

PRESS RELEASE (DRAFT)**Chalillo Dam is not economically viable, says report**

Belize City, Belize, December 15, 1999 - An independent economic review of the proposed Chalillo Dam concludes that the project is not economically viable and would likely bring greater costs than benefits for Belize. According to the analysis, the Chalillo dam would most likely lead to a modest rise in the average cost of electricity provided to Belizean consumers. The report also observes that the current levels of electricity supply in Belize provide ample time to study options and alternatives that may be more cost effective and have less potential for causing negative environmental and social impacts.

The report was commissioned by the Belize Alliance of Conservation NGOs (BACONGO), funded by World Wildlife Fund (WWF), and carried out by John Reid of the Conservation Strategy Fund, a private consulting organization specializing in analyzing development projects and their potential impacts on natural ecosystems.

In April 1999, WWF published an open letter urging the government of Belize to take a careful, comprehensive, and publicly inclusive approach in reviewing the proposed project and analyzing its merits. The release of this economic review helps achieve that purpose by providing an independent and objective analysis. The key findings and conclusions presented in the Reid report cast serious doubt on the economic justification for moving forward with the Chalillo project. In doing so, the report contributes to advancing the national discussion regarding appropriate energy alternatives in Belize and on the Chalillo dam in particular.

While it is outside the scope of the report, WWF also believes that such an important decision for Belize as that represented by the Chalillo Project should be based on a thorough and participatory environmental impact assessment process that considers the full range of options for sustainable energy development. The environmental impact assessment process is an essential prerequisite to any significant development decision and we look forward to learning the results of the EIA when it is made available.

WWF has been proud to work in partnership with the government and people of Belize for many years to protect and manage their remarkable ecological resources. We are eager to continue that positive collaboration into the future.

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