



**Report of the Canadian Parliamentary Delegation  
Respecting its participation at the Bilateral Visit  
to Lima and Trujillo, Peru**

**Canadian Section of ParlAmericas**

**Lima and Trujillo, Peru  
March 28 to April 5, 2014**

# Report

## Introduction

A delegation of six parliamentarians representing the Canadian Section of ParlAmericas travelled to Lima and Trujillo, Peru from 28 March to 5 April 2014. The delegation was led by Mr. Randy Hoback, M.P.; also participating were the Honourable Pierrette Ringuette, Senator, Mr. Ron Cannan, M.P., Mr. François Choquette, M.P., Mr. Don Davies, M.P., and Mr. Massimo Pacetti, M.P. The parliamentarians were assisted by Ms. Guyanne Desforges, Association Secretary to the Canadian Section, and Mr. Andre Barnes, Association Analyst from the Library of Parliament.

The objectives of the bilateral visit were to cultivate positive inter-parliamentary relations between Peru and Canada, to engage in furthering the dialogue regarding trade and investment opportunities with Peru, and to gain a better understanding of the social, citizen security, and human rights challenges faced by Peru.

Despite their geographic distance, Peru and Canada continue to seek out opportunities to engage and strengthen their long-standing ties. Canada actively supported Peru's transition back to democracy in 2001. Peru is Canada's second largest bilateral trading partner in South and Central America, after Brazil, and the third largest destination for Canadian direct investment, after Chile and Brazil. The Canada-Peru Free Trade Agreement, which entered into force in 2009, has substantially enhanced the trade relationship between the two countries since its signing. Peru and Canada also cooperate and work together closely together in regional and multilateral organizations, including the Organization of American States (OAS). The close ties existent between Peru and Canada are further underscored by frequent visits between its citizens. High level bilateral interactions have been frequent, including a visit by President Humala to Canada in early April 2014, as have exchanges between families, friends and tourists of the two countries. Indeed, in 2013, 61,243 Canadians visited Peru.

ParlAmericas performs an important role in the hemisphere, seeking to encourage the sharing of experiences and best practices amongst its members. It works to strengthen the role of legislatures in democratic development; promote harmonization of legislation; and increase hemispheric integration and sustainable, harmonious development in the region. This bilateral visit provided the Canadian delegation with an invaluable opportunity to cultivate positive inter-parliamentary relations between Canadian and Peruvian parliamentarians. It also allowed the Canadian delegation to engage in frank and focussed discussions with decision-makers in the region, to gain a clearer picture of the status of Canadian interests, to advance Canadian interests and values, and to acquire a more complete comprehension of the issues and challenges faced by citizens in Peru.

### **A. Briefing Dinner with the Canadian Ambassador to Peru**

On 29 March 2014, the Canadian delegation was received for a dinner at the official residence of the Canadian Ambassador to Peru, in Lima. Attending the dinner were Ms. Patricia Fortier, Ambassador of Canada to Peru, along with embassy staff responsible for consulate, political, trade, immigration and security matters. Delegates were provided

with an informal briefing on Canadian-Peruvian relations, the work of the embassy, and issues of importance in Peru.

It was noted that Canadian-Peruvian relations remain strong. Brief overviews were provided by embassy staff of the work done in the different policy fields covered by the embassy. In terms of immigration, it was noted that the demand for student visas had increased, as Canada continued to be seen as a destination for study by Peruvian students. The visa program for regular travellers between the two countries arose as a topic of discussion and the delegation was given a status update which included recent developments and existing challenges. It was noted that development projects aided by Canadian federal funding in Peru emphasized sustainable development and corporate social responsibility. The goal of these projects was to reduce poverty, while developing the capacity of local communities to create their own revenues. They also acted as a channel for dialogue between communities and the embassy. Another priority in the work at the embassy was to provide assistance with capacity building in order to better support governmental institutions. Trade figures of note were provided to the delegation, along with information concerning the political landscape in Peru (including women's participation in politics), consular services, criminality and citizen security, and the labour sector.

