

# China's Influence in Nicaragua and Its Effects on Human Rights

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# Content

|  |           |
|--|-----------|
| <b>Presentation</b>  | <b>5</b>  |
| <b>1. Introduction and Context</b>   | <b>7</b>  |
| <b>2. China's Influence in Latin America</b>   | <b>9</b>  |
| • Impact on Latin America  | 11        |
| <b>3. Impact of China's Activities and Influence in Nicaragua</b>  | <b>14</b> |
| • "Evil Forces" in Nicaragua   | 15        |
| • Adjudication of National Projects  | 16        |
| <b>4. International Obligations of China and Nicaragua<br/>Regarding Business Activities</b>   | <b>21</b> |
| <b>5. Human Rights Impacts of Chinese Activities in Nicaragua</b>  | <b>23</b> |
| a. Economic, Social, Cultural, and Environmental Rights (ESCER)  | 24        |
| b. Civil and Political Rights  | 27        |
| c. Indigenous Peoples' Rights and the Right to Free, Prior, and Informed Consultation  | 28        |
| d. Democracy, Rule of Law, and Corruption  | 30        |
| <b>6. Conclusions</b>  | <b>34</b> |
| <b>7. Recommendations</b>  | <b>35</b> |
| 1. For the State of Nicaragua  | 35        |
| a. Strengthening Transparency and Public Information   | 35        |
| b. Environmental and Community Safety Pause in Indigenous Territories  | 35        |
| c. Adoption of a National Protocol on Corporate Due Diligence  | 35        |
| d. Enhanced Protection for Environmental Defenders and Indigenous Leaders  | 36        |
| e. Guarantee Decent Working Conditions and Effective Reporting Mechanisms  | 36        |
| f. Protect Freedom of Association, Expression, and Protest in Areas Affected<br>by Megaprojects  | 36        |
| g. Restore Guarantees of Access to Justice and Institutional Protection Mechanisms   | 36        |
| h. Review and Eventual Reversal of Irregular Concessions   | 36        |
| 2. For the People's Republic of China  | 37        |
| a. Adopt a Mandatory Extraterritorial Due Diligence Framework for All Its<br>State-owned and Private Companies Operating Abroad                        | 37        |
| b. Create a System of Oversight and Sanctions for Chinese Companies Operating<br>with Opaque Corporate Structures or Without a Verifiable Track Record | 37        |

|   |    |
|---|----|
| c. Prohibit Operations that Directly or Indirectly Contribute to Displacement, Violence, or Militarization      | 37 |
| d. Establish Mechanisms for Redress and Direct Dialogue with Communities Affected by Chinese Investor Projects. | 37 |
| 3. For International Organizations  | 38 |
| a. Strengthen Monitoring and Early Warning Mechanisms on Business Impacts on Human Rights                       | 38 |
| b. Promote Binding Standards of Transnational Due Diligence for Companies from Non-democratic States            | 38 |
| c. Ensure Enhanced Protection for Environmental Defenders, Indigenous Leaders, and Journalists                  | 38 |
| d. Strengthen International Strategies Against Regulatory Capture and Corruption Associated with Megaprojects   | 38 |
| 4. For Civil Society Organizations  | 39 |
| a. Promote Collaborative Open Information Platforms on Concessions, Companies, and Risks                        | 39 |
| b. Build Regional and Transnational Alliances that Strengthen Advocacy in International Organizations           | 39 |
| c. Promote Strategic Litigation and Transnational Legal Support   | 39 |
| d. Map and Report Patterns of Discrimination, Violence, and Harassment Against Indigenous Peoples and Defenders | 39 |

# Presentation



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ince 2018, Nicaragua has been going through a sustained human rights crisis and an accelerated deterioration of the rule of law. In this context, the Institute on Race, Equality and Human Rights (Race and Equality) has accompanied victims, organizations and defenders inside and outside the country, promoting documentation, advocacy and strategic litigation actions before international mechanisms for the protection of human rights. This work responds to the urgent need to make visible patterns of repression, impunity and closure of civic space, as well as the dynamics that today contribute to deepening this crisis.

In recent years, an additional factor has become particularly relevant: the expansion of the People's Republic of China's political and economic presence in Central America and its consolidation as a strategic actor in countries where institutional weakness limits accountability. China's influence has been projected globally through an approach that combines investment, trade, state financing and economic diplomacy, framed in initiatives such as the Belt and Road Initiative (BRI). In Latin America and the Caribbean, this expansion has been accompanied by controversies documented by different organizations regarding socio-environmental conflicts and human rights violations linked to cooperation and investment projects in the Asian country.

In Nicaragua, the bilateral relationship with China is strengthened in a scenario marked by the international isolation of the Ortega-Murillo regime, by the absence of internal democratic controls and by the sustained corruption in the management of resources and investment portfolios. In this framework, cooperation, investments, and bilateral agreements –often characterized by opacity– can operate as vectors that reinforce authoritarian practices: they reduce public oversight, facilitate the capture of strategic decisions by political and economic elites, and expand margins of state discretion. The report analyzes how these dynamics translate into concrete risks for civil and political rights, and also for labor and environmental rights, and especially for indigenous and Afro-descendant peoples, when concessions are granted or projects are developed without transparency, without rigorous studies, and without free, prior, and informed consultation.

This report –“**China's Influence in Nicaragua and Its Effects on Human Rights**”– examines the evolution and characteristics of the Chinese presence in the region, with emphasis on the Nicaraguan case, incorporating economic, political, social, and environmental dimensions. From a critical approach, the document raises questions of immediate relevance: to what extent does China's expansion represent a genuine development opportunity for the country and the region, and to what extent does it reproduce patterns of dependency and extractivism incompatible with human rights standards? How do the lack of transparency, lack of accountability and certain forms of cooperation affect the strengthening of authoritarian structures?

The research highlights that, in sectors such as mining, there are severe deficits in access to information and participation mechanisms, which prevents independent monitoring of social and environmental impacts and increases the risk of abuses and conflict. It also analyzes how non-reimbursable cooperation can function as a diplomatic instrument to consolidate political alignments, especially in regimes that seek external support without demands for transparency or democratic standards. Overall, the report argues that the China-Nicaragua relationship is part of a strategy of transnational influence that, in contexts of high institutional opacity, can consolidate a model of “development” detached from democracy and human rights.

We hope that this report will be a timely contribution for reflection and action. In particular, the report aims to strengthen the response of international actors, states, the private sector and civil society to the risks posed by the convergence between foreign investment, democratic weakening and the closure of civic space. The final recommendations are aimed at promoting transparency, corporate due diligence, environmental protection and guarantees of participation, so that all cooperation and investment is directed towards sustainable development, accountability and unrestricted respect for human rights.

Finally, Race and Equality thanks the people and organizations that made it possible to prepare this report, especially the team in charge of the research and Amaru Ruiz of the Fundación del Río for the inputs provided.

**Carlos Quesada**  
Executive Director  
Race and Equality

# 1. Introduction and Context



In

recent decades, China has consolidated its central position in the international economic system, emerging as one of the world's leading powers in terms of growth, trade, and investment.<sup>1</sup> Its economic expansion has been accompanied by an active geopolitical strategy that seeks to guarantee access to natural resources and strengthen its global influence through the Belt and Road Initiative (BRI).<sup>2</sup> In this context, Latin America and the Caribbean –and particularly Central America– have acquired strategic relevance within China's sphere of interests, offering abundant raw materials, energy resources, and opportunities for infrastructure development.

Since joining the World Trade Organization (WTO) in 2001, China has multiplied its relations with the Latin American region, moving from ideological indifference to pragmatic economic engagement.<sup>3</sup> These ties have materialized in free trade agreements, investments in extractive and energy sectors, and growing state financing through its development banks. Between 2003 and 2022, Chinese investment in Latin America totaled \$187.5 billion.<sup>4</sup> Likewise, by the end of 2023, China's cumulative direct investment in the region reached \$600.8 billion, and in 2024, bilateral trade exceeded \$518.4 billion.<sup>5</sup> In 2025, China announced that it would allocate \$10 billion to Latin America.<sup>6</sup>

These investments, however, are not without controversy: various reports from organizations such as the Collective on Chinese Financing and Investment, Human Rights and the Environment (CICDHA) have documented negative impacts on local communities, socio-environmental conflicts, and human rights violations linked to mining, hydroelectrical, and infrastructure projects led by Chinese corporations.<sup>7</sup>

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1. M. Bufalá. China and its influence on the global economy. Cáma Madrid Internacional, June 2025. *Excelsior*. China positions itself as the world's leading economic power, June 2023.

2. Corresponding to “a Chinese proposal for Eurasian connectivity announced in 2013 by President Xi Jinping. It comprises the Silk Road Economic Belt [...] as a land route, linking China with Europe via Central and Western Asia; it also connects China with Southeast Asia, South Asia, and the Indian Ocean. Initially, therefore, it was designed to connect Asia with Europe and Africa, leaving the Latin American and Caribbean region geographically distant from the epicenter of the project. Incorporating it as a “natural extension” of the IFR implies expanding the initiative to the American continent.” X. Ríos. The State of China-Latin America Relations. China Policy Observatory, Carolina Foundation. Working Paper 1/2019, p. 15.

3. M. Castillo and Y. Borgen. Geostrategic Interests of the People's Republic of China in Latin America in the 21st Century. UNAN, 2019. p. 47.

4. Inter-American Dialogue. Emerging trends in Chinese foreign direct investment in Latin America and the Caribbean, January 2024.

5. *Bloomberg*. China accelerates its influence in Latin America more than in any other emerging region, July 2025.

6. *France24*. China allocates \$10 billion to new loans in Latin America, May 2025.

7. *Ibid.*

In Central America, China's presence was almost non-existent, as most countries maintained diplomatic ties with Taiwan and the United States exercised absolute hegemony in the region. However, in recent years –with the exception of Guatemala and Belize– nations such as Costa Rica (2007), Panama (2017), El Salvador (2018), Nicaragua (2021), and Honduras (2023) have established diplomatic relations with Beijing and recognized Taiwan as part of China. Although the United States remains the dominant foreign actor, China's political and economic influence has expanded significantly, especially among those governments that have had tensions or disagreements with U.S. administrations.

The expansion of China's presence is of particular interest. In addition to its economic value, the region is an area of direct geopolitical competition with the United States, the traditional hegemonic power in the hemisphere. Bilateral projects and cooperation and investment agreements in Costa Rica, El Salvador, and Honduras are evidence of a new phase of Beijing's economic and strategic diplomacy, framed within its South-South cooperation policy<sup>8</sup> and “win-win” relations.

This, combined with the fact that “China considers human rights to be an existential threat,”<sup>9</sup> could represent a threat to human rights in those countries where it has influence. It has been documented how “China's operating methods tend to have the effect of promoting authoritarianism in beneficiary countries. BRI projects –known for their untied loans– generally do not take into account environmental and human rights standards [...]. Some projects are negotiated through secret agreements, which encourages corruption. Sometimes, they benefit the ruling elites and become entrenched in them, while plunging the rest of the country's population into heavy debt.”<sup>10</sup>

This report analyzes the evolution, characteristics, and impacts of Chinese investments in Latin America, with a special emphasis on Nicaragua, considering their economic, political, social, and environmental dimensions. Taking a critical approach, it examines whether the advance of China's presence represents a genuine opportunity for development in the region or whether, on the contrary, it reproduces historical patterns of dependency and extractivism that conflict with regionally recognized human rights.

