



*A sign protests the proposed La Parota Dam*

As President Obama announced plans to move National Guard troops to the Mexican border and Secretary of State Hilary Clinton traveled to Mexico City to discuss a new relationship between the two nations in light of accelerated drug wars, representatives from various nations were also in Mexico City this week to talk about ways to get new electric transmission lines and other infrastructure projects up and running.

Delegates from Mexico, Argentina, Canada, Spain, the United States, and the World Bank started with the premise that citizen interest is making it increasingly difficult to get just about any public works project built, and declared this to be a worldwide crisis.

Although electric transmission was on most people's minds, officials from Comision Federal de Electricidad (CFE, Mexico's massive government-owned utility) held up, as an example of the challenges, the utility's effort to build the La Parota Dam and Hydroelectric Plant along the Papagayo River. The project's dam would erase 10 tiny towns from the map, and partially flood 5 others. But in addition to providing much-needed power, the dam would furnish water supplies to nearby Acapulco. One speaker said that the project would meet the city's water needs "forever".

CFE says it has been working hard to meet the needs of the 2500 people potentially displaced by the project (some argue that the number needing relocation would be 10 times that amount), helping them to find new village sites, and building model homes intended to demonstrate that the move would lead to a much-higher quality of life. The local residents are not convinced, imposing legal and political barriers that are possible show-stoppers. The ejido regime affecting about half of the land in country offers many rural citizens control over the use of their land.

One official observed that La Parota would provide electrical and water benefits to millions and asked why 2500 people should be able to withhold benefits from so many. La Patota has captured the [attention](#) of people other than those who would be directly displaced.

In recent years, legal reforms in Mexico have led to environmental protections and procedural rights for those effected by new infrastructure projects, adding democratic values to what had previously been a top-down decision making process. Many at this

week's colloquium emphasized the importance of honoring the rules as part of any effort to gain agreement among stakeholders, if not total consensus. At the same time, the government-run electric utilities are pursuing ambitious expansion plans. Although 97% of the nation's citizens have access to electric power, the government wants to support industrial expansion and anticipates higher per capita demand. That means new big power projects and thousands of miles of new transmission lines.

Despite semi-tropical sun and promising pockets for wind development, Mexico does not have firm plans in place to exploit these resources for domestic purposes. The government refers to its large hydroelectric projects as renewable energy projects, and thereby declares that its electricity is 20% renewable. It hopes to increase that figure to 25% with the help of two very large new hydro projects.

As they push for accelerated development, CFE officials wonder if they can succeed, in hard economic times, without rolling back some of the procedural reforms. Spanish representatives point out that they are already experiencing industrial project cancellations and that growth in electric demand is receding. A Canadian representative wonders if the electric industry, normally in a strong position with lenders, might be largely immune to the credit crunch. The question remains, however, if the demand will be there to support many of those new projects, at least in the short term. No doubt, that will continue to be part of the debate along the Papagayo River.