



FOR A MINING ACTIVITY WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

An agreement resulting from dialogue

February 2006

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As a result of an intense dialogue process about the mining industry in Perú, promoted by the Grupo de Diálogo sobre Minería y Desarrollo Sostenible (Dialogue Group about Mining and Sustainable Development), we, subscribers of the present statement, present an agenda proposal for a change in the mining industry, with a forward-looking approach, capable of being perfected and open to continuous enrichment and contribution from everybody.

In this way, State authorities, mining companies leaders, as well as representatives from the communities and civil society organizations compromise in agreements and joint actions in benefit of the country, pointing a new path towards the sustainable development that, as citizens, we desire for Peru, particularly within the current elections climate.

In the context of the global processes regarding the extraction industries, this agenda proposal takes the contribution of the Ombudsman's Office, the Energy and Mining Department, the Muqui Red, the World Bank, mining leaders, local authorities, community leaders and independent professionals.

Finally, us, the subscribers, maintain the conviction of complying with these commitments in each one of our institutions and action areas; and we expose our vision about the mining role in the sustainable development, which is coherent with a sense of duty in favor of the most vulnerable towns of the Andean region. Thus, we address to the State, mining companies, civil society representatives, political parties and the media with the aim of changing and improving the mining policy.

I. A forward-looking approach of mining and sustainable development for the next 15 years

We find encouragement in the hope of building a shared vision of a mega-diverse, democratic Peru by working together for the equality in opportunities for all Peruvians.

Year 2021:

"Mining has contributed with the country's sustainable development as an important means of support, and as a strategic partner of the civil society and the State, contributing to the economy diversification and the equality in opportunities of the local towns. It has grown in an organized way based on the legal and social stability of the country".



Fields such as agriculture, stock breeding, industry, tourism, textiles, agricultural industry, bio businesses and other economic and social local activities have spread counting on the mining industry as an important means of support, reaching the added value increment, making the most of the competitive advantages and the existing social capital.

The mining industry pays significant taxes to the different government levels and has contributed to accelerate the country's industrialization process, and constitutes an export-oriented market of goods and services.

Their activity relative to the environment has developed with responsibility with the use of clean technologies. On the other hand, the local small-scale mining has formalized complying with the environmental and social standards. Education, science, and technological innovation have found in mining a sector that promotes them consistently.

The stakeholders linked to the mining industry – State, towns, companies, NGOs and the Church – have contributed to the strengthening of the institutionality, and the reliable and transparent management of resources; contributing actively to the development of the local capacities, the protection of the environment, and the respect to the local social values and cultural identities, as well as building trustworthy relationships and increase of a peace and dialogue culture.

II. Understanding the mining conflicts

The mining industry has an important role in the national economy for it is its main source of income. However, the population sees it as an activity, whose impact affect the local communities negatively and do not benefit them.

We consider that some of the causes that explain the social and environmental conflicts are the following:

1. The conditions of inequality, extreme poverty and exclusion in which important sectors of our population live in, particularly in those areas where mining investments exist.
2. The precarious democratic governability and weak authority of a State that is absent or that, despite its presence, lacks of authority and capabilities to enforce its constitutional roles.
3. Authorities and local leaders, wide community sectors, and companies see the Energy and Mining Department as a little trustworthy and biased entity, that has a double role of both judge and jury in the promotion of mining investments and control of their activities.
4. The citizens do not acknowledge enough the important progress made regarding



participation and legalization on social responsibility such as the D.S. 042 (Supreme Decree 042), control of environmental liabilities and closure plans.

