BioClima: the project that threatens

Indigenous Peoples of the Nicaraguan Caribbean Coast

A project financed through the United Nations’ Green Climate Fund worth more than 115 million dollars, risks exposing Nicaragua's Indigenous population to increased violence and displacement from their ancestral lands. The project could also lead to increased climate destruction and seriously damage the climate fund's credibility. Countries that are major contributors and represented at the GCF Board should play an important role in stopping this project that threatens the tropical forest of the Bosawás Reserve.

By Miguel González and Pierre Frühling - March 1st 2023

At dusk on January 29, 2020, the peaceful Mayangna village of Alal, located in the Bosawás rainforest region of northern Nicaragua, was attacked by dozens of heavily armed men. Six of the villagers were shot dead, many more were injured, a large number of houses were burnt down and the majority of the village's 800 inhabitants fled into the forest while the raiders stole their livestock. This was a large-scale attack indeed, but still only one in a series of armed attacks that have become increasingly common in recent years against members of Nicaragua's Indigenous Peoples, the Miskito and Mayangna groups. Groups that for hundreds of years have inhabited the vast forests of Nicaragua's east coast, the one facing the Atlantic and the Caribbean.

In the past these were remote regions, seemingly useless to the outside world; inhabited by Indigenous people who lived simply and usually in harmony with nature. But today, the area has become increasingly attractive to people from other parts of the country and the world, in search of land, valuable forest, as well as gold and other minerals. According to the report Nicaragua: a failed revolution, by the Oakland Institute, 40 indigenous people were killed between 2015 and 2020, and many have been injured, others have been kidnapped and
beaten, and thousands of people have had to abandon their homes. A number of leaders of the Indigenous peoples' own organizations have also been murdered.

**A threat to the largest tropical rainforest in Central America**

Over the last three years the Nicaraguan government has passed legislation that further restrict the civic and democratic space in the country. Indigenous and Afro-descendant peoples have been especially targeted because they have decided not to remain silent in the light of this environment of intimidation. In 2021, the government shut down the Centre for Justice and Human Rights of the Nicaraguan Atlantic Coast (CEJUDHCAN, for its Spanish acronym) which had been documenting the encroachment of extractive industries, the damaging violence promoted by illegal settlers, and the expansion of cattle ranchers into Indigenous territories.

In addition, several of Nicaragua's leading environmental activists, who have actively supported Indigenous People's right to the land, have been forced to go into exile. The country's government, today a repressive regime under President Daniel Ortega and his wife, Vice President Rosario Murillo, has done nothing at all to stop the violence in Bosawás, and instead has accused environmental activists of harming the fatherland and issued orders for their arrest.

Bosawás has a very rich flora and fauna and today constitutes the largest remaining rainforest area in Central America and the third largest in the world. Since 1997, the area has been on the list of the UN agency UNESCO's protected biospheres, and the Indigenous People's right to the land has - in principle - been approved by the state of Nicaragua since 2005. Both the UN High Commissioner for Human Rights and the Inter-American Commission on Human Rights (IACHR) have made strong official protests to the Nicaraguan government and demanded that justice be done and the Indigenous Peoples be given active protection against the invaders, but so far without effect.

As of 2023, eleven Miskitu Indigenous communities and one Mayangna community in the northern Caribbean Coast have been granted precautionary measures by the IACHR to protect them from further invasions. Three other communities had received precautionary
measures from the IACHR between 2015 and 2019. However, national authorities have done nothing to enforce these measures which have left Indigenous communities in a state of vulnerability to continued land invasions.

The BioClima project in the face of state inaction

Between 2007 and 2015, under the framework of the Territorial Demarcation Law 445, Nicaragua made significant progress in the process of demarcating and titling Indigenous and Afro-descendant lands in the autonomous regions. By 2023, 24 Indigenous and Afro-descendant territories had been titled in an area of about 40 thousand square kilometers, equivalent to 31 percent of the country's land mass. Law 445, however, includes five phases of the demarcation and titling process: the application, conflict resolution, measurement and demarcation, titling; and finally, the ‘land clearing’ stage, or saneamiento. The overall process to date has completed the fourth stage, being the last stage the one that has generated an institutional vacuum and consequently illegal occupations of non-indigenous third parties in the titled territories. According to Law 445, saneamiento consists of determining the legal status of the possessions of third parties occupying land within titled indigenous territories.

Unfortunately, the national authorities have not prioritized this last stage of the demarcation and titling process, which has had a stimulating effect on new illegal occupations, consolidation of de facto possessions, and the increase of conflicts between Indigenous and non-indigenous peasant settlers. In addition, internal self-regulating processes for the election of Indigenous and Afro-descendant territorial authorities – also guaranteed in Law 445 – have often been intervened by political operatives from the regime. These actions take place in a context of intense governmental centralization, which has undermined the right to self-determination and indigenous autonomy.