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8. “This involvement brought new roads, railways, dams, and ports to the region, but the investments were not always well received in the host countries. Several projects were criticized on environmental and social grounds.” Dialogue Earth. Chinese investment reaches new records, but Latin America lags behind, August 2025.

9. HRW. China's Global Threat to Human Rights. World Report 2020.

10. *Ibid.*

## 2. China's Influence in Latin America

ome academics have suggested that China's strategy of influence in Latin America is part of a long-term plan for transnational domination. In this way, it would be using the strategy known as the "Thucydides Trap,"<sup>11</sup> which has been defined as "the dangerous dynamic that occurs when a rising power threatens to displace an established and ruling power, involving a high probability of conflict."<sup>12</sup> In this context, "recent events and developments point to a new global scenario in which competition between the United States and China is gradually increasing"<sup>13</sup> considering "the Chinese dream" as China's aspiration to "be not only prosperous but also powerful, which [...] would imply that China seeks both economic and political power,"<sup>14</sup> a situation that will be discussed below.

In this regard, it has been assessed whether "the planned Chinese investments turn out to be a Trojan horse that clandestinely introduces the influence of the Chinese Communist Party into the political systems of countries."<sup>15</sup> In his analysis, Carrasco-Villanueva refers to the ideological documents of the Chinese Communist Party that assess the concepts of democracy and human rights. In it, he details the "seven subversive trends" that question the Party's leadership; and precisely the first three values that must be combated turn out to be constitutional democracy, human rights, and civil participation [...] it sustains its supremacy to the detriment of human rights under the pretext of consolidating "development".<sup>16</sup>

Likewise, "Chinese state-owned corporations are required to implement all these legal and [Chinese Communist Party] mandates, and to this end, every company has a Party Committee that oversees strict compliance with these interests, and Chinese corporations abroad must assist Chinese intelligence agencies."<sup>17</sup>

Thus, the aim is to sell as cooperation something that in practice is more like "colonialism with Chinese characteristics [in which] transnational corporations under the tutelage of the [Chinese

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11. J. Esteve. Chinese Transnational Corporations and Human Rights in Latin America: Win-Win Relationships or Neoliberal Extractivism 2.0? *International Journal of Human Rights and Business*. 2526-0774. Vol. 06. No. 02. Jul - Dec 2022, p. 4.

12. M. Carrasco-Villanueva. National Autonomous University of Mexico. China vs. the US?: An analysis of the "Thucydides Trap" from a Latin American perspective, p. 3.

13. *Ibid.*, p. 4.

14. *Ibid.*, p. 3.

15. J. Esteve. Chinese Transnational Corporations and Human Rights in Latin America: Win-win relationships or neoliberal extractivism 2.0? *International Journal of Human Rights and Business*. 2526-0774. Vol. 06. No. 02. Jul - Dec 2022, p. 4.

16. *Ibid.*

17. *Ibid.*, citing Hamilton & Ohlberg, 2020.

Communist Party] monopolize land and resources in these territories, without leaving any added value for the local population, and whose governments remain submissive due to the debt trap.”<sup>18</sup> Beijing “thus seduced the region economically, significantly increasing its exports, direct investments, and the construction of critical infrastructure.”<sup>19</sup> However, “this has not translated into a significant increase in Central American sales to China, which have encountered obstacles to entering the Asian market.”<sup>20</sup>

Thus, the Chinese state itself seeks to export a model that relativizes the enjoyment and protection of rights and democracy itself to economic development, and that forces companies with activities abroad to participate in this without any tangible benefit for their “partners.” Thus, “China’s moral foreign policy is caught in a recurring tension between being a more committed actor in response to the demands of local communities and not interfering in the internal affairs of other countries, or continuing to be a discretionary extra-regional actor and remaining silent in the face of human rights violations committed by its companies.”<sup>21</sup> This determines not only its economic development and competitiveness with other powers, as already explained, but also the political and ideological influence it seeks to export in order to promote its ideological principles that relativize human rights and democracy as the price to pay for economic growth.

All of the above, without losing sight of the fact that it is driven by a much greater motivation: to erode Taiwan’s international recognition, which has been particularly notable under the presidency of Xi Jinping, in power since 2013, who has aggressively promoted a foreign policy in favor of the “one China” policy.<sup>22</sup> As Conelly explains, “the case of Nicaragua occurs at a very specific juncture. As the Ortega government becomes increasingly authoritarian, which means that the U.S. and its allies are beginning to impose sanctions, it suits “the People’s Republic of China because it is in line with its policy of increasingly isolating Taiwan.”<sup>23</sup>

In this regard, it was established, for example, that it is “common for [China] to pay for tours of local media journalists, academics, politicians, and think tank members on guided visits to that country. Its level of influence is such that there are figures who are capable of denying China’s human rights abuses [...] or maintaining an anti-Taiwan and anti-Hong Kong protest discourse.”<sup>24</sup>

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18. *Ibid.*

19. CADAL. China in Central America: From Diplomatic Pressure to Economic Seduction, September 2024, p. 23.

20. *Ibid.*

Regional shipments to China are highly concentrated in a narrow range of products. Between 2020 and 2022, just five products (soybeans, copper and iron ore, oil, and copper cathodes) accounted for 67% of total exports to that country, and the list of the main products exported by the region to China has shown little variation over the last two decades. Latin American and Caribbean Economic System (SELA). The relationship between Latin America and the Caribbean and China:

Notes for a Development Agenda. ISBN: 978-980-6458-21-5, September 2024, pp. 42-43.fr

21. T. Fierro de Jesús. China’s “peaceful” rise: morality in foreign policy towards Latin America. *International Studies* 196, 2020. ISSN 0719-3769, p. 41.

22. Diálogo Político. What are China’s interests in Central America?, August 2025.

23. Confidencial. China’s interest in Central America is solely to “take Taiwan out of the game,” December 2022.

24. *Fortuna*. China and its levels of penetration in three Central American countries, January 2023.

On the other hand, other academics argue that, beyond the displacement of Taiwan, “the importance of the Central American isthmus for China does not lie in the economic sphere because it is not a large market, but rather one that its companies want to access. Thus, China’s main interest lies in Central America’s geography: easy access between the two great oceans and the possibility of placing its products directly on the east coast of the United States.”<sup>25</sup> In this way, “the Chinese government has the ability to direct its state banks to support projects that, from a financial point of view, would be unviable in the international market but are carried out for political reasons,” with the logic of “ensuring a strategic presence, lasting political ties, and, in the medium term, access to key natural resources. In some cases, there is also a possible ‘dual use’ of this infrastructure for military purposes.”<sup>26</sup>

In addition, “China has implemented a diplomatic strategy in Central America focused on capturing political elites, using a plethora of material and symbolic incentives.”<sup>27</sup> This should be seen in the context that “anti-American populist regimes tend to engage with [China] in less transparent interactions between states, mainly through infrastructure projects based on loans rather than investments,”<sup>28</sup> and that “certain countries closely aligned with the U.S. avoid certain types of economic, military, and technological engagements with the People’s Republic of China.”<sup>29</sup>

## • Impact on Latin America

The activities of Chinese corporations and financial institutions in Latin America have expanded rapidly over the last two decades, consolidating China’s position as a key trading partner, lender, and investor in the region.<sup>30</sup>

Investments are concentrated in strategic sectors –mining, energy, hydrocarbons, agribusiness, and infrastructure– and are part of the Belt and Road Initiative (BRI), which more than twenty Latin American countries have already joined.<sup>31</sup>

Between 2007 and 2017, Chinese banks granted \$138 billion in loans to Latin American governments and companies, surpassing even multilateral organizations such as the IDB and the World Bank.

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25. C. Urcuyo. Center for Political and Administrative Research and Training (CIAPA). China’s relations with Central America: understanding the region’s strategic and economic interests. INCEP / Central American Political Report No. 11, July-December 2014, p. 6.

26. CETCAM. Center for Transdisciplinary Studies of Central America (CETCAM). Transformations in Nicaragua’s foreign policy. 2007-2025. ISBN: 978-9930-9846-3-5, September 2025, p. 18.

27. C. Santos. Central America in China’s politics, a strategy for capturing elites. Expediente abierto, p. 112.

28. E. Ellis. “The impact of Latin America’s political orientation on the People’s Republic of China’s advance in the region.” U.S. Air Force Magazine. Second Edition 2024, p. 87.

29. *Ibid.*

30. CIDH. Report for the Office of the High Commissioner for Human Rights. “Chinese business activities and human rights in Latin America,” p. 1.

31. J. Esteve. Chinese Transnational Corporations and Human Rights in Latin America: Win-win relationships or neoliberal extractivism 2.0? International Journal on Human Rights and Business. 2526-0774. Vol. 06. No. 02. Jul - Dec 2022, p. 2.

In addition, Chinese companies have invested more than \$172 billion in around 200 infrastructure, energy, and transportation projects.<sup>32</sup> According to ECLAC, Chinese companies announced 102 projects in 2024 and investments of \$6.8 billion since 2020 with an interest in the copper, lithium, and gold mining sector.<sup>33</sup>

Some notable examples include the Mirador mining project in Ecuador, developed by the state-owned consortium CRCC-Tongguan, which has caused forced displacement and pollution in the territories of the Shuar Indigenous people;<sup>34</sup> the Las Bambas mine in Peru, operated by MMG, and the Toromocho Mining Unit, where small-scale farmers have been violently repressed;<sup>35</sup> and the hydroelectric complex on the Santa Cruz River in Argentina, owned by China Gezhouba Group, which threatens the Patagonian glaciers.<sup>36</sup>

Similarly, in Bolivia, Sinohydro is building the Ivirizu hydroelectric plant within a national park, affecting protected ecosystems; in Venezuela, CNPC and SINOPEC are operating in the Junín Block, where there have been oil spills and arrests of union leaders documented; and in Mexico, the participation of China Communications Construction Company in the Mayan Train has been denounced for violating the right to free and informed consultation of Mayan communities. Other emblematic cases include the Río Blanco mine in Peru, the El Mutún project in Bolivia, lithium extraction in the Olaroz-Cauchari salt flats in Argentina by Ganfeng Lithium, and the Heng XCin shrimp farm in Ecuador, within a protected area.<sup>37</sup>

Labor rights violations in Chinese projects in Latin America are recurrent and reflect precarious conditions, low wages, and a lack of union guarantees. At the Marcona mine in Peru, operated by Shougang, there have been 19 labor disputes and multiple strikes due to unjustified dismissals, delayed payments, and union persecution. During the construction of the Coca Codo Sinclair hydroelectric plant in Ecuador, carried out by Sinohydro, a collapse in 2014 killed 14 workers and injured 12 more, in a context of poor workplace safety. In Bolivia, the Ombudsman's Office documented in 2021 that workers on the Ivirizu project, also run by Sinohydro, were working without formal contracts, health insurance, or adequate health measures during the pandemic.<sup>38</sup>

Taken together, these projects reveal a systematic pattern of serious socio-environmental impacts, including air and water pollution, deforestation, forced displacement, labor rights violations, and criminalization of protest. For this reason, several organizations have denounced that,

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32. CIDH. Report for the Office of the High Commissioner for Human Rights. "Chinese Business Activities and Human Rights in Latin America," p. 1.

