

Director

Independent Consultation and Investigation Mechanism

Inter-American Development Bank

1300 New York Avenue, N.W.

Washington, D.C. 20577

Email: mecanismo@iadb.org

Tel.: 202-623-3952; Fax: 202-312-40

The undersigned, [REDACTED], hereby present a formal complaint against the project **PH Reventazón (Reventazón Hydroelectric Project)**, located in the Province of Limón, Costa Rica. I am also filing this complaint as the legal representative of [REDACTED] [REDACTED] and [REDACTED], who are majority owners of Lancaster Farms, located near the project area.

Lancaster Farm is located in the area known as Siquirres, in the Province of Limón, Costa Rica. Our farm is adjacent to the tail of the PH Reventazón reservoir and consists of a group of 6 different properties in a project called Lancaster Lagoons Farm that covers approximately 190 hectares. The project began in 1996 with the purchase of the first property, and efforts were undertaken immediately to reforest the area, as it was in a severe state of erosion.

There are 4 bodies of water on the Farm. The most important are a set of two small lakes called the Lancaster Lagoons, each one of which measures approximately 5 hectares. The Lancaster Lagoons were declared wetlands in 1994 pursuant to MIRENEM Decree No. 23004 of February 21, 1994 and today are highly valuable as a wildlife habitat and especially as a new transit point for species of the Barbilla Destierro Biological Subcorridor. The area is home to a wide variety of flora and fauna, many of which are endangered.

a. Illegal mining and levee

As part of its activities, ICE [Instituto Costarricense de Electricidad] changed the entire landscape of the river, diverting its course to the left and building a levee that would serve as a highway for the machinery that would extract material from the river for the construction of the dam. ICE proceeded to extract material from the right bank between the levee and the hillsides.



A number of holes were left on the right bank as the material was being extracted. From the time construction began on the project, enormous landslides have been occurring on the farms and their hillsides. ICE asserts that they are natural occurrences. We can draw our own conclusions from the above photograph. These holes are located at the base of the hillsides and measure up to 5 meters in depth. The Environmental Impact Assessment (EIA) establishes the following:

.....*“The depth of excavation depends on the thickness of the alluvial terrace. The maximum excavation level should not exceed a depth of 1.5 m. below the riverbed”*.....



The right bank of the river is characterized by high cliffs adjacent to the riverbed. At one point, the river rose and swept away the levee and the holes were filled with water, causing landslides on numerous properties along the right bank. To this day, ICE asserts that the landslides are unrelated to its intervention on the river; however, the historical geological evidence demonstrates quite the opposite.

The Lancaster Lagoon is located toward the tail of the reservoir, at the top of a cliff where ICE extracted material from the hillsides. ICE's concessions to remove material are limited to alluvial material and do not include mineral extraction. It should also be noted that these hillsides are not located within the expropriation area and are private property. Therefore, the unlawful extraction of material from the hillsides of Lancaster Lagoons Farm is a violation of private property and a harm to private property for which compensation must be provided.



(Extraction of material on the hillsides that support Lancaster Lagoon)

Furthermore, there is no concession to extract material in the geographic area of the Lancaster Lagoons, much less any authorization to destroy wetlands protected by national and international law. The photographic evidence—part of which is included in this formal document—the legal evidence, and the testimony of the eyewitnesses irrefutably contradicts the denial of ICE and its spokespersons.





(Remains of the levee after the rise of the floodwaters)

b. Disappearance of the Lancaster Lagoons Wetlands

As mentioned above, material was extracted not only from the riverbed, as the concessions stated, but also from the hillsides. These hillsides, parts of which have 70 to 90 degree slopes, are at a high risk for landslides. Indeed, this point is reiterated in the last paragraph of page 206 of the Environmental Impact Assessment:

“On those slopes where there is a risk of landslides or instability due to subterranean water pressures from groundwater levels or artesian aquifers, drains will be installed to reduce the hydraulic burden. If necessary, bolts, electrosoldered wire mesh, and shotcrete will also be put in place.”

The landslides in the area have been a problem for years. Accordingly, page 375 of the Environmental Impact Assessment states:

“Landslides have long been an identifying feature of the Reventazón River Basin. The “Catalog of historic landslides of Costa Rica” for the period from 1772 to 1960 reflects this problem. It is important to clarify that much of this data was compiled during the construction and operation of the railroad to the Atlantic, which is why emphasis is placed on the adverse effects on the left bank. Nevertheless, evidence found on the right bank suggests similar behavior with respect to the stability of hillsides; for instance, there have been major landslides affecting the road that connects the city of Turrialba to Siquirres.

The erosive effects of the Reventazón River and its tributaries have weakened the areas under the slopes, creating a number of high-angle, low-depth landslides such as those located at the base of the community of Pascua and in the Lancaster area.”

