



UPDATE

Bulletin Of the Peru Support Group
No. 135 August - September 2009

The aims of the PSG are to promote the rights and interests of the people of Peru and in particular the poorest sectors

Editorial: Cocaine and Corruption

Squeeze the balloon here and the air pops up elsewhere. This is the age old problem facing drug eradication efforts in the Andes: suppress the production of coca and cocaine in one country (Colombia) and it simply moves to another location (Peru and Bolivia). According to a recent study, quoted by the Wall Street Journal, Peru may have already taken over from Colombia as the world's number one exporter of cocaine.

Whether or not this is true, evidence from the 2009 annual report of the Vienna-based United Nations Office on

Peru may have already taken over from Colombia as the world's number one exporter of cocaine

Drugs and Crime (UNODC) certainly suggests that the production of coca and cocaine in Peru is on the rise. The report shows that the production of dry coca leaf more than doubled in the first eight years of the present decade, while cocaine production rose even faster (see p. 4).

Peru provides fertile terrain for the cocaine trade. Firstly, the main areas of production are situated in remote valleys on the eastern side of the

Andes, where access to the rest of the country is difficult. In this, Peru contrasts with its neighbour Bolivia, where the main growing fields of the Chapare are close to the country's principle highway linking Cochabamba and Santa Cruz. Secondly, in areas such as the Alto Huallaga and the Ene-Apurimac valleys, state institutions and the rule of law are conspicuous by their absence. Thirdly, cocaine is now being shipped out directly to Mexico (without going through Colombia) from ports on Peru's northern coast. And fourthly, coca production is protected to a degree by the presence in key production areas of *Sendero Luminoso* (Shining Path), which continues successfully to resist the government's attempts to dislodge it.

Anxious to maintain good relations with Washington, the Peruvian authorities have long tried to eradicate coca. However, the results have proven disappointing. Even though the authorities have tried to stop the inflow of precursor chemicals (those required to manufacture cocaine) it seems that Peru is becoming a major producer of cocaine and not just coca or cocaine base (PBC). Also, it seems that the powerful Mexican mafias are migrating south to ensure secure sources of supply.

As production of cocaine increases, so too does the amount of money available in the local economy. Producers of coca leaves receive much

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more cash than other farmers, but this income is a drop in the ocean compared to the profits made by those trading in pure cocaine. As is well known, the money generated from cocaine trafficking is hugely corrosive in terms of corruption not least in a country like Peru where the probity of public institutions has always been relative at best.

For obvious reasons, it is hard to know how many public officials and politicians are effectively in the pocket of the drug traders. But a recent opinion poll by Ipsos Apoyo shows that 55% of the people interviewed consider that drug traffickers and politicians are closely linked, with the traffickers routinely seeking to bribe politicians. As much as 72% of those interviewed thought the police had been infiltrated by traffickers, while 66% believed

that the judicial system is also corrupted by drug money.

Even allowing for the fact that such views may be somewhat exaggerated, it is logical to assume that those at the head of drug cartels use the money at their disposal to buy influence so as to protect their business interests. This is the lesson from Mexico, where drug barons in recent years have shown themselves able to buy their way to the very top of that country's political system and its security apparatus. This has obvious dangers in a country like Peru where democratic institutions are notoriously weak and where public officials have a long tradition of putting their own interests before those of the people they are supposed to serve. The dangers to democracy are all too self-evident.

Series of Trials Against Fujimori Complete

In a fourth and final trial, a court in Lima has sentenced former Peruvian president Alberto Fujimori to six years in prison on corruption charges. Fujimori pleaded guilty to charges of wire tapping opponents and paying bribes to lawmakers and media moguls during his terms of office between 1990 and 2000. The Peruvian National Human Rights Coordinator (CNDDHH) and critics of the former president believe he pleaded guilty in order to avoid another long trial which would expose in greater detail the corruption stories of his government and be potentially damaging to his daughter Keiko's presidential bid for 2011.

This sentence brings to a close the list of convictions against Fujimori, including a six-year jail-term for charges of abuse of power and seven years for embezzlement. Fujimori's four sentences will run concurrently. In other words, the total length of time he could spend in prison is 25 years which means that he could potentially spend the rest of his life in jail, subject to appeal decisions or the granting of a presidential pardon.