33. *Bloomberg*. China accelerates its influence in Latin America more than in any other emerging region, July 2025.

34. J. Esteve. Chinese Transnational Corporations and Human Rights in Latin America: Win-win relationships or neoliberal extractivism 2.0? *International Journal of Human Rights and Business*. 2526-0774. Vol. 06. No. 02. Jul - Dec 2022, pp. 6-8.

35. *Ibid.*, pp. 8-10.

36. CIDH. Report for the Office of the High Commissioner for Human Rights. "Chinese Business Activities and Human Rights in Latin America," p. 5.

37. *Ibid.*

38. *Ibid.*, p. 9.

behind the rhetoric of cooperation, Chinese expansion in Latin America reproduces a dependent extractivist model with serious repercussions on human rights and the regional environment.<sup>39</sup>

The lack of control and accountability mechanisms is equally decisive. In China, the activities of its companies abroad lack institutional oversight or public scrutiny, which means that Chinese investors do not face social, economic, or legal sanctions for abusive behavior. Consequently, there is no real incentive to adopt responsible practices that reduce the negative impacts of their projects. In contrast, although Western corporations also have a history of abuses, they currently operate under stricter scrutiny and, at least in theory, cannot violate standards of responsibility without facing consequences.<sup>40</sup>

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39. *Ibid.*, p. 10.

40. J. Cardenal. CADAL (Center for the Opening and Development of Latin America) Latin America: How far should relations with China go?, April 9, 2024.

### 3. Impact of China's Activities and Influence in Nicaragua

**In** December 2021, the Nicaraguan government announced that it would break diplomatic relations with Taiwan to recognize the People's Republic of China as the only legitimate government representing China.<sup>41</sup> As of May 2024, China had lent \$567.17 million for various projects,<sup>42</sup> as detailed below.

It has been reported that the “political and economic closeness between Managua and Beijing is one of the most significant increases in the last two years,” as under “Daniel Ortega’s regime, the country rose 22 places and 74 points in the global China Index ranking between 2022 and 2024, the highest advance among 101 countries in the survey conducted by the Doublethink Lab organization. “According to the report, Nicaragua “has a high degree of exposure (35%) and alignment (46%) with Xi Jinping’s regime, particularly in its foreign policy (63%), media (54%), and domestic policy (45%),”<sup>43</sup> and Chinese power over Nicaraguan domestic politics has increased exponentially.

Likewise, analysts have indicated that one of Ortega-Murillo’s strategies to mitigate international isolation has been to increase its dependence on China, since “in the face of external pressure on the BCIE to reduce its loans, Nicaragua turned to China in an almost absolute manner, while gradually increasing its commercial dependence on that country.”<sup>44</sup>

On the other hand, “with fewer than 150,000 formal businesses, where access to credit is scarce (and has decreased in 2025), the entry of Chinese businesses and companies has become a threat to domestic companies that are struggling to sell their goods.” This has had two effects: the displacement of businesses and the mistreatment of workers.<sup>45</sup>

41. BBC. Nicaragua breaks ties with Taiwan: “There is only one China in the world,” December 10, 2021.

42. CETCAM. Center for Transdisciplinary Studies of Central America (CETCAM). Transformations in Nicaragua’s foreign policy, 2007-2025. ISBN: 978-9930-9846-3-5, September 2025, p. 18.

43. *Expediente Público*. China Index: Nicaragua, where Chinese influence grew the most. July 2025.

44. *Confidencial*. Is China taking over Nicaragua, or has Nicaragua sold itself to China? September 2025.

45. One worker lamented: “People who don’t have capital to work are unemployed, because the only option we had here [in this area] is the free trade zone, and most of the free trade zone has closed; and the only other place to work is for Chinese companies... but it’s not pleasant to work for them because of the pay problem and, secondly, because they treat you horribly, so you prefer to remain unemployed.” *Confidencial*. Is China taking over Nicaragua, or has Nicaragua sold itself to China?, September 2025.

In this regard, an official report noted the presence of Chinese state-backed competition in Nicaragua, observing that China would seek to exploit any additional market opportunities in Nicaragua as an entry point to replace U.S. companies in the CAFTA-DR region.<sup>46</sup>

- **“Evil Forces” in Nicaragua**

As mentioned above, China’s goal is not only to expand its economic influence but also its political influence. According to the report, the “concept of ‘evil forces’” was introduced almost ten years ago, partly in reference to the way China tries to dismiss democratic institutions and values, including freedom of expression and freedom of enterprise. It is no accident that China is the main trading partner of dictatorships around the world. The Ortega-Murillo dictatorship’s relationship with China is opportunistic but also ideologically attractive, as it allows them to maintain an unquestionable ally in China for civil and political rights abuses in the country, while allowing China to have a strong presence in the hemisphere.<sup>47</sup>

For example, Nicaragua’s official media transcribed Daniel Ortega’s speech at an official event with the Chinese ambassador:

*As our brother Ambassador Chen Xi rightly mentioned, our relations with China are historic. Ambassador Chen Xi recalled the years of the triumph of the Revolution in China, and they will now be commemorating 75 years, while we will be commemorating 45 years. What does this mean? It means that 30 years passed before the triumph of the Sandinista Revolution, and before the triumph of the Nicaraguan Revolution, there was the triumph of the Cuban Revolution, which immediately became intertwined with the People’s Republic of China.<sup>48</sup>*

This demonstrates the closeness and ideological influence that the Chinese Communist Party has on the Nicaraguan regime, in which both validate each other. In this sense, we have seen how Nicaragua has supported Chinese initiatives, such as its adherence to the “Global Governance Initiative” proposed by the President of China. The regime “expressed confidence that with this project they will continue to forge paths for the benefit of the peoples and in defense of independence, sovereignty, self-determination, security, and peace for the world,”<sup>49</sup> demonstrating how it has added Nicaragua as a voice of ideological support in the region, defending values that endorse sovereign rhetoric. This type of narrative, influenced by China, allows the Ortega-Murillo regime to endorse its discourse of disregard for its international human rights obligations, perpetuating impunity for the acts that have been brought before international courts.

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46. U.S. Trade Representative. Section 301 Investigation Report on Nicaragua’s acts, policies, and practices related to labor rights, human rights and fundamental freedoms, and the rule of law, October 2025.

47. *Confidencial*. Is China taking over Nicaragua, or has Nicaragua sold itself to China?, September 2025.

48. *El 19 digital*. Nicaragua and China: Historical relations, united in struggle and battle, July 2024.

49. *El País*. Nicaragua supports China’s initiative for global governance, September 2025.

In this regard, the Center for Transdisciplinary Studies in Central America (CETCAM) points out that Nicaragua's almost unconditional rapprochement with China is due to "a strategic self-isolation to evade responsibility for crimes against humanity and consolidate authoritarian radicalization,"<sup>50</sup> and that "what Ortega is looking for is a China that will defend him diplomatically in international forums, as it does with Venezuela and Cuba. The economic aspect is secondary, although it is sold as an achievement to the population."<sup>51</sup>

An example of this relationship is that China intervened in defense of Nicaragua during the UN Human Rights Council session held on April 4, 2023, when its representative opposed the two-year renewal of the mandate of the Group of Human Rights Experts on Nicaragua (GHREN). China stated: "In a constructive spirit, (China) opposes the politicization of human rights issues, interference by others under the pretext of human rights, and the creation of specific mechanisms. We call for respect for the political and territorial integrity of the country and for it to be allowed to judge its own destiny."<sup>52</sup>

This is evident in the understanding that "China is willing to be a reliable friend to Nicaragua and will continue to firmly support Nicaragua in safeguarding its independence and national dignity, opposing external interference."<sup>53</sup> As a former U.S. official explained, to the extent that China's partner is more "populist, more politicized, with weaker institutions, and more desperate in its political isolation, China can take more advantage of this, and I think this is clearly the case with Nicaragua."<sup>54</sup>

Thus, it is likely that the Ortega regime's subordination will deepen, thereby increasing China's ability to use Nicaragua as a tool in pursuit of its strategic interests and goals, helping the Ortega-Murillo regime remain in power "by providing not only resources, but also opportunities for corruption through non-transparent transactions with China-based entities." For example, "China's absence from Nicaragua's list of foreign aid donors indicates that none of the extensive projects carried out by China-based companies are gifts."<sup>55</sup>

## • Adjudication of National Projects

During 2023, the Ortega-Murillo regime reached the following agreements with China:<sup>56</sup>

1. Second Phase of the "Nuevas Victorias" National Housing Program, to be implemented in 84 municipalities across the country, with the aim of building "12,034 homes throughout the national territory."

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50. CETCAM. Transformations in Nicaragua's foreign policy, 2007-2025. ISBN: 978-9930-9846-3-5, September 2025, p. 14.

51. *Ibid.*, p. 19.

52. *Divergentes*. China gains ground in Central America: What is behind these rapprochements?, April 2023.

53. *People's Daily*. China and Nicaragua will firmly dominate the course of bilateral relations, December 2023.

54. Confidential. Dr. Evan Ellis "In its alliance with Ortega, China only gains advantages, while Nicaragua and its businesspeople lose," December 2024.

55. R. Evan. China's Growing Strategic Position in Nicaragua. Expediente abierto. December 2023.

56. *Nicaragua Investigates*. Daniel Ortega handed Nicaragua over to the Chinese through a dozen projects, December 2025.

2. Entry into force of the “Early Harvest Agreement,” which would allow Nicaragua to export beef, seafood, and textiles to China without tariffs, while the Asian giant would take advantage of the Nicaraguan market to introduce insecticides, herbicides, plastics, and raw materials for the production of textiles and toys.
3. Punta Hueete International Airport, which would have the capacity to handle up to 3.5 million passengers per year and could accommodate larger aircraft than those arriving at Sandino Airport.
4. A railway between Managua and the cities of Masaya and Granada, which would be managed by the China Civil Engineering Construction Corporation (CCECC), which would carry out the design and construction studies.
5. An interoceanic railway of about 450 kilometers from the port of Corinto, passing through Managua and making its way through the interior departments to Bluefields.
6. Two-thousand five-hundred Chinese buses to improve the vehicle fleet in Managua and other departments of the country.
7. The Tumarín and Mojolka hydroelectric dams, to be built by a single Chinese company, Huadian Overseas Investment, which will be responsible for the design, financing, and construction of the dams.
8. Construction and expansion of seven sections of highway by the China State Construction Engineering Corporation (CSCEC) through a “cooperation” agreement signed between the Chinese state-owned company and representatives of Nicaragua’s Ministry of Infrastructure and Transportation (MTI) and Ministry of Finance and Public Credit (MHCP).
9. San Benito Thermal Power Plant, which is intended to generate 150 megawatts (MW), which would be kept in reserve in case the Tumarín and Mojolka hydroelectric plants, which have not yet been built, were to go out of operation due to any incident.
10. Lu Ban workshops in Nicaragua to provide technical training to those engaged in agriculture, livestock, clothing manufacturing and value-added activities, tourism, technologies, and digital platforms, among others.
11. A loan of more than \$69 million from the Chinese company Communications Construction Company Limited (CCCC) for the construction of a solar power plant.