Unfortunately, ICE was undermining the base of the cliff where the Lancaster Lagoon Wetlands are located, and creating the danger of collapse in the wetlands, as stated in the expert testimony an independent geological study that was prepared. According to the study, which was conducted by geologists and experts, the wetlands face a number of risks of collapse due to the extraction of material from the bases [of the cliffs]. The elevation of the water table due to the filling of the reservoir is another factor that poses a major risk of destabilizing the material even further.

The collapse of the Lancaster Lagoon Wetlands would be an environmental disaster that would push approximately 9 million cubic meters of sediment, water, plant material, volcanic stone, and other materials toward the reservoir, creating a serious problem for PH Reventazón and the neighboring communities. The economic consequences both to the project and to the country would be disastrous. The consequences on human lives for downstream communities such as Pascua would be terrible.

On this point, we must cite the independent study conducted by Dr. Allan Astorga, who holds a doctorate in natural sciences and geology, entitled **“Expert technical opinion on the risk of landslides in the Lancaster Wetlands as a result of the construction of PH Reventazón.”** Dr. Astorga makes an alarming projection with regard to the current status of the wall of the lagoon and the potential consequences of its collapse, which would dump 9 million cubic meters of material into the riverbed. The following figure, available at page 90 of the study, speaks for itself:

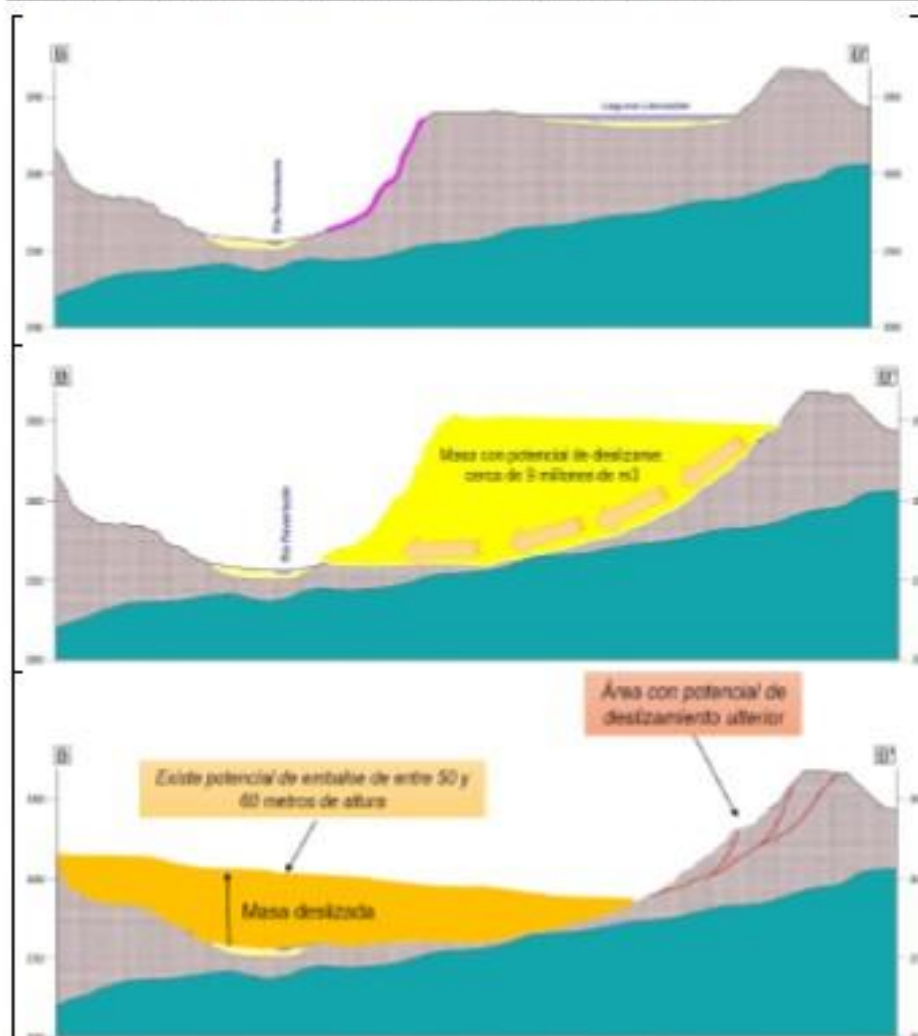


Fig. 3.24. Perfil geológico B-B' y escenario crítico en caso de que se presente una muy alta inestabilidad de la ladera de la margen derecha en el Sitio Lancaster. Se estima que se podría desplazar una masa de cerca de 9 millones de m³ que podría represar el cauce del Río Reventazón con consecuencias muy negativas aguas abajo del sitio, particularmente para el área de embalse y sitio de presa del PH Reventazón y los terrenos inmediatos.

