

**HUMAN RIGHTS VIOLATIONS IN NICARAGUA
AND THEIR EFFECT ON INTERNATIONAL
COMMERCE: FOCUS ON THE MINING AND BEEF
INDUSTRIES AND ON LABOR RIGHTS
NATIONWIDE**



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EXECUTIVE SUMMARY

**Written in response to the Section 301 Investigation by
the Office of the United States Trade Representative:
Nicaragua Labor Rights, Human Rights, and Rule of
Law (Initiated December 8, 2024)**

**Report by Expediente Abierto, Fundación del Río, and
the Patrol Campaign**

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Executive Summary

This report responds to a request for comments by the United States Trade Representative on Nicaragua's Acts, Policies, and Practices Related to Labor Rights, Human Rights, and Rule of Law, published on December 10, 2024.

Nicaragua's people's prosperity and peace depend on the establishment of the rule of law, the protection of its most vulnerable populations, and the protection of its forests and water sources. [Expediente Abierto](#), Fundación del Río, and the [Patrol Campaign](#) submit this report providing evidence on policies undertaken by the Nicaraguan state that weaken the rule of law, commit human rights abuses, and generate environmental devastation in the country while also distorting international trade.

Chapter 1.

The role of the mining sector in weakening the rule of law in Nicaragua

Despite being sanctioned by the United States, the Nicaraguan mining industry is still the largest in Central America, and the U.S. remains its biggest importer. However, opaque mineral sourcing practices, the imposition of concessions on Indigenous and Afro-descendant communities without consultation, the repression of these communities' ability to protest, and the environmental destruction caused by this sector significantly contribute to the economic benefits of those connected to the government and the deterioration of the Rule of Law in the country.

Tracing the origin of gold in the country is exceedingly difficult.

As detailed in this report, approximately 30% of the gold produced in Nicaragua comes from small-scale and artisanal mining, which Fundación del Río has demonstrated includes illegal activities in the Bosawás Natural Reserve and the Indio Maíz Biological Reserve, where over 100 extraction mills and at least three illegal extraction sites have been documented within its zone. Additionally, opaque accounting practices mean that the country exports roughly 30% more gold than what can be produced in its seven processing plants, a discrepancy that the government has not clarified. This means that it is currently difficult to trace the source of up to 50% of Nicaragua's gold exports.



Foto: Calibre Mining Corp.

Indigenous and afro descendant communities are displaced and unable to push back due to the repression.

The arbitrary imposition of Indigenous and Afro-descendant authorities by political operatives of the Nicaraguan government has enabled the discretionary and undiscussed granting of mining concessions in Indigenous and Afro-descendant territories. Fundación del Río reports that since 2007, the Nicaraguan government has granted 141 mining concessions for gold and silver extraction in Indigenous and Afro-descendant territories, affecting 21 territories of at least five Indigenous and Afro-descendant peoples. Most of these concessions were granted without processes of Free, Prior, and Informed Consent (FPIC), as required by international norms.

Meanwhile, the absolute power wielded by political operatives within state institutions, the social control imposed by repressive forces such as the National Police and the Nicaraguan Army in rural, indigenous, and Afro-descendant communities, and the arbitrary shutdown of environmental and human rights organizations allow the government and its allies to operate without facing local dissent¹, independent investigations into environmental impacts, or social audits of gold mining operations. As detailed in the report, these efforts are part of broader policies that violate indigenous and Afro-descendant peoples' rights. x

Furthermore, the Nicaraguan government has permitted companies to bypass public disclosure requirements, limiting citizen oversight. Environmental impact studies, prospecting data for Chinese mining projects, and legal documentation regarding these companies remain sparse or entirely unavailable, reflecting the government's complete discretion in managing these concessions.

Currently, no company in Nicaragua's gold sector can assure the safety of its operations or assets to U.S. or international investors. According to The Oakland Institute, at least 48 U.S. investment firms and corporations face reputational risks due to their direct or indirect ties to Canadian, British, and Colombian mining companies operating in Nicaragua.