## **B. Site Visit to Rio Alto Gold Mine**

On 31 March 2014, the delegation undertook a site visit to the La Arena mining project. La Arena is solely owned by Rio Alto Mining Limited, a Vancouver-based resource company which, together with its subsidiaries, engages in the mining, acquisition, exploration and development of mineral properties in Central and South America. The mine itself is a 21,000 hectare gold and copper mine located in north central Peru on an east-facing slope of the western cordillera, at an altitude of 3,400 m (11,150 feet) above sea level. Gold production at the mine began in May 2011.

Prior to touring the site, the delegation was provided with a briefing on the mine and its operations. The mine produces 200,000 sold ounces of gold per year. It is an open pit mine that employs a leach solution (with a low cyanide concentration) to dissolve gold from the ore. Its design permits a very high rate of recuperation and re-use of materials and inputs (i.e., water, chemicals).

It was noted that currently the mine employed 1,600 people, of which 60% were from the region of Libertad where the mine was located (including 100 women). The average wage at the mine was 1,200 soles (C\$467) per month, considered a high wage for the region, plus benefits. In addition, under profit-sharing at the mine, 8% of yearly profits were divided among the workers.

In respect of taxes and royalties, it was noted that 41% of gross revenues was paid to the national government. In addition, the mine paid a corporate tax of 30%, plus 3% in special taxes and royalties. It was possible for the mine to dedicate their taxes paid toward specific projects, and in the past the mine had worked with local municipalities on projects to improve their infrastructure.

Management at the mine expanded on the efforts made to establish and maintain a strong relationship with surrounding communities. Numerous examples were cited, including that

the mine had built a local elementary school (and continued to pay for its meal plan for students), provided local communities with training in productive projects (including skills training for women, and technical training, skills development and professional certification for youth). The importance of community outreach, open communication, and citizen participation was emphasized throughout.

The delegation toured various sites around the mine, followed by a visit to the La Arena Elementary School, located a short distance from the mine. Currently, 40 students attend the school. The delegation also visited one of the two chicken coops run by the *Asociacion Avicola Gallina de Oro* (“The Golden Hen Poultry Association”), a local chicken producing consortium funded by the mine. The consortium began in 2012 with 400 hens, and has grown to 1,000 hens producing approximately 1,000 eggs per day. By 2015, the consortium will have revenues which exceed its expenses. It currently employs approximately ten families.

### **C. Roundtable Discussion on Economic Diversification**

In the afternoon of 31 March 2014, the delegation met with local officials, project managers and staff responsible for managing an economic diversification project partially funded by the Canadian federal government. The meeting was held at the Libertad Regional Office in Trujillo.

Announced by the Canadian and Peruvian governments in 2013, the economic diversification project, known as PRODICOM, is a \$16.9 million initiative launched by the Canadian government, and Socodevi (an NGO). In addition, mining companies Rio Tinto, Antamina and Barrick Gold are co-financing the project, for a total of \$22.6 million. PRODICOM aims to create 30 agricultural cooperatives in areas with close proximities to extractive sites, and to improve the competitiveness of approximately 3,000 farmers in three regions over a seven year period. Regional governments are also partners in PRODICOM, and have contributed staff and office space.

It was noted that 90,000 potential participants had been identified. Of these, 85% were landowners of plots varying in size between 0.5 and 5 hectares. Interest in the project appeared strong; nevertheless, the delegation was told that drastic agrarian reforms took place throughout the country during the 1970s, and that a certain strain of mistrust for government-led agrarian projects persists. It was also noted that some farmers could have misgivings about participating in projects funded by mining companies. The challenge, as such, was to explain the benefits and advantages to local farmers of associating with each other (e.g., gaining better access to markets).

PRODICOM is one of two projects Canada funds in the Libertador region. The second project promotes institutional capacity building, offering training programs in e-government, information technology, public investment and planning. Its purpose is to assist regional governments in providing better services to the public by improving their delivery.

### **D. Working Breakfast with Government Officials (Free Trade Agreement, Pacific Alliance, etc.)**

The morning of 1 April 2014, the Canadian delegation held a working breakfast with Ms. Marcela Lopez and Mr. Renato Reyes, Peruvian government officials involved in high-level trade matters, in the meeting room at the Canadian Embassy in Lima.

The delegation was provided with an overview of Peru's political, trade and economic situation. Peru, it was noted, had experienced rapid and steady economic growth over the past 50 years. Prior to that time, approximately 50% of the population lived below the poverty line. This prosperity had provided for improvements in social programs (health care, nutrition, education, etc.) and general quality of life for Peruvians.

