

## **I. ADDITIONAL CONSULTATIONS ON THE CIVIL SOCIETY SPACE OF HONDURAS**

The International Secretariat, with the participation of the VC members, held additional consultations with different stakeholders of the Honduran civil society space on 2-3 September 2020, including both CSOs on the MSG and members of the broader civil society constituency.<sup>1</sup> The list of stakeholders invited for these meetings was made with the input from Simon Taylor, Cesar Gamboa, and OXFAM.

Unofficial meetings were also held among different Honduran CSO and the civil society representatives Board members.

The consultations include different topics related to the freedom of the CSOs in engaging in the EITI and the freedom to express their opinions about the extractive sector of Honduras.

- **Expression: Civil society representatives are able to engage in public debate without restraint, coercion or reprisal // Access to public decision making: Civil society representatives are able to speak freely on transparency and natural resource governance issues.**

### **a. MSG members**

When MSG members were asked about the freedom of speech or the risks as CSOs to act in ways that seek accountability of the extractive sector, they acknowledge there is repression in the country. However, they frame this as repression aimed at some social protest and not towards the CSOs that are MSG members as they have been able to do their work freely.<sup>2</sup> It is important to note that the EITI MSG representatives know the dangers and restrictions in the broader civic space. They acknowledge that these threats are towards indigenous organizations that respond to extractives companies. In that sense, when asked about the implementation of the requirement 1.3 in Honduras, MSG members (surprisingly) thought this requirement only applied just to them as MSG members and not to other CSOs working on the extractive sector. They clearly did not understand the scope and application of the civil society protocol.

### **b. Non-MSG member CSOs**

There is no civil society coalition to support the MSG members. The non-MSG members described how they suffered several risks in Honduras related to expressing views against the extractive industry and the government through constant violence, criminalization, and slander received by those who do. CSOs highlighted the high level of impunity related to human rights violations in the country. They also highlighted several violations and long detainments experienced by human defenders.

First of all, Non-MSG members mentioned repression in protests related to extractive activities such as the case of the Azacualpa community, where 19 people were arrested in 2014 because they held a demonstration on public roads against Minerales de Occidente S.A. (MINOSA). This mining company wanted to hold its operation in a 200-year-old cemetery considered an ancestral, cultural, and spiritual heritage. Azacualpa community faced this

---

<sup>1</sup> In the list of CSO that participate you can find organizations like IM, CEJIL, ERIC SJ, CLIBRE, Red Nacional de Defensoras de Derechos Humanos, FOSDEH, etc.

<sup>2</sup> The CSO that are members of MSG are not currently facing an action against an extractive project.

problem again in 2019 when seven people were arrested by the same cause even though there was not enough ground for arrest.<sup>3</sup> Non-MSG members also commented that there was a systematic campaign of intimidation and delegitimization of the defenders and the accompanying organizations through a local TV channel financed by MINOSA (channel 30) that maintains a siege against any person or organization that reports violations and abuses of the community. It is also important to highlight that the non-MSG members reported that MINOSA is continuously defended by the company constituency that participates in EITI in total ignorance of the violation of community rights.<sup>4</sup>

Another example is the case of Guapinol defenders. All the interviewees explained the case as two human rights defenders murdered in 2019. Both of the defenders murdered actively participated in the resistance against the Guapinol mining project of the company Inversiones Los Pinares, a project that, since its inception, has caused conflict in the region and for which 32 defenders have been criminalized for their resistance.<sup>5</sup> Non-MSG members also mentioned Guapinol's deprivation of liberty of eight defenders sentenced to preventive detention after having been formally prosecuted for aggravated arson and illegal detention. Non-MSG members said this demonstrated the legislative gaps for protecting defenders from extractive companies and protecting public interests.

All CSOs denounced violence by company forces against indigenous communities and human rights defenders. A non-MSG member pointed out incidents with four indigenous persons were wounded in the context of a free expression against the mining project in 2018. According to non-MSG members, the project was launched without prior consent from the communities. They mentioned the state has not responded in providing any attention to the victims or prosecute the perpetrators.