Trial Summary

December 2007 - Fujimori is sentenced to six years in prison when found guilty on

the charge of "illegally entering" the apartment of the wife of the former head of Peru's intelligence service, Vladimiro Montesinos in November 2000.

April 2009 - Fujimori is sentenced to 25 years in prison for human rights violations related to two massacres and the kidnapping of two people during his time in office.

July 2009 - Fujimori is sentenced to seven and-a-half years in prison on charges of corruption for channelling US\$15 million (approximately £9.3million) of state funds to his intelligence chief Vladimiro Montesinos. The former president admitted his guilt to a certain degree and agreed that he was responsible for personally ordering the withdrawal of the US\$15 million, although he claims to have re-paid the amount in full.

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Truth and Reconciliation Commission (TRC): 6th Anniversary

In Ayacucho, the area worst affected by Peru's 20-year internal armed conflict (1980-2000), human rights groups, local authorities and relatives of some of the victims of the violence have carried out a memorial to commemorate the six-year anniversary of the final report and recommendations of the Truth and Reconciliation Commission (TRC). Many of the victims' families have still not received justice. There are 700 cases of human rights violations under preliminary investigation, but in the last three years only ten have reached the court room.

The 123 victims of Putis, one of the largest massacres that occurred during the conflict, were also remembered in Ayacucho with a two-day procession beginning on the anniversary of the TRC report. Although 92 bodies were found at a mass grave in Putis, only 28 of the bodies have been identified using DNA testing.

Collective Reparations Made to Communities Affected by Terrorism

The High Level Multi-Sectoral Commission (CMAN), one of the national bodies set up to manage collective reparations to communities affected by the violence caused by terrorism during the internal armed conflict in Peru, has awarded 31 million soles (£6.7 million) to communities directly affected in the region of the Ene-Apurímac river valleys (VRAE - *Valle de los Ríos Apurímac y Ene*) and the Ayacucho districts of Accomarca, Cayara, Chuschi, Lucanamarca, amongst other places.

Former President of TRC threatened

Leading Peruvian human rights organisation Aprodeh has called on Peruvian authorities to guarantee the safety of human rights defenders. This follows revelations that the former president of Peru's TRC, Salomón Lerner, has received a series of threats. At the beginning of September, Lerner's two dogs died from poisoning, and later in the month he received phone calls threatening him with violence, reports say that he was told, "What we did to your dogs, we will do to you."

The commission's work led to the prosecution of many perpetrators of human

rights violations, including former President Alberto Fujimori. Lerner is also vice-president of a commission, headed by author Mario Vargas Llosa, that was set up to oversee the creation of a Museum of Memory to remember the victims of the country's internal armed conflict (1980-2000).

Services Lacking 2 Years after Earthquake

The mayor of Chíncha has expressed his anger at the Peruvian central government, saying that "reconstruction has been very, very slow". Efforts to rebuild the city have so far only seen the construction of 150 new homes because of a deficit in state funding. In response, Forsur, the government's reconstruction fund, says 330 million soles (approximately £69 million) have been invested in services and infrastructure in the region.

In contrast, Venezuelan President Hugo Chávez funded a lottery whereby residents could apply to win one of 100 three-bedroom homes, each house costing US\$30,000 (£18,500) to build. The donation has been described as a public relations stunt aimed at increasing the popularity of Chávez's political ally Ollanta Humala, who lost the 2006 presidential elections to Alan García.

Peru Hopes to Win EITI Certificate

The Peruvian government hopes to gain certification as the first Latin American country to meet global transparency standards for extractive industries, known as the Extractive Industries Transparency Initiative (EITI). However, doubts remain as to whether Peru will achieve the March 2010 deadline.

Out of 28 candidate countries, Peru is the only Latin American one. The only candidate to have already received certification is Azerbaijan. Director of Peruvian NGO *CooperAcción*, José de Echave, explains that the delay to the EITI implementation process in Peru can be partly attributed to the government's failure to keep up with the rapid expansion of the extractives industry in Peru. According to de Echave, at the end of 2004, just 15% of the Amazon was covered by oil and gas concessions. Today, the figure stands at more than 80%.

