

7-27-2012

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Recommended Citation

Chanduvi Jaña, Elsa. "Mining--a bone of contention in Per." (2012). https://digitalrepository.unm.edu/la_energy_notien/88

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Mining—a Bone of Contention in Peru

By Elsa Chanduví Jaña

Peruvian President Ollanta Humala has proposed "a new relationship with extractive activities, especially mining," which will have "an environmental and social vision." He made the proposal on June 20 at the plenary meeting of world leaders at the UN Conference on Sustainable Development (Rio+20), held in Brazil June 20-22.

"We are committed to integrating economic growth with people's improved well-being under environmental and social rules and considerations," said the president. Peru's policy "ensures that economic development will take into account our rich natural and cultural heritage. We will incorporate the use of land and natural resources within the overall framework of sustainability, which benefits all Peruvians today without jeopardizing the future and the quality of life of future generations."

Humala announced the creation of a multisectoral committee that will have 30 days in which to come up with a set of proposals to build a new relationship with extractive industries. It is expected that on July 28, the one-year anniversary of his administration, he will present these proposals.

Humberto Speziani, president of the Confederación Nacional de Instituciones Empresariales Privadas (CONFIEP), told the Andinas news agency on June 22 that mining companies are committed to applying President Humala's new mining policy, aimed at exploiting natural resources but with social and environmental responsibility. Proof of that, he said, was the response from Newport Mining, responsible for the Conga mining project in the northern highlands department of Cajamarca. Newport accepts the recommendations of the three international experts contracted by the government to propose measures to address environmental concerns raised by the environmental impact study (Estudio de Impacto Ambiental, EIA).

The Conga project is a US\$4.8 billion undertaking to extract gold and copper, which will be carried out by Minera Yanacocha, owned by Newport Mining, Peru's Buenaventura, and the International Finance Corporation (IFC), a division of the World Bank.

Among the experts' recommendations, released in April, is the need for a water-treatment plant to treat toxic water and the need to enlarge the reservoir. They also admitted that no

project is risk free. That admission supported the position of Cajamarca residents, led by regional president Gregorio Santos, who began a new strike on May 31 to oppose the project because it would affect four lakes in the headwaters of five river basins. In November 2011, protesters waged a 20-day strike.

On June 23, President Humala confirmed that the "indispensable" requirement for the Conga mining project to go forward was that Yanacocha guarantee water resources for the vital and the economic needs of the Cajamarca population.

"What is vital is water and I repeat it, but Peru cannot fail to observe the rule of law. To do so would cause enormous harm to all Peruvians. I want to underscore to the people of Cajamarca that the indispensable requirement for the project's continuation will be to guarantee water to meet all the vital and economic needs of the people," Humala said in his address to the nation.

Yanacocha agreed to comply with the results of the international experts' recommendations to the Conga EIA as well as the government's demands to establish a new link with mining. "Today, the four lakes represent 1.3 million cubic meters; the EIA calls for increasing it, with dams, to 3.5 million; the experts suggest making an additional effort and increasing it to 14 million cubic meters. In that sense, the evaluation is perfectly acceptable, and we believe in that alternative," said Yanacocha executive president and Peruvian businessman Roque Benavides.

Carlos Santa Cruz, Newport's vice president for South America, said that the company "ratified our decision to implement the recommendations international auditors made to the environmental impact study for the Conga project, and the suggestions of the president." He said that the first activity to be carried out will be building the water reservoirs to benefit nearby communities.

"That decision reveals the commitment, not only of Newport but also of mining in general, with the new mining relationship proposed by the government for the correct use of natural resource regarding the environment and social responsibility with the communities," said Speziani.

The church as mediator

Given the president's decision, Cajamarca leaders called a regional strike that began on May 31 to oppose the Conga project. The government's response was to militarize the streets. On July 2, three people, one a minor, died in clashes with police, and the next day the government decreed a state of emergency in the Cajamarca provinces of Celendín, Hualgoyoc, and Cajamarca. On July 4 and 5, two more people died from bullet wounds. Dozens were wounded in the confrontations, and many more were detained.

To date, the hard-line approach imposed by Prime Minister Óscar Valdés, a retired lieutenant colonel who took office in December 2011, has cost the lives of 17 people, half of them in the last two months. In late May, the government decreed a state of emergency in the southern

Andean province of Espinar following massive protests against Swiss mining company Xstrata during which two people died.

Peru's Defensoría del Pueblo said that the number of people who have died in protests had reached 10 by early May. That number rose with the two who died in Espinar and five in Cajamarca. Amnesty International (AI) called on the Peruvian government to, "in the face of the social protests, instruct the police and ban the use of firearms, except when strictly necessary to protect life."