Furthermore, they mentioned that these behaviors on the part of the government are not new or casual since international recognition that the Honduran government has fallen into this class of repressive practices, particularly in mining conflicts.

### **c. Legal framework**

Non-MSG members described a worsening legal context for CSOs and transparency in Honduras. More than 20 laws were considered to restrict access to information, and there are several laws and standard clauses considered to give the executive branch excessive power in keeping information confidential. They claimed knowledge in the extractive sector in Honduras is partial and opaque. They mentioned production information is unclear and that the minerals extracted by extractive companies are not reported.

Non-MSG member CSOs mentioned that several legal provisions were used against their representatives and people defending communities against mining projects. They also highlighted several procedural errors and violations that have been perpetrated against human

---

<sup>3</sup> Asociación de Organismos no Gubernamentales (ASONOG), PRESENTACION DEL CASO DE AURA MINERALS/MINOSA S.A. AL GRUPO EMPRESAS Y DERECHOS HUMANOS, agosto 2019.

<sup>4</sup> Asociación de Organismos no Gubernamentales (ASONOG), Breve resumen de situación de Azacualpa La Unión Copan, 2020.

<sup>5</sup> Centro de Información sobre Empresas y Derechos Humanos, Honduras: Asesinan a dos defensores, opositores al proyecto minero Guapinol de la empresa Inversiones los Pinares, 2019. <https://www.business-humanrights.org/es/%C3%BAltimas-noticias/honduras-asesinan-a-dos-defensores-opositores-al-proyecto-minero-guapinol-de-empresa-inversiones-los-pinares/>

rights defenders, amongst them the use of the usurpation law that allows for immediate detention of suspects with scant evidence, without due process.

On one hand, non-MSG members talked about a law in Honduras that allows the persecution of defenders, the Decree Legislative 247, in environmental matters. This law creates specialized courts to handle environmental cases and the defenders of human rights cases. These superior courts are under the direct mandate of the executive and the supreme court's president, which means that Honduras' executive political power has the final saying in these cases, creating conflicts of interest. Also, there are only four courts of this type in Honduras, and they are located in the main cities of Honduras, which means that the lawyers and the defenders accused have to travel long distances to participate in hearings. Non-MSG members have highlighted that this inconvenience violates the defense process.

On the other hand, non-MSG members talked about the Public Order Act that gives the police and military privileges when they commit human rights violations. When a member of the Honduran government forces committed a crime, they are processed through special courts, with the result, usually, in an outcome favorable to them. Also, non-MSG members commented that there are laws restricting freedom of association, and these laws are often used to ensure those who take issue with extractive projects and sue the companies for illegal acts, or violence are labeled as terrorists.

About the penal code, civil society organizations have expressed their concern about the new penal code that has been approved in Honduras on June 25, 2020. They sent a letter to Congress stating that different articles criminalize the work of civil society and that this penal code is considered to be detrimental to the individual and collective rights because of its broad and imprecise wording, other provisions of the new criminal code could criminalize the lawful exercise of the rights of association and protest.

About the access of information, non-MSG members also mentioned that the new penal code restricts the access to information, such as the classified documents law, the special law for regional legal organs that increase the scope of these judicial organs to include "high impact" cases, therefore increasing the pressure against civil society organizations and disincentivize them to express their opinions.

In that sense, the interviewees mentioned that several ministerial decrees declare all information related to mining projects as confidential. Also, non-MSG members said the Law of Secrets, proclaimed in 2014, supposed to be a law oriented to Defense and Security. But in practice, it helps many institutions evade accountability. Protected by the National Defense and Security Council, the Law for the Classification of Public Documents- the Law of Secrets- already has more than twenty public institutions protected by it.