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The region of the Ene-Apurímac river valleys, commonly known as the VRAE (Valle de los Ríos Apurímac y Ene) is a 300 km² area which spans from the northern tip of Ayacucho province and lies within easy reach of both the Amazon jungle and Andes. The Apurímac river rises in Lake Vilafro, in the Andes Mountains, and after a northern course of 689 km (428 miles), unites with the Urubamba River to form the Ucayali River, a headstream of the Amazon River. In the lower reaches the river is known as the Tambo or the Ene.

This is where *Sendero Luminoso* (Shining Path) launched their guerrilla war and was a stronghold of the Maoist rebels during Peru's internal armed conflict (1980-2000). An estimated 69,000 Peruvians lost their lives as a result of violent conflict between the security forces and two guerrilla organisations, the Shining Path and the MRTA (Túpac Amaru Revolutionary Movement).

Plan VRAE

The deployment of a greater military presence in the region in August 2008 under '*Operación Excelencia 777*', part of the Peruvian government's *Plan VRAE* introduced in 2007, was an attempt by the Armed Forces to 'reclaim' the troubled region from the hands of the remnants of the Shining Path.

Between August 2008 and this September, there have been 14 confrontations between the Armed Forces and the Shining Path. The death toll so far stands at: 38 military personal; nine police officers; five civilians; and six alleged members of Shining Path (*Senderistas*).

A recent attack on the Peruvian army by Shining Path on 2nd September in Sinaycocha, province of Huancayo (Junín), proved to be the bloodiest day in the offensive since the renewed military presence in the region. The retaliation came a week after a raid by the Peruvian military to try and capture one of the rebel leaders. Guerrillas shot down an army helicopter that was trying to rescue soldiers injured during the raid, resulting in the death of a further two soldiers. Beyond the military dimension of rebel capacity the events in Sinaycocha have placed

President Alan García under increasing pressure to wipe out the last of the Shining Path which has purportedly abandoned its Maoist foundations and works in the lucrative drug trade instead.

The revival of rebel activity in the VRAE valley also involves major international actors. For example, the facilities to make cocaine from coca has been steadily escalating in Peru since the aggressive cutting back on coca production in neighbouring Colombia. Experts claim there is evidence of branches of both Mexican and Colombian cartels, such as the FARC, operating in Peru.

Coca/Cocaine Production

Peru is the world's second largest coca/cocaine producer according to the UN office on Drugs and Crime (UNODC) World Drug Report 2009.

A 2008 coca survey in the Andean region shows that 167,600 ha (hectares) of land are being used to cultivate coca in Colombia, Peru and Bolivia. This is an 8% decrease compared to the previous year (181,600 ha) due to a significant reduction in Colombia, the world's largest coca bush-cultivating country. In 2008, the area under coca cultivation in Peru increased slightly by 4% to 56,100 ha, the third consecutive yearly increase in the world's second largest coca bush-cultivating country.

Peru - Coca Cultivation by Region (2008)

Alto Huallaga	17,800 ha (32%)
Apurímac-Ene	16,700 ha (30%)
La Convención-Lares	13,100 ha (23%)
Inambari-Tambopata	3,000 ha (5%)
Others	5,500 ha (10%)

Global potential cocaine production decreased in 2008 by 15%, from 994 to 845 tonnes due to a significant reduction in production in Colombia. Peru's increases in potential cocaine production levels were similar to those of the previous year, rising by 4% in 2008; this translates as a 36% share of world production.

Source:

http://www.unodc.org/documents/wdr/WDR_2009/WDR2009_eng_web.pdf

According to some press reports, peace in

...the Shining Path...has purportedly abandoned its Maoist foundations and works in the lucrative drug trade instead

Amazon Update: Commissions Set Up to Investigate Bagua



the Peruvian Amazon is tentative and there are fears that protests may erupt again as dialogue seems to have produced few results. Furthermore, a judge in Lima has requested that Interpol issue international arrest warrants against exiled AIDSESEP (Inter-ethnic Association of Development of the Peruvian Jungle) leader Alberto Pizango and four other indigenous leaders.