In this already very difficult and violent situation, a new threat is now towering over Nicaragua’s Indigenous people and the Bosawás rainforest. The UN’s Green Climate Fund (GCF) is planning a massive project that will focus on Bosawás. The goal of the project - which goes by the name BioClima is to stop deforestation and increase the area's absorption of carbon dioxide. The project's total budget for a period of 7 years amounts to
over 116 US million dollars (of which half are grants) and the majority of this amount is to be used for investments that promote various kinds of "sustainable production" and forest management within Bosawás.

Whereas GCF is the major contributor, funds are also forthcoming from GEF (the Global Environment Facility) and from the Central American Bank for Economic Integration (CABEI), with the latter given the task of channeling the resources to the Nicaraguan government. Over the last few years CABEI has been a major provider of funding to Nicaragua, even in the light of mounting criticism for its lack of accountability mechanisms, and unwavering support to Nicaragua's repressive rulers. Over the past few years, CABEI's contribution to the Ortega regime constitutes about 26 percent of its lending portfolio, totaling US$3.5 billion. CABEI's role is even more problematic, given the reports on serious human rights violations and crimes against humanity committed by Daniel Ortega's government in the context of the political crisis in April 2018.

A project that would violate indigenous rights

The overall goal may be laudable – but the BioClima project is unrealistic and risks causing great damage. “This would be like pouring gasoline on an already difficult fire”, one of the representatives of the Indigenous Peoples recently said. If the project becomes a reality, violence against the Indigenous people of Bosawás would in all probability increase greatly, as well as deforestation and other kinds of land destruction. Even more so as the kinds of productive activities they intend to provide generous funding to do not match customary practices of land cultivation and resource management applied by Indigenous people in the area.

Hence, the project would mostly attract people from outside, who would have increased motivation to displace today's residents and forcibly usurp communal land areas. In fact, the project seeks to promote the notion of “cohabitation” between Indigenous People and illegal colonist settlers and therefore legitimize and normalize dispossession of Indigenous lands. “Cohabitation” has consistently been rejected by Indigenous authorities and organizations along the Coast due to the primacy it places on advancing rights of non-Indigenous over local Indigenous communities. In addition, the current government in
Nicaragua, a regime in dire need of foreign currency, strongly supports large-scale logging and mining – also in Bosawás.

But still there is a chance that this can be prevented. The BioClima project was approved by the Green Climate Fund in November 2020 and was scheduled to start in December of the following year. But half a year earlier, in June 2021, the GCF received an official complaint against the project, from representatives of the population of Bosawás. In addition to the critical points already mentioned in this article, the complainants pointed out that they and their legitimate representatives had not been consulted in connection with the drafting of the project. GCF's own and very important rule of always applying "free, prior and informed consent procedures" had thus not been followed.

This complaint was taken very seriously by the Fund, and in March 2022 its internal control unit (IRM) published an initial opinion stating that preliminary data indicated that the concerns of the complainants could be justified and concluded that there were “prima facie evidence of adverse impacts caused or that may be caused to the complainant(s) by the non-compliance of the project with GCF operational policies and procedures.” The IRM recommended that a full investigation (with field visits) therefore should be carried out. Pending this report, the project was put on hold, which is unusual and positive. However, no definitive decision has been made and the full investigation (which was completed during the autumn last year ) has not been published.

**An opportunity for a principled distancing from the project**

In this context it is worth noting that the World Bank recently cancelled a similar project for carbon sequestration on Indigenous lands in Nicaragua. This project, which initially had been approved in mid-2019, was later deemed unfit due to the context of violence, forced displacement, and natural disasters on Indigenous territories in Nicaragua, and was finally dropped altogether in February 2021. Despite this, the World Bank is still listed as a donor of US$24 million through the Forest Carbon Partnership Facility (FPCF) within the BioClima’s financing scheme. It now remains to be seen whether the Bank will uphold this assessment also in relation to Bio-Clima, a project which has not been consulted with Indigenous Peoples.
The issue of the *BioClima* project will now be decided at the Fund’s board meeting on March 13-16, 2023, in South Korea. Countries which are major contributors to the Fund and also are represented at the Board – such as the UK, Germany, Japan, France, Sweden, Norway and Canada - can and should play an important role there. Both before and during this important meeting, we sincerely hope that these major contributors (countries which all have signed the 2007 UN declaration on the Rights of Indigenous Peoples) will coordinate with other like-minded member states in order to achieve a principled distancing from the *BioClima* project.

A project which, if released, could cause increased violence and violations of human rights, could lead to increased climate destruction, and could also seriously damage the credibility of the Green Fund.

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