This law, which has curtailed the functions of the Institute of Access to Public Information (IAIP) as the only entity responsible for the classification or reservation of information as established by the Law of Transparency and Access to Public Information, has been questioned because it limits freedom of expression and access to information, thus shielding the way to opacity and corruption according to local and international experts. Lastly, there is much doubt about the veracity of the information provided by INHGEOMIN (Honduran Institute of Geology and Mines).

- **Operation: Civil society representatives are able to operate freely in relation to the EITI process // Engagement: Civil society representatives are able to be fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process**

#### **a. MSG Members CSOs**

MSG members expressed that their participation in the MSG meetings has been free. Their opinions are heard; however, they admit the participation has been decreasing over time, and not all CSO that are MSG members participate in the meetings.

Both MSG and non-MSG members agree that the invitation to participate in the EITI when Honduras decided to become an implementing country was open to all civil society organizations interested in the extractive sector.

MSG members acknowledged the framework of the EITI is limited and is focused mainly on economic issues. One MSG member expressed their concern around the lack of environmental and social reporting in EITI because of this. The MSG member highlighted no information on several mining operations' social and environmental impact, which is an inconvenience for the indigenous communities exposed to the mining sector. They also comment that the EITI work has been focused on producing the EITI Reports as they needed to finish the 2017- 2018 report, and there is at least a two-year delay in reporting.

MSG members acknowledge that discussions on other topics, such as issues involving private companies or the general climate of protests against the Government, occur at MSG meetings but are not recorded in their minutes, since they consider them not relevant to the EITI Report.

MSG members also acknowledge they have not been well-received by other non-MSG members, and are portrayed as partial and biased to the Government's plan for participating in MSG discussions.

MSG members considered that the EITI has helped increase public debate on the extractive sector and its Governance, increasingly drawing attention from the academic communities and other civil society organizations.

#### **b. Non-MSG member CSOs**

Some non-MSG members expressed that they knew little or nothing about the standard and how it works. In that sense, most interviewees said that the country's knowledge about EITI was limited, especially within local communities that are often the most affected.

On the other side, non- MSG members that knew about it expressed that they think EITI is biased towards the government plan and, therefore, not trustworthy to work in. Also, a series of concerns and irregularities surrounding the EITI commission was raised; for example, comments were made regarding private interests supporting and financing Honduras EITI since its origin; That the organizations participating in the Honduras EITI are only the ones that are co-opted by the Government; That there is a widespread opinion that EITI follows only the companies and the Government's discourses about human rights. As an example, it was mentioned that in December 2018, the EITI MSG published a statement in which they

referred to the people that were protesting and urging more transparency within the extractive activities as those who "slow down the economy."

Non-MSG members believe that joining EITI brings a bad reputation to the CSO as it means approving the Government and company behavior.

Non-MSG members that knew about EITI and had participated at some point of the MSG discussions have expressed that they lost interest in the initiative as they felt their opinion was not heard or taken into consideration. They did not consider EITI a useful tool in their work. Given that CSO's position often differs from that of the Government's and industry's, they assumed that their voice would not be heard on the MSG.

Finally, Non-MSG members expressed that the different actors involved in the MSG were inadequate in their thinking for being CSO board members in the EITI in Honduras, due to the prevailing circumstances. On the current members, they expressed the following:

- Universities: Some excellent academics have been involved, but frankly, they know little and understand less about the situation on the ground faced by those facing extractive industry projects.
- Caritas: They were reluctant to criticize what they thought was otherwise an excellent CSO in most countries, which generally did not avoid speaking up. However, in Honduras, there is now a very conservative Cardinal who will not tolerate criticism of the Government. This has led to Caritas not speaking up and taking a tough line on anything contrary to the Govt position.
- FOPRIDEH: Even though those in the field raise matters, they are routinely ignored by the people taking part in the EITI. Thus, there is no consensus within the organization, and what the MSG members say is not what is of concern as expressed by those in the field. This discrepancy is a serious and ongoing problem.

One problem we noticed that there is not a broad CSO coalition supporting the MSG members in a way that make them accountable and having a broader mandate for the whole civic space in Honduras.