The risk of the lagoon's collapse is real, as is the harm—much of which would be irreversible—that would result. The damage to the banks of the Lancaster Lagoon was not necessary under any circumstances for the development of the PH Reventazón project; on the contrary, ICE and the IDB planned prevention measures for situations like this, which, of course, were never implemented. The Environmental Impact Assessments provide for the construction of retaining walls or other methods for areas in danger of collapsing, to wit: Paragraph 3.3.4 of the Environmental Impact Assessment:

Structure of the banks: Stabilization of sites at risk of collapse through water management, walls, or shotcrete.

These measures were never put into practice. However much ICE tries to argue in publicity announcements that the project is perfect, it is very easy to demonstrate the opposite with this point alone. The examples are tangible and the failures to comply are undeniable.

c. Barbilla Destierro Biological Subcorridor (SCBBD) and the tail area of the reservoir

The Master Plan to mitigate the effects of the Reventazón Hydroelectric Project underscores the importance of the Barbilla Destierro Biological Subcorridor (SCBBD) as follows:

*The PH Reventazón is located within the Volcánica Central – Talamanca Biological Corridor, specifically in the Barbilla – Destierro Subcorridor (SCBD) and has a direct impact on its functionality, given that the shape, size, and location of the reservoir will lead to the loss of connectivity routes, jeopardizing the objectives of the Subcorridor. The SCBD offers the possibility of linking Mesoamerica and South America, through the two large mountain ranges: the Volcánica Central and the Talamanca. It is also an important site for the survival of the jaguar (*Panthera onca*), which is the largest predator in the Americas and currently in danger of extinction.*

The reservoir is thus a physical barrier to a large number of species of flora and fauna. The place where the PHR is located is called *el Paso del Jaguar*, because it is precisely where the felines have their migration routes. In a broader sense, the Barbilla Destierro Biological Subcorridor is a critical zone within the framework of the Mesoamerican Biological Corridor. The new dam cuts through the principal species migration route. This cut into the SCBBD mean cutting into not only a national species route but also the connectivity of the species of Mesoamerica.

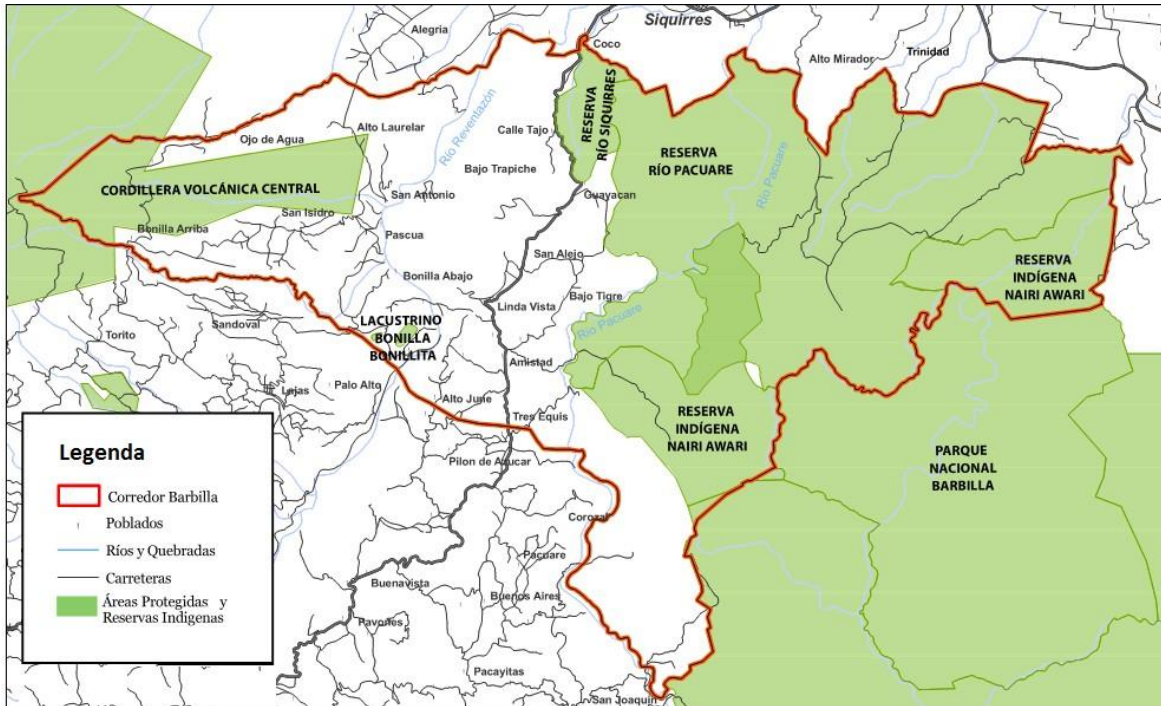
The tail of the reservoir is established as a critical zone for connectivity and the mitigation of the SCBBD. It is explained at page 16 of the ESMR as follows:

The tail of the reservoir (bordering to the south) has been identified as the best option to restore connectivity. The Project will restore and maintain connectivity within the SBBBD through the restoration and maintenance of habitat at the tail of the reservoir.