Peru is currently signatory to 17 free trade agreements. Opening its markets, it was felt, had increased domestic competitiveness and development. Peru, it was noted, was moving toward value added production (as opposed to primary economic activity). A discussion arose concerning agricultural exports, and the balance between primary economic activity and protecting natural resources. It was noted that increasingly stringent policies to protect the environment were being introduced in Peru.

The Pacific Alliance (a trade bloc with four member states: Chile, Colombia, Mexico and Peru) was addressed. It was noted that the aim of the alliance was to achieve equal market conditions and full integration among member countries, in areas such as stock exchanges and standards of taxation. In respect of the Trans-Pacific Partnership (TPP), it was noted that Canada's support and collaboration were valued, and that it was hoped that Canada would demonstrate flexibility in its positions in the ongoing negotiations and discussions. The need for the two countries to work together was underlined.

#### **E. Meeting with Civil Society Experts on State of Governance and Democracy in Peru**

In the late morning of 1 April 2014, the delegation met with individuals representing non-governmental organizations (NGOs) that work to strengthen transparency and governance in Peru. The meeting took place at Transparencia's office in Lima.

Three main areas of expertise were discussed: women's participation in politics, domestic corruption, and civil society participation. The delegation was told that women first received a qualified right to vote in Peru in 1956. More recently, a quota had been introduced which ensured that women held a minimum of 30% of the spots on each political party's electoral lists during an election (Peru employs a proportional representation system with closed party lists). It was noted, however, that parties were in some cases complying with the letter of the law but not its spirit, by placing women far down on their lists. Women currently hold 33% of spots on party lists, and 21% of the seats in the national Congress. The Canadian federal government had funded workshops and training programs put on to strengthen women's effective participation in politics, employing a training model developed in Canada.

The delegation was also told that corruption currently represents a barrier to development in Peru. "Small" corruption (e.g., bribery, nepotism), it was explained, was a constant across many parts of daily life. In a recent survey, the public indicated a strong belief that small corruption was rampant across all levels of government, and public and private operations. Indeed, a high tolerance for small corruption existed. "Large" corruption currently related to the growing financial strength and influence of narco-cartels and gangs. Policies were being developed to tackle large corruption but their implementation and enforcement remained outstanding.

A briefing was also given concerning efforts to strengthen education in civic rights and duties, and citizen empowerment. Several initiatives were noted, including the creation of an award which acknowledged public servants who provided superior service to the public, training concerning the use of the access to information system, and an open government initiative, which bring together a network of civil society organizations.

A discussion arose concerning the practice of illegal mining (i.e., mining activities undertaken by unlicensed groups or individuals on land they do not own). It was noted that legislation had been introduced to put an end to illegal mining. It was also noted that no evidence existed that government officials had been corrupted by illegal mining operations, but that the situation was complicated, as illegal mining activities were quite entrenched in many geographic areas and in the communities located therein. A point was also made that support and employment opportunities needed to be given to investigative journalists in Peru, as stronger investigative journalism could put the topic of corruption on the public agenda.

#### **F. Working Lunch with Human Rights Organizations**

On 1 April 2014, the Canadian delegation held a working lunch with individuals representing NGOs who work to strengthen human rights in Peru. The working lunch took place at Panchita Restaurant in Lima, Peru. Attending this lunch were representatives of non-governmental organizations (NGO) with focusses on human rights, women's rights, and gay and lesbian rights.

The discussion was wide ranging and covered a number of topics. The delegation heard that during the internal armed conflict in Peru, which began in 1980 and ended in the mid-to late 1990s, a steep increase in human rights abuses occurred. Estimates vary, but it was indicated that around 70,000 Peruvians died during this conflict. In 2000, a Truth and Reconciliation Commission was established. It proposed recommendations concerning the treatment of displaced people, disappeared people, and the recognition and prevention of human rights abuses. It was noted that approximately 200,000 human rights cases still awaited compensation and that progress in addressing these cases had been slow. Work on the part of the NGOs concerned, among other things, compensation to victims, access to justice, the establishment of memorials, and training for prosecutors and judges.

