

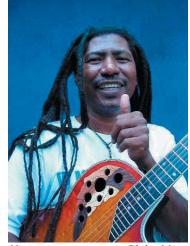
# NICARAGUA NETWORK NICARAGUA MONITOR

Sept. - Oct. 2009 #160 30 Years of Solidarity with the Nicaraguan People

# Nicanet Regional Meeting Oct. 16 - 18 in Baltimore!

Oct. 16 - 18 are the dates of the regional meeting of the Nicaragua Network in Baltimore, MD, hosted by the Casa Baltimore/Limay sister city committee. Committees and individuals from the eastern part of the United States are gathering on those days to share victories and challenges concerning their projects in Nicaragua, analyze the political/economic situation, and learn about issues and campaigns to build their local organizing such as immigration/emigration and debt reduction. For a schedule of the meeting, go to www.nicanet.org.

Nicanet is happy to announce that we will have with us Ambassador Magda Enriquez, chief advisor to recent past President of the UN General Assembly Fr. Miguel D'Escoto and a long-time friend of the solidarity movement. She will speak on Saturday morning.



Nicaraguan reggae star Philip Montalban will sing on Saturday night!

On Sunday morning we will have a talk by a grandson of Augusto Sandino, Walter Castillo Sandino! He is the youngest son of Blanca Segovia Sandino, Sandino's daughter. He spent 18 years in exile with his family in Havana, Cuba. Early in 1979, Walter returned to Nicaragua to take part in the insurrection against the Somoza régime. He became a pilot in the Nicaraguan air force, eventually holding an important post in the country's air defense system. He has recently published a book about his grandfather.

Another highlight of the weekend will be the participation of Philip Montalban, Nicaragua's most popular reggae singer/ songwriter (complete with a Saturday night concert which is included in the \$45

See Meeting, p. 6.

# **SOSTENICA: Agro-Ecology with Micro-Finance**

#### By Rachel Lindsay

[Rachel Lindsay is a 2009 Fulbright Scholar studying the promotion of organic agriculture through the intersection of financial and technical resources available to small farmers in Western Nicaragua.]

The Center for the Promotion of Local Development and Poverty Eradication (CEPRODEL) office in Nagarote is easy to spot. Centrally located and bright orange, the office prominently displays the CEPRODEL logo: a silhouetted group of people under the shade of a jenízero, a native tree known for its impressive heights and ample shade. Some may find the image of a caring microfinance institution allowing its clients to relax in the shade of financial security to be unrealistic, if not romantic, but a current collaborative project between CEPRODEL and the Sustainable Development Fund of Nicaragua (SosteNica) is quite literally transforming their logo into a reality.

When the Nobel Peace Prize was awarded to the Grameen Bank in Bangladesh microfinance institutions entered the international spotlight and the movement has blossomed world wide. A 2008 report by the Central American Network of Microfinance Institutions (REDCAMIF) reports that Nicaragua is currently home to 23 registered microfinance institutions, more than any other country in Central America. Between the number of families with access to credit - a vital resource for those struggling to pull themselves out of poverty. But while microfinance continues to proclaim commitment to improving the financial situation of the poorest citizens, it is rarely also committed to preserving the natural



Madonio Rolando Carrion Avilez, from the Comarca la Candelaria, demonstrates how to make a compost pile.

2004 and 2008 the size of the portfolio managed by Nicaraguan microfinance institutions tripled, dramatically increasing resources the poor rely on – until now. The collaborative work of SostENICA and CEPRODEL integrate environmental and educational projects with financial services, creating a more holistic and long-term approach to the alleviation of poverty.

Since its inception in 2001, SOSTENICA has provided US individuals and organizations with the opportunity to participate in the growth of microfinance in

Nicaragua. Partnered with CERPDOEL, SosteNicA currently has a portfolio of See SOSTENICA, p. 5.

# **Supporting Colombia's Political Prisoners**

#### By James Jordan

[Jordan is a co-coordinator of the Alliance for Global Justice. For more information, go to http://www.clrlabor.org/wordpress/.]

Colombian President Álvaro Uribe says there are no political prisoners in his country—but I visited at least ten. On three different occasions I went to Pavilion Six of the Buen Pastor Women's Prison in Bogotá in July and August, once alone and twice as part of a delegation. I was representing the Campaign for Labor Rights/Alliance for Global Justice (CLR/ AfGJ) and the International Network in Solidarity with Colombia's Political Prisoners (INSCPP).

We were there to visit Liliany Obando, who was the first person arrested and will be the first to stand trial as a part of the "farc-politica" process—a process of accusing human rights activists of ties to the guerrillas that has opened up a new wave of repression against the Colombian opposition and has fueled accusations regionally against the governments of Venezuela and Ecuador. We also visited with the family of Miguel Angel Beltran, who was the second person arrested under this process. Some 12 or more persons have been or are being investigated, including elected officials, academics, and labor rights advocates.

Obando is a professor of sociology and a documentary film maker, and, at the time of her arrest, was acting as a consultant for FENSUAGRO, Colombia's largest union of farmers and rural workers. She was arrested the very week she released a study detailing the murders of over 1,500 FENSUAGRO members and leaders by the military and paramilitaries. Beltran is also a sociologist who was pursuing post-doctoral studies at the Autonomous National University of Mexico (UNAM).

One of the main reasons for the "farcpolitica" is to divert attention from the "para-politica," which has linked some 80 members of Congress and allies of the Uribe Administration to the paramilitaries, including 42 Representatives sent to jail for participating in events that led directly to assassinations by the paramilitaries. Over 200 persons elected to non-Congressional offices are also under investigation. The paramilitaries are responsible for the great majority of violence in Colombia. During our delegation, we often heard reports that those who wear military uniforms by day

wear paramilitary garb by night.

The "farc-politica" really is a farcepolitica. To see what a sham it is, we have to go back to March 1, 2008, when the Colombian military invaded Ecuador to bomb a Revolutionary Armed Forces of Colombia-People's Army (FARC-EP)

camp. This was the camp working out details for the unilateral release of captives. Raul Reyes, the FARC secondin-command was killed in that raid. He was responsible for peace and prisoner release negotiations. This air raid constituted an attack on the peace process itself and should be seen as part of a series of measures the Colombian government

The **Nicaragua Monitor** is published by the Nicaragua Network (a project of the Alliance for Global Justice) to educate US citizens about the effects of US policy on the people of Nicaragua and to build ties of peace and friendship between our two peoples.

**Subscription information**: Electronic version free. Paper \$30 for one year (individuals), or \$60 yearly for committees which includes 5-10 copies. This publication may be reproduced in whole or in part to educate US citizens about Nicaragua and US policy. Credit the *Nicaragua Network*. **National Office Staff:** 

Katherine Hoyt, Chuck Kaufman, James Jordon, Jamie Way

Nicaragua Network \* 1247 "E" St., SE • Washington, DC 20003 Phone: (202) 544-9355 nicanet@afgj.org Web site: www.nicanet.org has taken to derail any negotiations.

