

.....
(Original Signature of Member)

117TH CONGRESS
2^D SESSION

H. R. _____

To support reparations for victims of human rights violations associated
with projects financed by international financial institutions.

IN THE HOUSE OF REPRESENTATIVES

Mr. GARCÍA of Illinois introduced the following bill; which was referred to the
Committee on _____

A BILL

To support reparations for victims of human rights violations
associated with projects financed by international finan-
cial institutions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Chixoy International
5 Financial Institution Reparations Act of 2022”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) Beginning in 1976, the World Bank and the
2 Inter-American Development Bank financed the con-
3 struction of the Chixoy Dam in Guatemala while the
4 country was in the midst of a civil war. The Armed
5 Forces of the military Government of Guatemala
6 were broadly and credibly accused of having com-
7 mitted gross violations of internationally recognized
8 human rights during the civil war, which led the
9 United States Government to suspend security as-
10 sistance to the Government of Guatemala.

11 (2) The construction of the Chixoy Dam fore-
12 ibly displaced more than 3,500 members of the
13 Maya Achi indigenous community and disrupted the
14 livelihoods of thousands more. When residents of the
15 Rio Negro community objected to leaving their
16 homes, which were to be flooded by the construction
17 of the dam, they were massacred, raped, and kid-
18 napped by paramilitary and military forces. In its
19 analysis of the Rio Negro massacres, the United Na-
20 tions-sponsored Historical Clarification Commission
21 concluded that peaceful resistance to administrative
22 decisions related to the construction of the hydro-
23 electric dam were conceived a priori as instigated by
24 the guerrillas and were resolved through violent re-
25 pression. Therefore, the army's command responsi-

1 bility and intent to destroy Rio Negro constituted an
2 act of genocide against the civilian population. Be-
3 tween 1980 and 1982, an estimated 5,000 Maya
4 Achi lost their lives through extrajudicial killings.

5 (3) Effective resettlement measures were never
6 provided for communities displaced by the Chixoy
7 Dam project. After enduring decades of extreme
8 poverty stemming from their displacement, in 2010,
9 the communities and the Government of Guatemala
10 agreed to the Reparations Plan for Damages Suf-
11 fered by the Communities Affected by the Construc-
12 tion of the Chixoy Hydroelectric Dam in Guatemala.
13 In 2014, the President of Guatemala asked forgive-
14 ness from the communities for the Government's
15 role in the harm caused by the project and signed
16 the reparations agreement into law. The Government
17 has not allocated the funds necessary to implement
18 reparations.

19 (4) Senior management at the World Bank and
20 the Inter-American Development Bank knew of the
21 atrocities that occurred during the construction of
22 the Chixoy Dam and of the lack of resettlement.
23 These institutions have assumed no direct responsi-
24 bility for atrocities resulting from the construction of
25 the dam.

1 (5) International financial institutions have re-
2 peatedly financed projects that have contributed to
3 human rights violations, including extrajudicial
4 killings, torture, forced labor, forced displacement of
5 indigenous peoples, forced labor, arbitrary detention,
6 loss of livelihood, and reduced access to food and
7 water. For example, from 2007 to 2013, the World
8 Bank funded a conservation program implemented
9 by the Kenya Forest Service (KFS), which regularly
10 engaged in forced evictions of forest communities.
11 With financing from the World Bank, KFS burned
12 the homes of Sengwer indigenous peoples and vio-
13 lently displaced them. Many Sengwer remain land-
14 less and impoverished, struggling to have their
15 rights to ancestral lands respected. In 2013, the Ac-
16 celerating Infrastructure Investment Facility in
17 India financed by the Asian Development Bank re-
18 sulted in gross labor violations of at least 116 work-
19 ers in the construction of the subproject of Kiratpur-
20 Nerchowk Highway. The Asian Development Bank's
21 subcontractor, Infrastructure Leasing and Financial
22 Services, still owes the workers back wages and un-
23 paid benefits.

24 (6) International financial institutions, includ-
25 ing the World Bank and the Inter-American Devel-

1 opment Bank, have an obligation to comply with
2 international law, including international human
3 rights law, in all of their activities.

4 (7) The United States Government has long
5 used its voting power to advocate for strengthened
6 accountability in international financial institutions.

7 (8) The International Financial Institutions Act
8 requires that the United States Government use its
9 voice and role at the international financial institu-
10 tions in which it is a shareholder to advance the
11 cause of human rights and promote mechanisms to
12 strengthen the environmental performance of those
13 institutions, including strengthening organizational,
14 administrative, and procedural arrangements within
15 the institutions so as to ensure the sustainable use
16 of natural resources and protect indigenous peoples.

17 (9) The International Development and Finance
18 Act requires the United States Government not to
19 vote in favor of any international financial institu-
20 tion-financed project that would result or be likely to
21 result in a significant effect on the human environ-
22 ment, unless the assessment or a comprehensive
23 summary of the assessment has been made available
24 to affected groups and local nongovernmental orga-
25 nizations. This has led directly to stronger environ-

1 mental assessment policies at the international fi-
2 nancial institutions.