Illegal mining in Peru arose as a topic of discussion. It was noted that some such operations had ties with criminal organizations, and were linked to the trafficking of people as well as narcotics, the deforestation of the Amazon basin, and child labour. It was stated that an increase of 70% had occurred in illegal mining activity in recent years. Canadian mining operations in Peru were also discussed. NGO representatives indicated that security forces at mining companies were an issue, but it was clarified that it was not an issue associated with Canadian mining companies. Currently, NGOs were working to have companies adopt human rights standards for their security forces, and to adopt approaches of non-escalation during confrontations.

Violence against women in Peru was addressed. NGOs were working to develop local strategies, work plans and protocols in order to strengthen community defence, and increase citizen safety. It was noted that one such project involved local women creating a map of crime in their neighbourhood so that these areas could be targeted as being in need of attention by city officials and police.

The delegation also received a briefing on gay and lesbian rights in Peru. It was stated that such rights were not given legal recognition, in terms of equality, in any South American country. Approximately 50 “hate crime” murders were recorded per year. Suicides among those in the gay and lesbian community were common, as was violence by parents towards their gay and lesbian children. The rights of gays and lesbians were not included in the Truth and Reconciliation Commission, despite lobbying efforts.

Other topics of discussion included abortion. It was noted that only therapeutic abortions were legal in Peru and that the current law in Peru came into force in 1924. A draft bill to permit abortions in cases of rape was currently being debated. It was noted that trade unions were practically non-existent in Peru as workers were discouraged from organizing. Certain environmental issues were discussed, and it was noted that environmental monitoring by the state was perceived to be weak.

### **G. Meeting with Security Experts**

In the morning of 2 April 2014, the Canadian delegation met with experts in the field of counter-narcotics/terrorism, crime and corruption in Central and South America. The meeting took place at the Canadian Embassy in Lima.

The main topics of the briefing were drug production in Peru and its effects, and the risks and rewards of investing in Peru. Peru is presently the largest drug producing area in the world. In the period between 1990 and 2013, drug exports expanded ninefold, with an average annual increase of 5.8%. Drug production is continuous and intense, producing three yields per year.

Drug producers in the country are criminal organizations and not simply street gangs. The increase in the country of drug production has been mirrored by an increase in violence and corruption. Homicide rates in the country continue to increase. In Lima, crime levels had increased by 10% since 2010.

Drugs depart the country by air (approximately 49 illegal runways had been identified by security forces), by road (Brazil was the largest consumer of drugs on the continent; drugs are transported from Peru to Brazil using highways), and through the country’s ports, which are highly exposed as there was limited capacity for security forces to search shipping containers (few ports have refrigeration capacity to ensure the contents of containers bearing agricultural products are not ruined during a search).

It was noted that drug production did not appear to be tied to poverty, as poverty levels had dropped drastically over the same period as drug production had increased. In this context, it was mentioned that education levels were markedly low in Peru, and it was speculated that drug production and education levels could be linked.

Overall, the delegation was told that Latin America represented an excellent investment opportunity for Canadian companies. Certain risks existed, patience was required, as was adequate financing as profitability was a long process. In respect of risks, it was noted that corruption at all levels remained an issue. Further, 60% of Peru’s economy remained informal. Companies operating in Peru that abided by the laws therefore faced additional hurdles and costs in comparison to those companies (including informal mining operations) that did not abide by the rule of law.

It was noted that confidence needed to be fostered in the state and in police, that institutions needed to be strengthened, and that greater investment and resources needed to be put toward the professionalization of police forces. The delegation was told that the drug problem in the country could cause instability and hurt development.

In respect of illegal mining, the delegation heard that this practice was heavily entrenched, and hard to dislodge as it represented an important source of employment and income in many communities.

#### **H. Site Visit to Villa El Salvador**

In the late morning of 2 April 2014, the delegation undertook a site visit to Villa El Salvador, a working-class neighbourhood in the south-east of Lima. The delegation was met there by local volunteer organizers, in charge of a project to map troubled areas in their neighbourhood. The program to create such maps was originally developed in Montreal, and the project itself in Villa El Salvador had received Canadian federal funding. Local volunteers take exploratory group walks to identify spots where illegal activity consistently occurs in their neighbourhood. These spots are marked on a single map of the neighbourhood, and this map is provided to city officials to inform their neighbourhood security planning.

