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GUATEMALA: foreign investors impose export-oriented "development" model

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RIGHTS ACTION commentary: Northern investors (individual and institutional) are making good profits from exploitative and damaging mining operations of US and Canadian companies. (See below) To get a proper historical understanding of abusive investment and mining operations, we recommend Eduardo Galeano's "Open Veins of Latin America". We recommend reading this book to get a historical understanding of many issues of poverty, exploitation, racism and repression in Latin America.

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PRESS RELEASE, El Estor (Guatemala), February 2004

OIL AND MINERAL CONCESSIONS IN GUATEMALA VIOLATE INTERNATIONAL AGREEMENTS AND PEACE ACCORDS

The Defensoría Q'eqchi', a justice programme of the AEPDI (Asociación Estoreña Para El Desarrollo Integral), has publically denounced the oil and mining concessions granted in the department of Izabal and in various departments of the country as violations of Convention 169 of the ILO (ratified by Guatemala in 1996). AEPDI demands that the new government respond urgently to issues surrounding these concessions and take concrete action to defend the rights of communities whose land and culture have been threatened by these activities.

PRESENT REALITY OF MINING IN GUATEMALA

According to a study carried out by AEPDI's Defensoría Q'eqchi', 31 exploitation concessions and 135 metal exploration concessions (mainly for gold, silver, copper, nickel and lead) have been granted. With a few exceptions, the concessions were granted during the administration of

Alfonso Portillo, after ILO (International Labor Organization) Covenant 169 had been ratified by the government of Guatemala.

Geographically, the concessions are concentrated in mountainous areas in the east of the country. Permits have been granted in 16 departments and in 106 municipalities. Nine of these departments have a majority Mayan indigenous population; various small indigenous communities are in danger of ethnocide as a result of these concessions being granted.

Although AEPDI was unable to ascertain the size of the areas for which concessions were granted, we note that the yearly report of just one of the permit holders, Radius Exploration Ltd., indicates that their concession covers a territory of more than 4000 km².

CANADIAN AND AMERICAN COMPANIES

The main players in the mining industry are five off-shore Canadian and US companies that operate under various registered names in Guatemala. Three of these companies are Canadian: Inco Ltd. (registered as Exmibal), Jaguar Nickel (registered as Minera Mayamérica, S.A) and Radius Exploration Ltd (registered as Exploraciones Mineras de Guatemala, S.A and Exmingua, S.A). The two American companies are Glamis Gold Ltd., (registered as Entremares, S.A., and Exploradora Montana S.A) and ITH Chemicals LLC. (registered as Minera Quetzal, S.A., Representaciones Químicas, S.A. and Geominas, S.A.).

CONCESSIONS AND IMPUNITY

Ministry of Energy and Mines representatives have stated that local communities were not consulted before concessions were granted. They pointed out that such consultations do not form part of the recently reformed Mining Code. Thus, permits were granted for mining of large areas without any communities knowing, be they indigenous or not, that rights to the subsoil

belonging to the local communities had been transferred to international corporations.

In August 2001, the government of Guatemala, in Resolution 346-2001, granted exploitation and exploration rights to the Compañía Petrolera del Atlántico (CPA) in two areas in the north of the department of Izabal, in the El Estor zone and also in Livingston. Both areas have 85% Q'eqchi' indigenous population, yet the communities affected were never consulted. This violates ILO Covenant 169.

After an intense media campaign by environmental and indigenous groups, the government rescinded Resolution 346-2001 through Resolution 171-2002, in the area of El Estor, citing violations to the international treaty. However, despite similarity in the cultures of the two areas where concessions had been granted, the agreement left the contract with the CPA intact in the Livingston area. Despite demands from the population affected by this, the government has not responded. This is a violation of the rights of more than a thousand Q'eqchi' indigenous peoples.

MINING CONCESSIONS IN IZABAL

In a press release of July 11, 2002, the Canadian company Chesbar Resources Inc. (now Jaguar Nickel Inc.) announced that it had received mining concessions for nickel extraction through its subsidiary company, Minera Mayamérica, S.A, for an area of 127.42 km² in El Estor, Izabal, and for Panzós and Cahbún in the department of Alta Verapaz. According to the company, these concessions were in addition to others covering an area of 207.16 km² in the same zones. Our research has shown that the first concessions were obtained under Resolution 1127 from the Dirección General de Minería on June 6, 2000.

