power Generation
<b>Location</b>	
<b>Status</b>	Planning Design Agreement Construction <b>Operation</b> Closure Decommission
<b>Website</b>	<a href="http://www.genisa.com.pa/en/barro-blanco/">http://www.genisa.com.pa/en/barro-blanco/</a>
	This project has been identified as an <a href="#">Equator Project</a>

## About Barro Blanco dam project

The Barro Blanco dam is under construction in the Tabasara river, in the Chiriqui Province of Panama. The dam will have a capacity of 28.85 megawatts and a reservoir surface of 2.58 square kilometres. It is being built by the Honduran owned special purpose company Genisa and is being financed by FMO, DEG and CABEL. Construction has been completed, except for testing of the facilities. As agreed upon in August 2015, operations would not start until a final agreement had been reached with the local indigenous communities.

On 22 August 2016, this agreement between the government of Panama and the representatives of the indigenous Ngabe-Bugle communities was signed. The [agreement](#) states Genisa will be removed as the dam's operator. Instead, the dam will be operated by a group of professionals, of which at least 50% is part of the local indigenous or farmer communities. However, multiple groups do not support the agreement and were not properly informed about the implications.

## Latest developments

### Barro Blanco dam begins operations while indigenous pleas are refused

Mar 24 2017

### Panamanian Minister confirms affected communities were not informed about test flooding

May 27 2016

## What must happen

GENISA is in violation of the banks policies and of international human rights standards. The banks should make sure this is not acceptable. They should pressure their client to stop operating the project until proper compensation has been provided and FPIC has been obtained. FMO should learn from this case that the process of engaging local communities is crucial in the projects

it finances and that without the free prior and informed consent of Indigenous Peoples affected by a project, this leads to serious conflicts. They should implement a zero tolerance FPIC policy.

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## Impacts

### Social and human rights impacts

The reservoir of the dam will flood 6.7 hectares of the indigenous territory (Annex to the *Comarca*) of the Ngäbe-Buglé people, Panama's largest indigenous group. The villages of Nuevo Palomar, Quebrada Caña and Kiad, with approximately 538 people, will be directly affected. Six houses, including a school, will be flooded and their inhabitants are being forcefully resettled.

The Ngäbe depend on the river for their physical and spiritual survival. They use the water for drinking and washing as well as for swimming and leisure activities. The river beds supply fertile lands which are used for agriculture, as well as for the collection of medicinal plants. Along the river cementaries and traditional sacred places, including three petroglyphs, will be flooded.

The dam will convert the Tabasará River from a running river to a stagnant lake ecosystem, resulting in significant changes to the Ngäbe's diet and their landscape. Forced relocation of some indigenous families is expected.

There is a long-standing conflict between the Ngäbe people and the government concerning mining and the construction of dams for hydropower generation in or near their territory. The Changuinola Dam (223 MW) in the neighboring province of Bocas del Toro was completed in 2011 and resulted in numerous Ngäbe villages being flooded, with no compensation provided. Another large dam, Tabarasá 2, is planned further downstream on the Tabarasá River.

In August 2016 the testing continued and the water reached its maximum level (103m above sea level). People living in the communities at the shore of the river were again not informed of this. This means that literally from one day to the other their land and several houses were inundated. This had severe impact: less food, no houses, more mosquitos, for a while the river was inaccessible so no drinking water, no fishing, no washing etc.

In January and February 2017 the testing was stopped and the water levels came down again. Leaving a destroyed, dirty mud surface: meaning to access to the river, destroyed land and houses.

The Environmental Impact Assessment failed to include the Ngäbe-Buglé *Comarca* and did not properly consult the Ngäbe communities that will be directly affected by the dam. Let alone ask for their consent. When the Ngäbe protested and requested to be heard by the president, they were instead received with bullets from the police.

As such, the State of Panama has not fulfilled its national and international obligations with respect to (i) free, prior and informed consent of indigenous communities who will be affected by development projects; (ii) protection of indigenous lands, territories, and natural resources; and (iii) protection from state-sponsored violence. Panama's human rights failure to act include the rights to culture, physical security and integrity, land, health, subsistence, and freedom of movement and residence, as well as access to information, public participation, and justice.

### Environmental and climate impacts

The environmental impact study made a very superficial analysis of the impacts on biodiversity. It failed to include the endemic Blue Tabasara rain frog, as well as several other CITES listed species, whose habitat will be flooded by the dam. The dam will also be a barrier to migrating fish and shrimps. The capacity of the plant and the surface of the lake were increased after the EIA was released, and no further studies were done to evaluate the impact of this. This project resorts under CDM, the Clean Development Mechanism, claiming a CO<sub>2</sub> reduction of 66,750 ton equivalent. It was approved without attending to the letters of concern of the Ngäbe.