Villa El Salvador was founded in 1973 by inhabitants who arrived from the highlands. The delegation was told that during the armed conflict of the 1980s, the neighbourhood organized a number of peaceful rallies and demonstrations against the political violence rampant at that time in the country.

The project to map troubled spots in Villa El Salvador began in 2011. Problems in the neighbourhood included drugs, robberies, assaults, alcohol sold to minors, gangs, prostitution and violence against women, among other danger points. The delegation joined the volunteer organizers in walking through certain parts of the neighbourhood. The organizers and the delegation then met with officials at Villa El Salvador city hall to provide them with the map that they had created, and to offer to collaborate and work with the city in the future in respect of improving the health and security plan for the neighbourhood.

#### **I. Working Lunch with Members of Congress**

On 2 April 2014, the Canadian delegation held a working lunch with members of the National Congress of Peru, including members of the Canada-Peru Friendship Group, at the Amor Amar Restaurant in Lima. The discussion between parliamentary counterparts was informal, and dealt mainly with trade matters. It was indicated that many similarities existed between the two countries and that many areas existed for cooperation. The Peruvian members of congress expressed their openness to working with Canada, and indicated an interest in learning from Canada's experience in matters including environmental protection in the extractive sector, and negotiating trade agreements. It was also noted that they held an interest in collaborating, exchanging information and transferring technology in sectors beyond mining, such as agriculture.

The Peruvian members of congress noted that Peru considered trade and direct foreign investment important in helping Peru to reach its full potential. Corollary benefits were noted which accompany the economic benefits of trade, such as cultural exports and an information exchange on matters of democratic governance.



Working conditions at Canadian mines in Peru were also discussed. The Peruvian members of congress indicated to the delegation that, generally, Canadian companies were considered to operate in a “model” fashion in Peru, demonstrating high standards, good facilities, high-calibre management, and good community relations.

It was lastly noted that Peru had an interest in improving their secondary economic production, in terms of adding value to primary products, but lacked the technology at present to do so. The members of congress noted that partnerships to improve secondary economic production would be welcomed.

#### **J. Presentation of Canada-Americas Trade-related Technical Assistance (CATRTA) Project**

In the afternoon of 2 April 2014, the delegation met with individuals who manage trade related projects in Peru. Three trade-related projects were presented to the delegation: trade promotion, food safety, and occupational health and safety. The meeting took place at the Canadian Embassy in Lima.

Since 2009, \$8 million in Canadian federal funding has gone to the Canada-Americas Trade-related Technical Assistance (CATRTA) Project. In respect of trade promotion, it was explained to the delegation that the purpose of the project was to assist small to medium-size enterprises (SME) to benefit from free trade. 80% of the companies participating in trade promotion were SMEs. Technical assistance and training programs were provided to help identify trade opportunities for SMEs and to help SMEs meet international export standards in terms of their operations and products. Specific assistance was provided to SMEs to help them meet the technical requirements to export to the Canadian market. Funding for the project was 85% Canadian federal funding and 15% funded by SMEs participating in the project.

The CATRTA project also provided funding to the food safety sector. The program provided for food safety training for all aspects throughout the chain of production. Technical assistance was provided to assist participants in aligning and meeting foreign standards, and food monitoring cooperation with foreign health authorities. It was noted training also included assistance with developing a plan for the transmission of information internationally in the event of a food safety event.

The delegation was also briefed on CATRTA’s labour safety and occupational health projects. The purpose of these projects was to promote an understanding of and adherence to labour laws, raise awareness regarding the national plan and policy for safety, help participants develop an action plan for occupational safety, improve record keeping, and raise awareness of sectorial standards through technical training tools.

A discussion ensued in which, among other topics, genetically modified organisms (GMO) were raised. It was noted that Peru had recently implemented a moratorium on GMOs. Environmental issues were also discussed, including standards related to certifying decontamination of abandoned mine sites.

#### **K. Meeting with the Minister of Foreign Trade and Tourism**

In the evening of 2 April 2014, the delegation met with Ms. Magali Silva Velarde-Alvarez, the Minister of Foreign Trade and Tourism at her office in Lima. Attending this meeting were members of her staff, Ambassador Fortier and embassy staff.