Meanwhile, in 2024, the Punta Hueete international airport was announced, which will have a 4F category and the capacity to receive 3.5 million travelers per year. Also planned are the construction of a deep-water port in Bluefields, the development of the coastal highway, and the implementation of a railway system that will connect Managua, Masaya, and Granada.<sup>57</sup> During the same year, China

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57. *Viva Nicaragua*. Nicaragua closes 2024 with key economic and infrastructure projects, December 2024.

received 13 mining concessions in 190 days distributed across nine municipalities in Nicaragua. Eight are located in the North Caribbean Coast Autonomous Region (RACCN) and part of a municipality in Jinotega. Another four lots are in the department of Chinandega, and one more in the South Caribbean Coast Autonomous Region (RACCS).<sup>58</sup> During 2024, China lent Nicaragua \$919.72 million for various projects, according to official figures.<sup>59</sup>

For 2025, a loan of \$57.4 million has been announced to build a wind power plant,<sup>60</sup> a loan of \$256 million for road infrastructure projects,<sup>61</sup> and the delivery of 246 homes in the Nuevas Victorias neighborhood in Managua, built by Chinese companies exempt from taxes.<sup>62</sup>

Likewise, “the growth of the mining sector in the country is part of the consolidation of a (neo) extractivist development model based on several interconnected processes and mechanisms. These processes include: 1) the boom in the mining sector on the international scene; 2) the accumulated legacy of insecurity in land tenure; 3) the territorial dynamics of expansion in land concentration; 4) the alliance between the central government and (trans)national big capital, expressed in legal, fiscal, and economic benefits; and 5) the undermining of the self-determination of Indigenous Peoples and Local Communities,” consolidating gold mining as the country’s main export item.<sup>63</sup>

Some sources indicate that by 2024, China had 17 concessions granted to three Chinese companies (Zhong Fu Development S.A. (eight concessions), Thomas Metal S.A. (three concessions), and Nicaragua XinXin Linze Minería Group S.A. (six concessions), consolidating 36.3% of the concessions granted between 2022 and 2024.<sup>64</sup> Likewise, by 2025, others indicate that “eight Chinese companies<sup>65</sup> already control 5% of the national territory for 25 years,”<sup>66</sup> equivalent to almost 600,000 hectares of territory. In addition, around thirty mining permits have been granted to Chinese companies, including open-pit concessions covering 21,300 hectares in the South Caribbean Coast Autonomous Region.<sup>67</sup> However, according to environmental leader and president of the Fundación del Río, Amaru Ruiz, Chinese companies have 56 concessions representing 846,921

58. *Confidencial*. China seeks gold in Nicaragua and receives 13 concessions in 190 days, May 2024.

59. *Swissinfo*. China to lend Nicaragua \$57.4 million to build wind power plant, October 2025.

60. *Swissinfo*. China to lend Nicaragua \$57.4 million to build wind power plant, October 2025.

61. *El 19 digital*. National Assembly approves legislative decree to finance five new road projects, October 2025.

62. *100% Noticias*. First houses built by China and sold by the regime to beneficiaries in Managua are delivered, November 2025.

63. C. Corea Sánchez. Gold fever continues in Nicaragua: Analyzing the period 2022-2024, December 2024, p. 4.

64. *Ibid.*, pp. 6 and 8.

65. Although eight Chinese companies have received 25 mining concessions equivalent to 565,000 hectares of land in Nicaragua in the last two years, none of them have a recognized mining record, nor are they listed on the Chinese stock exchange. All are relatively new and their main purpose is “intermediation,” being “subsidiaries that are reinventing themselves, that have been recently established, and there is not much data available about their capacity and responsibility in the event of environmental or social impacts.” *Confidencial*. Behind the large mining concessions, there are only Chinese “intermediaries,” October 13, 2025.

66. *La Prensa*. Ortega has already handed over 5% of the territory to the Chinese through 43 mining concessions,” October 13, 2025.

67. *Infobae*. Daniel Ortega’s regime handed over another 9,300 hectares to Chinese mining companies in the coastal region of Nicaragua, October 2025. *Infobae*. Daniel Ortega’s regime handed over another 21,000 hectares to Chinese mining companies in Nicaragua, October 2025.

hectares, and as of September 2025, they had identified nine lots belonging to Chinese companies with concessions in seven Indigenous and Afro-descendant territories.<sup>68</sup>

However, it is difficult to keep track due to the express approval<sup>69</sup> of concessions, with a new one being awarded every week, as was the case during the writing of this report.<sup>70</sup> The truth is that due to the regime's lack of transparency, it has been difficult to access information to obtain accurate figures.<sup>71</sup> However, there is no doubt about the aggressiveness of this type of business in the country, its exponential growth, and the fact that the regime is offering Chinese companies total tax exemptions, preferential energy rates, and state-owned land to set up in Nicaragua.<sup>72</sup>

This year, it also granted a new mining concession to the Chinese company Thomas Metal S.A. in a large area in the southern Caribbean region of Nicaragua. The permit, which authorizes the exploitation of metallic and non-metallic minerals, reflects the rapid expansion of China's presence in the country's mining sector. This covers 47,410 hectares in the municipalities of El Castillo and Bluefields, bringing the total area concessioned to the Chinese to "more than 350,000 hectares." According to analysis, "Chinese companies operating in Nicaragua have opaque structures" and have "been approved unusually quickly –in some cases in less than a month– which has caused alarm among environmentalists and human rights defenders."<sup>73</sup>

Environmental organizations have also spoken out about the possible concession to Chinese mining company Waslala Mine, which became the sixth Chinese company to operate in the country. This company received permission to operate on 49,950 hectares, distributed across three municipalities in the North Caribbean Coast Autonomous Region. This increase in Chinese mining companies under the Ortega-Murillo administration has caused concern among environmental organizations, which have denounced that exploitation without rigorous controls deepens environmental damage in the region, indicating that "the lack of transparency in the operations of these companies fuels suspicions about a model that prioritizes the economic interests of the dictatorship and its foreign allies over the well-being of the communities that inhabit these areas."<sup>74</sup>

It should also be clarified that, unlike large Chinese state-owned companies—with international experience, listings on stock exchanges such as Shanghai or Hong Kong, and direct supervision by

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68. Interview with Amaru Ruiz by Race and Equality on November 4, 2025.

69. "This is a centralized and exclusionary process, whereby express environmental licenses are processed without establishing technical criteria, methodologies, requirements, and administrative procedures for conducting Strategic Environmental Assessments." Corea Sánchez. The gold rush continues in Nicaragua: Analyzing the period 2022-2024, December 2024, p. 23.

70. *Infobae*. The Nicaraguan regime granted a new mining concession to a Chinese company on the South Caribbean Coast, October 16, 2025.

71. Organizations have acknowledged "the lack of verifiable public information, both from the Nicaraguan government and from the investing companies." C. Corea Sánchez. The gold rush continues in Nicaragua: Analyzing the period 2022-2024, December 2024, pp. 4 and 21.

72. *100% Noticias*. Laureano Ortega promises China zero taxes and state-owned land in Nicaragua, November 2025.

73. *CRHoy*. How China is consolidating its power through mining concessions in Nicaragua, August 2025.

74. Business and Human Rights Resource Centre. Nicaragua: Mining concessions to Chinese firms spark concerns regarding transparency, environmental oversight and indigenous rights, September 2025.

the Chinese Communist Party—the companies currently benefiting from concessions in Nicaragua have a completely different profile: they are recently created private entities with no known history in the mining sector, no presence on stock markets, and no verifiable evidence of their technical, financial, or environmental capacity. According to Amaru Ruiz, these companies operate with opaque corporate structures, share family members on their boards of directors, have no previous mining projects in the region, and do not provide the minimum information that a serious concessionaire should provide, such as extraction methodologies, technology to be used, feasibility studies, or investment plans.<sup>75</sup>

This pattern –similar to that observed with the failed Interoceanic Canal company– increases the risks of corruption, corporate simulation, and clandestine capture of concessions, as the Nicaraguan state grants permits to actors whose capital origins, experience, and operational responsibilities are unknown, exacerbating the lack of transparency and evasion of controls that already characterize the regime.

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75. Interview with Amaru Ruiz by Race and Equality on November 4, 2025.

## 4. International Obligations of China and Nicaragua Regarding Business Activities

**T**he UN Committee on Economic, Social and Cultural Rights, with the approval of General Comment No. 24 in 2017, sought to clarify the obligations of States parties to the International Covenant on Economic, Social and Cultural Rights (ICESCR) in situations of non-compliance with human rights provisions that gave rise to negative impacts on rights due to business activities, in order to prevent and address the adverse effects of business activities on human rights.<sup>76</sup> In this report, it noted that States can be held responsible for the action or inaction of business activities<sup>77</sup> and that the obligations of States parties to the Covenant do not end at their territorial borders, but that they must take the necessary measures to prevent human rights violations abroad by companies domiciled in their territory and/or jurisdiction, regardless of the measures taken or not taken by host countries.<sup>78</sup>

Likewise, the United Nations Working Group on Business and Human Rights has drawn attention to the specific implementation of the United Nations Guiding Principles on Business and Human Rights, noting in Principle 4 that additional measures should be taken to protect against human rights abuses by, among others, state-owned enterprises, citing reasons for state leadership such as policy coherence, legal compliance, legitimacy, and credibility.<sup>79</sup>

Thus, the Chinese state also has extraterritorial obligations in the field of human rights under the International Covenant on Economic, Social, and Cultural Rights and General Comment No. 24 of the Committee on Economic, Social, and Cultural Rights. These obligations arise from the fact that many of the companies involved in Latin American megaprojects –especially state-owned enterprises– are under its jurisdiction, which means that China must protect against human rights abuses committed by these entities, both when they act directly and when they finance or participate in consortiums operating abroad. This includes adopting a domestic legal framework that requires companies to exercise due diligence in human rights matters, identifying, preventing, and mitigating the risks arising from their activities, as well as establishing effective mechanisms for redress for victims.

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76. UN. Committee on Economic, Social and Cultural Rights. General Comment No. 24 (2017) on the obligations of States under the International Covenant on Economic, Social and Cultural Rights in the context of business activities. E/C.12/GC/24, para. 1.

77. *Ibid.*, para. 11.

78. *Ibid.*, para. 26.