## **II. PROGRESS SINCE VALIDATION**

This section's information addresses the findings presented by the paper in the International Secretariat, adding additional information recollected in the consultation interviews and extra information sent by CSOs of Honduras.

### **• Expression**

The International Secretariat (IS) paper of Honduras presents the Articles 72, 73, and 74 of the Constitution ensure freedom of speech and the press and that the International Secretariat has not found evidence pointing to obstacles regarding freedom of expression in Honduras. However, the CSOs of Honduras have expressed their concern about the new penal code that has been approved in Honduras on June, 25 of 2020 because of the inclusion of crimes against honor, such as slander and libel, in the criminal sphere and the provisions related to criminal responsibility for crimes committed during the exercise of the right to demonstrate that could lead to violations of rights such as freedom of expression, access to information, and association, among others. The restrictions outlined in the new Honduran Penal Code are

incompatible with the legality, necessity, and proportionality principles that any restrictive measure must comply with. From the perspective of the CSOs, the entry into force of the new penal code contributes to the adversity in which journalists in Honduras carry out their work and seriously harm Honduran society's human rights.

On the other hand, the IS paper addresses the press release from the MSG from December 2018, which expressed the MSG's support for extractive activities and expressing concerns about ongoing protests of civil society organizations that were blocking routes and/or impeding mining operation. The main problem is that the document was published without civil society organizations (CSOs) MSG members' endorsement and that the language used in the EITI Honduras communiqué was considered inflammatory. However, there is more profound concern about this lack of communication. CSOs - both MSG and non-MSG members have expressed their decline in trust around EITI, which has played a crucial role in decreasing participation.

As mentioned in the previous section, CSOs see EITI as Government biased, and the framework is focused mainly on economic issues. There is also a broad perception among the CSOs that EITI responds only to private interests and thus the idea of joining the initiative equals being co-opted by the Government.

Some factors, including failings around the mining law, escalating persecution, violence, and impunity of actors targeting citizens and CSOs working on the extractive sector, rapidly destroyed any confidence and trust in the Government's motives. The failure of the EITI process to engage in any of this in Honduras ensured a subsequent massive decline in trust around the EITI itself. This led to previously interested CSOs concluding that EITI was not worth participating in – thereby creating a self-fulfilling artificially small representation of CSOs on the MSG, or even interested in participating.

The result of this is a permanent inadequate representation of civic space in Honduras in the EITI, which artificially reduces the focus of discussion to those elements of concern to those on the MSG – not the wider civic space. These groups do not – it seems - raise challenging issues about the Governance of the sector, which is strange for an initiative that is all about its Governance. Instead, they seem to concentrate on some of the disclosure elements of the standard. Thus, it is NOT true that there are no infringements to CSOs operating who work on extractive industry matters. Those on the MSG are hardly placed to suggest otherwise – and their views are not representative of the wider civic space in Honduras.

### ● Operation

Regarding the operation, the IS paper laid down that the legal and operational framework is conducive to civil society's participation in EITI and Honduras' broader public debate. Nonetheless, the country faces significant risks related to the high level of crime and violence that has prevailed in the country for years, which has translated into concerns regarding limitations on civil liberties. It is important to understand that even though there are no direct laws that mention the CSOs, several laws undermine their work.

For example, as mentioned before, the Decree Legislative 247 creates specialized courts to handle the environmental cases that make the criminalization of protest easy. Not only because there are few courts which make the defendants commute and makes them impossible to defend themselves but also because these courts are the direct mandate of the

executive and the president of the supreme court are easily influenced by the Government. This can be seen in cases like the Guapinol case where eight defenders were sentenced to preventive detention after being formally prosecuted for aggravated arson and illegal detention. CSOs have expressed that the trial was filled with irregularities that are easy to get away with thanks to this law.

On the other hand, laws like the Public Order Act give the police and military privileges if they comply with human rights violations. When a member of the Honduran government forces is involved in these allegations, they go through special juries and usually get away with it. Also, CSOs commented that laws restrict freedom of association and naming as terrorist people that they express critics to extractive companies.

