

.....  
(Original Signature of Member)

117TH CONGRESS  
2D 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 VOLVED 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.