FEATURED Q&A

Is Castro Finding a Fair Balance for Honduran Mining?

Honduran President Xiomara Castro's administration announced March 1 that it will ban open-pit mining and cancel environmental permits for mining in the Central American country. The Honduran Ministry of Mining described the industry in the country—which mines gold, silver, copper, lead and zinc—as “extractive exploitation” that is “harmful” to Hondurans and their environment. What are the specifics of the plan, and which mines and environmental permits will be affected? Who benefits from the decision, and which interests will be harmed? How will the decision affect Castro’s political standing and support, and what will be the consequences for Honduras’ economy?

Juan Carlos Sikaffy, president of the Honduran Council of Private Enterprise: "Honduras’ private sector has expressed its support for the new government of President Xiomara Castro and its desire to work together to generate jobs and wealth for our country. Honduras, after a pandemic and two hurricanes, urgently needs economic and social recovery. In this sense, we have asked the government for support to improve the conditions for doing business. Unfortunately, this measure on mining does not improve that situation. On the contrary, it will affect sectors such as cement and construction, which generate massive employment—just what we need right now. Likewise, industries that use hydrated lime, such as agriculture, construction, poultry and thermoelectric plants to generate electricity would be seriously affected. Without extractive sand and gravel collection and the production of lime, we could face the total collapse of the construc-
Petro Secures Nomination in Colombia Primary

In Sunday’s presidential primary in Colombia, leftist Gustavo Petro secured the nomination of the Historic Pact coalition ahead of the country’s May 29 presidential election, the Associated Press reported. With almost all the votes counted, Petro won 80 percent of the more than 5.4 million votes cast in the coalition’s primary, the wire service reported. In other primaries, 3.9 million voters cast ballots in the presidential primary of the conservative Team Colombia coalition, which former Medellín Mayor Federico Gutiérrez won. The centrist Hope Coalition drew two million voters to its primary, which was won by Sergio Fajardo, also a former mayor of Medellín, the wire service reported. The three candidates, along with several other hopefuls from smaller parties, will compete in the May presidential election. If no candidate receives more than 50 percent of the votes, a runoff would be held in June between the two top candidates. Petro received more than four million votes, more than twice the number of votes cast for all the candidates in the centrist coalition’s primary, the AP reported. In Sunday’s vote, Colombians also cast ballots for members of Congress. Petro’s coalition appeared to win 17 of the 108 seats up for election in the fragmented Senate, which would make it the largest bloc, just ahead of the Liberal and Conservative parties, the Financial Times reported. In the lower house, Petro’s party was poised to win 25 of the 187 seats up for election, making it the second-largest bloc after the Liberal Party, the Financial Times reported.

Nicaraguan Judge Convicts Cristiana Chamorro, Brother

A Nicaraguan judge on Friday convicted former presidential contender Cristiana Chamorro and her brother Pedro Joaquín Chamorro Barrios, her brother Pedro Joaquín Chamorro Barrios, and several other former government officials of misuse of state funds during the administration of his father, former President Daniel Ortega. Chamorro’s two sons also were convicted, according to local media. The judge ordered them to be placed “under provisional detention.” Cristiani, whose whereabouts are unknown, denies the allegations, AFP reported.
two outspoken critics of Daniel Ortega’s administration, of financial crimes, Reuters reported, citing information provided by their relatives. They were both arrested last summer on charges that international human rights groups and the United States have called politically motivated. In a Q&A published Feb. 22 in the Advisor, Moisés Martínez Mayorga, an investigative journalist at Confidencial newspaper in Nicaragua, said Ortega’s “regime is betting on establishing a climate of fear and political submission that prevents the emergence of new leadership and eliminates any possibility of a new social outburst.” Ortega’s administration imprisoned 46 of his opponents leading up to last year’s presidential elections.