A cross-party congressional commission has been formed to investigate the events that occurred in Bagua (Amazonas) in June. The aim of the Commission, which is made up of seven members of Congress is to investigate the causes and those responsible for the violence. It has 120 days to submit a report with its recommendations and conclusions.

The much called for 'independent commission' has been formed via a ministerial resolution. However, some Peruvian human rights organisations point out that because of the way in which the 'Special Commission to Investigate and Analyse the Bagua Events' was created, it will submit its report at ministerial level, in this case to the Ministry of Agriculture which holds the presidency of the National Coordination Group for the Development of Amazonian Peoples which was created in the

aftermath of the violence. Its remit is to investigate the causes which gave rise to the events, not the actual events of 5th June. Also, human rights organisations say it has no mandate or capacity to investigate situations which fall within the responsibilities of other ministries, such as the Ministry of Justice or the Interior Ministry.

Indigenous Leaders Charged

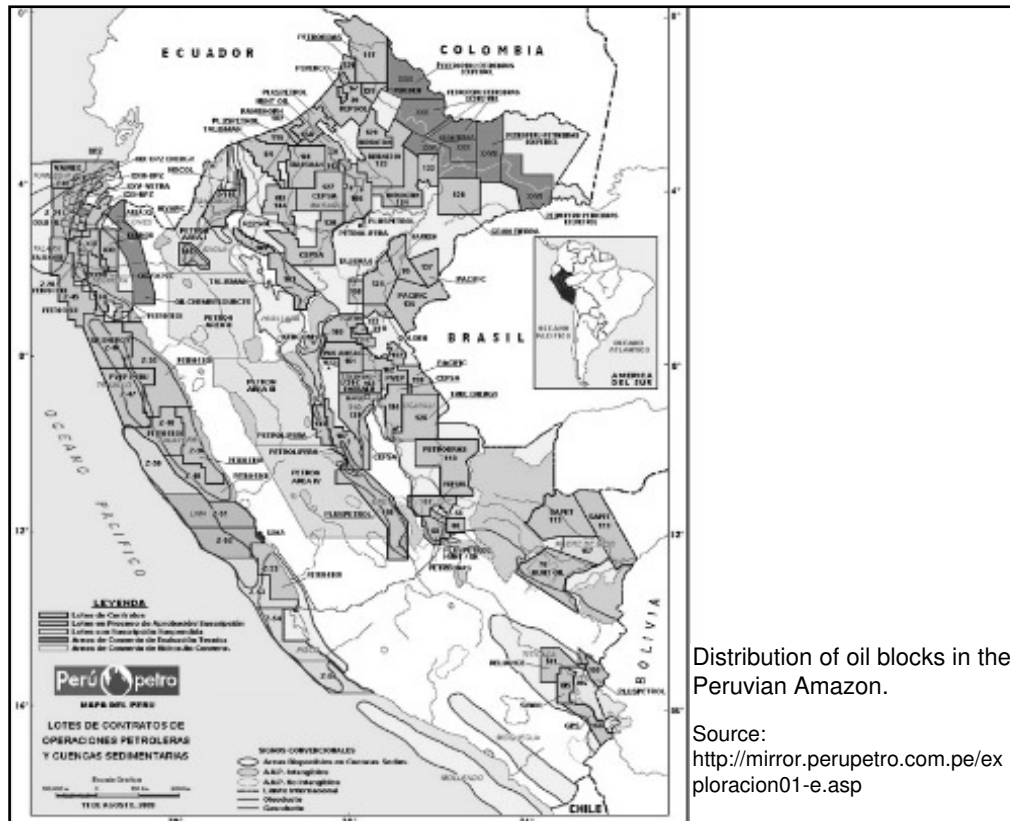
While 17 police have been charged with homicide, more than 100 indigenous people have been charged with murder and rebellion. Three indigenous leaders have sought asylum in Nicaragua, including Alberto Pizango, President of AIDSESEP.

These charges have recently intensified, as on 27th August judge Carmen Arauco requested international arrest warrants from Interpol, the International Police Service, to extradite them to Peru.

