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Hearing on
**Neo-liberal Politics and European Transnational Corporations in Latin America
and the Caribbean**
10-12 May 2006 - Vienna, Austria

Case: Exploitation of an open-pit mine in Piura region, Peru

Sector(s) in which it works: Actions of Minera Majaz S.A. (a subsidiary of Monterrico Metals Plc) in the mining sector in Peru

Name(s) of the Association(s) presenting the case: Frente del Desarrollo Sostenible de la Frontera Norte (Perú)

Synthesis

Minera Majaz S. A. (a subsidiary of Monterrico Metals Plc) enjoys a concession of 6,472 hectares in the communities of Segunda y Cajas (Huancabamba) and Yanta (Ayabaca), in the Piura region. Since being granted this concession it has been exploring the region. Its intention is to create an open-pit mine and produce 100,000 tons of copper a year (that is 10 million tons of ore a year) for the next 30 years.

The Minera Majaz company has not respected the right to consultation of the indigenous communities which live in the region and who own the land on which the project is being carried out. Worse still, they are harming the ecosystem and the environment, and in some cases are affecting the population, most of whom do not have the economic means to defend themselves. This company is imposing a development model which is contrary to the wishes of the people of the four provinces affected.

The company does not have the documents which the law requires to operate on the land of the two indigenous communities. They only have a deed signed at the time by some members of the managing board of one of the communities (Segunda y Cajas). However, the law demands a deed from the Community Assembly. This Assembly denied the company's request to operate on its territory. Despite this the state granted permission based on the insufficient deed which the company does have, and the company continues with its illegal exploration, violating the rights of the population.

The Peruvian constitution does not permit foreign investment in areas closer than 50km to the borders, for reasons of national security. But the state declared that mining investments in the border region of Piura were a matter of "public need" through a *Decreto Supremo* (supreme decree) in 2003, so that Minera Majaz could carry out its activities. This is to say, foreign private benefit has been decreed a "public need".

The communities affected by the mining project organised two marches to the mining camp, in April 2004 and in July 2005. On each of these occasions one farmer died (22 April 2004 and 1 August 2005) as a result of brutal police action. Dozens of members of the community were injured, and almost two hundred persecuted for their participation in the protests. Many of them have suffered arbitrary detentions. Witnesses speak of police torture

inside the mining camp where they were illegally detained for several days. It is clear that all of this is to protect the mining camp and its activities.

The population's legitimate protests have been violently repressed on several occasions, and special counter-terrorism police units have been deployed in the area. With the excuse of pretended drug traffic the police closed off an area of more than 20km around the mining project, denying the communities access to their own land and preventing any civil society control or observation. The region is being militarised to protect the company. The Ministry of the Interior has claimed that the police presence is necessary to guarantee security due to the existence of drug traffic. These police units have orders to restrict access to the mining area and have built two police outposts that prevent access to the Rio Blanco Project mining camp. They are also using violent repression against the local population, who feel threatened and intimidated, and thus unable to protest.

There has also been a smear campaign on the local press at Huancabamba and some regional and national media, with accusations of terrorism and militance in extreme left-wing parties.

On 12 March this year a group of hundreds of people, driven in on lorries, violently attacked the participants of a forum on sustainable development in the region (Huancabamba). Several people were wounded. Company personnel were identified among the attackers.

If extraction goes ahead (at the moment they are in the exploration phase) the region will change dramatically: 1) several river basins will be polluted, hurting farming in four provinces, damaging the health of thousands of people and their main source of income; 2) desertification of the region due to the enormous amount of water needed for the mine and to transport the ore to the sea; 3) several endemic animal and plant species will be threatened with extinction (they are already on the UICN's red list of threatened species), thus harming biodiversity; 4) high risk of destruction and irreversible damage to the *Páramo* and the cloud forest (affecting ecosystem diversity).

The conflict between the communities and the company Minera Majaz is an emblematic case, the whole country is watching--the media, civil society, the business sector and the state--because its outcome could have a strong influence on the policies of the state and on the resolution of other conflicts currently taking place in other regions of the country. It can also create a precedent that could be used internationally for conflict resolution and the defense of peoples' rights.