The work of CSOs it is also delayed by the lack of access to information in Honduras, especially information about key mining projects. CSOs expressed that Honduras has more than 20 laws that restrict access to information. Like mentioned before, the Law of Secrets instilled in 2014, which is supposed to be a law-oriented to Defense and Security, but it helps many institutions evade accountability in practice. This law, which has curtailed the functions of the Institute of Access to Public Information (IAIP) as the only entity responsible for the classification or reservation of information as established by the Law of Transparency and Access to Public Information limits freedom of access to information shielding the way to opacity and corruption according to local and international experts.

On the other hand, there is much doubt about the integrity of the information that INHGEOMIN (Institute Honduran of Geology and Mines) provides. CSOs mentioned that when they requested information about the Geomaque River mine and responded that many aspects had not been monitored in recent years because the equipment was terrible or didn't have the capacity. For example, in the case of Geomaque mine company, communities have repeatedly requested information regarding the mining project, environmental monitoring, and the property of the property where the mine is located, both written and verbal, to the company municipality INHGEOMIN. For its part, the company has said that it is not obliged to give that information to the communities. Still, they must request it to the competent authorities, and the Inhgeomin has committed itself to deliver information to communities but has never made that commitment effective.<sup>6</sup>

### ● Association

The IS paper presented that there was no evidence pointing to obstacles regarding freedom of association in Honduras. The country has an enabling legal framework for civil society organizations to participate in EITI, with freedom of association enshrined in articles 78 and 79 of Honduras' Constitution.<sup>7</sup> The country has a special law regulating the non-governmental development organizations (Decree No. 32-201124),<sup>8</sup> allowing international civil society to operate independently and in association with local NGOs or other public and private entities. However, it fails to consider some laws and conditions that threaten the freedom of association. For example, CSOs on the past two years have issued an alert entitled "National Congress approves terrorism crime to criminalize social protest," which shows how the approval of Title XXXI regarding the crimes of "Terrorist Association and Cyber

---

<sup>6</sup> See: [http://www.dplf.org/sites/default/files/475\\_-\\_informe\\_regional\\_transparencia\\_dpfl\\_13\\_dic\\_d.pdf](http://www.dplf.org/sites/default/files/475_-_informe_regional_transparencia_dpfl_13_dic_d.pdf)

<sup>7</sup> See: [https://www.oas.org/dil/esp/Constitucion\\_de\\_Honduras.pdf](https://www.oas.org/dil/esp/Constitucion_de_Honduras.pdf)

<sup>8</sup> See: <http://www.icnl.org/research/library/files/Honduras/leyong.pdf>

Terrorism" criminalizes free and social expression with prison sentences from 10 to 20 years.<sup>9</sup>

Also, CSOs expressed in the interviews that even though there are no legal restrictions on creating organizations, there are many difficulties around the legalization of organizations. To regularize the legal entity can take years. That is why several social movements don't have legal personalities because that means years of processing that they cannot follow.

### ● Engagement

The IS expressed that based on minutes published on the Honduran Institute of Access to Public Information (IAIP), participation has not been consistent across the constituency. Only two CSOs (MOPAWI and FOPRIDEH) have been regularly engaged, while the others have been absent or attended intermittently. However, it fails to explain the reason for the decrease in participation. CSO's interviews revealed that most non-members MSG CSOs believe that joining EITI brings a bad reputation to the CSO as it means approving the Government and company behavior. Also, many CSOs who participated in some points of the MSG discussions have expressed that they lost interest in the initiative. They felt their opinion was not heard or taken into consideration, or they did not consider EITI a useful tool in their work. Given that CSO's position often differs from that of the Government's and industry's, they assumed that their voice would not be heard on the MSG. This is highly problematic for an extractive sector governance initiative that seems resistant to discussing matters of Governance, as described in this document.

The CSO's perception of EITI comes from a significant trust deficit in Honduras around extractives - between CSOs and citizens (especially those operating in the field), having little trust in the Honduras Government. This lack of confidence also extends to extractive companies.