At the heart of this conflict is the removal of campesino, indigenous, and Afro-Colombian populations in order to clear land for transnational corporations. Peace negotiations, with the FARC's focus on demanding agrarian reform, would put an end to the land grab—so the current Colombian government really has no interest in pursuing a peace process. Under Uribe, an additional 1.5 million rural people out of a total of 4.5 million internal refugees have been displaced. Meanwhile, between 2.66 and 6.8 million hectares of land have been seized and handed over to mining, oil, biofuel, and agribusiness interests, much of it in the hands of paramilitary leaders. It is land



Sociologist Liliany Obando, who worked for FENSUAGRO, is a political prisoner at Buen Pastor Prison.

reform in reverse.

Allegedly recovered from this air raid were two apparently "magical" computers said to have belonged to Reyes. According to Colombia's investigative police, the computers contained some 39 million Word Files, which the international police agency, INTERPOL, said would take 1,000 years to read at the rate of 100 pages per day. If this evidence is credible, Reves must have spent every waking moment typing away at a computer keyboard and creating file after file after file! The only thing more amazing is how quickly the Colombian authorities were able to sort through this staggering number of documents to come up with so many charges and investigations against so many in such a short amount of time!

INTERPOL also said that files on the computer could not be authenticated and that "Access to the data contained in the eight FARC computer exhibits did not conform to internationally recognized

# US Law Continues to Punish Nicaragua for 1980s Land Reform

An interview with Nicaragua Network Co-Coordinator Chuck Kaufman. Why is July 28 a significant date for US-Nicaragua relations?

US law requires a cut-off of aid to any country which has confiscated the property of US citizens. It also requires the US to vote against loans to that country in the international financial institutions such as the IMF. The law allows the administration to issue a "waiver" when the US president (delegated to the Secretary of State) determines it is in the national interest to do so. Every year since 1994 the US has issued a waiver based on Nicaragua's "progress" in resolving property claims by US citizens. **How did this all come about?** 

The Foreign Assistance Act of 1961 included an important section known as the Hickenlooper Amendment. (Title 22 Foreign Relations and Assistance: Chapter 32 Foreign Assistance: Sub-chapter III General and Administrative Provisions: Part 1 General Provisions: Section 2370). The amendment, sponsored by the Iowa Republican Senator Bourke Hickenlooper, was aimed at Cuba which had confiscated the properties of US citizens after the 1959 revolution. Since the US doesn't give aid to Cuba, the law had no effect, and in 1968 when Peru confiscated the assets of a US oil company, President Nixon simply ignored it when he took office in 1969. However, amendments to the Foreign Assistance Acts in 1994 and 1996, sponsored in the first case by Sen. Jesse Helms (R-NC) and Rep. Henry Gonzalez (D-TX) and in the second by Helms and Dan Burton (R-IN), eliminated presidential discretion and set up the "waiver" regime. The law has also since been interpreted to convey retroactive citizenship rights.

# What is the precedent to apply citizen rights retroactively?

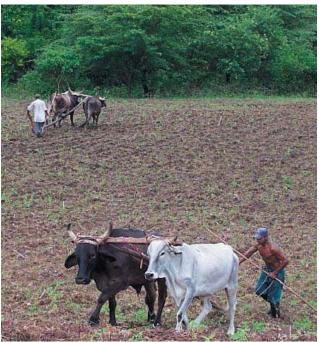
Prior to the Helms-Gonzalez and Helms-Burton amendments, there was no precedent in US or international law for the rights of citizenship to apply retroactively.

#### Who are these US citizens?

Of the 274 people whose claims have not yet been resolved, only 17 are actually US born citizens. The remaining 257 were Nicaraguans at the time their property was expropriated. They have since become naturalized US citizens. Why did Nicaragua expropriate

#### properties in the 1980s?

When the Sandinista Revolution overthrew the 46-year Somoza dictatorship in 1979, it is estimated that the Somoza family owned approximately



Much confiscated land was distributed to Nicaraguan peasants under land reform.

20-25% of the country's arable lands. Hundreds of thousands of Nicaraguan farmers had no land of their own. Of all land confiscated for land reform, 56% belonged to the Somoza family, high government officials, and army officers. The other 44% of the land was confiscated under a variety of circumstances. A 1996 investigation by the Nicaragua Network and Quixote Center identified four classes of people whose property was expropriated:

1. Criminals: Somoza family members and civilian and military members of the dictatorship who had committed crimes against humanity;

2. Debtors: Who mortgaged their property and left the country with the money, defaulting on the loans they had taken out from Nicaraguan banks.

3. "Abandonistas:" Those who succumbed to "red scare" propaganda and fled the

country abandoning their property. Their property, which would not have been taken from them had they stayed, was usually expropriated to preserve it from further damage by squatters. 4. Innocents: A very small number of people whose property was confiscated in violation of Nicaraguan law.

Does it make sense that US law should

treat equally the claims of these very different kinds of people? No.

How many claims has Nicaragua resolved?

The number is not clear. Prior to our 1996 investigation, Sen. Helms published a list of 751 "US citizens" whose property had been confiscated. The Chamorro, Aleman, Bolaños and current Ortega governments each settled hundreds of claims. but until recent years, new claims kept being added as more Nicaraguans became naturalized US citizens. Currently 274 claims are unresolved. Fiftytwo have not submitted

paperwork to prove they owned the property in question and therefore cannot be resolved. Nevertheless the US will not allow them to be removed from the roster. The remainder are the most difficult cases including those demanding outlandish compensation based on "nostalgic value" unsupported by tax-value appraisal. However, the majority of remaining claims are those brought by the worst criminals of the Somoza dictatorship which no Nicaraguan government, be it of the Right or the Left, will agree to compensate. **How has this property waiver law affected Nicaragua?** 

The claims being made by now-U.S. citizens have had a major impact on Nicaragua's finances. Nicaragua has given out \$1.232 billion dollars in government bonds to US claimants since 1990, and pays the servicing on that debt each year.

# **<u>US AIDing A COUP?</u>** Honduras Coup Highlights Foreign Aid Questions

#### By Jamie Way

[Jamie Way is Research Coordinator at Alliance for Global Justice.]