Following welcoming remarks, a discussion ensued on matters of trade, government policies, security, and illegal mining. In respect of the Pacific Alliance, it was noted that the vision for this trade bloc was to go beyond a typical free trade agreement and create an area of close cooperation and integration. The participant countries were considering eliminating visas, filling gaps in skilled labour, opening joint embassies and commercial offices abroad, and promoting regional tourism.

Other topics which arose included the benefits of free trade in respect of poverty reduction, Peruvian governmental policies on social inclusion, education reforms, internet access, and the introduction of cellular phone blockers at penitentiaries.

Illegal mining in Peru was addressed and the Canadian delegation heard that while illegal mining was a problem, the government had and will be taking steps to address the problem, including providing new job and education opportunities to communities where illegal mining occurred.

#### **L. Meeting with Canadian Companies in the Extractive Sector**

In the morning of 3 April 2014, the delegation met with representatives of companies in the extractive sector in Peru, at the meeting room in the Canadian Embassy in Lima. Representatives from Gran Tierra, Barrick, Sulliden and Antamina were present.

The delegation was told that Peru's extractive industry was worth \$6 billion per year. The challenge faced by all levels of government in Peru was developing their capacity to spend extractive industry royalties. It was noted that extractive sector companies that adhered to the Extractive Industry Transparency Initiative (EITI) made payments (i.e., applicable royalties, taxes) to all levels of government and these funds were disbursed in a transparent manner. In 2013, Canada assumed the leadership role of the G8 Fast Track Partnerships for Extractives and Transparency. The work of this group was to, among other things, develop a plan of action, a consensual framework, and create a list of projects.

Information was given concerning the Andean Region Initiative, a program involving Brazil, Colombia, and Peru. Funding for this project was provided by both the Canadian federal government (\$5.1 million), from companies in the extractive sector (\$3 million). Funding was spent on projects such as improving competitiveness of certain sectors (e.g., agricultural, textiles, reforestation), creating scholarships, and assistance in targeted areas of socio-economic need.

The representative from Rio Tinto noted that the company was a founding member of EITI. The delegation was told that the company had paid \$7.5 billion in taxes, and was committed to transparency. Rio Tinto had long had a presence in Peru, dating back 20 years, but currently had only exploratory operations open, and no mining operations. It was noted that mining companies had some concerns in ensuring mining taxes were spent properly so that communities would see the benefits. As such, Rio Tinto held an interest in building capacity of local and regional governments on how to budget and manage revenues, so that revenue could be translated into development. The company's interest was in working in parallel with communities to identify their needs and assist with development.

In respect of Barrick, the delegation was told it currently operated two mines in Peru (one opened in 1998, the other in 2005). Barrick held a strong commitment to corporate social responsibility and was among the first companies to adhere to the EITI charter of ethics and principles. It was noted that working in areas of high poverty can lead to high expectations. As such good relationships and partnerships were required with local and regional governments. It was noted that Barrick had had good experiences in Peru in executing their local infrastructure projects.

The representative from Gran Tiera told the delegation that oil extraction in Peru began in the 18<sup>th</sup> century by the British who noted bitumen in the Pacific. In the 1970s, oil extraction began in the Amazon basin. Currently, Peru produces approximately 60,000 barrels per day, a production-level that is comparatively low. Peru, however, possesses large reserves of condensed gas. It was noted that, in the past, some extractive sector companies had abandoned their sites in degraded environmental condition, and that this practice still on occasion presented difficulties for companies operating today with respect to the public's perception of the extractive sector. The importance of prior consultation with communities located near extractive sector sights was emphasized. It was noted that Gran Tiera had a number of projects underway working with aboriginal communities in areas of education, health (paternal), biodiversity (reforestation) and productive projects. It was underlined that Gran Tiera was positive in their outlook and was continuing to explore sites in Peru.

A discussion arose on the topic of illegal mining. It was noted that a distinction could be made between informal mining and illegal mining. Informal mining took place in agricultural communities with high poverty and was an important source of income. Legal mines could coexist with informal mines and miners; the need existed to bring informal mines into the legal framework, and to ensure they abide by, among other things, regulations on environmental practices. Illegal mining occurred in banned areas and was a practice that contributed to other forms of illegal business, such as money laundering and human trafficking.