"Both Prime Minister Valdés and the president have tried to defeat the Cajamarca protest movement and have been unable to do so, and they have had to return the initial proposal of Salomón Lerner [Valdés' predecessor], which is very serious because we have lost seven months in a conflict that could have been resolved last year and without the human and economic costs," said Andean Parliament Representative Alberto Adrianzén in an interview with the daily La Primera on July 8. Lerner's proposal called for dialogue between the parties in conflict to find a solution.

To facilitate a peaceful solution to the social conflict surrounding the Conga mining project, the executive proposed that the Catholic Church act as mediator. Miguel Cabrejos, archbishop of the northern city of Trujillo, agreed to facilitate the dialogue between the government and the Cajamarca leaders.

"The Ministerio de Justicia has sent a letter presenting the proposal to mediate in this conflict. The church, rather than using the word mediate, prefers the term facilitate. We are always willing to contribute to the peace of all Peruvians. The Conferencia Episcopal agrees completely that I assume this role," said Cabrejos in a conversation with Canal N.

The Cajamarca regional government welcomed Cabrejos' mediation and asked that Father Gastón Garatea also participate as a mediator. Garatea, who was president of the Mesa de Concertación contra la Pobreza for six years, until June 2007, accepted.

The Lima archdiocese did not renew Garatea's priestly faculties when they expired on Dec. 11, 2011, because of his disagreement with certain Vatican positions. Garatea had said publically that he favored same-sex civil unions and eliminating priestly celibacy. Garatea cannot function as a priest in Lima but can do outside the archdiocese.

"It's very good that Bishop Cabrejos, who is also from Cajamarca, goes. The regional government has invited me, but we will not have any decision-making power. We are going to make breakthroughs, the possibility of understanding between the national and regional governments, and to invite someone from the executive to continue this relationship, which is indispensable," said Garatea to Canal N before traveling to Cajamarca on July 9.

Cabrejos and Garatea have met with representatives of the regional government and the local Cajamarca governments as well as with social leaders from that region opposed to the Conga

project to learn their positions on the matter. They hope to meet with the rest of the actors involved in the coming days, although the executive has still not named its representative to the dialogue.

Meanwhile, in Espinar on July 12 the second dialogue was held among the ministers of the environment and of energy and mines, Cusco regional authorities, and mining representatives. Espinar mayor Óscar Mollohuanca's request that negotiations regarding the Xstrata Tintaya mining project conclude within three months and not nine, as proposed by the executive, was accepted.

Mollohuanca was arbitrarily detained on May 30 and accused of participating in disturbances, kidnapping, damages, coercion, and attacks on transportation vehicles. The mayor was held in jail in the department of Ica, more than 800 km west of Cusco, and released 10 days later.

On July 23, President Humala replaced Prime Minister Valdés with Juan Jiménez Mayor, who had been minister of justice and human rights. The new Cabinet, the third in a year, includes five new ministers—defense, interior, agriculture, health, and justice and human rights.

Jiménez announced that his Cabinet will re-examine how the government deals with social conflicts. "UN experts are going to help us reassess the strategies to resolve conflicts. The government does not want more deaths," he said in his first press conference.

Environmental agenda

The Defensoria del Pueblo had recorded 247 social conflicts as of June, 60% of which were socioenvironmental, mostly involving extractive activities.

Mining concessions have increased significantly in the country. The department of Cajamarca had the fourth-largest number of major mining concessions until this year. Since 2007, the percentage of land under concession has increased 12.5%. At present, 48% of Peru's territory is under concession, says the recently published X Informe of the Observatorio de Conflictos Mineros en el Perú. In Cusco, 21.3% of the department is under mining concessions.

For many in the country, the government should not only consider a new relationship with mining and other extractive industries, but it should first and foremost establish a new relationship with the communities where these activities are developed. It must listen, and put dialogue first.

"The government doesn't seem to want to understand that more than two actors are involved in the conflicts and that it is not an issue just between business and the central government, leaving out the people and their organizations and authorities," said the Observatorio report, which points to the need for implementing a conflict-prevention policy.

The Observatorio, comprising three organizations—CooperAcción, Grufides, and Fedepaz—also says that important changes need to be made in environmental management, and it suggests a

pending issue for the environmental agenda: "The Ministerio de Energía y Minas cannot continue being in charge of promoting investment in the mining sector and, at the same time, determining the environmental viability of the investment projects. This competency must be transferred to the Ministerio del Ambiente as part of a process that consolidates cross-sectoral environmental management."

The Observatorio also says that it is "essential to count on a policy and a land-use law that regulates the use, occupation, and transformation of the territory and that fosters sustainable use. The implementation of policies to protect headwaters and water-producing areas is necessary, one of the principal demands of residents in the areas influenced by mining activity."

José Luis López Follegatti, coordinator of the group Diálogo Minero, says the government has to recognize, realistically and humbly, what alliances require. "A national president meeting with regional presidents is the 'territorial cabinet,' ideal for making the most correct decisions. There they can adopt policies that support the agenda of a new mining," he said in an interview with La República.