Given the history of U.S. interventions in Latin America, one does not need to be a conspiracy theorist to ask what role the United States may have played in the June 28, 2009, coup against elected Honduran President Manuel Zelaya. However, it may be a bit of an oversimplification to claim that the U.S. directly and fully supported the coup. Although segments of the U.S. government, military and corporate power structure were upset with Zelaya for a number of reasons [including raising the minimum wage, seeking to turn the U.S. Soto Cano (Palmerola) air base into a civilian airport to replace the dangerous airport in Tegucigalpa, and for joining the Venezuela-led Bolivarian Alliance for the Peoples of Our America (ALBA)], there have been signs of disapproval from the U.S. too. The Obama administration has condemned the coup and cut off some aid and canceled some coup leaders' visas. Still, it has trailed far behind the rest of the world in taking concrete actions. It has even refrained from classifying the coup as such, which would have required an automatic aid cut-off. As a result of U.S. inaction, many argue that Washington has given tacit approval to the coup regime. Regardless of the uncertainty that surrounds the U.S.'s position...wait, scratch that. Due to the long history of U.S. support for coups in Latin America, its many invasions and election manipulations, it is important to discuss the role it did, or did not have. in promoting or supporting the events of June 28th.

#### A Brief History of Aid in Honduras

According to a Congressional Research Service report generated by Peter Meyer and Mark Sullivan, Honduras received \$44 million from the U.S. in aid in FY2008 and an estimated \$47 million in FY2009. Additionally, it is likely to receive a portion of the funds dedicated to Central America under the Merida Initiative, which focuses on preventing illegal smuggling and gang activities. In 1961, the year of USAID's reorganization, the organization signed its first agreement for assistance to Honduras. As one of the poorest countries in the hemisphere, Honduras has been a constant recipient of U.S. funds.

Likewise, through the (semi-) private sector, Honduras has received funds from the National Endowment for Democracy (NED) through a number of channels. Between 2004 and 2008, NED directly funded three organizations operating programs specifically within Honduras. Additionally, three of the NED's four major recipient organizations have programs in the country. In fact, one of these major recipients, the Center for International Private Enterprise of the U.S. their activities," states Barbara Conry, in an article from the conservative CATO institute. The funding for these activities, that are conveniently not held to normal U.S. legal and political standards, are still funded by U.S. government dollars.

Interestingly, the vast majority of these taxpayer funds are allotted to four organizations, the National Democratic Institute for International Affairs of the Democratic Party, the International Republican Institute of the Republican Party, the American Center for International Labor Solidarity of the

NED National Endowment for Democracy Supporting freedom around the world AFL-CIO, and the Center for International Private Enterprise of the U.S. Chamber of Commerce. These four

Chamber of Commerce, a core group of the NED, has taken a pro-coup position, stating that Zelaya disregarded the constitution and is "anti-business." Shortly after the coup, its website boasted a link to an article regarding the business sector's support of Micheletti.

#### The National Endowment for "Democracy"

Both USAID, and to an even greater degree, NED are highly nebulous institutions with the capacity to grant a vast array of grants, making them incredibly opaque and impossible to hold accountable. NED is a "private," "nongovernmental" organization. Despite this status as independent from any form of government accountability or regulation, the organization is funded by earmarked federal dollars. "Founded in 1983 following an impassioned call by President Ronald Reagan for renewed efforts to promote global democracy, NED was designed to assist 'democratic' movements abroad in ways that were beyond the reach of established federal programs. NED's founders were concerned that traditional democracybuilding agencies such as the Agency for International Development (AID) and the U.S. Information Agency (USIA), as official government programs, faced legal and political restrictions that limited organizations are then allowed to give grants to other organizations tasked with "strengthening democracy." These organizations, obviously, then associate with other organizations, which they may or may not fund. Clearly, three or more parties removed from the source of funds, it can become a bit difficult to see exactly what the U.S. is supporting.

Additionally, NED grants some of its money directly to other organizations. These organizations also have extensive lists of both public and private sector partnerships, making it exceedingly difficult to identify who is affiliated with the institution and what money they are receiving. As Barbara Conry put it, "That convoluted organizational structure seems to be based on the premise that government money, if filtered through enough layers of bureaucracy, becomes 'private' funding, an illogical and dangerously misleading assumption. In effect, the NED structure allows private organizations (in this case organizations with very distinct and disparate interests) to pursue their own foreign policy agendas without regard to official policy." **USAID** 

USAID, on the other hand, functions as a government entity. In 1961, the Foreign Assistance Act reorganized

### SOSTENICA, from p. 1.

over \$2,000,000 on loan in the department of León. Motivated by the vision of microfinance playing an active role in creating an environmentally secure future, SOSTENICA and CEPRODEL launched the Sustainable Rural Development Project. In addition to encouraging sustainable farm management, the project also strengthens the greater community by bringing together numerous NGOs and educational institutions. The most recent of these undertakings is a riparian (river bank) reforestation project in the municipality of Nagarote.

In 2008, several of CEPRODEL's office managers and top administrators began discussing the relevance of water preservation to their current work while attending an agro-ecology training in Mexico. They asked themselves what value a micro-loan has to a farmer (for purchasing more cattle, for example) if the river upon which they depend dries up before the next rainy season. If the natural resources available to small farmers today disappear, a secure future is impossible - regardless of how much credit is available. The project that emerged from that conversation strives to preserve the sources of fresh water, augment species diversity on individual farms, and create a long-term financial development plan for each farm by offering "credit" in the form of trees to current CEPRODEL clients. **A Vulnerable Water Supply** 

The municipality of Nagarote stretches from Lake Xolotlan in the northeast to the Pacific Ocean in the southwest. It was chosen for the pilot project in part because of the hundreds of small streams in the region which empty into both bodies of water. The main agricultural crops in the municipality are conventional sugarcane and peanuts. The runoff from the nitrogen heavy fertilizers and agrochemicals used on these crops pollutes the stream waters used by small farmers to water cattle. Nagarote has the third largest cattle market in the department of León, with over 21,000 head of cattle in the 600 square kilometer municipality.

Export crops and cattle farming constantly require more cleared land, and Nagarote's municipal environmental department has recorded an average of over 1,000 fires a year intended to clear land and hunt iguana. After forest fires and agriculture, the most commonly cited cause of deforestation in Nicaragua is harvesting firewood for fuel. Firewood

and charcoal are staple cooking fuels and important sources of income for many families in the 35 rural communities of Nagarote. Deforestation associated with these activities contributes to continual soil erosion and the drying up of streams and rivers.

Reforestation and conversion to organic and less chemically intensive farming are two physical changes that can protect and enhance waterways. However, the biggest challenge in implementing these

quantity of seedlings over two years time, allowing the project to be brought to other CEPRODEL clients. During the course of the loan CEPRODEL will offer a series of agro-workshops, imparting the skills needed to seed hardwood and fruit trees, harvest plantain corms, and produce organic fertilizers and insecticides - all skills which alone could result in additional income and business opportunities.

