Canadian Mining: Still Controversial in Central America
The Case of Honduras

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Canadian companies account for 50 to 70 percent of the mining in Central America, and their presence in the region has been widely reported as highly detrimental because they fail to protect the environment and the indigenous people.¹ This article focuses on Honduras and the inadequate response of the government, where neoliberal policies benefit foreign corporations at the expense of the Honduran people. It also highlights the reluctance of the Canadian government to effectively regulate its mining corporations in Honduras, and suggests policies that will help address these issues.²

Due to the weakness of institutions and the absence of the rule of law in many parts of the region, as well as the prioritizing of economic over environmental and human rights concerns, local governments have ignored health problems. Such a biased approach has resulted in chemical and mineral exposure, environmental devastation, massive displacement, and the targeted assassination and persecution of activists who focus on mining activities.³ Canadian companies and their subsidiaries operating in Mexico, Guatemala, Honduras and other countries, are cited for engaging in controversial practices. Despite this, they face limited or no legal consequences.⁴

Dozens of people opposing Canadian mining activities have been killed. Many others have been abused. According to the Toronto-based Mining Injustice Solidarity Network,

“Canadian mining companies are known worldwide for being the worst offenders when it comes to human rights, environmental, and labor violations. This reputation of abuse was confirmed by a 2009 report that was commissioned (and then suppressed) by Prospectors & Developers Association of Canada (PDAC) itself, which demonstrated that Canadian companies were involved in 34 percent of the high-profile violations in the mining sector over the previous 10 years, which was four times more frequently than the next country on the list.”

Victims of abuse in Central America have started to bring some of these issues to the Canadian government’s attention. More recently and with some success, Margarita Caal Caal, a Guatemalan indigenous woman from Loto Ocho who was gang-raped by Hudbay Mineral Inc.’s employees in 2007, filed a negligence suit against the company. She filed in Canada rather than doing so in Guatemala because of the lack of attention she received in her own country. As of now, a ruling ordered Hudbay to turn over internal documents by June. This negligence suit is in addition to those of 10 other women from the same village who claim they were also gang-raped and two other negligence claims against Hudbay. If ruled in their favor, these cases will represent a legal pathway for those who have been abused by Canadian companies and their local agents.

In March of this year more than 120 organizations in and out of the region united to give a louder voice to prompt a change in Canada’s intervention strategy in Honduras. They called on the government in Ottawa to condemn recent killings of indigenous human rights and environmental activists in Honduras (most notably the murder of Berta Cárceres on March 3). They asked Canadian Prime Minister Jason Trudeau to call on the Honduran government to support an independent, international investigation into the crimes. In response, Trudeau's government vowed to only “support ... projects and Honduran organizations” that promote the protection of human rights in the country. Many civil society groups interpreted this response as a lack of interest in the issue because Canada has not followed through with independent investigations.

Civil society groups also asked the Canadian government to collaborate on the protection of environmental defenders since Honduras is particularly dangerous and adverse for their activism. The country has been labeled as the deadliest in the world in which to be an

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environment defender. According to Global Witness, an international NGO, 101 environmental activists were killed in Honduras from 2010 to 2014. More recently, on April 15, human rights activists were again victims of violent attacks when members of the Civic Council of Popular and Indigenous Organizations of Honduras (Consejo Cívico de Organizaciones Populares e Indígenas de Honduras, COPINH) and members of other international and Honduran NGOs were attacked by a group of people armed with machetes and stones, as they gathered for the international meeting “Berta Cáceres Vive” commemorating Berta’s life. At least eight of the meeting’s participants were injured in the attack.

In response, on April 21, 2016, women leaders from First Nations as well as legal and human rights organizations such as Rights Action, a prominent on-the-ground human rights defender in Central America, demanded that the Canadian government take a lead in calling for an independent, international investigation of the murder of Berta Cáceres, and to investigate Canada’s engagement with the Central American country since 2009.

Meanwhile, Canada has been working closely with the government of Honduras to change laws and regulations related to mining activity which could be linked to environmental and human rights abuse in the country. Thus, civil society organizations rightly expect the Canadian government to monitor Canadian based companies’ activities in Honduras more closely.

Although the negative effects of mining activities and the irresponsible exploitation by Canadian based companies have been widely reported, neither local governments in Latin America nor the Canadian government have done enough to hold mining industries accountable for their wrongdoings. Now more than ever, it is imperative for the Canadian government to acknowledge the incompetence of local governments to deal with these issues and ensure further oversight on Canadian mining companies, which will provide greater protection of the environment and human rights.

Canada needs to give higher priority to the regulation of corporate behavior overseas and establish especially strong guidelines for extractive industries. Canada, a country whose reputation has traditionally been that of a benevolent nation, is increasingly coming under fire for its corporate behavior abroad. If Canada’s new government wants to restore that positive reputation, it needs to stand and hold Canadian based mining corporations accountable to prevent future abuses.