The modeling of the new migration routes shows that the reservoir area is the zone in which the species are crossing from one side of the river to the other. Page 12 of the Master Plan states:

The southbound route is the one that has the highest possibility of connection; however, between the reservoir and the lower edge of the SCBBD there is a transit area that is about 3 km long (Figure 8). This means that significant efforts should be invested in the zone to recover and increase the forest cover. The strategy to regain this coverage should be oriented principally to the establishment of forest areas through natural or artificial regeneration. In addition, the recovery of vegetation (protected in the Forestry Law) on the banks of bodies of water (whether rivers or lakes) will be key. In this area, special attention should be paid to the Bonilla – Bonillita Lagoon, as it is a conservation site (SINAC 2008b) and must be a priority area for the Subcorridor.





(Location of the Barbilla Destierro Biological Subcorridor – taken from the strategic environmental studies of ICE and the IDB)

The PHR's direct area of influence was identified in the Environmental Impact Assessments, and it was determined that all of the banks of the reservoir should be established as an environmental buffer zone, above all with the aim of securing the adjoining hillsides and reestablishing the lost connectivity. Accordingly, reforestation projects will be implemented to establish new migration routes and mitigate the harm to the SCBBD. Page 30 of the document entitled "Strategic Environmental Studies – Phase 2," drafted by ICE, states that:

"One of the proposals (presented in this report) consists of devising a mitigation plan that facilitates/increases the connectivity of the SBBD Subcorridor in the area of the tail of the PH Reventazón reservoir and other priority zones in order to achieve an economically viable connectivity."

According to the technical studies, this environmental buffer zone should consist of the area surrounding the reservoir. The EIA provides for an operating level of 265 meters above sea level for the reservoir. However, the maximum height of the reservoir is 270 m.a.s.l., which is likely to be reached in the event of a sudden rise of water in the river; 270 m.a.s.l. goes beyond the Lancaster Lagoon and reaches the Moncha Stream.

According to the studies conducted by ICE itself, including the 2014 document entitled Rapid Ecological Assessment of the Barbilla Destierro Biological Subcorridor, the area of Lancaster Lagoon is home to 50 species of amphibians, reptiles, and mammals. These include alligators, jaguarundi, otters, ocelots, and cougars (puma concolor), to name a few. There are more than 150 species of birds, many of them migratory birds in danger of extinction, such as the great green macaw.



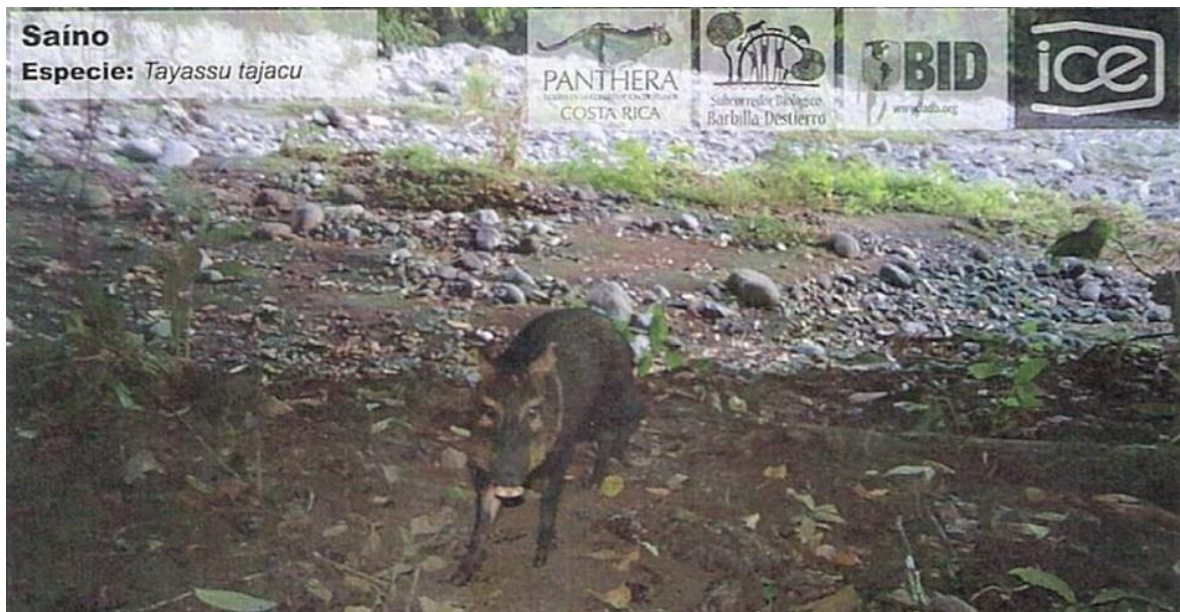
(Taken from the monitoring conducted by ICE in partnership with Panthera and the IDB)



(Taken from the monitoring conducted by ICE in partnership with Panthera and the IDB)



(Taken from the monitoring conducted by ICE in partnership with Panthera and the IDB)



(Taken from the monitoring conducted by ICE in partnership with Panthera and the IDB)

For some reason, the area of the Lancaster Lagoons was excluded from the environmental buffer zone even though the tail of the reservoir, as confirmed in the technical studies, is a critical zone for the SCBBD; therefore, the exclusion of the Lancaster Lagoons area must have been a serious error.