79. UN. Human Rights Council. Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises. A/HRC/32/45, para. 98.

In addition, it has been specified that States have obligations with respect to actors subject to their domestic jurisdiction, as clarified in the Maastricht Principles on the Extraterritorial Obligations (ETO) of States in the Area of Economic, Social and Cultural Rights, which establish that States have an obligation to respect, protect, and fulfill economic, social, and cultural rights both within and outside their territory. It also states that the responsibility of the State extends to “acts and omissions of non-State actors acting on the instructions or under the direction or control of the State in question; and acts and omissions of persons or entities that are not organs of the State, such as commercial and other enterprises.”<sup>80</sup>

In this regard, the Inter-American Court of Human Rights –which has jurisdiction over Nicaragua– has established that:

*States have a duty to prevent human rights violations committed by private companies, and must therefore adopt legislative and other measures to prevent such violations, and investigate, punish, and redress such violations when they occur. States are thus obliged to regulate companies to ensure that they take action to respect human rights [...]. Under this regulation, companies must ensure that their activities do not cause or contribute to human rights violations and must take measures to remedy such violations. The Court considers that corporate responsibility applies regardless of size or sector” and that “companies are primarily responsible for behaving responsibly in their activities, as their active participation is essential.”<sup>81</sup>*


On the other hand, in Latin America, the absence of this due diligence and effective oversight mechanisms has contributed to negative impacts on human, labor, environmental, and cultural rights. Numerous Chinese companies have been singled out for failing to comply with international standards of free, prior, and informed consultation (FPIC), failing to guarantee access to public information, and failing to conduct comprehensive environmental and social impact assessments before initiating their projects. The lack of channels for dialogue and accountability between affected communities, companies, and Chinese diplomatic or government authorities reinforces a pattern of opacity and lack of protection, which hinders access to justice and exacerbates the vulnerability of local populations. In this context, the Chinese state’s inaction in the face of abuses committed by its companies abroad not only contravenes its international obligations but also contributes to further weakening human rights guarantees and environmental governance standards.

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80. ETOS. Maastricht Principles on the Extraterritorial Obligations of States in the Area of Economic, Social, and Cultural Rights, principle 12.

81. Inter-American Court of Human Rights. *Case of the Miskito Divers (Lemoh Morris et al.) v. Honduras*. Judgment of August 31, 2021. Series C No. 432, paras. 48 and 51.

## 5. Human Rights Impacts of Chinese Activities in Nicaragua



The Inter-American Court of Human Rights condemned the State of Nicaragua in its April 1, 2024 ruling in the *Case of the Rama and Kriol Peoples, the Black Creole Indigenous Community of Bluefields and Others v. Nicaragua*, for violations related to the Interoceanic Grand Canal project promoted by the concessionaire HKND (based in Hong Kong, China), highlighting the direct effects of these activities on the State and its inhabitants. The Court found, among other things, a failure to observe the right to free, prior, and informed consultation, damage to collective property and the political rights of communities, as well as a lack of guarantees and judicial protection in response to appeals filed. It also determined that the State had failed to comply with the right to a healthy environment, including the duties of prevention and impact assessment –with an emphasis on the need for environmental studies and access to information for communities– all of which constitutes the State’s international responsibility for failing to ensure inter-American standards in matters of public information, participation, and effective judicial protection<sup>82</sup>.

As analyzed above, this case is not isolated, but rather represents only a sample of a much larger project. It is therefore essential to comprehensively address the rights violated in the context of this type of project, highlighting how the lack of transparency, adequate environmental assessment, and effective citizen participation exacerbates the negative impacts on local communities, their environment, and their ways of life, and reveals the shared responsibility between the host state and the foreign companies operating under its jurisdiction.<sup>83</sup>

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82. Inter-American Court of Human Rights. *Case of the Rama and Kriol Peoples, the Black Creole Indigenous Community of Bluefields et al. v. Nicaragua*. Judgment of April 1, 2024. Series C No. 522, paras. 147, 196, 283, 460.

83. Expediente abierto. *China in Central America: Strategies, Influence, and Operations in the 21st Century*, p. 27.

### a. Economic, Social, Cultural, and Environmental Rights (ESCR)<sup>84</sup>

Investment projects, such as the failed interoceanic canal, are characterized by a profound lack of rigorous technical, environmental,<sup>85</sup> and social studies, which has led to serious ecological and human consequences. Since its approval, the concession was granted without feasibility studies or socio-environmental impact assessments (ESIAs) to justify its economic, technical, or ecological viability. The Ministry of Environment and Natural Resources (MARENA) issued the environmental permit in November 2015, even though the document submitted by the concessionaire itself recognized the need to conduct seven additional studies before making a final decision. This process was carried out without genuine public consultation, without transparency regarding the evaluation teams, and within such short time frames that a serious technical analysis was impossible. Civil society organizations, academics, and affected communities denounced these irregularities, pointing out that the government prioritized the political promotion of the project over environmental protection and human rights.<sup>86</sup>

The consequences of this lack of planning and control are reflected in serious environmental and social uncertainty. Rural communities reported anxiety, loss of livelihoods, and psychological distress in the face of the risk of expropriation and forced displacement. The absence of a transparent population census, the lack of public information on environmental studies, and the presence of police forces and Chinese personnel in the affected areas created a climate of fear and mistrust.<sup>87</sup> In addition, the proposed works threaten strategic ecosystems such as Lake

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84. In this regard, the Inter-American Court has stated that “there are environmental threats that can affect food security; the right to food, as well as the right to participate in cultural life and the right to water, are particularly vulnerable to environmental impacts.” Inter-American Court of Human Rights. *Case of the Indigenous Communities Members of the Lhaka Honhat Association (Our Land) v. Argentina*. Merits, Reparations, and Costs. Judgment of February 6, 2020. Series C No. 400, para. 245.

Likewise, with regard to a healthy environment, “it has been understood as a fundamental right for the existence of humanity, with both individual and collective connotations. In its collective dimension, this right constitutes a universal interest, which is owed to present and future generations. However, the right to a healthy environment also has an individual dimension, insofar as its violation can have direct or indirect repercussions on individuals due to its connection with other rights, such as the right to health, personal integrity, or life, among others.” Inter-American Court of Human Rights. *Climate Emergency and Human Rights*. Advisory Opinion OC-32/25 of May 29, 2025. Series A No. 32, para. 272.

85. In this regard, the Inter-American Court has established that the principle of prevention of environmental damage is part of customary international law. This principle entails the obligation of States to take the necessary measures ex ante to prevent environmental damage, taking into consideration that, due to its particularities, it will often not be possible, after such damage has occurred, to restore the situation that existed before. By virtue of this principle, States are obliged to use all means at their disposal to prevent activities carried out under their jurisdiction from causing significant damage to the environment. Inter-American Court of Human Rights. *Case of the Residents of La Oroya v. Peru*. Preliminary Objections, Merits, Reparations, and Costs. Judgment of November 27, 2023. Series C No. 511, para. 126.

86. FIDH-CENIDH. *Interoceanic Canal Concession in Nicaragua: Serious Impact on Human Rights*. Mobilized rural communities resist. September 2016 / No. 680e, pp. 37-40.

87. The conduct of environmental and social impact studies is necessary in the context of consultation procedures. One of their objectives is to guarantee the right of peoples or communities potentially affected by a project to have information on the magnitude and characteristics of the impacts that could exist. Therefore, they must be carried out as soon as possible, within the framework of the corresponding decision-

Cocibolca and the agricultural territories in the south of the country, without clear information on damage mitigation mechanisms. The case of the interoceanic canal is thus a paradigmatic example of the violation of international standards on environmental assessment and public participation, revealing a development model that sacrifices ecological balance and community rights in favor of economic and geopolitical interests.<sup>88</sup>

Specifically with regard to mining, “the preparation of a site for mining and waste management is a destructive process that alters abiotic and biotic conditions and, in some cases, can contribute to the decline of threatened species and ecosystems.”<sup>89</sup>

Likewise, it has been documented that “all of these projects have had consequences for the enjoyment, promotion, and protection of the human rights of the communities living in the territories where they are carried out, and in many cases, there has been no act of reparation or compensation for the victims of these violations.”<sup>90</sup>

The president of the Fundación del Río, Amaru Ruiz, indicated that the regime has also modified the environmental assessment system, allowing mining activity to take place within protected areas and investments to be made if the public consultation process in non-Indigenous territories is favorable to investment by this type of company.<sup>91</sup>

In this regard, a report by the U.S. Trade Representative indicated that, with regard to Nicaragua, there are systemic violations of the principles of CAFTA-DR by the Ortega-Murillo regime, including breaches of labor rights, environmental standards, and market access rules; citing forced overtime, unsafe working conditions, elimination of unions, environmental damage, and the Ortega-Murillo regime’s alignment with China.<sup>92</sup>

Apart from environmental rights, other violations within the ESCER range have been documented, including:

- **Right to water:**<sup>93</sup> Many operations are carried out near or within protected areas, such as the Bosawás Biosphere Reserve, putting drinking water sources and fragile ecosystems at

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making procedures and, as the Court has indicated, prior to the granting of concessions. Inter-American Court of Human Rights. *Case of the Rama and Kriol Peoples, the Indigenous Black Creole Community of Bluefields, and Others v. Nicaragua*. Merits, Reparations, and Costs. Judgment of April 1, 2024. Series C No. 522, para. 266.

88. FIDH-CENIDH. *Concession of the Interoceanic Canal in Nicaragua: Serious Impact on Human Rights. Mobilized peasant communities resist*. September 2016 / No. 680e, pp. 37-40.

89. C. Corea Sánchez. *The gold rush continues in Nicaragua: Analyzing the period 2022-2024*, December 2024, p. 20.

90. Various organizations. “Human Rights and Chinese Business Activities in Latin America.” Mid-term report of the Universal Periodic Review of the People’s Republic of China, 2022, p. 19.

91. Interview with Amaru Ruiz by Race and Equality on November 4, 2025.

92. U.S. Trade Representative. *Section 301 Investigation Report on Nicaragua’s acts, policies, and practices related to labor rights, human rights and fundamental freedoms, and the rule of law*, October 2025.

93. “The right to water is protected by Article 26 of the American Convention. This is clear from the provisions of the OAS Charter, insofar as they allow for the derivation of rights from which, in turn, the right to water is derived.” Inter-American Court of Human Rights. *Case of Indigenous Communities Members of the Lhaka Honhat Association (Our Land) v. Argentina*. Merits, Reparations, and Costs. Judgment of February 6, 2020. Series C No. 400, para. 222.

risk. Likewise, concessions for interoceanic canals and hydroelectric dams “put at high risk the right to water of neighboring populations [...] and, in general, those who depend on the main source of fresh water in Central America.”<sup>94</sup>

- **Conflicts and displacement:** In regions such as the Northern Caribbean, the presence of mining companies has coincided with an increase in violence, forced evictions, and the displacement of communities that oppose the occupation of their territories, which “deprives local communities of access to their land, often their main means of subsistence and the basis of the local food supply and economy.”<sup>95</sup> As has been documented, “often, these forced displacements are the result of questionable land acquisition practices by Chinese mining companies,”<sup>96</sup> and “forced displacements have occurred or will occur, leading to a violation of the right to housing, the loss of employment opportunities, and the breakdown of community ties.”<sup>97</sup> Specifically, it has been documented how in the Northern Caribbean, the expansion of gold mining has been linked to the consolidation of processes of invasion by settlers and dispossession of ancestral Indigenous territories.<sup>98</sup>
- **Right to health:** Megaprojects carried out in protected natural areas, especially on the Caribbean coast, “pose substantial risks to biodiversity and the ecosystem, resulting in deforestation and significant environmental damage to flora and fauna. This environmental impact is documented not only in the context of projects implemented in areas of great environmental wealth, but also for projects that pass through these areas.”<sup>99</sup> This “results in the violation of rights related to the right to a healthy environment and an adequate standard of living.”<sup>100</sup>
- **Labor rights:** Abuses of labor rights are also documented, in particular the precariousness of working conditions, the use of subcontracting to evade labor obligations, and the absence

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94. The human right to water and sanitation was also recognized on July 28, 2010, through Resolution 64/292 of the United Nations General Assembly as essential for the realization of all human rights. The United Nations Committee on Economic, Social and Cultural Rights, in its General Comment No. 15 (2002) on Articles 11 and 12 of the International Covenant on Economic, Social and Cultural Rights, considered that States must respect, protect, and fulfill the right to water [and that] “the right of everyone to have access to sufficient, safe, accessible, and affordable water for personal and domestic use.” FIDH-CENIDH. *Concession of the Interoceanic Canal in Nicaragua: Serious Impact on Human Rights. Mobilized peasant communities resist.* September 2016 / No. 680e, p. 16.