### Other impacts

The construction of this dam will cause the flooding of petroglyphs and three ancestral cemeteries.

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## Governance

### Applicable norms and standards

**Equator Principles**

**IFC Performance Standard 7: Indigenous Peoples**

**International Finance Corporation Performance Standards - 2006 Edition**

**International Finance Corporation Performance Standards - 2012 Edition**

**International Labour Organization Convention 169**

**United Nations Declaration on the Rights of Indigenous Peoples**

**World Commission on Dams**

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## Brief history

In 1981 plans existed for two dams in the Tabasara river: Tabasará 1 (200 MW and 7,200 ha lake) and Tabasará 2. Both meant to provide energy to the Cerro Colorado copper and gold mining project. But after heavy protests from the Ngäbe indigenous people, both the mine and the dam projects were canceled. A new attempt was made in 1997 by a different consortium. Again the Ngäbe protested, organized in the M10 movement, and in 2000 the Panama Supreme Court suspended the projects for lack of Indigenous participation.

In 2006 the special purpose company Genisa won a governmental concession to develop a smaller dam at the location where Tabasará 1 was once planned. This new project was renamed Barro Blanco. In 2007 Genisa commissioned an Environmental Impact Study, which was approved by the Panamanian Environmental Authority (ANAM) in May 2008. In May 2009 Genisa requested a modification of the permit to increase the capacity from 19 to 28.8 Megawatt. This also meant an increase of the dam wall from 42 to 61 meters and of the maximum flood level from 103 to 108.25 meters above sea level. In January 2010 ANAM approved the modification without any new impact studies or consultations.

In 2008 Genisa applied for carbon credits under the Clean Development Mechanism (CDM), established under the Kyoto Protocol. This was approved in June 2011, despite the concerns local and international NGOs communicated to the CDM Board.

Strong protests by the Ngäbe led to the creation of a Round Table, with the purpose to come to a mutual accepted agreement about the future of Barro Blanco, under coordination of the UNDP, and with participation of the Catholic Church, government and Ngäbe representatives. This Round Table made an independent field study to assess the social and environmental impacts. It published a report on its findings in 2013. Construction of the dam was expected to finish in May 2014. However the project was temporarily suspended due to non-compliance with its Environmental Impact Assessment. Panamanian authorities started an investigation.

In September 2015 the suspension was lifted after the investigation was concluded. Genisa was **sanctioned** with a USD 775,000 fine. Although it was officially recognised that public consultation had been inadequate, construction was allowed to be continued.

On 24 May 2016, the dam's floodgates were closed as part of the final testing procedure. Contrary to the Round Table agreements (which were also never officially ratified) made in August 2015, the reservoir was being **filled** and water would rise up to the 103 metres above sea level peak. This should not have taken place until the agreements were officially ratified. Before reaching this peak, the Government of Panama suspended the testing procedure. Water level would be maintained at 87.5 metres above sea level until further agreement had been reached. Inundated forest had already started decaying, destroying local ecosystems.

On 22 August 2016, a final **agreement** was signed between the government of Panama and the representatives of the indigenous Ngäbe-Bugle communities. Although not all communities supported the agreement, the testing procedures have been resumed without warning. This has caused the inundation of houses, farm land and access roads in multiple communities.

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## Updates

## Barro Blanco dam begins operations while indigenous pleas are refused

Mar 24 2017

The contentious Barro Blanco hydroelectric dam is set to begin operations within the next few weeks, defying both the relentless opposition by affected communities and the rejection last September by local indigenous authorities of a government proposed project completion agreement. According to Roberto Meana, General Administrator of Panama's National Authority for Public Services (ASEP), the 28-megawatt gravity dam in western Panama could begin operation within days once necessary tests are finalized. The reservoir's waters have been rising since August of last year, gradually flooding Ngäbe communities and land ([Mongabay.com](http://Mongabay.com)).

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## Panamanian Minister confirms affected communities were not informed about test flooding

May 27 2016

On 27th May 2016, Panama's Minister of Internal Affairs Milton Henríquez confirmed that the Ngäbe communities had not been properly informed about the test flooding that started three days earlier. On behalf of the National Government, the Minister [apologized](#) to the local communities for any situation that has inflicted confusion.