#### **M. Working Lunch with Stakeholders on Peru's Economic Growth**

On 3 April 2014, the delegation held a working lunch at Lima 27, in Lima, with representatives from sectors including banking, development, trade and commerce. The lunch represented an opportunity for the delegation to discuss the investment climate in Peru with trading partners, and to advance the relationship between the two countries. These discussions were informal, one-to-one discussions.

#### **N. Meeting with Dr. Vladimiro Huaroc**

In the afternoon of 3 April 2014, the delegation met with Dr. Vladimiro Huaroc, the Head of the National Office for Dialogue and Sustainability of the Presidency of the Council of Ministers at the National Office for Dialogue and Sustainability in Lima.

Dr. Huaroc explained to the delegation that his office was created in 2012. Its creation followed a spate of protests in 2010 between communities and extractive sector companies. The instability forced over a dozen mining operations to close, and generally affected Peru's economic development and growth.

The purpose of his office was to change the approach to social conflict. In the past, the approach to dealing with participants in social conflict was to repress and/or dismiss their grievances. The role of his office was to create a policy of dialogue and multi-sectorial cooperation that promoted conflict resolution and agreement. The state needed to take an active role in building trust between companies and communities. Formerly, the state was reactive to conflicts; his office has worked to establish indicators to point out potential conflicts before they arise. He indicated the importance of addressing the needs of society as a whole, to solve conflicts through dialogue and not violence, and to communicate the advantages to communities of working with business to promote development.

Dr. Huaroc noted that challenges and certain structural gaps remained. Going forward, his office planned to strengthen the institution, increase coordination between levels of government, and promote better relations between companies and communities. At present, they had nine offices throughout the country, and were seeking to open four or five more. He noted that Canada had been a strong supporter to his office since its inception. Dr. Huaroc noted the work was constantly challenging.

Illegal mining arose as a topic of discussion. Dr. Huaroc indicated that the current situation was the result of neglect. He noted past efforts to eliminate illegal mining had been largely unsuccessful but that the current government has indicated a firmness in its resolve to end the practice. A deadline of 19 April 2014 had been put in place for informal and illegal mining activities to be brought under the law and certified. He explained illegal miners had 120 days to comply with certification requirements. While no exact figures on the number of illegal mines existed, it was estimated that there were approximately 400,000, of which 280,000 had begun the certification process. He indicated that some illegal mining networks engaged in illegal activities, such as prostitution, drugs, money laundering, and child labour.

The work of the office with aboriginal communities was also discussed. Dr. Huaroc told the delegation that aboriginal territory covered about 50% of the country, and in the amazon basin about 60 different ethnic groups resided. These groups had no connection whatsoever to the state. As such, to ensure positive relations between extractive companies seeking to open sites near their communities, it was important to establish an open dialogue which respected cultural sensitivities. He also noted that companies needed to communicate that development holds long term advantages for aboriginal communities.

Respectfully submitted,

Mr. Randy Hoback, M.P.

Head of Delegation  
Canadian Section of ParlAmericas

## Travel Costs

<b>ASSOCIATION</b>	Canadian Section of ParlAmericas
<b>ACTIVITY</b>	Bilateral Visit to Lima and Trujillo, Peru
<b>DESTINATION</b>	Lima and Trujillo, Peru
<b>DATES</b>	March 28 to April 5, 2014
<b>DELEGATION</b>	
SENATE	Hon. Pierrette Ringuette, Senator
HOUSE OF COMMONS	Mr. Randy Hoback, M.P. Hon. Ron Cannan, M.P. Mr. Don Davies, M.P. Mr. François Choquette, M.P. Mr. Massimo Pacetti, M.P.
STAFF	Mrs. Guyanne L. Desforges, Association Secretary Mr. Andre Barnes, Association Analyst
<b>TRANSPORTATION</b>	<b>\$ 52,698.67</b>
<b>ACCOMMODATION</b>	<b>\$ 8,317.00</b>
<b>HOSPITALITY</b>	<b>\$ 3,894.83</b>
<b>PER DIEMS</b>	<b>\$ 5,069.52</b>
<b>OFFICIAL GIFTS</b>	<b>\$ 610.48</b>
<b>MISCELLANEOUS / Interpretation Services</b>	<b>\$ 4,319.72</b>
<b>TOTAL</b>	<b>\$ 74,910.22</b>