Despite the fact that the government of Guatemala had already ratified ILO 169 and that these concessions have direct impact on more than 50

Q'eqchi
indigenous communities with a population of some 20,000 people, there
was no
consultation with these communities. This is thus a clear violation of
the
ILO 169. We also point out that the granting of these concessions was
never
published in the official newspaper and all information concerning
them had
to be obtained from Canadian sources.

In a press release of December 24, 2003, another Canadian mining
company,
Skye Resources Inc., announced an accord with Inco Ltd. of Toronto, in
which
they acquired concessions known as Niquegua, in an area covering 384.4
km²
in the municipalities of El Estor, Panzûs and Cahabûn - 70% of this
property
had been granted to Inco, only 30% was still managed by the government
of
Guatemala. The accord contains various conditions for technological
and
financial experimentation and for re-activation of the Niquegua
concession
for which Inco had been granted a 40 year concession under its
subsidiary,
Exmibal, S. A, on August 14, 1965. However, these operations have been
abandoned since 1982 when Inco left the country.

We believe that the planned re-activation of this mining operation,
involving several new open pit mines, should be subject to
consultation with
the more than 30 indigenous Q'eqchi' communities in the area, as per
ILO
169.

CONCLUSIONS

It is obvious that the human rights of the indigenous population,
especially
the Q'eqchi', were not respected by the former government nor by the
concession granting bodies. Basic obligations have been ignored and
agreements have been violated in a grab for mining interests.

We demand an immediate answer from the new government concerning this
situation in which the culture and lands of thousands of indigenous
peoples
are being endangered. Furthermore, we demand that no new mining and
oil

concessions be granted until clear procedures for consultation are established to guarantee the rights of indigenous peoples and to ensure that concessions already granted are re-evaluated and corrective measures taken.

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ANALYSIS OF MINING CONCESSIONS – INDIGENOUS LAND AND CULTURES ENDANGERED

By Daniel Joseph Vogt, AEPDI (Asociacion Estorena Para El Desarrollo Integral), El Estor, Guatemala, February, 2004

BACKGROUND

On June 31, 2003, the Ministry of Energy and Mines submitted documents to the elected representative, Olga Camey de Noack, concerning concessions for mining exploitation and exploration. These papers contained information about 247 mining exploitation concessions, 255 exploration concessions and 21 applications for mining surveys. The concessions granted by the Ministry were for mixed metal mining (mainly gold, silver, nickel, copper, lead and zinc) and for mineral mining (marble, granite, gravel, and limestone).

For the purposes of this analysis, we will focus solely on mining concessions for metals and economic activity involving extraction and exportation of minerals, normally by transnational companies; extraction of other minerals can be carried out by small national concession holders in well-delineated areas.

95% of the metal mining concessions in the country have been granted since the year 2000. This is a result of the new Mining Code that allows up to 100% of concessions to go to foreign individuals or institutions and also eliminates import tariffs for mining equipment.

PRESENT REALITY OF MINING

The Ministry's study identified 31 exploitation concessions and 135 exploration concessions. With the exception of old concessions for lead mining in Huehuetenango and concessions to Exmibal in Izabal, all

concessions were granted over the last four years, since the ratification of ILO Convention 169 by Guatemala.

Geographically, the concessions are concentrated in mountainous areas in the east of the country. Concessions have been granted in 16 departments and in 106 municipalities. Although the information provided by the Ministry does not include the size of the land concessions granted, the yearly report of just one of the concession holders, Radius Exploration Ltd., indicates that their concession covers a territory of more than 4000 km².

The main players in the mining industry are five off-shore Canadian and US companies that operate under various registered names in Guatemala. Three of these companies are Canadian: Inco Ltd. (registered as Exmibal), Jaguar Nickel (registered as Minera Mayamérica, S.A) and Radius Exploration Ltd (registered as Exploraciones Mineras de Guatemala, S.A and Exmingua, S.A). The two American companies are Glamis Gold Ltd., (registered as Entremares, S.A., and Exploradora Montana S.A) and ITH Chemicals LLC. (registered as Minera Quetzal, S.A., Representaciones Químicas, S.A. and Geominas, S.A.).

Ministry of Energy and Mines representatives have stated that local communities were not consulted before concessions were granted. They pointed out that such consultations do not form part of the recently reformed Mining Code. Thus, permits were granted for mining of large areas without any communities knowing, be they indigenous or not, that rights to the subsoil belonging to the local communities had been transferred to international corporations.

CONCESSIONS GRANTED, BY DEPARTMENT AND MUNICIPALITY:

* Alta Verapaz, 4 exploitation and 5 exploration concessions, in the municipalities of La Tinta, Panzós, San Juan Chamelco, San Pedro Carch.,

Santa MarÌa CahabÙn, Senah· and Tukur·.