The root of the conflict stems from rights to land and oil. In Peru, the government owns the rights to all subsoil resources, including oil, and consequently some 75% of the Peruvian Amazon is divided into oil concessions that overlap indigenous peoples' ancestral lands.



Indigenous leader
Alberto Pizango
Source: La República



The root of the conflict stems from rights to land and oil. In Peru, the government owns the rights to all subsoil resources, including oil...

Distribution of oil blocks in the Peruvian Amazon.

Source:
<http://mirror.perupetro.com.pe/exploracion01-e.asp>

It is over two years since the Peru Support Group (PSG) arranged a public meeting in London on the Río Blanco copper mine project in Piura, northern Peru. The meeting revealed significant disagreement between some community representatives and the company on the nature of events at Río Blanco. The result was that both parties invited the PSG to organise a delegation of independent experts to visit the area and produce a report on its findings. In an attempt to keep PSG members up-to-date, this issue of Peru Update charts the case to date.

Monterrico Metals was a UK company incorporated in 2001 and listed on the UK small companies' stock market AIM (Alternative Investment Market) in June 2002.

8 April 2003 Monterrico Metals acquires a 100% interest in the Río Blanco copper project, Minera Majaz, in northern Peru from Gitennes Exploration. It previously held a 75% interest.

22 April 2004 Mining protestor Reemberto Herrera Racho is killed by a tear-gas grenade during a march against the mining project. The police were later absolved of all responsibility.

25 July 2005 Community members initiate a second march towards the mine camp. This leads to another confrontation between security forces and people from the affected communities. There is a second death (Melanio García Gonzales), as well as the maiming of a policeman and blinding of another protestor.

1 August 2005 29 people are allegedly illegally detained, held inside the mine camp for three days and subjected to various forms of physical and psychological torture.

August 2006 The former British Ambassador to Peru (2003-2006), Richard Ralph, is appointed Executive Chairman of Monterrico.

August 2007 The Government of Peru signs two Stability Agreements with the company recognising Monterrico's investment in Peru, through Monterrico's subsidiary companies, Rio Blanco Copper Limited and Minera Majaz S.A. The company is granted favourable tax and

labour conditions for a ten-year period.

16 September 2007 The three districts in Piura that would be most affected by the Río Blanco mining project hold a non-binding voluntary public referendum. Voters are asked whether or not they agreed with the development of mining activities in their district. Over 90% of people who cast their vote do so against mining.

October 2007 The North American institution Physicians for Human Rights examines eight of the alleged torture victims from the protests of July and August 2005. Their final report corroborates accusations of abuse suffered during their alleged illegal detention.

March 2008 35 environmental and human rights activists and local politicians from the Piura region are accused of terrorist offences by a local civic association *Frente de Unidad de la Comunidad Segunda y Cajas* (FUCSC). The charges are thought to have been brought because the accused were involved in the organisation of the September 2007 referendum.

July 2008 Peru's National Coordinator for Human Rights (CNDDHH) and local human rights organisation the Ecumenical Foundation for Development and Peace (Fedepaz) lodge a formal complaint about the allegations of torture before the Public Prosecutor's Office in Piura.

17 October 2008 Piura's provincial public prosecutor drops charges against the 35 environmental and human rights activists and local politicians accused of terrorist offences. The case is considered closed.

November 2008 Former British ambassador to Peru, Richard Ralph, and his friend Filip Boyen are fined by the UK Financial Services Authority (FSA) after admitting to insider trading in the shares of Monterrico Metals.

December 2008 A Supreme Decree dated 1st December 2008 is published by the Peruvian Government. It approves Monterrico Metals' request to acquire an additional 27 mining concessions located in the Provinces of Huancabamba and Ayabaca around the eight core mining concessions of the Río Blanco project, representing a

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24 December 2008 The regional office of Piura's Public Prosecutor re-opens the case against the 35 environmental and human rights activists and local politicians accused of terrorist offences and pass it on to DIRCOTE - Piura (the Peruvian Police force's regional counter-terrorism directorate) to continue the investigation.

6 January 2009 The CNDDHH makes public a set of photographs which seemingly corroborate the allegations of torture during the protest march in July 2005.