Beyond the confidence in the EITI issue, labeling CSOs "enemies of development" seriously escalated the threats against those directly working on mining projects because it played into the hands of the govt's narrative, which has sought to violently suppress any challenges to elite interests under the rubric of such opposition being "terrorism" – in turn, creating the justification for further use of violence.

This goes against one of the corrective actions from the last validation that was about widening the participation in EITI. This should apply to the companies, too, as the majority do not participate. But it is not surprising that the EITI process in Honduras has failed to bring in more CSOs to address this corrective action, given the above. Unless the current circumstances are changed, it will continue to fail in this need.

The result of the lack of participation of broader civil society in the context of these circumstances of lack of trust is a permanently inadequate representation of civic space in Honduras in the EITI. This artificially reduces the focus of discussion within the MSG to those elements of concern to those on the MSG – and not those on the "coal face" dealing with the interface between citizens facing extractive projects in their communities and the companies that arrive, often without warning. The CSOs that are part of EITI MSG seem not to raise challenging issues about the governance of the sector, a matter which is strange for an

---

<sup>9</sup> See: <https://ifex.org/es/honduras-nuevo-codigo-penal-amenaza-directa-a-la-libertad-de-expresion/>



initiative that is all about its governance. Instead, they appear to concentrate only on some of the disclosure elements of the standard. It is thus NOT true that there are no infringements to CSOs working on extractives. By the nature of their experience and work, those who are part of the MSG are not placed to comment about such matters, as their views are far from representative of Honduras civil society.

- **Access to public decision- making**

The IS paper states that there is no evidence that CSOs use the channels to influence public decision-making, even though such channels exist. During consultations, several stakeholders highlighted their lack of enthusiasm for engaging in public matters and explained that this lack of confidence was partially related to the controversies around the 2017 presidential elections. The trust of CSOs in any activity of the current Government is undermined, which can also be reflected in the CSOs' representatives' frustrations and demotivation with the EITI process and high-level government officials' actions. CSOs are frustrated with the lack of government engagement, although they have made the point that officials involved directly on EITI are doing their best.

This statement's true; however, a deeper understanding of this situation can be seen, for example, in the constitution of the Mining Law. This law had a consultation process, which was initially seen as a reasonable effort. However, when the mining law came out of the Congress, it was widely seen as a betrayal of the Government's commitments to CSOs, as claimed in the bright early days of EITI. CSOs felt it was as if they had had no input to the law, which seriously damaged trust in the Government. This episode spilled over into further eroding confidence in the Government's aims within the EITI, thus further alienating the idea that EITI could be a useful forum to spend time working on. This episode gives the perception to the CSOs that there is no reason to join the initiative when the Government ignores everything of significance raised. Also, several parts of the mining law were found to be unconstitutional.

## **Conclusion**

It is worth reflecting on how this situation has come about. EITI's engagement in Honduras had a promising start. However, within a short period, failures by the Government to consider the views of CSOs working in the field led to a sharp decrease in trust in the Government's plan around the extractive sector. This problem of declining trust extended into the EITI, as reflected above, which led to escalating the disinterest of CSOs in the initiative as something worth participating in. With the passage of time, EITI has increasingly been a mechanism that supports company and government elite interests.

This has been compounded by the situation faced on the ground by CSOs working on extractive projects. These organizations operate in the field with communities, who frequently appreciate an extractive project's arrival only because the bulldozers have arrived with no warning, let alone consultation. These circumstances, where communities face threats to, amongst other factors, water supply, loss of land, and areas of cultural or religious significance, precipitate situations of conflict between impacted communities and extractive companies. As was explained during numerous discussions with CSOs working in this space, the result of such confrontation is extreme persecution and violence, including death threats and actual killings, all perpetrated in a climate where citizens cannot access information to insist on their rights and the killers and companies involved in intimidation, violence, and

killings continue to operate with impunity. The Government and its agencies are complicit in this situation at all levels.