* Baja Verapaz, 6 exploration concessions, in the municipalities of Cubulco,

Granados, Las Caòas, Purulh·, Rabinal and Salam·.

* Chimaltenango, 8 exploration concessions, in the municipalities of Acatenango, Jocaxac, Parramos, Pastores, PatzicÌa, San AndrÈs Itzapa and San

MartÌn Jilotepeque.

* Chiquimula, 12 exploration concessions, in the municipalities of Camot·n,

Chiquimula, Esquipulas, Ipala, Jocot·n, Olopa, Quetzaltepeque, San Jacinto,

San JosÈ la Arada and San Luis Jilotepeque.

* El Progreso, 11 exploration concessions, in the municipalities of Cabaòas,

Chuarrando, El JÌcaro, Guastatoya, Moraz·n, San AgustÌn Acasaguastl·n, San

Antonio la Paz, San CristÙbal Acasaguastl·n, Sanarate, Sansare and Usumatl·n.

* El QuichÈ, 13 exploration concessions, in the municipalities of Chichicastenango, Chichique, Joyabaj, Nebaj, San Pedro Jocopilas, Santa Cruz

del QuichÈ and Zacualpa.

* Guatemala, 2 exploitation and 17 exploration concessions in the municipalities of Palencia, San JosÈ Pinula, San JosÈ del Golfo, San Juan

SacatapÈquez and San Pedro Ayampuc.

* Huehuetenango, 19 operating and 18 exploration concessions, in the municipalities of Aguacat·n, Cuilco, Chiantla, Chuarrancho, NentÙn, San

Idelfonso Ixtahuac·n, San Mateo Barillas, San Mateo Ixtat·n, San Miguel

Acat·n, San Pedro Necta, San Raymundo, San Sebasti·n and Tectit·n.

* Izabal, 4 exploitation and 10 exploration concessions, in the municipalities of El Estor, Livingston, Los Amates, Morales and Puerto Barrios.

* Jalapa, 9 exploration concessions, in the municipalities of Mataquesuintla and San Pedro Pinula.

* Jutiapa, 2 exploration concessions, in the municipality of AsunciÙn Mita.

* SacatepÈquez, 1 exploration permit, in the municipality of Sumpango.

* San Marcos, 1 exploitation and 5 exploration concessions in the municipalities of ConcepciÙn Tatalpa, Ixchigu·n, Malacatancito, San Marcos,

San Miguel Ixtahuac·n, San Pedro SacatepÈquez, Sibinal, Sipacapa, Tacan· and

Tajumulco.

* Solol·, 5 exploration concessions, in the municipalities of Nahual·, Patzite, Santa Catarina Ixtahuac·n, Santa MarÌa el TablÙn and Solol·.

* Totonicap·n, 17 exploration concessions, in the municipalities of

Concordia, Momostenango, Samalá, San Antonio Ilotenango, San Bartolo, San Francisco el Alto, San Pedro el Alto, Santa Catarina Chiquimula, Santa María Chiquimula, Tectitán and Totonicapán.
* Zacapa, 1 exploitation and 5 exploration concessions, in the municipalities of Gualán, La Unión and San Diego.

CONCLUSIONS

The granting of hundreds of mining concessions by the Ministry of Energy and Mines constitutes a serious violation of the rights of thousands of Guatemalans, be they indigenous or not. These communities were never consulted, nor were they informed that rights to the subsoil of their lands had been granted to a mining company.

It is important to note that 9 of the 16 departments affected are mainly populated by indigenous people and that various minority groups (Ch'uj, Sipalense, Ch'orti amongst others) are in danger of ethnocide if these mines go ahead.

As for the mining companies, as soon as they receive their permit, they begin investing in the initiative and it is difficult for them to stop operations, once the project gets under way.

We should pay close attention to the fact that in December 2003, the Attorney General for Human Rights Office managed to rescind the mining concessions granted in El Estor, on the grounds that the obligations of ILO 169 had not been fulfilled. This initiative offers an immediate way of guaranteeing respect for the rights of people in the areas where mining concessions have been granted.

At the same time, it is urgent that this information be disseminated and that indigenous communities, who are the most vulnerable in this situation, be encouraged to come together to demand respect for their rights and even possible annulment of these concessions. They should also demand changes in government policy and reforms in the laws and regulations concerning concessions for exploitation of natural resources in this country.

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[The above was translated by Rosalind Gill (RGill@glendon.yorku.ca)
for
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