Given the aforementioned information, it is imperative that international importers of Nicaraguan minerals take measures to ensure the traceability of these resources, verifying that they come from legitimate sources. Importers must avoid contributing to the displacement of Indigenous and Afro-descendant communities, the destruction of the country's rainforests and water sources, the worsening of Nicaragua's totalitarian state, and the erosion of the rule of law.

Chapter 2.

Conflict Beef: How the production of beef for international markets is destroying Nicaragua's forests and violating the rights of Indigenous populations

The Nicaraguan beef industry, the largest in Central America and a major exporter to the United States has been found² to be linked to illegal deforestation, violations of Indigenous land rights, and complicity in human rights abuses while supplying beef for the U.S. market.

Nicaragua's beef exports have experienced significant growth, rising from \$120.5 million in 2007 to \$682 million in 2022. Nearly 95% of these exports are controlled by just seven industrial slaughterhouses, which collectively export approximately 360 million pounds of beef to the United States each year. In 2020, Nicaragua was the third-largest supplier of frozen beef to the US Exports to the United States, as of October, totaled \$218.14 million. However, this industry is built on systemic corruption and environmental destruction, which have devastating effects on the Indigenous community.



Foto: Government of Nicaragua

The Patrol Campaign has found clear links between illegal grazing on protected areas in Nicaragua and beef sold in the United States at artificially low prices.

Deforestation in Nicaragua has reached critical levels. In 2023 alone, over 60,000 hectares of primary forest—equivalent to 4.2% of the country’s remaining forests—were destroyed. Since Daniel Ortega returned to power in 2007, Nicaragua has lost 29% of its primary forests. A significant portion of this deforestation occurs in protected areas and Indigenous territories, such as the Indio Maíz Biological Reserve and the Bosawas Biosphere Reserve, primarily driven by illegal cattle ranching to supply beef for international markets. These forests are not only biodiversity hotspots but also the homes of Indigenous communities who rely on the land for their livelihoods, culture, and survival. This destruction has resulted in widespread displacement and human rights violations.

One stark example is the case of José Solís Durón, a cattle rancher who operates “La Haciendita,” an illegal farm within the Indio Maíz Reserve. Solís Durón cleared hundreds of hectares of rainforest, violating the ancestral land rights of the Rama and Kriol Indigenous communities.

When local rangers discovered his operation in 2017, they reported it to authorities and filed formal complaints with the Nicaraguan government. However, no meaningful action was taken. Instead, Solís Durón continued to operate with impunity, aided by government-issued ear tags that enabled him to sell cattle to major slaughterhouses like Nuevo Carnic and Sukarne. These slaughterhouses export beef to the U.S., effectively laundering illegal cattle into the global supply chain while benefiting from lower costs made possible by grazing on illegally cleared protected lands and Indigenous territories.

This is just one of many documented cases included in the report submitted to the USTR

This illegal grazing is directly responsible for human rights violations against Indigenous communities in Nicaragua

The Durón case highlights a broader pattern of injustice. Indigenous communities, like the Rama and Kriol, are on the frontlines of protecting Nicaragua’s forests, yet they face violence, intimidation, and displacement as their lands are seized for cattle ranching. Many of these communities have filed legal complaints, organized patrols, and taken extraordinary risks to defend their territories, only to be ignored or silenced by authorities complicit in these illegal activities. As of January 8, 2025, there are 12 rangers and indigenous leaders imprisoned in Nicaragua for defending their territories, while 46 community members and indigenous rangers have been killed since 2018. Over the past few months, Indigenous communities have shared numerous photos showing cattle with traceability ear tags in areas illegally taken from them. These titled Indigenous lands are under active invasion by illegal colonists, forcing families to abandon their homes and seek refuge in nearby cities. This displacement is driven by the expansion of cattle ranching, with cows that have been branded and tagged, which is supposed to ensure their traceability to legitimate sources.

