

Patuca III dam project (Piedras Amarillas) Honduras

Sectors: Hydroelectric Power Generation

● On record

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[Project website](#)

Sectors Hydroelectric Power Generation

Location



The Patuca River is the second-longest river in Central America, flowing through the largest protected area of Honduras: the Rio Plátano Biosphere Reserve. The planned Patuca III dam will consist of a 57-metre high concrete wall over a length of 203 metres. The dam will have a maximum installed capacity of 104 megawatts. The dam site is located in the Eastern part of Honduras, about five kilometres downstream of the confluence of the Guyape and Guayambre rivers in the department of Olancho.

The dam project's negative impact is threefold: first, the river's and surrounding area's rich biodiversity will be severely damaged; second, the food security of local residents (including indigenous peoples) will be threatened; and third, remote rainforest areas will be opened up for illegal activities such as logging.

The dam is part of three hydropower projects on the Patuca River, of which Patuca III is the first to be constructed. Constructions have already started. Along with the dams Patuca IIa (La Tarrosa) and Patuca IIb (La Valencia), the complex is planned to generate a total of 520 megawatts of electricity.

Social and human rights impacts

About 400 properties will be directly affected by the construction of the Patuca III dam. In 2010, the Honduran government adopted a decree that forced residents to negotiate the sale of their property, under penalty of expropriation. When a first agreement on the properties' values was reached, ENEE immediately adopted the land titles without preliminary compensation. Part of the compensations has been paid, but mostly to the larger landowners. A majority of (smaller) landowners is still awaiting their compensation.

Construction of the Patuca III dam project has started without any preliminary consultation of affected people, despite the fact that the dam is likely to negatively [impact](#) both Tawahka and Miskito indigenous communities that are located downstream. Damming the river will alter the seasonal flooding of land, which is crucial for its fertility. The indigenous communities are highly dependent on the river for their livelihoods, for food and transportation.

The lack of consulting the affected indigenous peoples is a violation of ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples, signed and voted for by the government of Honduras.

Environmental and climate impacts

Patuca River is the second-largest river in Central America and flows through the Moskitia reserve, the largest forest conservation area in Latin America north of the Amazon. This remote and thinly populated rainforest area has a great [biodiversity](#) and is a habitat for many endangered species. The construction of the dam is feared to alter this fragile ecosystem. The conducted Environmental Impact Assessment has failed to adequately investigate downstream impacts, let alone the combined impact of all three dams on the Patuca River that are planned.

Furthermore, environmentalists fear the now remote area may be opened up to logging and plantation activities when access roads are constructed. Especially palm and banana plantations are growing in size and number over the last years in Honduras.

Norms & standards

Applicable norms and standards

International Labour Organization Convention 169

United Nations Declaration on the Rights of Indigenous Peoples

Brief history

Back in the 90's, there were already plans for damming the Patuca River. A broad coalition of NGO's and local residents could then stop the project from being constructed. However, in 2007 the Honduran government again made plans for a dam, Patuca III (Piedras Amarillas). The National Electrical Energy Company (ENEE) conducted an Environmental Impact Assessment (EIA), which was approved by the Secretary of the Environment and Natural Resources (SERNA) in 2008. Special purpose company UEPEP, a subsidiary of ENEE was created to supervise the dam's development.

The Inter-American Development Bank (IDB), interested in financing the project, conducted an update of this EIA in 2012. The IDB study [found](#) that the performed EIA was inadequate, as ENEE had not taken into account impacts on downstream protected areas and had failed to consult affected people for their resettlement plans. As a result of these findings, the IDB abstained from financing the project.

The diversion channel, access roads and workers camps were constructed by Sinohydro. The Chinese dam builder was contracted in April 2011 for this USD 50,5 million first phase of the project, which is now completed.

The dam's finance was a problem for years, but in September 2013 UEPEP [received](#) a USD 298 million loan from the Industrial and Commercial Bank of China (ICBC). As soon as finance was secured, Sinohydro was contracted for constructing the next phases. In September 2015, constructions were restarted and are now [proceeding](#) rapidly. The dam is planned to start operations in 2018.

Financiers

Institution type	Finance type	Year	Expand all details
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Industrial and Commercial Bank of China (ICBC)

China

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end
Source
Debt – project finance
USD 297,7 million
Not available
22 September 2013
Not available
source: [link](#)

Related companies

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$sponsor_comp

Filename: project/companies.php

Line Number: 10

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 10

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Notice

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Line: 161

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File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Warning

Message: Invalid argument supplied for foreach()

Filename: project/companies.php

Line Number: 11

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Line: 11

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

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Message: count(): Parameter must be an array or an object that implements Countable

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