95. China's extraterritorial human rights obligations in relation to business activities in Latin America. Report for the adoption of the List of Issues for the review of the People's Republic of China, during the 69th session of the Committee on Economic, Social and Cultural Rights, 2021, p. 11.

96. Various organizations. “Human Rights and Chinese Business Activities in Latin America.” Mid-term report of the Universal Periodic Review of the People's Republic of China, 2022, p. 27.

97. *Ibid.*

98. C. Corea Sánchez. *The gold rush continues in Nicaragua: Analyzing the period 2022-2024*, December 2024, p. 21.

99. China's extraterritorial human rights obligations in relation to business activities in Latin America. Report for the adoption of the List of Issues for the review of the People's Republic of China, during the 69th session of the Committee on Economic, Social and Cultural Rights, 2021, p. 11.

100. *Ibid.*

of effective measures to guarantee minimum standards in occupational health and safety.<sup>101</sup> There have been reports of “low wages, excessive working hours, unfair dismissals, and denial of freedom of association, creating a work environment where workers lack effective mechanisms for reporting abuses and seeking redress.”<sup>102</sup> In addition, “internationally recognized labor and trade union rights are violated in many cases, with serious consequences such as the death of workers. Likewise, the impact that extractive activities and macro-projects have on the environment and communities in which they operate affects local workers, hindering the exercise of their jobs or negatively altering their environments, which affects the livelihoods of the populations impacted by their operations.”<sup>103</sup>

## b. Civil and Political Rights

There is documented evidence of community and peasant movements that, in the face of megaprojects with potential socio-environmental impacts and risks of expropriation, have organized large-scale citizen mobilizations, including marches, signature collections, and legal initiatives aimed at defending their rights.<sup>104</sup> These social movements, made up of local leaders and environmental organizations, are mobilizing around the protection of land, water, the environment, sovereignty, and the rural way of life, denouncing the lack of transparency, prior consultation, and access to public information. The motivations behind these protests are linked to the defense of family and community heritage, the rejection of the division of territory, and concern about the social, cultural, and psychological effects of large-scale projects.<sup>105</sup>

At the same time, there have been reports of a state response characterized by the militarization of rural areas, the permanent presence of armed forces and police, the occupation of educational centers and private properties as operational bases, and the deployment of brigades accompanied by military personnel, which has generated fear, harassment, and intimidation in communities. There have also been reports of restrictions on freedom of movement, raids, arbitrary detentions,

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101. ISHR-CICDHA. The Extraterritorial Human Rights Obligations of the People’s Republic of China in relation to business activities in Latin America, 2022, p. 7.

102. *Ibid.*, p. 34.

103. Various organizations. “Human Rights and Chinese Business Activities in Latin America.” Mid-term report of the Universal Periodic Review of the People’s Republic of China, 2022, p. 30.

104. Article 23 of the American Convention covers rights relating to political participation, establishing that all citizens should enjoy the following rights and opportunities to participate in the conduct of public affairs, which they should have a real opportunity to exercise effectively. Inter-American Court of Human Rights. *Case of Gadea Mantilla v. Nicaragua*. Merits, Reparations, and Costs. Judgment of October 16, 2024. Series C No. 543, para. 74.

Likewise, “the [Inter-American] Court has established that participation represents a mechanism for integrating the concerns and knowledge of citizens into public policy decisions,” that is, “the State must guarantee opportunities for effective participation from the earliest stages of the decision-making process and inform the public about these opportunities for participation.” Inter-American Court of Human Rights. *Case of the Residents of La Oroya v. Peru*. Preliminary Objections, Merits, Reparations, and Costs. Judgment of November 27, 2023. Series C No. 511, paras. 150 and 152.

105. Various organizations. “Human Rights and Chinese Business Activities in Latin America.” Mid-term report of the Universal Periodic Review of the People’s Republic of China, 2022, pp. 35-36.

FIDH-CENIDH. Concession of the Interoceanic Canal in Nicaragua: Serious Impact on Human Rights. Mobilized peasant communities resist. September 2016 / No. 680e, pp. 41-49.

excessive use of force, and constant surveillance, as well as the rejection of citizen initiatives and denial of access to justice.

For example, there have been cases of persecution and arbitrary imprisonment of environmentalists in Indigenous communities in Nicaragua. In one case, the United Nations Working Group on Arbitrary Detention considered the detention of four forest rangers in the Mayangna Sauni As territory to be arbitrary. The Working Group concluded that the deprivation of liberty was arbitrary under categories I (no legal basis), II (reprisal for exercising rights recognized in articles 19, 21, 22, 25, and 27/23 of the International Covenant on Civil and Political Rights and articles 19, 20, and 21 of the Universal Declaration of Human Rights), III (serious violations of due process, including cruel, inhuman, and degrading conditions, incommunicado detention, violation of the right to be tried by a competent judge, and absence of an interpreter), and V (discrimination based on Indigenous origin, political opposition, and position within the community). According to the statement, the arrests took place without a warrant, with the use of force, without informing them of the reasons, and in a context where they had denounced the invasion of settlers and actively defended Indigenous territory. The Working Group concludes that the detention is arbitrary according to the above-mentioned categories and requests authorization to visit Nicaragua to gain a better understanding of the situation of deprivation of liberty in the country.<sup>106</sup>

Similarly, Human Rights Watch indicated that Indigenous and Afro-descendant leaders face smear campaigns, surveillance, harassment, arbitrary detention, politically motivated criminal proceedings, and bans on entering Nicaragua.<sup>107</sup> This is in the context of their concern and rejection of the growing threat of industrial mining by Chinese companies.<sup>108</sup>

This pattern reveals a policy of repression and criminalization of social protest, in which militarization is consolidated as an instrument of control, affecting community cohesion and rural education and promoting displacement and migration due to fear or insecurity.<sup>109</sup>

### c. Indigenous Peoples' Rights and the Right to Free, Prior, and Informed Consultation

The United Nations Committee on Economic, Social and Cultural Rights (CESCR) emphasized in particular that Indigenous peoples are “among the groups disproportionately affected by the adverse effects of business activities [...] particularly in relation to the development, use, or exploitation of land and natural resources.”<sup>110</sup>

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106. WGAD. *Opinion No. 22/2025, concerning Rodrigo Bruno Arcángel, Stony (Tony) Bruno Smith, Oliver (Ovier) Bruno Palacios, Evertz (Evert) Bruno Palacios (Nicaragua)*. A/HRC/WGAD/2025/22 of May 12, 2025, concerning the complaint lodged by Race and Equality, Fundación del Río, and the Center for Legal Assistance to Indigenous Peoples (CALPI).

107. HRW. Annual Report 2025.

108. *100% Noticias*. New mining concessions “mean death,” claim indigenous and Afro-descendant peoples of Nicaragua, September 2025.

109. *Ibid.*

110. UN. Committee on Economic, Social and Cultural Rights. General Comment No. 24 (2017) on the obligations of States under the International Covenant on Economic, Social and Cultural Rights in the context of business activities. E/C.12/GC/24, para. 8.

Free, prior, and informed consultation is a fundamental right, recognized internationally, for countries that have ratified ILO Convention 169 on Indigenous and Tribal Peoples, as is the case of Nicaragua, which did so in 2010. In addition to this binding international treaty, there is the 2007 United Nations Declaration on the Rights of Indigenous Peoples, which affirms this right by the international community. The right to prior consultation is a fundamental collective right of Indigenous peoples and other ethnic groups when legislative and administrative measures are taken that affect their cultural, social, and economic integrity. It is therefore a right that guarantees these peoples participation in decision-making that may affect their existence.<sup>111</sup>

As stated above, several concessions have been granted in Indigenous and Afro-descendant territories without prior, free, and informed consultation, as required by ILO Convention 169.<sup>112</sup> In this regard, the United Nations Committee on Economic, Social and Cultural Rights has upheld “the obligation of States and companies to respect the principle of free, prior, and informed consent of Indigenous peoples in relation to all matters that may affect their rights, including lands, territories, and resources that they have traditionally owned, occupied, or otherwise used or acquired.”<sup>113</sup>

Previous projects have also documented “pressure [on Indigenous peoples] to give their approval”<sup>114</sup> to large infrastructure projects. Furthermore, “the type of procedure that has been implemented (or not) to carry out [Free, Prior, and Informed Consultation] is questionable, since

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111. FIDH-CENIDH. Concession of the Interoceanic Canal in Nicaragua: Serious Impact on Human Rights. Mobilized peasant communities resist. September 2016 / No. 680e, p. 33.

Likewise, the Inter-American Court has established that “the State, on the one hand, must observe the requirements common to any limitation on the right to property for ‘reasons of public utility or social interest’ in accordance with Article 21 of the [American] Convention, which implies the payment of compensation. On the other hand, it must comply with “the following three guarantees”: first, “ensure the effective participation” of the peoples or communities, “in accordance with their customs and traditions,” a duty that requires the State to accept and provide information, and that implies constant communication between the parties. Consultations must be conducted in good faith, through culturally appropriate procedures, and must aim to reach an agreement. Inter-American Court of Human Rights. *Case of the Indigenous Communities Members of the Lhaka Honhat Association (Our Land) v. Argentina*. Merits, Reparations, and Costs. Judgment of February 6, 2020. Series C No. 400, para. 174.

112. In the specific case of Nicaragua, the Court developed that “the right to consultation is a manifestation of the right of indigenous and tribal peoples to participate in decisions that affect their rights. In this regard, the Court has indicated that the “political rights” of participation, recognized in Article 23 of the Convention, include the right of indigenous and tribal peoples to participate in decisions regarding the use or exploitation of natural resources in their traditional territory, and therefore they must be consulted in an appropriate manner through their own representative institutions and procedures. This participation, in turn, is necessary in order for indigenous or tribal peoples or communities to exercise their right to decide on their own priorities with regard to the development process. Inter-American Court of Human Rights. *Case of the Rama and Kriol Peoples, Indigenous Black Creole Community of Bluefields, et al. v. Nicaragua*. Merits, Reparations, and Costs. Judgment of April 1, 2024. Series C No. 522, para. 233.

113. UN. Committee on Economic, Social and Cultural Rights. General Comment No. 24 (2017) on the obligations of States under the International Covenant on Economic, Social and Cultural Rights in the context of business activities. E/C.12/GC/24, para. 12.