3 (10) The Consolidated Appropriations Act,
4 2014 (Public Law 113–76), requires the United
5 States Government to use its voice and vote at inter-
6 national financial institutions to ensure that each
7 such institution responds to the recommendations of
8 its accountability mechanisms, and provides redress
9 to individuals and communities that have suffered
10 human rights violations. That Act also instructs the
11 United States Executive Directors at the World
12 Bank and the Inter-American Development Bank to
13 report to the Committees on Appropriations on steps
14 being taken to support the implementation of the
15 2010 Reparations Plan for Damages Suffered by the
16 Communities Affected by the Construction of the
17 Chixoy Dam Hydroelectric Dam in Guatemala.

18 (11) In *Jam v. International Finance Corpora-*
19 *tion*, the Supreme Court ruled that international or-
20 ganizations are not absolutely immune from lawsuits
21 in United States courts and can be sued in connec-
22 tion to their commercial activity.

1 **SEC. 3. PROMOTION OF MEASURES TO PROVIDE REPARA-**
2 **TIONS FOR COMMUNITIES DAMAGED BY**
3 **PROJECTS FINANCED BY INTERNATIONAL FI-**
4 **NANCIAL INSTITUTIONS OF WHICH THE**
5 **UNITED STATES IS A SHAREHOLDER.**

6 The Secretary of the Treasury shall direct the United
7 States Executive Director at each international financial
8 institution to use the voice, vote, and influence of the
9 United States to vigorously promote—

10 (1) the adoption and implementation of policies
11 that ensure that the institution does not support ac-
12 tivities that are likely to cause or contribute to
13 human rights violations or abuses, including by un-
14 dertaking adequate, publicly available human rights
15 assessments to become aware of and prevent poten-
16 tial adverse effects on human rights from any pro-
17 posed projects;

18 (2) the adoption and implementation of proce-
19 dures under which individuals or communities that
20 suffer violations of human rights resulting from any
21 loan, grant, strategy, or policy of the institution may
22 initiate a reparations process, outlined in a nego-
23 tiated, mutually acceptable, and publicly available
24 reparations plan; and

25 (3) the creation of a reparations fund at the in-
26 stitution—

1 (A) to which international financial institu-
2 tions shall contribute a fixed percentage of the
3 revenue earned on all lending and other invest-
4 ments by the institution;

5 (B) which shall be managed by a board of
6 directors and operated transparently and inde-
7 pendently from the institution; and

8 (C) which shall be dedicated to providing
9 financial resources—

10 (i) to support the full and effective
11 participation of the individuals and com-
12 munities in negotiations for the repara-
13 tions plan referred to in paragraph (2), in-
14 cluding technical and legal support;

15 (ii) for the full implementation of any
16 reparations plan negotiated by the parties;
17 and

18 (iii) for establishing and operating
19 monitoring panels to review and issue inde-
20 pendent periodic reports detailing progress
21 and challenges encountered in imple-
22 menting the reparations plan referred to in
23 paragraph (2) and clause (ii) of this sub-
24 paragraph.

1 **SEC. 4. PROHIBITION ON FAVORABLE VOTE FOR PROPOSAL**
2 **UNTIL RECEIPT OF REPORT ON ITS EFFECT**
3 **ON HUMAN RIGHTS AND CORRUPTION.**

4 (a) The United States Executive Director at each
5 international financial institution should request a report
6 from the institution that contains—

7 (1) an assessment, in line with international
8 best practices, of human rights and corruption risks
9 associated with the project, including relevant legacy
10 issues that existed before the involvement of the in-
11 stitution;

12 (2) details describing how the implementers of
13 the project will avoid, directly or indirectly, contrib-
14 uting to adverse effects on local communities; and

15 (3) plans detailing how the institution will avoid
16 participating in corrupt practices throughout the life
17 cycle of the project.

18 (b) The Secretary of the Treasury shall direct the
19 United States Executive Director at each international fi-
20 nancial institution to not vote in favor of a proposal to
21 provide financial support for a project to be implemented
22 in a country or sector if—

23 (1) the United States Executive Director has
24 not received the report described in subsection (a);

25 (2) the government of the country has refused
26 to accept or renew the mandate of a group or person

1 acting under the authority of the United Nations or
2 a regional intergovernmental human rights treaty
3 body to which the country is party; or

4 (3) the government of the country is obstruct-
5 ing the implementation of a reparations plan.

6 **SEC. 5. OPPOSITION TO INTERNATIONAL FINANCIAL INSTI-**
7 **TUTION FINANCING FOR CORPORATION IN-**
8 **INVOLVED IN A PROJECT THAT VIOLATES**
9 **HUMAN RIGHTS.**

10 The Secretary of the Treasury shall direct the United
11 States Executive Director at each international financial
12 institution to use the voice, vote, and influence of the
13 United States to oppose the provision of financing, indefi-
14 nitely or for a limited period of time, for a project of a
15 corporation that has been involved in another project that
16 violates internationally recognized human rights, until an
17 independent investigation finds that the involvement of the
18 corporation in the other project did not violate such rights
19 or that the corporation has made full reparations or rem-
20 edy.

21 **SEC. 6. DEFINITION OF INTERNATIONAL FINANCIAL INSTI-**
22 **TUTION.**

23 In this Act, the term “international financial institu-
24 tion” has the meaning given the term in section
25 1701(c)(2) of the International Financial Institutions Act.