ECONOMIC NEWS

Argentina’s Lower House Approves Debt Agreement With IMF

The lower house of Argentina’s Congress on Friday approved an agreement between the government and the International Monetary Fund to refinance $45 billion in debt on an overwhelming vote of 202-37, with 13 abstentions, the Associated Press reported. The deal with the IMF has divided the Frente de Todos governing party in recent months and led to protests in front of the congressional building in Buenos Aires. The program’s objective is to address high inflation in Argentina through “a multi-pronged strategy involving a reduction of monetary financing of the fiscal deficit” as well as a new monetary policy implementation framework with the goal of promoting a “steady decline of inflation over time,” the IMF said in a March 3 statement. A “continued exclusion from international debt markets would leave the government increasingly reliant on printing money—and exacerbating inflation—to fund the deficit,” Kezia McKeague, a director at McLarty Associates, told the Advisor in a Q&A published Jan. 21. The debt agreement must be approved by the Argentine Senate, as well as the IMF’s board, before it can be implemented.

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A Lisa Haugaard, co-director of the Latin America Working Group: “The Honduran Energy and Environment Ministry issued a statement on March 4 saying that ‘open-pit mining without control or supervision’ is harmful to the environment and human health. It pledged to ‘review, suspend and cancel’ some environmental licenses and concessions. The announcement, in line with President Xiomara Castro’s campaign promises to promote public and private investments that support socially responsible development, was greeted enthusiastically by local environmental groups. It is not clear how broadly this will be applied, and implementing it will likely require Congress to pass legislation. Open-pit mining is controversial in Honduras. Former President Juan Orlando Hernández, whom the United States is seeking to extradite on drug trafficking and corruption charges, issued mining concessions with little scrutiny. Communities actively opposed many operations because of the impact on their land and water. Those opposing mining operations in Honduras have faced threats, attacks and imprisonment. Eight leaders from the Guapinol community protesting mining company operations due to river pollution spent two and a half years in pre-trial detention. Honduras’ Constitutional Court overturned their Feb. 9 conviction, which the U.N. special rapporteur on human rights defenders had called ‘appalling.’ U.N. High Commissioner for Human Rights representative Isabel Albaladejo recently noted the ‘fear and risk expressed by people in neighboring communities’ due to mining operations in Azacualpa. Those communities are peacefully opposing the exhumation of graves in their cemetery, mining explosions that affect their homes, river contamination and other impacts of open-pit mining. Honduras is one of the world’s most dangerous countries to be an environmental defender. Yet, responsible efforts to regulate environmentally damaging projects could face a backlash, as similar efforts have in other countries. President Castro’s challenge is to encourage socially responsible local and international investment while preserving the environment and protecting the rights of communities and environmental activists in Honduras. It shouldn’t have to be this hard.”

A Arturo Zacapa, managing partner at Dentons Muñoz Zacapa in Honduras: “President Xiomara Castro’s campaign included promises to ban open-pit mining on grounds that it displaces vulnerable communities and is harmful to the environment, public health and good public governance. Shortly after Castro’s swearing in, the Ministry of Energy, Natural Resources, Environment and Mining (known as MiAmbiente) issued a statement that said such mining activity was banned and existing mining permits were to be can-

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Anti-mining protesters have become increasingly radicalized.

— Edmundo Lizarzaburu

Edmundo Lizarzaburu, professor and researcher at ESAN University in Lima: "Latin American countries are not only linked by language, culture and beliefs, but also by prejudices, problems and challenges that we face. The mining boom in Honduras, through the ratification of the mining law of April 2013, was the catalyst for a rise in conflict with local communities, with some of them even declaring their zones to be off limits to any mining activity. The law focused on the benefits of legal mining, but it did not take into account the concerns of communities where mining activity was to be conducted. The lack of public consultations and the indifference to legitimate concerns about pollution and water contamination led to an unintended consequence: anti-mining protesters have become increasingly radicalized. When once they would have entertained the idea of limited and regulated extraction, now they oppose any kind of mining activity anywhere in the country. Hondurans still remember the disastrous consequences of mining in the Siria Valley in Francisco Morazán department. There, the Fischer Watt Gold Company carried out exploration in the area, leaving a trail of pollution and ecological destruction in its wake, as well as economic damage to the surrounding communities. Mining and responsibility are two words that are not divorced from the discourse of the industry. From the conception of shared value with respect to all the related parties, it can generate sustainable economic development in the country, and can create economic opportunities for local communities. But the process must be transparent, and the value of what is extracted must be more fairly shared among all stakeholders."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.