Thus, the complete lack of trust between CSOs on the ground, facing such violence and persecution, has ensured that they will not participate in the EITI – from their perspective, given the circumstances they face daily, why should they, and to what end? Nothing of relevance to address this governance crisis seems possible to discuss. When they try to raise such matters, they face the consequences at the hands of the same companies and Government they are expected to sit down with. Thus, one of the critical corrective actions required from the 1st validation – namely the need to bring in additional CSO members to the MSG – has not happened. And based on interviews, it would seem this is highly unlikely to change any time soon, all things being equal.

CSOs explained that from the start, it was impossible to bring such issues into the discussion at the MSG, even though they were central to any credible discussion about extractive industry accountability, and a clear violation of the civil society protocol – which in turn compounded the trust issue. The above factors are fundamental to the ability of CSOs to be able to express "...views related to natural resource governance."

Given this context, there is absence of dialogue and trust between the civil society that participates in the EITI and the CSOs that do not participate. There is no broader coalition to support and hold the CSO MSG representatives accountable. This significantly limits the EITI from being disclosed and discussed outside of MSG meetings. The restrictive and narrow interpretation of the concept of civil society engagement, of what civil society participation means in the EITI contributed to this mistrust and lack of dialogue.

Thanks to this, in our view, absent change, this corrective action will continue to be a failure for Honduras. The result will be that the MSG will be populated only by those CSOs who not challenge Government or the companies' views – by all accounts. And this will continue to undermine any credibility of the EITI in Honduras as an extractive industry governance initiative, and further re-enforce the notion that EITI, in Honduras, is little more than a PR exercise for the companies and their violent and corrupt Government colleagues. Some of them may well be the actual owners of some of the corporate entities concerned.

There is a concern about how the International Secretariat is evaluating the req. 1.3, because apparently, none of this information has been collected or assessed – it seems to have been assessed as unrelated to civil society participation in the EITI, and the engagement of CSOs in the extractive sector – and yet, it would appear central. The 1-year delay in delivering this information influences the possible conclusions of our decision. However, this is a substantive issue: specifically, how compliance with req 1.3 has been evaluated.

### **Potential for International Ramifications:**

EITI was born as a multi-stakeholder initiative, with civil society playing a co-equal role, alongside Government and companies. Unfortunately, to enshrine this co-equal "status" as a matter of fact within the operability of EITI took more than a decade, with detractors seeking and ensuring delay.

However, once the civil society protocol was promulgated and adopted as part of the standard, it has been the subject of endless debate, part of which often seems to be aimed at

ensuring the narrowest possible interpretation of 1.3. However, in countries where the governance deficit is significant, such as illustrated by the case of Honduras, such a narrow interpretation is unhelpful:

- To do so is to fail the citizens of Honduras, who must live with the consequences of predatory company behavior, operating in cahoots with the corrupt and violent elite.
- It is damaging to EITIs reputation as a governance initiative, which could be very damaging to citizens' perception in other countries as to the benefits of EITI.
- And it runs the distinct risk of creating a scenario where massive threats to civic space become glossed over, in turn placing board members in the invidious position of creating a defacto veneer of normality and progress, all the while as citizens have their land bulldozed without warning, who face extreme violence and judicial persecution, and frequently where people are killed with impunity. Such a scenario is simply incompatible with a credible interpretation of a protocol whose central purpose is to ensure citizen/CSO participation in extractive industry governance matters.

Because of these circumstances, we cannot see how Honduras should not be suspended due to clear, repeated, and severe breaches of the CSO protocol. That said, we do think there could be a compromise worked through, in which Honduras would commit to undertake change, centred around a number of time-bound and relevant corrective actions that we (the board) should consider, and which could be required as a condition in lieu of suspension.

Furthermore, sufficient support from the International Secretariat must be provided to Honduras to rectify the very narrow and limited view of CSO participation in the EITI and improve the quality of participation and representation of CSO in the EITI MSG.