The varieties of trees were chosen for

their potential

crop diversity

and earnings

Planted along

the jenízero

the river banks,

[Enterolobium

cyclocarpum]

will prevent

erosion with

their extensive

root systems and

protect the water

potential.

to increase

each farm's



Julio Cesar Torres Trujillo (left) and his family participated in the workshops and the tree planting. UNAN León agroecology student Orlando Tellez (right), stayed with the family to lead workshops and help establish trees with neighboring clients.

changes is influencing the attitudes of

the people who use them. Although

many farmers understand the value

of their natural resources, most do

management practices due to a lack

not incorporate those values into their

of available technical information and

consistent encouragement. This project

supplements rural credit, which is most

with technical and educational material

meant to inspire a broader change in the

**Changing Landscapes and Mentalities** 

Twenty-four CEPRODEL clients in

Nagarote were chosen to participate

has at least one source of water, and

30% of the participants sell firewood

or produce charcoal for income. Each

participant was offered a "credit" of up

to 980 trees, including seven different

varieties of hardwood trees (jenízero

included of course!), six varieties of

fruit trees, and two varieties of plantains.

The clients agree to pay back the initial

in the pilot project. Each client's land

agricultural practices of CEPRODEL

clients.

from evaporation with their shade. As all but one of the clients are cattle farmers, leguminous species were chosen for the role they play in silvopasture systems. In silvopasture, the integration of nitrogen fixing trees into existing pastures improves soil fertility, while the leaves and pods from same trees provide cattle forage. The result is improved nutrition and higher milk yields during the dry season. The hardwood species also provide future sources of fuel, easing the pressure that

often used in this region to purchase cattle, firewood harvesting puts on existing forests. The plantains and fruit trees offer the clients sustainable short and long term income while increasing the biodiversity of farms and enriching family diets.

> Clients applied themes from the agroworkshops to their specific terrains to incorporate the trees into comprehensive designs of their farms. For farmer Julio Cesar Torres Trujillo, that meant rearranging his corrals and pastures. The corral closest to the river, which in May was a barren slope leading straight down the riverbank, is now crisscrossed with small citrus saplings and green with sprouting undergrowth. His plantains

> > See SOSTENICA, p. 7.

## Meeting, from p. 1.

registration fee - a \$15 value!). A flyer about the concert is at <u>www.nicanet.org.</u>

In addition, a delegation of Nicaraguans from Baltimore's sister city in San Juan de Limay will participate. Jubilee USA



Walter Castillo Sandino, grandson of Augusto Sandino, will speak on Sunday!

Deputy Director Melinda St. Louis will be with us to talk about new Jubilee campaigns on debt relief and vulture funds. We will also have an interesting discussion of "Immigration, emigration – issues of poverty, prejudice and policy."

## US Law, from p. 3.

Thus, nearly the entire value of US aid over the past 19 years has gone right back into the pockets of US "citizens." In 2008 for example, the government paid US\$132.3 million to the bond holders which was the equivalent of 56% of the its total expenditures on health care, or 39% of the government's total expenditures on education, or, perhaps even more shockingly, 19.3% of Nicaragua's gross domestic product. Nicaragua is the second poorest country in the hemisphere and can scarce afford to divert so much money from poverty alleviation programs. **How can this injustice be resolved?** 

In many cases it can't. Some claimants have been compensated twice and had their property returned under different post-1990 governments! But what can be done is for the US government -- the Congress and the Administration -- to determine that Nicaragua has fulfilled its "obligations" under US law. The Foreign Aid Act should be amended to remove the legally indefensible retroactive application of citizen rights and the administration For the registration form for the meeting, go to <u>www.nicanet.org</u>. Please send the form as soon as possible!

We will also talk about how the tax reforms currently being drafted in Managua could affect our groups which ship humanitarian aid to their projects and other issues of interest to solidarity committees.

Saturday Workshop topics include: Conducting water, sanitation and forestation projects in Nicaragua; Cuttingedge media techniques to build solidarity and to convey the reality of Nicaragua to the US public; and How to deal with pushback from the right, in the US and Latin America: Honduras as one case study, with implications for Nicaragua and the Americas

People who attend Nicaragua Network meetings always come away with a feeling that their time was well spent. Often participants have commented that they have learned things from other committees that help solve problems their own committee is having, and also that they feel empowered, learning that they are not laboring alone but are part of a movement.

Please consider sending one or more people from your committee, or come as an individual, to this important meeting.

should declare that Nicaragua is no longer subject to the annual waiver to be entitled to receive US economic aid. That will only happen if thousands of US citizens demand that their elected officials stop



Property was confiscated from high officials of Somoza's National Guard.

punishing Nicaragua now.

If you would like to join us in this campaign, contact the Nicaragua Network/Alliance for Global Justice, 1247 E St., SE, Washington, DC 20003; nicanet@AFGJ.org; <u>www.nicanet.org</u> or, Quixote Center/Quest for Peace, P.O. Box 5206, Hyattsville, MD 20782; email: quest-list @quixote.org; <u>http://quixote.</u> org.



Ambassador Magda Enriquez, well known to solidarity, will join the Nicanet meetiung.

The host committee is offering free and cheap housing, so you can keep your costs to a minimum. Since time is short, please send a quick email to <u>nicanet@AFGJ</u>. <u>org</u> to let us know that your registration is "in the mail" and to alert us if you need housing. Advance registration is \$45 (\$55 at the door) including materials for the meeting, two breakfasts and two lunches as well as a ticket to the Saturday evening concert. A social gathering and optional tour of Baltimore are planned for Friday evening.

> International Trade Action Day October 12 Jobs erased, farmers displaced! Environment polluted, democracy diluted!

Г

# Replace the Failed NAFTA Model!

People throughout the Americas, including a proven majority of U.S. citizens, reject the destructive model of the North America Free Trade Agreement. Yet, it continues to profit the few at the expense of the many.

On October 12--Indigenous Peoples Day--social movements across the hemisphere will launch coordinated eye-catching actions to call for this failed model to be replaced with trade that actually benefits the majority.

Download your organizing packet at <u>www.witnesforpeace.org</u>.

### SOSTENICA, from p. 5.

will be planted along the contours of the riverbank, preventing further soil erosion by heavy rains that had previously carried the manure from the corral directly into the river. He has moved the corral to his son's nearby farm and will, in return, share the fruit harvest with him. Fresh new verdant shoots have doubled the size of the saplings in the last six weeks, which Trujillo attributes to good soil fertility from years of manure build up. "The plantains closer to the river will catch all that goodness, too" he predicted, anticipating a bumper plantain harvest in eight months. Adopting soil conservation techniques and involving a younger generation both promote prospects for a more sustainable long-term economic future for the family.

National financial institutions such as CEPRODEL work primarily with clients on an individual basis. In contrast, the workshops held at the beginning of June encouraged cooperation and communitybuilding among participants. Clients discussed the importance of natural water resources, soil conservation, and organic farm management. They worked together in practical assignments such as making compost piles and constructing terraces to prevent soil erosion. Miguel Angel Calderón, the director of the Nagarote CEPRODEL office, was particularly impressed with how the farmers shared rides to the trainings on their oxcarts, and collectively organized the transport of trees and fertilizers to each farm. Since the group trainings, the clients have maintained contact with each other and continue to play active roles in the organization of the project. This created community will enable an ongoing dialogue about responsible sustainable farming practices.