5. The existence of diverse interests among mining stakeholders of a politic, economic and cultural nature. This diversity must be expressed and understood; otherwise, it produces antagonism and confrontation situations.
6. Globalized world's increase of access to information and awareness regarding human rights has caused the local communities to raise their concern in the last few years about environmental issues such as water, contamination and environmental liabilities, producing a demand that, when not acknowledged, generates conditions for increase of conflict.
7. The important and sustained increase of mining exploration claims, by companies all over the country, produces diverse land purchase and sales processes and more demand of water resources. This has caused, in many cases, reactions from the community and demands that need to be regulated under new procedures.
8. The distrust, lack of communication, and prejudice levels that exist among the different mining stakeholders have end up distorting the differences scope and blocking the chance to find agreed-upon solutions.
9. The constant variations and delays in the canon distribution, the Economic and Finance Department decisions that difficult the planning and execution of these funds in the local and regional governments, have limited the investments efficiency and their contribution towards the development of the local communities.
10. The weaknesses in the institutional capacities of the local government authorities to formulate projects, negotiate with companies, and execute the resources to develop projects in favor of the local development.

III. Agreements and compromises for the mining activity to contribute to the sustainable development

Acting with transparency, without generating pressure mechanisms and conditional factors that divide us and distort the rightfulness of our purposes, we propose the basic consensus for the constitution of an agenda.

a) Agreements:

1. Common good is above all particular interests. Poverty, inequality and exclusion are the main enemies of Peruvian society.



2. Mining should be a local and national development factor, and under no circumstance it should be a prosperity enclave in an ocean of poverty and abandonment.
3. We commit to the free, volunteer and in-good-faith dialogue. The way of communicating among Peruvians cannot be just protests and violence, neither the lack of knowledge about their rights nor fair claims from the people.
4. We respect the differences, value the cultural diversity of our society, and leave behind denial stands towards those stakeholders who disagree.
5. We accept the confrontation of ideas and the exercise of social mobilization within the framework of the law and public and the private property respect.
6. We promote and stress good social and environmental practices in mining.

b) Commitments:

1. Promote the creation of an Environmental Authority, independent from the Energy and Mining Department's regulation, related to the national environmental system and within the Environmental General Law's framework, that guarantees the adequate fiscalization of studies, and promotes instruments and mechanisms for participative environmental monitoring and evaluation of a high technical level that are both transparent and permanent.
2. For the companies to move forward with their social and environmental responsibility applying their codes of conduct with coherence, recognizing the authorities and local social organizations and their legitimate representatives, respecting the labor rights and submitting to certifications of environmental and social quality.
3. Work for a State with authority, that is fully participative, decentralized in their duties and functions, and that brings transparent and accessible information.
4. Assume a new approach of basin management and regulations development, related to the natural resources and the environment. For the water and land issues to be handled creatively, respecting the existing rights based on an outline that benefits everybody.
5. Work for the preservation and rational use of natural resources, particularly water, promoting that companies and the State design and perform construction works and activities such as: dams, treatment plants, forestation, improve the irrigation, and that they participate in the arranged management of resources in favor of the agriculture, stock breeding, forestation, tourism and other economic activities that benefit the local towns.



6. Promote at the same time, education and skills development policies, starting from the basic levels and continuing to the higher ones, creating a culture of innovation technology and natural resource management.
7. The environmental liabilities must be mitigated and resolved by their owners based on the premise "if you contaminate, you pay". The environmental liabilities that do not have an owner must be assumed by the State through a joint effort with companies and international cooperation agencies.
8. Promote that NGOs and social organizations develop their own codes of conduct, generating transparency mechanisms and promoting compromise and dialogue.
9. For the communities and population to formulate proposals freely and with fundamentals, developing initiatives through democratic channels that respect debate and consult procedures without recurring to violence.
10. The citizens' information and consult processes must be accessible to all people, creating relationships of trust and collaboration with the communities since the beginning of the explorations.
11. Promote the local and regional development with the participation of all stakeholders (particularly mining companies) in the arranged management plans, participatory budgeting and territorial preparation plans.
12. Watch the application of royalties and mining canon, calculating this last one on all the taxes the mining industry pays, based on mechanisms that allow an efficient and sustainable investment for the skills development and execution of basic infrastructure.



LIST OF SUBSCRIBERS TO THE AGREEMENT (As private citizens)

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