This inconsistency is evidenced by the fact that the levee in the riverbed was built to facilitate ICE's access to the tail of the reservoir during the construction of the reservoir. However, the levee extended to the Moncha Stream, and now after having adversely affected the area, the decision was made to change the location of the tail of the reservoir.

As mentioned earlier, according to the technical studies, ICE should have implemented reforestation programs on the banks of the reservoir. Nevertheless, those programs have not yet been implemented, leaving a significant gap in conservation, and hindering the migration of animals. The compliance plans established in the ESAP allow for a delay of months—and in some cases years—which amounts to direct noncompliance; this has effects on the species and the permanent corridor, which must be reestablished immediately.

d. Noncompliance with the reforestation plan

With respect to reforestation, there is a significant divergence between the technical studies and ICE's actions. First, ICE talks in its press releases about programs to "deliver trees for reforestation" that it has implemented in the area of Siquirres, Limón; nevertheless, upon reading the reforestation plan created by ICE, set forth in Chapter 3 of the **"Master Plan to mitigate the effects of the Reventazón Hydroelectric Project on the Connectivity and Functionality of the Barbilla Destierro Subcorridor,"** the abysmal inconsistencies between the original technical document and reality are clear.

On numerous occasions, through press releases, ICE has defended its reforestation plans in the PH Reventazón, stating that trees have been delivered in the community for reforestation. Those statements are ironic, since the aforementioned Master Plan outlines an arduous reforestation program, to be implemented over a number of years, that goes far beyond simply delivering trees to citizens who have no technical knowledge about how or where to plant them in order to counteract soil erosion near the project.

On this point, it is necessary to include the reforestation timelines contained in the Master Plan (p. 38), which outlines the timeline for each hectare that ICE was supposed to reforest:

Table 6. Preliminary timeline for the implementation of the reforestation plan

Fase 1 . Reforestacion de 50 has												
Fase 1 . Reforestacion de 50 has												
Año 2013												
Actividad	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Set	Oct	Nov	Dic
Produccion /adquisicion de plantulas		x	x	x	x	x						
Preparacion de sitios						x	x					
Trazado						x	x					
Hoyado y fertilización						x	x					
Siembra						x	x					
Resiembra								x	x			
Mantenimiento							x	x	x	x	x	x
Fase 1 . Reforestacion de 50 has												
Año 2014 al 2017												
Actividad	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Set	Oct	Nov	Dic
Chapea manual			x					x				
Rodaje química				x					x			
Deshija		x										
Desbejuca		x				x				x		
Control de plagas	x	x			x	x			x	x		
Fertilización						x						
Fase 2 . Reforestacion de 46.4 has												
Fase 2 . Reforestacion de 46.4 has												
Año 2014												
Actividad	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Set	Oct	Nov	Dic
Produccion /adquisicion de plantulas		x	x	x	x	x						
Preparacion de sitios						x	x					
Trazado						x	x					
Hoyado y fertilización						x	x					
Siembra						x	x					
Resiembra								x	x			
Mantenimiento							x	x	x	x	x	x
Fase 2 . Reforestacion de 46.4 has												
Año 2015 al 2018												
Actividad	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Set	Oct	Nov	Dic
Chapea manual			x					x				
Rodaje química				x					x			
Deshija		x										
Desbejuca		x				x				x		
Control de plagas	x	x			x	x			x	x		
Fertilización						x						

In view of these charts and the fact that none of the residents of the area are aware of any reforested zones, the questions are inevitable: Where are all the trees that ICE planned to plant? What zones have been reforested, and if some area has been reforested, why was the zone at the tail of the reservoir not reforested, if that is the zone where ICE's Environmental Impact Assessments show the greatest instability and soil erosion? On this point, we can cite

the stipulations at page 31 of the **Environmental Studies, section F:**

“Connectivity and the reduced fragmentation of the SBBB Subcorridor should be reinforced with a robust program to protect all of the remaining patches of old-growth forest on both sides, around the tail of the reservoir, and in adjacent protected areas of the SBBB.”

ICE gives priority to reforesting the tail area of the reservoir, where Lancaster Farms is located. However, it has never taken a single step to reforest the area; on the contrary, when it had the opportunity, it entered Lancaster Farm and cut down trees—which were under a forestry contract with FONAFIFO—for no reason.