#### **Engaging the Greater Community**

The reforestation project is supported by several local organizations. The hardwood trees were grown by the participants of an environmental youth program run by the Norwalk/Nagarote Sister City Project (N/NSCP). N/NSCP also offered their beautiful nursery and organic garden as a workshop site, and the municipality donated the use of the former town train station for presentations. Three students from the Department of Agro-Ecology at the National Autonomous University (UNAN) in León interned for the first six weeks of the project. With the support of several faculty members from the same department, the students ran three-day workshops in the communities and followed up with technical support at each farm. The quality of the workshops was enhanced by these collaborations, and the CEPRODEL clients continue to have access to the diagnostic laboratories and technical resources provided by the municipality and UNAN León. from them."

In some cases, however, investing in social and environmental projects may indeed prove profitable. The CEPRODEL Departmental Director of León, Franklin Fletes, cites CEPRODEL's commitment to social projects as one reason that this microfinance institution has avoided being seriously affected by the current "No

Pago" Movement.

agricultural clients

institutions, accuses

The movement,

led by indebted

of microfinance

the institutions

rates and fees,

cancellation on

a national level.

Fletes explains,

the movement

"First and foremost.

attacks institutions

that charge higher

operate solely as

rates of interest and

banks. CEPRODEL

of unjust interest

and demands debt



*Certificates of participation were distributed for having completed a series of workshops on environmental farm management.* 

Lack of access to credit is just one of the reasons that small landowners sell and migrate to urban areas or other countries. The disintegration of natural resources exacerbates the difficulties of making a living off the land. Simply by offering credit to the rural poor, microfinance works to keep land in the hands of small farmers instead of large agro-industrial companies, which are more likely to engage in long term environmentally damaging practices.

This project expands that role of microfinance in rural sustainable development, directly promoting the preservation of natural resources and ecologically sound farm management. Through personal contact with individual borrowers, microfinance institutions have already created the necessary infrastructure to offer these additional services. In Nagarote, Director Calderón reflects on the ways in which microfinance institutions should deepen their impact in development beyond simply lending money. "We are walking a new path of education and credit by accompanying our clients more closely in the development of their businesses. Most financial institutions see social and environmental projects as not profitable, and shy away

*ement.* has formed alliances with our clients through the social projects that we offer along with credit, and by always being open to negotiate with clients on an individual basis. Projects like the reforestation initiative in Nagarote show that CEPRODEL is not just a financial institution but also a social institution."

The reforestation and water preservation project in Nagarote is just one possibility of combining financial credit with tailored educational and technical resources. SOSTENICA and CEPRODEL have been also recognized recently for working extensively with housing cooperatives, and are currently working on formulating environmental conservation and food security projects. As in Nagarote, these projects draw together various organizations working within a community, increasing clients' access to a variety of resources. In a credit market that some suggest is nearing saturation, these focused projects offer examples of how microfinance institutions can stay on the cutting edge and strengthen their commitment to poverty alleviation and sustainable socioeconomic development. For more information or to invest in rural development in Nicaragua, visit www. sostenica.org or write info@sostenica.org.

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### Colombia, from p. 2.

principles for handling electronic evidence by law enforcement...." Indeed, the computers were in the hands of the Colombian authorities from March 1<sup>st</sup> until March 10<sup>th</sup> before they were handed over for examination.

Most the investigations and charges made as a part of this farce-politica have been based on the existence of supposed emails between Reyes and others. However, according to the testimony of Investigative Police Captain Ronald Hayden Coy Ortiz, who first accessed the computers and oversaw the investigation, the computers contained *no emails*...only Word documents.

Charges against Obando are based on the alleged emails. She is charged with raising money for the FARC through international visits on behalf of FENSUAGRO. Her second charge is that of rebellion. However, the money she raised is traceable and the so-called evidence against her is not credible. If she loses her case, we can expect to see more charges against others based on these computers. If she wins, the whole farce-politica falls like a house of cards in a hurricane. Also, her case is being used to try to shut down FENSUAGRO and paint it as a front for the FARC. As a strong advocate for agrarian reform, FENSUAGRO is the most targeted union in Colombia.

The basis for Miguel Angel Beltran's arrest has not yet been fully revealed, except to say that charges stem from "evidence" found on the computers and, perhaps more ominous, from his own academic writings and studies. Canadian academic, unionist, and International Network member, James Brittain, writes "The basis of this tremendous threat has been that as an academic some of Beltrán Villegas' work has been to evaluate the role of the state and the FARC-EP amidst the country's half-century of civil war. While several of his peerrefereed publications raise questions about the classification of belligerent forces and armed ideologically-led political movements being inappropriately categorized as terroristic, it is highly disturbing that such critique is considered to be a revolutionary act. Beyond that, state authorities claimed Beltrán Villegas promoted the FARC-EP internationally and had articles published on what the state deems to be "pro-rebel Web sites"

to arrest and incarcerate someone in Colombia?"

Directly behind all this repression in Colombia is the US government, which funds and directs the Colombian military. The US government has supplied over \$7 billion in military aid through Plan Colombia – a program Clinton sold to Congress as an anti-drug program and which the Bush and Uribe regimes converted into an anti-insurgency unwittingly gives credibility to the "military solution" rather than peace negotiations. We of the CLR/AfGJ and INSCPP have been directly challenged over our inclusion of known FARC members among the number of political prisoners. Let's accept that some members of the FARC have committed excesses and abuses. This still doesn't erase the political root of the conflict, the reason for the formation of the guerrilla

movement, and thus the need for a political solution.

Every time the guerrillas have tried to lay down their arms and enter into negotiations for peace, the process has been sabotaged by the Colombian military and paramilitary alliance. A case in point is the genocide of the 1980s against the Patriotic Union, a Left wing political alliance



Academic Miguel Angel Beltrán, center in white, is being transferred to a penitentiary.

offensive, greatly increasing forced displacements and military/paramilitary human rights abuses in rural Colombia. Even under the "hope and change" promised by the Obama Administration, the aid goes on. Indeed, the State Department recently gave approval for the release of millions of dollars in aid based on the Colombian government's "improvement" in human rights, despite rises in political assassinations, displacements, and arbitrary detentions. Under a recent agreement with the Obama Administration, Uribe would permit the United States long-term access to three air bases, two army installations and two naval ports.

The Obama Administration has committed itself to passage of a US-Colombia Free Trade Agreement, which would in effect seal the theft of land that has been taking place. The silence of the Obama Administration and the US government regarding the farc-politica and the existence and condition of Colombia's political prisoners is the silence of complicity.

Unfortunately, much of the US Colombia solidarity movement echoes Uribe's logic that guerrillas are not political prisoners, only terrorists, and that included both guerrillas and nonguerrillas. During the period of this alliance, two of its presidential candidates were assassinated, and over 5,000 Patriotic Union elected officials and candidates were systematically murdered. Only by recognizing the legitimate historic and political roots of the insurgency—which does not mean endorsing it—can we move toward dialogue for a just peace. There is no better way to begin this dialogue than with a humanitarian exchange of prisoners.