In addition to market distortions, irregularity in Nicaragua's beef industry has far-reaching effects beyond Nicaragua's borders

Meanwhile, the deforestation and displacement linked to Nicaragua's beef industry contribute to global crises, including biodiversity loss and climate change. Protected areas like the Indio Maíz Reserve, among the most biodiverse regions in Central America, serve as critical carbon sinks. Their destruction has far-reaching consequences that extend well beyond Nicaragua's borders.

A recent screwworm outbreak in Central America, which led the United States to close its border to cattle imports from Mexico, poses a significant threat to the region's economy and to U.S. cattle ranchers. This outbreak has been exacerbated by poor regulatory controls in Nicaragua and unchecked cattle contraband moving through Central America into Mexico. The situation underscores the urgent need for stronger enforcement in the beef industry to prevent the spread of diseases and viruses that threaten both animal and human health.

Accountability in Nicaragua's beef supply chain is essential for ensuring that products imported into the United States are not linked to deforestation or human rights abuses

To address these urgent issues, the Patrol Campaign calls on international importers to take decisive action to halt the sale of beef sourced from illegal cattle ranchers in Nicaragua. Despite assurances from the local meat industry regarding the traceability of their products, the attached report conclusively demonstrates that beef from illegally grazed cattle in Nicaragua is reaching U.S. markets.

The U.S. government must demand greater transparency and accountability in Nicaragua's beef supply chain to ensure that imported products are not linked to deforestation or human rights abuses. Additionally, supporting Indigenous communities in their efforts to protect their lands is essential, as they are vital allies in the global fight against climate change and environmental destruction.

Chapter 3.

The role of the state in denying nationally and internationally guaranteed labor rights

This report outlines how labor rights are systematically denied by the Nicaraguan State, violating both, the national constitution and international agreements. The Nicaraguan Constitution guarantees workers' freedoms, including the right to unionize, participate in company management, and form organizations without discrimination. However, the Ortega regime has systematically dismantled these rights, aligning labor repression with broader human rights violations.

Erosion of Union Freedom and Collective Bargaining.

Despite legal provisions, the freedom to unionize and engage in collective bargaining has been nullified. Between 2018 and 2022, the government shut down 3,390 (47%) of the organizations legally registered in the country. Of these, 562 were unions. Overall, between 2001 and 2019, the number of unions has been reduced from 2,071, with over 100,000 members to 974, with fewer than 76,000 members.

Dismantling Institutions Protecting Labor Rights.

The Ministry of Labor (Mitrab) undermines labor protections by ignoring court rulings that order the certification of certain unions. It often dismisses cases of unlawful firings by companies, especially in free trade zones. Institutions necessary to uphold labor laws, including the National Labor Appellate Court, have also been weakened. A 2020 State Department Human Rights report on Nicaragua summarizes the situation: "Freedom of association and the right to collective bargaining were not respected, and the government often intervened for political reasons"

Suppression of Protests and Strikes.

Since 2018, public demonstrations have been illegal in the country. This also outlaws strikes and demonstrations. Meanwhile, compulsory arbitration undermines worker-led actions. Additionally, there has been an increase in cases of retaliation against workers. In some cases, these retaliations have included the unlawful dismissal of workers, the suspension of their employment contracts, or harassment and intimidation, especially if they express disagreement with the government.

Women's Workplace Rights.

Women in free trade zones face exploitation, including unsafe working conditions, harassment, and denial of pensions for work-related injuries. Organizations advocating for women, such as the María Elena Cuadra Movement, have been shut down, signaling the regime's disregard for gender-specific labor protections.

International Non-Compliance

Nicaragua consistently ignores international labor standards and inquiries. Between 2018 and 2023, the government responded to only eight of 65 complaints regarding labor violations. Allegations include non-compliance with conventions on union rights, collective bargaining, and anti-discrimination.

Conclusion

The Ortega regime's policies have eroded labor rights, leaving workers vulnerable and unprotected. The suppression of unions, the targeting of vulnerable groups, and the refusal to engage with international mechanisms underscore the regime's systematic disregard for labor protections and human rights.





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