In addition, the timelines established that reforestation actions were to begin 2013; nevertheless, as of now, September 2016, ICE continues to declare that it has done a great job by distributing trees at the town’s school, when that action was not even part of the reforestation plan devised for the project.

e. Flooding of forests and pollution

According to the Environmental Impact Assessments, another extremely important action that should have been taken was to remove all of the plant matter from the banks of the river. This provision is contained in paragraph **3.3.4 of the Environmental Impact Assessment**, and states:

“3.3.4 Description of the actions included in the impact matrix

The various project works and a description of the actions that each one entails are discussed below.

Reservoir

Cleaning of sites: Consists of the removal of plant cover on the sites to be flooded, such as grasslands, trees, and minor flora. This activity involves cutting trees with chainsaws, while the extraction of the trunks is done using machinery such as tractors and bulldozers. The species of minor flora are removed by manual collection for transfer to other sites where they can be replanted.”

The study is clear, the plan of action that ICE should follow to ensure the clearing of the ecosystem is defined extensively. Nevertheless, this is what occurred:

The complete disregard by ICE for all of the regulations it proposed for the project.



(Flooding of forests. Photo taken at the early stage of filling the reservoir)

Extensive studies have proven that the rotting of plant matter in bodies of water, especially in tropical environments, produces high levels of CO₂ and methane gas—the main gasses that cause global warming.



(Beginning of filling the reservoir, with remains of water lilies, trash, and trunks)



(Water lilies growing among flooded trunks and vegetation)

ICE even asked some residents for permission to remove the trees from the banks of the properties as required of it by the impact studies that authorized the construction of the project. This action was also discussed with the local residents at the different meetings with them. At those meetings, ICE said that, according to the Environmental Impact Assessment, the plant matter had to be removed and that the owners of the farms would either be compensated for the wood or it would be turned over to them. However, the trees—at least the ones on the right bank—were not removed. Many are floating in the river and the reservoir was simply filled, flooding all of the forests on the riverbanks, leaving them to rot.

This massive production of greenhouse gasses, CO₂ and methane gas, is a fact that stands in stark opposition to the propaganda and the goal that Costa Rica has set to reach carbon neutrality through an energy production model based on mega-hydroelectric projects. It also represents a complete lack of respect for natural resources and their use in a society where the wood could have been donated to the communities in order for them to build some project of interest or raise funds.

In addition, the accumulation of water lilies and flooded plant matter has polluted the water. In the area at the tail of the reservoir, there is now a fetid stench of rotting material and a proliferation of mosquitos.

f. Fences through the forest and the cutting of trees

The expropriation areas cut through the forests randomly. When consulted, no one has been able to explain the technical criteria for dividing and destroying the biological unit created on 190 hectares at Lancaster. To this day, no surveyors, geographers, or geologists have been able to provide an answer, and the zoning proposed by ICE does not seem to follow any technical criteria pertaining to these fields. Project Director Luis Roberto Rodríguez was specifically asked for the geological and hydrogeological studies, and his response was: ["I am not turning them over. Go to the courts and request them there."] That was done, and a judge is now ordering the disclosure of the file, after hearing the opinions of ICE and its refusal to disclose public information.

According to the information contained in the Environmental Impact Assessments and other technical studies, the expropriations are for the creation of the environmental buffer zone, the mitigation of the harm caused to the SBB, and other environmental reasons, with aims like preserving biodiversity. However, once the expropriation lines were drawn, it became clear that they "split" the forests in half, expropriating half the forest in places. The odd thing is that, in order to delimit its properties, ICE put up fences made out of compressed plastic posts and barbed wire, dividing forests in half and hindering the movement of land animals. The areas could also be delimited using boundary stones, a methodology that would be conducive to the movement of species and would also cut the financial waste of having kilometers of fencing that makes no sense whatsoever.

The anomalies do not end there, and once ICE made the initial takeover, it immediately entered the property and proceeded to fell trees on a lot covered by a forestry contract with FONAFIFO.



As we have understood it, expropriation has taken place with a view to reestablishing the forest, conserving the land adjacent to the PHR reservoir, and mitigating harm to the SCBBD. It is therefore incomprehensible that ICE—which in fact should be taking the previously mentioned actions—instead does the opposite, and that its first act upon taking possession of the land is to cut down trees.



Until ICE took possession and came in with its machinery, the patches of primary forest had never been touched. ICE then took the initiative of laying fences through the forest with cement, sand, and wire—an action that no national or international biodiversity experts have been able to explain as something reasonable or consistent with the cause of conservation.