114. *Ibid.*

“there is no official and legitimate mechanism for [this] in Indigenous territories in the Nicaraguan Caribbean in relation to mining investments.”<sup>115</sup>

#### d. Democracy, Rule of Law, and Corruption<sup>116</sup>

As indicated above, China’s strategy in Nicaragua is part of a structural plan of transnational influence, aimed at expanding its political, military, and economic power by promoting a development model that is disconnected from democracy and human rights. This approach finds fertile ground in a national context characterized by authoritarianism and institutional opacity, where the Nicaraguan regime identifies China as a strategic ally that does not question its repressive practices or its serious deficiencies in terms of the rule of law. In this relationship, financial transactions and bilateral agreements lacking transparency have opened the door to corruption, the weakening of public control mechanisms, and the concentration of political power, creating an environment in which economic cooperation is used to legitimize abuses, consolidate authoritarianism, and erode democratic institutions.

According to U.S. researcher Evan Ellis, in his essay “The Impact of Latin America’s Political Orientation on the People’s Republic of China’s Advancement in the Region,”<sup>117</sup> Chinese influence in Central America has been consolidated through a multifaceted approach that includes strategic investments, diplomatic changes, military cooperation, lack of transparency, and tolerance for repression. Ellis points out that “despite these limitations, China has continued to promote its strategic interests through various agreements and projects. The relationship between China and populist regimes has also provided economic advantages and technical assistance that contribute to the consolidation of power in non-democratic regimes.”<sup>118</sup> In this way, China is expanding its presence in a region that has historically belonged to the U.S. sphere of influence.

#### Military and Security Cooperation

It has been noted how China provides resources that strengthen the regime’s repressive apparatus.<sup>119</sup> In particular, it has been noted how China receives police officials and trains Nicaraguan

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115. C. Corea Sánchez. The gold rush continues in Nicaragua: Analyzing the period 2022-2024, December 2024, p. 26.

116. It has been pointed out that “corruption has a negative impact on the enforcement of human rights [because] it has the effect of reducing the resources available and necessary for the realization of the human rights of persons within the territory of the State. Among other negative impacts, it undermines the capacity of States to mobilize resources for the provision of essential services in order to give effect to rights and causes discrimination in access to public services in favor of those who can influence the authorities, for example, through bribery or political pressure.” Furthermore, “People who are part of minorities, indigenous peoples, migrant workers, persons with disabilities, refugees, persons deprived of liberty, women, children, older persons, and those living in poverty are often the first to suffer its consequences.” Inter-American Court of Human Rights. *Case of Viteri Ungaretti et al. v. Ecuador*. Preliminary Objections, Merits, Reparations, and Costs. Judgment of November 27, 2023. Series C No. 510, paras. 81, 82, and 84.

117. *Ibid.*

E. Ellis. “The impact of Latin America’s political orientation on the advance of the People’s Republic of China in the region.” U.S. Air Force Magazine. Second Edition 2024, p. 87.

118. *Ibid. Central America 360*. China’s calculated influence in Central America, September 2024.

119. In November 2025, it was reported that a delegation from the Chinese People’s Liberation Army was paying an official visit to the Nicaraguan Army with a view to continuing to consolidate the strengthened ties of friendship and military cooperation between the two nations. Press release 269/2025 of November 7, 2025.

police in criminalistics, kung fu, and the use of drones<sup>120</sup> as part of exchanges on personal protection, police protocol, and riot control that the Chinese Ministry of Public Security offered last January to Nicaraguan officials for the implementation of the “Wall of Containment” strategy.<sup>121</sup> Likewise, in the past, China provided supplies to equip the riot control forces of the National Police, “an institution upon which the United States imposed sanctions for violating human rights.”<sup>122</sup>

The regime refers to these exchanges as an alliance that is “strengthening the bonds of friendship and cooperation with the glorious People’s Liberation Army of China, friendship, cooperation and, above all, ties for defense and security in the world and our peoples.”<sup>123</sup> However, this collaboration has been characterized as a outsourcing of repression to shield authoritarian control with foreign technology “that merges brute force and digital surveillance.”<sup>124</sup>

Thus, the combination of surveillance technologies from China, the formation of riot police units, and the provision of specialized equipment reinforces the regime’s intention and capacity to neutralize any expression of dissent, deepen the militarization of public space, and continue its strategy of authoritarian consolidation.

### **Corruption, Transparency, and Democracy**

On the other hand, a pattern of a lack of transparency has been denounced<sup>125</sup> in the management of projects, “making the handling of information opaque, discretionary, and restricted for non-government media.”<sup>126</sup>

Likewise, one of the most relevant elements analyzed in this work is the undermining of democracies. These, with the United States at their epicenter, cemented the world order that

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120. *Swissinfo*. China trains Nicaraguan police in criminalistics, kung fu, and the use of drones, September 2024. *Confidencial*. Nicaragua to strengthen surveillance with support from Russia and China, September 2024.

121. *Swissinfo*. Nicaraguan army and police chiefs visit China, September 2025.

122. In 2018, the police were accused of killing more than 300 civilians protesting against Ortega. The US sanctioned the entity, as well as its chief, Francisco Diaz. In turn, Gonzalo Carrión, director of the Nicaragua Nunca Más Human Rights Collective, told Voice of America that cooperation with the entity “is to strengthen repression against the people.” “The police’s priority is to persecute people who want to live in freedom.” *Voice of America*. China supplies equipment to Nicaraguan police despite allegations of repression, November 2022.

123. *El 19 Digital*. Nicaragua and the People’s Republic of China strengthen friendship and ties in defense and citizen security, September 2025.

124. *100% Noticias*. Opposition warns that military-police alliance between Nicaragua and China is “outsourcing repression,” September 2025.

125. Organizations have recognized “the lack of verifiable public information, both from the Nicaraguan State and from the investing companies.” C. Corea Sánchez. The gold rush continues in Nicaragua: Analyzing the period 2022-2024, December 2024, pp. 4 and 21.

In this regard, the State’s actions must be governed by the principles of publicity and transparency in public management, which enables persons under its jurisdiction to exercise democratic control over State actions, so that they can question, investigate, and consider whether public functions are being adequately fulfilled, [...] with a corresponding positive obligation on the part of the State to provide it. Inter-American Court of Human Rights. *Case of the Residents of La Oroya v. Peru*. Preliminary Objections, Merits, Reparations, and Costs. Judgment of November 27, 2023. Series C No. 511, paras. 144 and 146.

126. FIDH-CENIDH. Concession of the Interoceanic Canal in Nicaragua: Serious Impact on Human Rights. Mobilized peasant communities resist. September 2016 / No. 680e, p. 30.

emerged after World War II. As part of its strategy to increase its global influence and displace its main adversary –both commercial and ideological– China seeks to eliminate the influences of that old order in order to consolidate itself in all areas.

As Cardenal explains, “Xi Jinping’s aspiration is to change the current international order, which he considers hegemonic for the U.S. and exclusionary for China, but not necessarily to make it more just, as official propaganda claims, but rather to influence it in order to make it more secure for his interests. This approach has a perverse consequence, of which Latin America must be aware: an international order of this nature, based on a union of nations economically dependent on China and, therefore, subordinate to it, is probably not the best path to prosperity and freedom in the region”<sup>127</sup>.

In practice, this relationship involves mechanisms of corruption and dependency. The Chinese demand payment for the projects they finance, and there are commissions that benefit people linked to the regime, as in the case of Laureano Ortega, who is emerging as the successor to Daniel Ortega and Rosario Murillo, raising questions about the profitability and sustainability of such projects.<sup>128</sup> The problem is that the country spends public resources while China secures its profits, even when the projects are unviable. Thus, “Nicaraguan money will be used to build projects for the strategic benefit of Chinese companies and possibly for military use, but I suspect that digging a canal between the Atlantic and the Pacific, like the first canal, will not be accomplished.”<sup>129</sup>

In this context, there is “superficial evidence that Chinese companies face higher levels of corruption and implementation challenges when operating in anti-American populist regimes.”<sup>130</sup> In the case of Nicaragua, China reaps a double reward: on the one hand, economic benefits; and on the other, freedom to operate with intelligence agents, taking advantage of the Ortega-Murillo regime’s lack of transparency. For both, it is a win-win relationship: China expands its presence near the United States without its actions appearing to be an open provocation.

The mining sector exemplifies this situation. Chinese companies show a marked lack of accountability, as they do not publish information about their activities, lack websites, and do not offer mechanisms for public consultation, preventing independent monitoring of their social and environmental impact.<sup>131</sup> Analysts have indicated that the granting of mining concessions to Chinese companies has political and economic objectives, as the Ortega-Murillo regime calculates

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127. J. Cardenal. *Diálogo Político*. China’s uncertain footprint in Latin America. Year XXXIX, No. 1, 2023, p. 83.

128. As is well known, “Laureano Ortega Murillo holds the title of presidential advisor for Investment, Trade, and International Cooperation and also acts as the dictator’s special representative for matters related to Beijing” and has even displaced cabinet figures such as Foreign Minister Valdrack Jaentschke and Finance Minister Bruno Gallardo in strategic negotiations with allied powers such as China, Russia, and Belarus. Infobae. Ortega and Murillo granted full powers to one of their sons to sign agreements with China, June 2025.

129. *Confidencial*. Dr. Evan Ellis “In the alliance with Ortega, China only gains advantages, Nicaragua and its businessmen lose,” December 2024.

130. *Ibid.*

131. *CRHoy*. How China consolidates its power through mining concessions in Nicaragua, August 2025.

that “they will achieve a strategic alliance that commits the Chinese regime’s support to guarantee the Ortega-Murillo’s permanence in power [and] increase their business.”<sup>132</sup>

On the other hand, the provision of non-reimbursable cooperation from the People’s Republic of China (PRC) in Central America, in kind or in cash, has become an effective diplomatic tool that, over the last two decades, has facilitated the alignment of regional governments and elites with the Asian giant’s international agenda.<sup>133</sup> Although official rhetoric repeats that these donations are unconditional, the facts prove otherwise: this is economic aid in exchange for strategic gains.

When financing is provided in cash, it takes the form of bribes to key actors who can guarantee China access to markets, resources, and critical infrastructure in recipient countries. Under the promise of not imposing political conditions, Beijing has built networks of loyalty that endure beyond changes in government, thus reshaping the international priorities of beneficiary states.

Through these non-reimbursable cooperation grants, the PRC ensures the long-term loyalty of some client governments, as is the case in Nicaragua, where this form of assistance plays a central role in consolidating ties with the Ortega-Murillo regime. In a context of international isolation and sanctions, Beijing presents itself as a strategic ally, offering economic support without democratic demands or explicit political conditions. Under the rhetoric of “non-interference,” China guarantees the loyalty of the Nicaraguan government and reinforces an authoritarian model that serves its geopolitical interests in Central America.<sup>134</sup>


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132. *La Prensa*. Ortega has already handed over 5% of the territory to the Chinese through 43 mining concessions, October 13, 2025.

133. It has been documented how “Beijing established networks of contacts with Central American elites through business associations, binational chambers of commerce, and parliamentary friendship groups. Similarly, they strengthened relations with regional political parties, which offered a unique opportunity for Beijing to advance in the creation of political, economic, social, and cultural ties.” CADAL. *China in Central America: Between Diplomatic Pressure and Economic Seduction*, September 2024, p. 22.