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As written in previous COHA articles, after Hurricane Mitch struck Honduras in 1998, Canada offered the Honduran government $100 million USD over four years for reconstruction projects. As part of the plan, forty Canadian companies were established in Honduras for investment purposes, which provided them with the opportunity to claim Honduran land and mineral assets. Since then, Canadian companies in the country have become prominent and their presence has grown even stronger after Honduras’ controversial 2009 coup. Three consecutive post-coup administrations have increasingly favored the mining industry in the country by pushing legislation that has done little to regulate mining activities and assure the protection of the environment and the indigenous communities affected by the extraction of minerals in their lands. To date, mining by Canadian based companies accounts for approximately 90 percent of all foreign investment in Honduras, representing over $600 million USD.

President Juan Orlando Hernandez has prioritized the promotion of the mining industry not only by pushing the new Mining Law of 2013 but by declaring 2015 the “Mining Year.” Hernandez has done well in attracting prospective foreign investment. As of August of 2015, Honduras had received 333 applications for concessions, exploration, and exploitation of metallic and nonmetallic mining. Almost 30 percent of Honduran territory is already earmarked for concessions, according to Global Exchange and the Mining Injustice Solidarity Network. With continuous government incentives, this percentage of land is likely to increase and be occupied by Canadian companies, given their prominence in the country.

These pro-mining initiatives have allowed major mining industries to displace communities from their land without previous consultation, an action that violates the International Labour Organization Convention 169 on the Rights of Indigenous People and is

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considered unconstitutional. As analyzed by the Honduran National Coalition of Environmental Networks, “the consultation process described in the 2013 Mining Law, theoretically allows communities to say no to mining, but only after the exploration concession has already been granted and after there is a contract established with mining companies. This means that community voices will not be heard because Honduras as a state will be bound by Free Trade Agreements that it has signed — such as the agreement with Canada — that gives transnational companies access to international tribunals in order to protect their investments.”

This has had lamentable repercussions for those who fight for the preservation of land.

Repression of social movements and targeted assassinations against land defenders are rampant and have become more visible in recent years. Mineral extraction creates a demand for cheap energy to power its operations. This requires the construction of dams and the privatization of rivers and land, which subsequently imply the displacement of communities — often comprised of indigenous groups.

The construction of dams particularly has created numerous land conflicts between the indigenous community and extractive companies. More recently, construction of a dam near the Canjel River sparked a series of protests denouncing the project for proceeding without meaningfully consulting the Lenca community living in areas surrounding the river. According to Jackie McVicar, from the Atlantic Region Solidarity Network (ARSN), indigenous community members, including recently slain Berta Cáceres, have consistently denounced the Honduran State and the companies involved, such as Hydrosys, a Canadian consulting firm in charge of processing approval of permits, for moving forward with the licenses for this project without the free, prior, and informed consent of the Indigenous community. After Cáceres was assassinated, it became almost impossible to not link her murder to her activism in this project. Despite this atrocity, the dam continues to be under construction.

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In an open letter to Prime Minister Trudeau, Marilyn Baptiste, who also won the Goldman Prize in 2015, wrote, “COPINH and the Lenca did not give their free, prior informed consent as they share a spiritual bond with the Gualcarque River...We share the responsibility to oppose violence against women and girls at the community, at national and international levels. Is it right to murder an Indigenous woman who spoke out for protection of a people, a land, water and all of life for her children and grandchildren?”

Recent killings of indigenous, prominent human rights activists, and environmental activists, such as Berta Cáceres, are in addition to the hundreds who have perished in defense of the land in Honduras. Since 2013, with the murder of three members of the Honduran Locomapa tribe as a result of their protests against mining and logging on their land, it was more than evident “how lethal the region’s activism can be — without consequences to the killers,” as Darryl Fears from the Washington Post stated in his recent article. Although the dangers faced by environment defenders, mostly occasioned by land conflicts, have been widely documented, corporations still have not faced considerable repercussions and continue to operate without consideration of indigenous groups. These corporations and their creditors need to be held accountable.

Canadian Aura Minerals’ gold mine in La Unión, Copán, Honduras, is currently trying to expand its operations, which requires exhuming and relocating the remains of hundreds of local residents buried in the community cemetery. As Mining Watch Canada, an environment and social justice organization, has reported, “Aura Minerals’ subsidiary MINOSA has not complied with even the basic standards for cemetery relocation, including receiving legal permission from the next of kin, presenting a relocation strategy that is fair and acceptable to the local communities, adequate monetary compensation, and community consultation.” Although Aura Minerals has claimed to abide by basic environmental and human rights standards, it is violating them by criminalizing local leaders resisting the cemetery relocation, ignoring the communities’ concerns regarding the fate of their cemetery, and by not presenting an appropriate cemetery relocation plan for community consultation.