Our delegation not only visited prisoners and their families, but also campesino, indigenous, and Afro-Colombian populations. There was literally no one among the many people we met who had not lost sons or daughters, husbands, wives, girlfriends or boyfriends, fathers or mothers, friends, uncles, aunts, cousins due to military/paramilitary violence or arbitrary detentions. The Colombian military and paramilitaries are responsible for 80% of political violence. Thus, it is the Colombian and US governments, which direct and fund this war, which must be directly challenged to enter into meaningful negotiations for peace.

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8 (CCTV, 2009). Is this really what it takes

### Colombia, from p. 8.

Right now in Colombia there are more than 7,200 political prisoners. Some 1,000 to 2,000 political prisoners are members of the FARC or other guerrilla groups. Most political prisoners in Colombia have been arrested on the basis of fabricated and false evidence, distortions, and/or the testimonies of paid informers. (Colombia has the highest percentage of paid informers among its people than any other country in the Western Hemisphere.)

Perhaps the saddest result of these arbitrary, political detentions and the political violence that accompanies them is the toll it takes on families. While we did not get to meet personally with Beltran, we did meet members of his family and colleagues. We were told how he is the heart and soul of his family. Saddest has been his sudden separation from his children and inability to care for them from behind bars.

In Obando's case, we did get to meet her mother, sister, 15 year old son, and six year old daughter. Obando's mother, Marta, has proven to be a pillar of support, taking in both children and, with daughter Lorena, looking after Obando's needs and carefully watching her case. Both Obando's mother and sister were quick to offer support to our delegation. Obando's son, Camilo, has borne this difficult time like a badge of honor. He expresses a great deal of pride in his mother and is developing into quite a young activist in his own right.

What amazes me most of all is the ability of the Colombian people to not lose hope and to keep organizing and mobilizing under the most adverse conditions. Obando herself has continued her organizing behind prison walls, collecting testimonies from her fellow political prisoners. It has been my pleasure to translate a number of these—so visiting the prison was a special experience, getting to meet in person women whose names and stories I already knew (available at <u>www.clrlabor.org</u>).

I hope the experience of our delegation inspires all of us not only to remember the political prisoners of Colombia—but to take up this fight to end the US sponsorship of this repressive government, to fight these US bases, to kill the US-Colombia Free Trade Agreement, and to demand a prisoner exchange, liberation of all political prisoners, and agrarian reform as fundamental components of a just peace in Colombia.

### Honduras, from p. 4.

U.S. foreign aid, establishing USAID as an independent agency. The George W. Bush administration later clipped its wings and placed its budget and its policy office under the State Department. President Barack Obama has not even yet nominated a director for USAID. USAID was, according to the organization's characterization of its history, "freed from political and military functions that



plagued its predecessor organizations" under the 1961 reorganization. Highly motivated by the importance of fighting communism at the time of its founding, economic aid was argued to be necessary for U.S. national security, under the argument that poverty leads to political instability and then (apparently) inevitably to totalitarianism. Despite the fact that the agency was created with the mandate of acting only in the economic sector, without political or military involvement, it has operated with the stated double mission of "furthering America's foreign policy interests in expanding democracy and free markets while improving the lives of the citizens of the developing world." This part of its mission became paramount under the Bush administration.

USAID, similar to NED, operates through a complicated system of grants. It operates by granting dollars to (non-profit and for-profit) organizations, so that they will pursue U.S. foreign policy goals. Many of the corporations that receive grants subcontract out their tasks to 5-10 other organizations. Clearly, at this point in the money trail USAID's funding becomes anything but clear. **Connecting the (Sometimes Invisible) Dots** 

Eva Golinger, an author and attorney, has done her best to piece together

the most compelling evidence of U.S. involvement in the coup. Her research has demonstrated that many coup supporters were beneficiaries of U.S. foreign aid. Additionally, some have suggested that the coup is really the organizational work of ten of Honduras' most powerful families.

The link that appears most clearly, is that between the Honduran National Business Council (COHEP) and USAID. At least as far back as the 1980s, when

> Honduras was the main staging area for the US-sponsored contra war against Nicaragua, USAID had signed an agreement of financial cooperation with COHEP. USAID currently funds at least one organization that lists both COHEP and USAID as two of its three closest partners. This is somewhat significant as COHEP has been a vehement coup supporter, officially backing Micheletti immediately after the coup. Within Honduras (from COHEP's own statements) it is clear that prodemocracy groups have connected the business organization with the

coup, and have demonstrated against it in a number of ways.

While some of these connections are quite telling, it is difficult to say that they prove that the U.S. backed a coup in Honduras. This is especially true when the Obama administration has yet to fully staff its foreign policy apparatus, and it appears that different interests are in play at the same time. But the point is not that we can prove anything; the point is the no one can prove anything. I would argue that more likely than a good old fashioned behind the black curtains U.S. Cold War style coup conspiracy, U.S. policy toward the Honduran coup government was not soneat or well-defined. Undoubtedly, some coup supporters received U.S. funding. Some organizations receiving U.S. funds backed the coup (or perhaps even helped to organize it). Largely, however, it would appear that the U.S. has not taken one homogenous and well-defined stance, but instead has multiple arms floundering about and acting against one another. This incongruent nature, and possible coup funding, isn't the only problem with U.S. aid. The larger issue that is highlighted in the wake of Honduran instability is that we cannot clearly delineate who received what funding and why. This means it is

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### Honduras, from p. 9.

essentially (perhaps inadvertently) helping to fuel civil strife by backing both sides simultaneously.

Due to their murky form of dispersing U.S. aid, these institutions are allowed to operate under an apolitical guise. Their lack of transparency has made it incredibly difficult to prove beyond a shadow of a doubt that they are intentionally supporting or opposing the violent overthrow of foreign governments. It is apparent, however, that this lack of transparency has allowed some funding to reach a number of suspiciously situated political actors.

# U.S. Aid Founded on a Strong Base of Flawed Assumptions

The problem of U.S. aid is much larger than Honduras, or even Latin America for that matter. From behind a mask of generosity and charity, the U.S. has operated under the assumption that it must universally promote the same economic and political systems that it has adopted. Despite local context, the U.S. has pushed free market capitalism and representative liberal democracy on all corners of the world. Ironically, it has failed to note that these two systems sometimes fail to coincide, and has thus often chosen capitalism over democracy when the two were at odds.