The efforts of the supposed oversight bodies of the IDB and of the IFC continue to be useless or nonexistent. The questions being asked by citizens and by the owners of Lancaster Lagoons include: Is there any oversight? Who is or was exercising it? Is there some reason why irregularities and breaches are being committed—of which there is clear visual evidence—and no one does or says anything? Could it be that the people who drafted the original studies are the same people who conducted or are conducting the oversight? Could it be that some people or companies have serious conflicts of interest that keep them from controlling, supervising, denouncing, or demanding changes? Could it be that under the protection of their status as independent companies they receive the complaints of the affected parties and then file them away, delete them, or render them invisible? Could it be that those who have received the complaints have promoted this project in other countries as an environmentally friendly development model, and cannot contradict themselves? Could it be that some environmental experts failed to conduct the environmental studies commissioned and paid for by the IDB and the IFC, forgetting about or denying the existence of the Lancaster Wetlands? Could the assertion of the environmental expert hired by the IDB have been true, when he stated 5 months ago at the Lancaster Lagoons that he was not aware of these wetlands or of the existence of the

primary forests, much less their habitat?

We have extensive evidence of this. It would be good to hear and know the opinion of the MICI and the President of the IDB about these and many other situations that we cannot yet specify, prove, or even know about. To make the previous assertions, it is sufficient to read contracts and publications, and most simply, to consider the evidence from the international environmental expert who made the aforementioned statements in front of multiple witnesses. We also note that access to information has been very difficult, but thanks to the extensive list of volunteers, it has been getting to us.

g. Unjust expropriations

With respect to expropriations, the ESMR mentions the following:

In 2009 ICE has started construction of the PHR and acquisition of the land needed for the Project without the input or participation of social experts, a socioeconomic baseline to analyze and evaluate the impact of a forced land transaction for vulnerable landholders and their families and without considering criteria of social vulnerability for a package of compensation schemes and assistance to affected populations. In April – December 2011, at the Bank's request ICE prepared a Strategic Resettlement Policy Framework which has incorporated key elements and principles for the land acquisition process to meet requirements of IDB's Involuntary Resettlement Policy (OP-710)

Thus was created the “Strategic Framework for Restitution or Improved Living Conditions” that provides for “land purchases” through expropriation after an appropriate appraisal, above all taking account of the market value of the land. But the reality reflects the total opposite, since the expropriations on the right bank were carried out in their entirety under conditions far below market value.

In our case, the value given to the land in some cases is not even one-tenth of the fair market value, and the property appraisals are partial. No appraisal considered the value of the farm's biodiversity, in spite of the fact that the previously cited studies done by ICE place an extremely high value on the flora and fauna, some of which are in danger of extinction; they are not included in the appraisal processes. Once again, our attention is drawn to the work of the so-called oversight authorities. The initial premise was that they had no knowledge of the farms, or the wetlands, let alone the forests, but the ESAP established the need to expropriate all the land—at least 80% of some properties—so we assume that they were aware of these three belated expropriation processes. The question is, what did they do once the irregularity, the failure to comply with the criteria established and required by the IDB for a vulnerable property owner subject to expropriation, became known? Who was supposed to be supervising this? Finally, our attention is drawn to the fact that in filling the reservoir there was an expropriation process that they had not initiated, not to mention the abuses and thuggery of ICE against the Grueninger family. Perhaps this was a repetition of the abovementioned suspicion, [that the aim was] to silence, cover up, abuse vulnerable property owners, or simply run roughshod over them with the force of the international banks and the all-powerful ICE.

Furthermore, property owners must be compensated in the event of expropriation. To date, ICE has taken possession of the land, but NO compensation has been paid for it. The expropriation processes against Lancaster Lagoons began in 2015. To this day, the ridiculous compensation has not been paid, and ICE has stripped the property owner of his land and begun the process of destroying it.

The Constitution of Costa Rica provides:

- *Article 45.- Property is inviolable; no one may be deprived of his property except for legally proven public interest upon prior compensation in accordance with the law.*

Complaints

ICE

Starting in 2013-2014, some property owners were in direct contact with ICE's spokespersons, trying to call attention to the anomalies that were arising and seeking solutions to the different problems. The attitude was always that there was no problem, and on many occasions when we tried to obtain information about what was happening, we were denied. Indeed, we were denied access to many of the studies that we requested through official channels, and which in fact are studies that should be public.

In view of the inability to work out a solution with ICE, we availed ourselves of the entities that are supposed to ensure ICE's proper compliance with the environmental guidelines or that are responsible for environmental defense.

The first complaint addressed the abovementioned issues as anomalies and asked SETENA to have ICE provide the certified environmental studies, since they contained certain ambiguities. SETENA's response—even though it did not even send an inspector to the area— was that no such problems existed, and access to the studies was denied.

A complaint was then filed with the Environmental Court, which appointed a panel of 3 experts to visit the farm: a representative from MINAET, one from SETENA, and one from AMISTAD CARIBE. Only the MINAET representative visited the farm, and now, one year later, the environmental court has still not dealt with the matter as it should, with the exception of the hurried responses received on September 13, 2016, two days from the [project's] inauguration and a week after the public complaints had been filed.