On April 17, 2016, the Canada Honduras Delegation for Justice, Land and Life visited Aura Minerals’ project in Copán to document information from local community groups regarding the expansion of the company’s San Andrés project. Locals had expressed concerns...
about the potential destruction of the cemetery in the community of Azacualpa as well as the company’s failure to comply with prior agreements, so the visiting delegation decided to investigate on the situation for a report. On its way to the mining project, however, an estimated 180 mine workers blocked the public road leading to Azacualpa, arguing that the delegation wanted to see the mine shut down. According to Mining Watch, the demonstrators were reportedly armed with machetes, sticks and rocks and it was not until police patrols and soldiers accompanied the delegation that they were able to visit the area. The delegation's findings have yet to be reported, but the context is a history of irresponsible corporate behavior and forced displacement in Honduras.

Aurora Minerals’ dubious behavior represents an example of the repression that Hondurans who seek to hold those in power accountable have to constantly deal with, especially those fighting to preserve their lands. This repression is part and parcel of the massive violations of human rights perpetrated in Honduras since the coup in which democratically-elected President Manuel Zelaya was ousted in June 2009.

**What Has Canada’s Government Done?**

Canada has traditionally claimed that its companies doing businesses abroad act as responsibly as expected by Ottawa’s ethical standards. However, many consider that the Canadian government has limited itself to promoting its industries and that whenever controversies arise the government is quick to argue that it lacks the jurisdiction to hold corporations accountable when they are operating abroad. The Canadian government has worked with the post-coup governments of Honduras, knowing and promoting Canadian extractive industry there, demonstrating little concern for the security and the protection of the human rights of Honduran citizens.

Although since 2014 Canada has supposedly implemented the Corporate Social Responsibility (CSR) Strategy titled “Doing Business the Canadian Way: A Strategy to Advance Corporate Social Responsibility in Canada’s Extractive Sector Abroad,” current events in Honduras, where the Canadian mining company Aurora Minerals is raising
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controversies with its expansion plans, put CSR’s effectiveness in question.33

In 2010 legislation was introduced in Parliament to tighten regulations for Canadian corporations overseas, but it was not approved. John McKay, a liberal MP, had introduced the Responsible Mining Act, Bill C-300, which would have required extractive companies operating abroad to meet international human rights and environmental standards, widely accepted as best practices. If the Bill were to have passed and Canadian companies failed to comply, they would have had to face consequences such as Export Development Canada withdrawing financial support and Canadian trade commissions and embassies ceasing to support and promote their companies’ activities, among other things.34

There is no doubt that Canadian mining has a growing reputation for abusing human rights and ignoring environmental standards in overseas operations.35 As Penelope Simons and Audrey Macklin of The Globe and Mail, a popular Canadian newspaper, wrote in 2010, “Bill C-300 would have helped to redress this. The proposed law would have created a credible, objective forum to promote dispute resolution and help companies avoid and resolve conflict.” Nearly six years later, something like Bill C-300 continues to be necessary as corporate behavior in the mining sector does not seem to change and the governments of the places where they operate continue to prove incompetent in the matter.36

Recommendations

The Canadian government needs to recognize that when its companies operate in underdeveloped countries, such as those in Central America, there is absolutely no guarantee that local governments will ensure that foreign companies are complying with social and ethical standards of operation. It is especially worrisome that Canada leaves the responsibility in the hands of local governments to hold Canadian companies accountable. Such is the case in Honduras and elsewhere where state actors and law enforcement do little to protect the interest of its people and in some cases even collaborate with the perpetrators of human rights violations. Corrupted authorities in Honduras have repeatedly let corporations do as they please.37 The Trudeau administration needs to wake up and go beyond serving its corporations’

36 ibid
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interests by applying a more humanitarian foreign policy towards Honduras. In particular, Canadian-based companies need to be more responsive to the demands of local communities when acquiring land concessions. The Canadian government needs to be more involved in this process and hold its companies accountable when they don’t act accordingly. Bringing initiatives such as Bill C-300 back to discussion will be a great first step.

Canada’s new liberal government can provide the perfect setting to deliver an effective solution to the irresponsible mining engagement of its companies overseas. There are positive signs of that occurring and the world is waiting. According to the New York Times, John McKay said he expected Canada’s new government to try Bill C-300 again soon. And if the Canadian courts rule in favor of Margarita Caal Caal, the Guatemala indigenous woman currently suing Hudbay Mineral Inc., it would represent a precedent for future cases. 38

Not only does the Canadian government need to establish guidelines to monitor Canadian mining activities abroad, it should join the rest of the human rights community in calling for an independent investigation into the murder of Berta Cáceres.

“The Canadian government can no longer turn a blind eye to human rights abuses in the region that are linked to its extractive industries,” COHA director Larry Birns said. "It goes against the pro-democracy aspirations of the majority of Hondurans.” COHA hopes the new liberal government puts an end to this vicious cycle of engaging in the region mostly to promote their businesses while ignoring environmental repercussions and human suffering.

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