Beyond the contradictions of the mission of U.S. foreign aid, and even beyond the fact that it serves to position the U.S. as the only viable model of political, economic and social organization, still other issues emerge. Even in its most innocent possible application, the very idea of aid itself seems to be a relic of some form of colonial paternalism. The very idea of a "developed"-"undeveloped" dichotomy can only lend itself to the creation of a paternalistic hierarchy. U.S. foreign aid has largely failed to focus on any form of local empowerment, the only factor that would promote true "development," and has instead served at best to pacify the masses with hand outs, and at worst undermine democratic institutions to serve U.S. interests.

#### **Action Required**

In order to insure that in the future the U.S. is not supporting coup regimes, some effort must be made to make USAID more accountable. No one would argue that the world's richest countries, which gained much of their wealth by plundering the

# **Month in Review**

#### *August 26 – September 28, 2009* Anniversaries

Twelve thousand soldiers from all of the branches of the armed forces (infantry, naval and air) participated in the commemoration of the 30th anniversary of the founding of the Nicaraguan Army, known at the time as the Sandinista Popular Army. The head of the Army, General Omar Hallesleven, a former Sandinista guerrilla fighter, was decorated by the National Assembly with the Pedro Joaquin Chamorro National Order of Liberty in recognition of his defense of demanded that the Army of Honduras "respond to the interests of the people" of Honduras and "reverse the military coup d'état" that overthrew President Manuel Zelaya in June. He said that US President Barack Obama says he wants respectful relationships with the Latin American countries "and how we would like to see those words made reality, but we know that it is not easy for him to put that into practice." Ortega denounced the agreement signed by Colombian President Alvaro Uribe with the United States "to turn over his territory [seven



The Nicaraguan Police celebrated its 30th anniversary. Left to right: Tomas Borge, Pres. Daniel Ortega and Chief Aminta Granera.

democracy and public liberties. President Ortega gave him the Defense of National Sovereignty Gold Medal.

In his speech, Halleslevens emphasized the efforts of the armed forces to become more professional, to respond to the needs of the population at times of natural disasters, and to take a leading role at the regional level in the fight against organized crime and international drug trafficking.

In his 50 minute speech, Ortega

world's poorest countries, do not owe some of that stolen wealth to the world's poorest. Unfortunately, it appears that this retribution will never be effectively achieved through state aid. Additionally, the public-private aid system (NED) has created nothing more than an elaborate system of money laundering intended to manipulate foreign elections on behalf of candidates subservient to U.S. interests. For more information on U.S. democracy manipulation, visit the Alliance for Global Justice's Respect for Democracy website www.respect4democracy.org. that conflict in Colombia can only be resolved by dialogue. The Nicaraguan National Police celebrated the 30th anniversary of its

military bases] for use by

the US." He emphasized

the 30th anniversary of its founding with a rally and parade on Sept. 5. National Police Commissioner Aminta Granera said, "We are a modern police force, professional, apolitical and non-partisan... in strict accordance with the

constitution." She added, "Our identity and our institutionality tell us what we are and what we are not and, above all, what we can never permit ourselves to become.... We can never become a reincarnation of the Guardia [National Guard of Somoza]," which she described as a force that was "hated and repudiated by society."

Humberto Ortega, former head of the Sandinista Army and President Ortega's brother, noted that Granera has been criticized for not using force to stop violence of groups supporting the government said, "In reality, it's not so easy to find where the line is and it's harder when the type of political gatherings in the streets are highly polarized such as we have in the country now. I think that while the Army and the Police show maturity, the political class with their leaders have to work to make our parties and institutions function in a mature manner."

#### **Politics**

Eighty-eight young people from 14

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### Month, from p. 10.

departments graduated from a four month long training funded by US taxpayer money through the US Agency for International Development (USAID) and conducted by the National Democratic Institute (NDI), a core group of the National Endowment for Democracy (NED). The NED was founded during the Reagan administration with the express purpose of taking over some of the CIA's role in manipulating foreign electoral processes.

During the closing ceremonies of the "Capacity Building Program for Young Political Leaders." the young people demanded Liberal unity, modernization of the political parties, greater leadership roles for young people, and for party leaders to set aside their personal interests. The young people came from the Independent Liberal Party (PLI), the Let's Go with Eduardo Movement (MVCE), the Sandinista Renovation Movement (MRS), the Constitutional Liberal Party (PLC), and the Nicaraguan Liberal Alliance (ALN). "We youth are working for unity [against the governing Sandinista Party], now we just hope that those leading our parties and our legal representatives will look to make it concrete. It is their part that is missing in making all the pieces fall into place," said Jacinto León, of the PLI-MVCE of Boaco. The FSLN did not participate in this NED program because the NED has consistently worked to manipulate Nicaragua's political system against it.

President Ortega met in mid-September with Director of Oxfam-Great Britain, Barbara Stocking, and afterward said, "We have had some political problems with some organizations; you know which they are; we don't need to hide them. But currently we do not have problems; we only wanted information." The Nicaraguan Prosecutor's Office had last year subpoenaed the financial documents of Oxfam, the Center for Research and Communications (CINCO) and the Autonomous Women's Movement in an investigation last year of improper use of funds. The organizations were cleared of wrongdoing in February.

Ortega said he recognized that nongovernmental organizations fill gaps in social assistance coverage in poor areas of the country. Stocking thanked Ortega for clearing up the problem that her organization had had with the government. Ortega thanked Oxfam for its support for programs in the North Atlantic Autonomous Region (RAAN) where the group carries out most of its work. Stocking said that Oxfam-GB would continue to work in Nicaragua's agricultural sector and considered positive the government's Zero Hunger Program. **Elections** 

Four alliances and three parties have registered to participate in the elections for the regional councils (45 members each) of Nicaragua's Caribbean Coast in the North Atlantic Autonomous Region (RAAN) and the South Atlantic Autonomous Region (RAAS). The elections are scheduled for March 7, 2010. The alliances (which include a total of 14 parties) are headed by the Sandinista Party (FSLN), the Constitutional Liberal Party (PLC), the Nicaraguan Liberal Alliance (ALN), and the Alliance for the Republic (APRE). The only parties with significant support on the Caribbean Coast are the FSLN, YATAMA, and the PLC. The FSLN/YATAMA alliance currently controls the RAAN and the PLC controls the RAAS. The Caribbean Coast has 250,000 eligible voters. The population is composed of a number of ethnic groups, including Miskitos, mestizos, Creoles, Ramas, Mayangnas, and Garifunas.

According to Jose Benito Bravo, also known as "Comandante Mack," the Nicaraguan Resistance Party (PRN), composed of former contras, will run in alliance with the Sandinista Party "because we want poor people, the least favored, to have the opportunity to have a better Nicaragua in which our children receive education in peace and harmony."

Meanwhile, the Miskito Council of Elders, which has declared independence in April and formed the Government of the Communitarian Nation of Moskitia announced that they will not accept the regional elections. They presented a document at the offices of the Sandinista Party in Managua which explained that their system of government goes back before the "forced" annexation by Nicaragua "to a kingdom that lasted from 1630 to 1840 and then under a British protectorate until 1894." Miskito participation in the March vote will be an indicator of how much support there is for the independence movement.