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## Flooding of reservoir begins, Indigenous territories to be inundated

May 25 2016

On 24th May 2016, Barro Blanco's floodgates were [closed](#). As part of a testing procedure the reservoir will be filled up to 103 metres above sea level, resulting in the inundation of more than six hectares of Ngäbe-Buglé territory. The flooding is in conflict with the agreements made by the Round Table in August 2015. Silvia Carrera, director of the Ngäbe Buglé General Congress, [declared](#) she has not been informed about the flooding.

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## Government signs agreement with indigenous communities on Barro Blanco

Aug 10 2015

The Panamanian government [signed](#) an agreement with the indigenous communities that are affected by the Barro Blanco project. The government committed itself to not flooding the reservoir or to initiate operations of the project until a final agreement has been reached between the conflicting parties.

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## Barro Blanco temporarily suspended over non-compliance with environmental impact assessment

Feb 10 2015

In a landmark decision, Panama's National Environmental Authority (ANAM) temporarily suspended the construction of the Barro Blanco hydroelectric dam yesterday over non-compliance with its Environmental Impact Assessment (EIA). "We urge the banks to halt disbursement of any remaining funds until all problems are solved and the affected indigenous communities agree to the project," commented Kathrin Petz of Urgewald. - [Read more](#).

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## Complaint to FMO

Jun 19 2014

The complaint to FMO's grievance mechanism has been judged as meeting the admissibility criteria and will move on to the next phase.

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## Complaint submitted

May 7 2014

Panamanian Indigenous community submits complaint to the FMO's recently established independent grievance mechanism. For more information read the [press release](#).

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## UN report

Jul 30 2013

In July James Anaya, UN special rapporteur on the rights of indigenous people visited Panama and spoke to the Ngäbe. In his report he concludes that there is a strong opposition against the dam among the Ngäbe, and that they were not properly consulted. He also said that the Barro Blanco dam is symbolic for the way indigenous people are treated in Panama when it comes to mining and hydroelectric projects.

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## Parliament passes mining law

Mar 15 2012

Parliament passed a modified version of the mining law that prohibits mining in the indigenous territory and requires the approval of the Ngäbe-Buglé General Congress for any future hydroelectric projects.

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## Ngabe protest

Feb 28 2012

The Ngäbe blocked the Interamericana highway. Two people died in clashes with the police and many more were injured.

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## Agreement between Genisa and congress of the Kadiri

Aug 25 2011

A compensation and benefits agreement was signed between Genisa and the regional congress of the Kadiri. But this agreement is contested as the whole congress was not present at that meeting. Moreover, consent by the General Congress has never been publicly obtained.

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## M10 movement protests

Mar 31 2011

In 2011 new legislation provided foreign companies new rights for the exploitation and acquisition of minerals in the country, including the copper reserves in the Ngäbe territories. Just days after beginning construction in March 2011, the M10 movement, representing the directly affected communities of the Barro Blanco dam, blocked the entrance to the construction site and effectively delayed the project for two months before the project was militarized and protestors forcibly displaced.

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## Complaint filed

Dec 31 2010

In 2010 a complaint was filed at the Environmental Advocacy Center (CIAM) against the EIA of the Tabasará II project. Late 2010, GENISA, which already had financing for Barro Blanco approved for funding by a German (DEG) and a Dutch Development bank (FMO), withdrew their application for funding from the European Investment Bank after learning that bank officials planned to visit the affected area themselves. Instead, it received funding from the Central American Bank of Economic Integration.

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## Genisa signes agreement on leasing of Ngabe land

Dec 13 2008

Genisa signed an agreement on leasing terms of Ngäbe land, with the Cacique. However, the Cacique was not backed by the Ngäbe General Congress, which makes the agreement invalid.

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## Financiers

## Multilateral development banks

### Central American Bank for Economic Integration

[Details ▼](#)

Debt – project finance	USD 25 million	2011
source: <a href="#">link</a>		

## National development banks

### DEG

[Details ▼](#)

Debt – project finance	USD 25 million
source: <a href="#">link</a>	

### FMO Netherlands [profile](#)

[Details ▼](#)

Debt – project finance	USD 28 million
source: <a href="#">link</a>	

The project is expected to cost [USD 78.3 million](#). In 2010, GENISA, which already had financing for Barro Blanco approved by a German (DEG) and a Dutch Development bank (FMO), withdrew their application for funding from the European Investment Bank (EIB) after learning that bank officials planned to visit the affected area themselves. Instead, it received funding from the Central American Bank of Economic Integration.

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## Related companies