134. C. Santos. *Diálogo Político*. China, Central America, and the trap of “non-reimbursable cooperation,” July 2025.

## 6. Conclusions



The relationship between China and Nicaragua is part of a structural strategy of transnational influence, through which Beijing seeks to expand its economic and political power in Latin America through investments and infrastructure presented as cooperation, but which in practice reinforce regimes with weak democratic standards and high levels of institutional opacity. In the case of Nicaragua, this dynamic is intertwined with the authoritarian project of the Ortega-Murillo regime, consolidating a model of “economic development without democracy or human rights,” where the rhetoric of progress hides serious violations of civil, political, labor, and environmental rights.

The projects promoted under this scheme show serious deficits in terms of transparency, citizen participation, and accountability. The lack of free and informed prior consultation, non-public contracts, the absence of rigorous environmental impact studies, and the use of force to repress social opposition reveal how alliances with Chinese companies contribute to deepening corruption and weakening national institutions. Through bilateral agreements without oversight mechanisms, the Nicaraguan state has instrumentalized cooperation with China to legitimize an authoritarian model and exclude civil society from decisions about the country’s resources.



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In this context, China’s involvement reinforces the Nicaraguan government’s authoritarian drift, providing financial and diplomatic support that facilitates the concentration of power and impunity for abuses. At the same time, it offers China a strategic platform in the Western Hemisphere, increasing its political and economic influence to the detriment of democratic values. As analysts warn, this relationship represents a warning sign for democracies in the region, as it normalizes a model of cooperation that dissociates economic development from respect for human rights, erodes the rule of law, and weakens mechanisms for citizen control and participation, introducing a Trojan horse from which it will later be difficult to escape.

In short, Chinese-Nicaraguan cooperation has not only had negative impacts on fundamental rights, but also deepens structural corruption and consolidates a pattern of government based on repression of citizens, impunity, and lack of transparency. This model threatens to be replicated in other countries in the region if essential principles such as transparency, participatory democracy, and accountability are not reaffirmed in all international relations. The real challenge is to ensure that foreign cooperation and investment are geared toward sustainable development, rather than sustaining regimes that sacrifice rights and freedoms in the name of economic growth in order to remain in power, in flagrant violation of the rules of democracy.

## 7. Recommendations



**In**

light of the conclusions of this report, the following recommendations are made:

### 1. For the State of Nicaragua

#### a. Strengthening Transparency and Public Information

Establish a mandatory framework for extractive transparency that guarantees the complete and timely publication of contracts, addenda, environmental impact studies, shareholding structures, final beneficiaries, and investment amounts linked to foreign companies, especially those recently created with Chinese capital. This requirement would reduce state discretion and open up opportunities for citizen, academic, and journalistic oversight, which is currently impossible due to institutional opacity.

#### b. Environmental and Community Safety Pause in Indigenous Territories

Immediately suspend extractive activities in Indigenous and Afro-descendant territories until prior, free, and informed consultation processes are implemented, territorial boundaries are verified, a plan to protect against settler invasion is adopted, and the safety of communities is guaranteed. This pause responds to international obligations and constitutes an urgent measure to prevent displacement, violence, and loss of livelihoods.

#### c. Adoption of a National Protocol on Corporate Due Diligence

Establish that any foreign company seeking to operate in the country must submit verifiable information on its technical experience, corporate history, sources of financing, planned extraction technology, and environmental management plans. No concession should be approved without strict compliance with this protocol, which would allow for the filtering out of fictitious companies, newly created companies, or companies with opaque family structures.

#### **d. Enhanced Protection for Environmental Defenders and Indigenous Leaders**

Implement a comprehensive protection plan that includes preventive measures, protocols for investigating attacks, a ban on militarization in rural areas, and reparations for victims of harassment and criminalization. These measures are essential in light of the pattern of repression documented by international organizations and seek to guarantee the safety of those who defend the land, the environment, and ancestral territories.

#### **e. Guarantee Decent Working Conditions and Effective Reporting Mechanisms**

Establish a strengthened system of independent labor inspections that verifies occupational safety standards, hiring practices, wages, and freedom of association in projects financed or executed by Chinese companies. The State must enable confidential reporting mechanisms for workers—including migrants and subcontracted workers—guaranteeing that they will not face reprisals. Oversight should include regular audits and public records on workplace accidents, working hours, protective measures, and compliance with ILO standards.

#### **f. Protect Freedom of Association, Expression, and Protest in Areas Affected by Megaprojects**

End the criminalization of protest and ensure that communities, Indigenous leaders, environmental defenders, and social organizations can express themselves freely without risk of arbitrary detention, police surveillance, or persecution. The State must ensure access to public spaces for community assemblies, allow non-governmental organizations to operate, and repeal any regulations that limit the right to collective organization in territories where foreign companies operate.

#### **g. Restore Guarantees of Access to Justice and Institutional Protection Mechanisms**

Strengthen access to justice by restoring independent institutions capable of investigating violence against community leaders, forced evictions, and abuses in the context of extractive projects. It is necessary to guarantee that affected communities can file appeals before the courts and receive effective precautionary measures, as well as to ensure the independence of the judiciary and the elimination of political obstacles that block the review of abuses linked to mining and infrastructure.

#### **h. Review and Eventual Reversal of Irregular Concessions**

Conduct a technical, environmental, and legal review of concessions granted without adequate studies or approved under accelerated timelines. In cases where there is no prior consultation, verifiable information, or valid environmental impact studies, the State must suspend or cancel the concessions in accordance with the precautionary principle and its international obligations.

## 2. For the People's Republic of China

### a. Adopt a Mandatory Extraterritorial Due Diligence Framework for All Its State-owned and Private Companies Operating Abroad

Establish a robust human rights and environmental due diligence regime applicable to all companies domiciled in its territory, regardless of whether they are state-owned or private, ensuring that they identify, prevent, mitigate, and remedy negative impacts linked to their international operations. This framework should include the obligation to disclose ultimate beneficiaries, describe extraction methodologies, demonstrate technical capacity, guarantee minimum labor standards, and submit environmental mitigation plans before starting activities in third countries. By taking an active role in extraterritorial oversight, China would directly comply with its obligations under the ICESCR and General Comment No. 24 of the CESCR.

### b. Create a System of Oversight and Sanctions for Chinese Companies Operating with Opaque Corporate Structures or Without a Verifiable Track Record

Establish an institutional mechanism to supervise newly created companies or those with opaque family, financial, or corporate structures that seek to operate in countries such as Nicaragua. This system would verify their legitimacy, technical capacity, and the traceability of the capital used, as well as prevent companies that are not registered on stock exchanges or have no mining history from accessing concessions in contexts of high institutional fragility. The existence of administrative or financial sanctions for companies that fail to comply with these standards would serve as a mechanism to contain risky operations and reduce the proliferation of front or intermediary companies.

### c. Prohibit Operations that Directly or Indirectly Contribute to Displacement, Violence, or Militarization

Ensure that state-owned or private companies domiciled in China do not participate in projects where there are proven risks of forced displacement, armed violence, militarization, or state repression. If these factors are identified, the company must withdraw its operation and demand minimum conditions of security, transparency, and community protection before continuing. This practice should be formally incorporated into China's international investment policies.

### d. Establish Mechanisms for Redress and Direct Dialogue with Communities Affected by Chinese Investor Projects.

Enable institutional spaces to receive complaints, address grievances, and facilitate mediation processes with communities affected by Chinese companies abroad. This can be done through liaison offices in embassies, independent complaint mechanisms, or publicly accessible digital platforms. The creation of clear paths to redress—including financial compensation, environmental restoration, and measures to prevent recurrence—would send a signal of international responsibility and reduce the perception that China supports highly damaging extractive models in vulnerable territories.

### 3. For International Organizations

#### a. Strengthen Monitoring and Early Warning Mechanisms on Business Impacts on Human Rights

International organizations, including the UN, IACHR, Office of the Special Rapporteur on Economic, Social, Cultural, and Environmental Rights, ILO, and specialized environmental agencies, should strengthen early warning mechanisms to identify patterns of human rights violations related to Chinese companies operating in authoritarian or low-transparency contexts. This involves systematically monitoring extractive concessions, the presence of armed actors, forced displacement, criminalization of protest, and threats to environmental defenders, coordinating periodic and public reports that allow for preventive action before the damage becomes irreversible.

#### b. Promote Binding Standards of Transnational Due Diligence for Companies from Non-democratic States

Promote the adoption of mandatory international due diligence standards that apply extraterritorially to companies from states that do not have robust internal oversight systems. This type of instrumentation would reduce the regulatory gap that currently facilitates the operation of Chinese companies with opaque structures in Central American countries, ensuring that they are accountable for the labor, environmental, and social impacts produced outside their borders.

#### c. Ensure Enhanced Protection for Environmental Defenders, Indigenous Leaders, and Journalists

Strengthen mechanisms to protect defenders, community leaders, and journalists in Nicaragua through precautionary measures, remote observation missions, satellite monitoring of the territory, and the activation of international protection networks. Given the impossibility of physical presence due to the democratic shutdown, international institutions must innovate in methods of digital observation and transnational accompaniment to prevent further attacks, arbitrary detentions, or forced disappearances linked to extractive activities.

#### d. Strengthen International Strategies Against Regulatory Capture and Corruption Associated with Megaprojects

Promote anti-corruption protocols applicable to megaprojects financed by Chinese capital, including transparency requirements, independent audits, and measures to prevent the concentration of concessions in the hands of newly created companies or those with family ties. Interagency collaboration would help to expose patterns of transnational corruption and counteract the opaque flow of capital in strategic sectors.

## 4. For Civil Society Organizations

### a. Promote Collaborative Open Information Platforms on Concessions, Companies, and Risks

Develop accessible digital repositories where scattered information on mining concessions, newly created Chinese companies, opaque corporate structures, patterns of criminalization, and environmental damage is systematized. These platforms make it possible to combat state opacity, create institutional memory from the bottom up, and provide technical inputs for journalists, academics, and international organizations that do not have access to official information.

### b. Build Regional and Transnational Alliances that Strengthen Advocacy in International Organizations

Coordinate with networks in the region that work on issues related to Chinese extractivism, front companies, Indigenous rights, and territorial defense. Alliances allow for the internationalization of complaints, the sharing of documentation methodologies, the unification of demands, and pressure on international organizations to take specific action against violations linked to business activities in Nicaragua.

### c. Promote Strategic Litigation and Transnational Legal Support

Rely on the Inter-American framework and UN mechanisms to file strategic litigation on forced displacement, labor violations, attacks on community leaders, and lack of prior consultation. Cooperation with organizations in other countries –including those litigating against Chinese companies in Peru, Ecuador, or Bolivia– can provide precedents, comparative documentation, and common strategies for holding states and companies accountable.

### d. Map and Report Patterns of Discrimination, Violence, and Harassment Against Indigenous Peoples and Defenders

Monitor and systematize cases of discrimination, threats, arbitrary detentions, attacks, and stigmatizing discourse against those who oppose extractive activities. These reports are essential for activating international mechanisms, demonstrating patterns of rights violations, and generating international pressure on the state and on Chinese companies involved in contexts of violence.