Supreme Electoral Council (CSE) President Roberto Rivas has said that there will be observers for the elections. But, he added, "We will not permit groups that have participated openly in partisan political activity because one thing is political participation in the broad sense and another thing altogether is participation in a particular movement or group." He said that the government, through the Ministry of Foreign Affairs, has invited the European Union to send observers.

#### Economy

The International Monetary Fund announced on Sept. 16 that it has reached a preliminary accord with the Nicaraguan government that could lead to the release of US\$35 million in October "to support the country's plan for growth and the fight against poverty." On August 28, the International Monetary Fund (IMF) released US\$150.7 million in Special Drawing Rights (SDRs) to the Central Bank of Nicaragua as part of the multilateral financial support approved by the industrialized G-20 nations to help poorer countries strengthen their international currency reserves. The Sept. 16 communiqué noted that the agreement is "still subject to the consideration and approval by the management and board of the IMF, on an economic program for 2009-2010 that protects the balance of payments and assures the stability of the public finances of Nicaragua." If Nicaragua commits itself to continuing its "current prudent economic and fiscal policies" and achieves a broadening of its tax base, "the board of directors of the IMF could consider completed the second and third revisions of the PRGF [Poverty Reduction and Growth Facility] agreement at the end of October," stated the IMF note.

Meanwhile, budget and tax reform talks continued. Walmaro Gutierrez, chair of the Economic Committee of the National Assembly, said that the budget modifications that are being considered would cut expenses by US\$30.65 million and would affect only the government bureaucracy. He said that expenditures in education, health care and social programs would not be affected. With reference to pending tax reform, he said that consultations with all economic, political and social sectors were coming to an end and the results of those consultations would be presented to the Assembly soon. "It's not possible for the wealthiest economic sectors of this country, who

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have paid so little, to continue in this manner," he said.

However, with only 38 Sandinista party votes of the 47 votes needed for passage and only the six vote ALN bench not yet publicly opposed to the revisions, it is uncertain that the National Assembly will be able to pass a bill this year. Failure will jeopardize IMF funding.

Hard on the good news that Nicaragua's first harvest of the agricultural cycle produced a record bounty came news that the El Niño weather phenomenon is seriously threatening important agricultural zones in Western Nicaragua. Alvaro Fiallos, president of the Union of Small and Medium Farmers and Ranchers (UNAG) said that they have an adequate supply of fertilizer and the land has been plowed but, "not a drop of water has fallen and I think that indicates the dry season has returned early." The Ministry of Agriculture and Forestry (MAGFOR) stated that it has installed monitors throughout the country to determine the impact of El Niño.

Debtor protests in seven municipalities have caused concern on the part of financial institutions that lend money to small farmers and business people in the country. The president of the Association of Microfinance Institutions (ASOMIF), Julio Flores, said that his organization is making great efforts to guarantee the flow of funds into Nicaragua in spite of the uncertainty caused by the Movement of Farmers, Merchants and Micro Businesspeople of the North, better known as the No Pago [Won't Pay] Movement.

Since the movement of large capital into micro lending, microfinance has moved well beyond the Grameen Bank model of US\$50-100 loans to women in solidarity groups to a model in which mid-sized farms and businesses take out loans of thousands of dollars, using their land or business as collateral and often paying what the "No Pay" movement terms usurious interest rates. Twenty-five such international financial institutions expressed their concern about instability in the country's microfinance market. Douglas Young of Micro Vest said that the demand of the "No Pay" Movement that interest rates be reduced to 8% was "impossible" claiming that the international financial organizations obtain funds at rates higher than 8% and they then must cover the costs of evaluating

each credit applicant.

Meanwhile, Omar Vilchez, leader of the "No Pay" Movement, noted that farmers have lost properties worth US\$50,000 because of an initial debt of US\$5,000. Sandinista Deputy Walmaro Gutierrez, mentioned one farmer who received a loan of US\$13,000, made a payment of US\$5,000 but, because the payment was late, had a surcharge applied to his account of US\$12,500. Liberal Deputy Freddy Torres agreed that the denunciations of the debtors against the companies had to be investigated because "they cannot continue to bleed them like this!"



National Assembly Economy Committee meets to hear proposals to solve the micro-finance crisis. Photo: La Prensa.

#### **Human Rights**

Human Rights Ombudsman Omar Cabezas promised to struggle for respect for the human and labor rights of gays and to end discrimination against them during the 2nd Central American Sexual Diversity Conference last week. Leaders of the LGBT community discussed their problems during the three day conference while seeking consensus demands to present to the governments of the region.

Although in Nicaragua there have been advances in legal recognition and decriminalization of sexual differences, the reality is that the consciousness of individuals in society must be changed, attendees said. Marvin Mayorga Norori, a member of the Initiative for Human Rights for Sexual Diversity asked church hierarchies "who automatically call us sinners" to respect the secular State and "not interfere in the decisions that affect us."

#### **Social Services & Poverty Reduction**

Olivier De Schetter, U.N. Special Rapporteur on the Right to Food, who was visiting Nicaragua, said that El Niño will bring severe drought, the effects of which will be seen between January and March of 2010. He stated, "I believe that Nicaragua finds itself in an extremely difficult situation; not as bad as that of Guatemala or Haiti but close to the situation of those countries and there is no time to lose." De Schutter said he was impressed with the government programs in the area of food security, especially with Zero Hunger, but said that "they should be carried out in a more transparent manner and be as inclusive as possible." He suggested that the programs be "institutionalized" under the new law on food security in order to avoid accusations of political favoritism.

Following coverage of his statement which El Nuevo Diario characterized

as very critical of the Ortega government, De Schetter wrote to the newspaper saying that he was misquoted. He wrote: Sir:

"I was saddened to read in your edition of Sept. 12, 2009, a declaration that you attributed to me saying that the government of Nicaragua was using social assistance for clientelistic political ends. The headline about the presentation of my preliminary conclusions was

'Social Aid Manipulated.' In this case, it was not the social assistance that was manipulated but rather the information.

"I ask you to print this letter on the front page of your next edition along with the complete text of my press release, which was much more balanced than was indicated by your article.

"The time has come for the different political bands of this country to stop distrusting each other. My mission seeks to contribute to the promotion of this confidence, while your publication achieved exactly the opposite. Sincerely.

#### Olivier De Schutter

United Nations Special Rapporteur on the Right to Food"

El Nuevo Diario did not publish the letter or the press release. To read the article in El Nuevo Diario to which De Schutter refers, go to <u>http://impreso.</u> <u>elnuevodiario.com.ni/2009/09/12/</u> <u>nacionales/109461</u>]

Schutter recognized Nicaragua for legal, institutional, and programmatic advances in the area of nutrition. He praised Nicaragua for reducing infant malnutrition by 6%, although he noted that one in five children are still affected.