13 January 2009 The CNDDHH releases a letter in English summarising details of the case in order to gain further international support.

16 January 2009 Río Blanco Copper S.A. (formerly *Minera Majaz S.A.*) issues a company statement ten days after the aforementioned photographs are made public rejecting violence and reinforcing its respect for human rights. The company also emphasises the change in ownership since the allegations of torture.

11 February 2009 Amnesty International issues an Urgent Action in response to a death threat against one of the alleged torture victims, journalist Julio César Vásquez Calle. This is thought to be related to the complaint he lodges with Piura's prosecutor's office against the police officers and mining company security guards that he claims tortured him in August 2005 while he was reporting on the protest.

February 2009 Peruvian security company Forza S.A. (bought in 2007 by Swedish company Securitas) faces a congressional investigation after human rights groups accuse it of abusing protesters in 2005 at the mine site that it guarded.

18 March 2009 Peruvian prosecutors accuse eight police officers of torturing protesters at the mining camp in 2005 but clear the company and its security firm of wrongdoing. Lawyers for Fedepaz denounce the findings as incomplete.

2 June 2009 London-based law firm Leigh Day serves an injunction against Monterrico Metals preventing the company from disposing of its assets before a further hearing on 16 June. This action is original-

ly brought by 13 alleged victims of illegal detention and torture who are seeking damages for physical and psychological injuries suffered at or in the vicinity of the Río Blanco mine in Piura. The number of claimants has since risen to 31.

The injunction was sought as Monterrico de-listed from the AIM UK stock exchange on 3 June 2009 and as it had already relocated its company headquarters to Hong Kong the law firm was concerned that Monterrico might be planning to dispose of its assets and transfer them to Hong Kong. If that happened, then the claimants might find that their UK legal action was futile.

8 and 9 July 2009 In a further hearing, Monterrico concedes that it might well later shift its assets to Hong Kong, for genuine commercial reasons unconnected with these claims. It argues there is no justification for freezing its assets as the claimants do not have an arguable basis for making Monterrico liable for their injuries. The English court reserves judgment until October, ordering the freezing injunction to continue until then.

August 2009 A formal request for disclosure of documents from Securitas is made to the Stockholms Tingsrätt Court (Sweden) by the English High Court. The Peruvian mine security contractor, Forza, was purchased after the 2005 incident by Swedish-based multinational, Securitas.

11 August 2009 The cases against the 35 environmental and human rights activists and local politicians accused of terrorist offences are definitively shelved.

5 September 2009 Leigh Day instructs Hong Kong solicitors, Gall & Lane, on behalf of 20 claimants to seek an injunction in the Hong Kong High Court freezing Monterrico's assets there. The Court grants the injunction in the absence of Monterrico, freezing assets to a value of £6.7 million, fixing a further hearing on 11 September for Monterrico to seek a discharge of the injunction. That hearing has been adjourned in view of the impending UK judgment, with the injunction to continue in the meantime.

18 March 2009
Peruvian prosecutors accuse eight police officers of torturing protesters at the mining camp in 2005 but clear the company and its security firm of wrongdoing

Events and Notices



SAVE THE DATE!
Peru Support Group
Annual Conference
Saturday 14th November 2009

Latin American Centre
University of Oxford
St. Antony's College
Oxford

Please keep checking our website for more
details on speakers

www.perusupportgroup.org.uk

LAMMP Event

Tuesday October 13th @ 2.30pm-5pm

Amnesty Human Rights Action Centre,
17-25 New Inn Yard, London EC2A 3EA

Latin American Mining Monitoring Programme (LAMMP) is
hosting a public meeting with rural and indigenous women
activists from Latin America.

You do not need to register for this meeting - just turn up.

For more information see:

<http://londonminingnetwork.org/2009/09/public-meeting-with-women-activists-from-latin-america/>

www.lammp.org.uk



www.latinamericanfilmfestival.com



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2009

www.discoveringlatinamerica.com



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The Peru Support Group welcomes comments and suggestions from members concerning the Update. Articles or letters for publications are also gratefully received, although publication cannot be guaranteed. Opinions expressed in articles in the Update are those of the author and may not necessarily reflect the views or policies of the Peru Support Group.

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