The Lending Banks

The owners of Lancaster Farms appealed directly to the IDB, sending an extensive complaint letter with photos of the situation on February 9, 2016. The response was immediate, and on April 20 a team of advisors who had been in charge of reviewing the project's environmental and social practices was sent to Lancaster Farm. In their visit to the farm, the IDB and IFC experts were able to corroborate the complaints, acknowledged that they were well-founded, and that there had been considerable environmental negligence in connection with the project. The reaction of the advisors was quite strong, and they immediately facilitated a mediation process between ICE and the owners of Lancaster Lagoons Farm, led by Ms. Isabel Lavandenz. Unfortunately, because of ICE's refusal to admit the environmental and social issues faced by the Lancaster Lagoons Farm, the mediation was unsuccessful.

Given the above-described facts, and in view of the alleged violation of both the national laws and paragraphs 3.1, 4.1, 4.2, 4.12, 4.13, 4.15, 4.17, 4.18, 4.19, 4.20, 4.21, 4.23, 4.25, 4.28, and 4.37 of the ENVIRONMENT AND SAFEGUARDS COMPLIANCE POLICY, as well as numeral (i) of the Objectives, and paragraph A-2 of the DISASTER RISK MANAGEMENT POLICY, both of the IDB, other consistent and complementary regulations, as well as the rules of its charter and the amendments thereto, we request the consideration of the following points, which may lead to a solution:

1. The environmental harm caused by negligence should be acknowledged with respect to all of the points raised in our complaint, and especially with respect to the harm caused to the wall that divides “lower” Lancaster Lagoon from the Reventazón River as a result of the extraction of material from the base of that wall, which created a number of landslides and instability that places the Lancaster Lagoon Wetlands in danger of collapse.
2. Measures of compensation and reparation should be taken to ensure the stability of the wall that divides “lower” Lancaster Lagoon from the bed of the Reventazón River.
3. The necessary measures should be taken to correct or return the course of the Reventazón River to its normal course prior to the intervention of ICE and stop the ongoing erosion of the wall of “lower” Lancaster Lagoon.
4. The necessary actions should be taken to remove the wire fences erected by ICE to demarcate the boundaries of the properties acquired by the project, and to instead use an environmentally acceptable method of demarcation such as the placement of boundary stones.
5. The Lancaster Lagoons and surrounding forests that form a single unit from an environmental and biological standpoint should be declared a Forest Reserve or Environmental Preservation and Protection Zone, to ensure the conservation of the Barbilla Destierro Biological Subcorridor.
6. Consistent with the above point, a legal mechanism should be sought, such as the creation of a trust or a reserve administered by some foundation or NGO, to guarantee the protection of the Barbilla Destierro Biological Subcorridor and the protection of the Lancaster Wetlands Lagoons.
7. A fair, market-value price that comprehensively includes its environmental value should be recognized for the total area of the land—which makes up a biological unit that is essential to the environment and the Barbilla Destierro Biological Subcorridor (190 hectares)—that is acquired for the creation of the protection zone. Compensation should be fair and reflect the work that the owners have done over the past 20 years, which has made it possible to convert pasture areas into a forest with the amount of biodiversity that exists today.

8. The expenses that the adversely affected parties have had to incur in order to have their voices heard, which could have been avoided if ICE and the Lender Banks had paid attention to the complaints from the beginning and taken timely and appropriate actions, should be acknowledged.
9. The expenses that the affected parties have had to incur should include attorneys' fees for the proceedings in Costa Rica and the United States of America, and the fees paid to experts in areas such as geology, biology, environmental economics, the environment, and others.

Documentary evidence

1. Expert technical witness report on the risk of landslides in the Lancaster Wetlands as a result of the construction of the Reventazón Hydroelectric Project, prepared by Dr. Allan Astorga Gatgenz, Geologist and PhD in Natural Sciences, in cooperation with Dr. Andreas Mende, Geologist, PhD in Natural Sciences, and Geographic Information Systems Specialist.
2. Scanned copy of the assessments done by ICE on Lancaster Farms evidencing the criteria of expropriation and their omissions.
3. Letters of complaint filed previously and replies from the Bank.
4. In the event that the studies of the IDB, ICE, or any other party are required, we are happy to provide them upon request. [illegible text] studies and rapid assessment of the environmental and social harm, studies commissioned to biological and environmental experts, as well as studies conducted by experts in environmental economics for purposes of being able to estimate the damages and their financial appraisal, as well as the reparation or mitigation of harm when appropriate.

Testimonial evidence:

We offer the testimony of the following experts in their fields of specialization: María del Rosario Alfaro González, B.Sc. in environmental sciences with studies in pollution from University of Missouri, university professor, and international environmental consultant.

Dr. Marino Marozzi Rojas, economist, PhD in environmental economics, university professor, and international consultant to the UN and others, expert witness with extensive experience assessing environmental damages.

At a later time we will offer important experts in geology, history, geography, natural sciences, and environmental disasters who are currently performing scientific studies.

Signatures:

September 16, 2016

Notices: We can be reached at: [REDACTED]

Landline: [REDACTED] Fax: [REDACTED]