



Annual Report April 2002-April 2003

*Supporting the most
vulnerable in Peru*

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

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Report from the Executive Committee

The past 12 months have seen the continuation of Peru's transition following 10 years of Fujimori, and has been a mixed one for the government of President Alejandro Toledo. After a disappointing start to his government, regular popular protest and plummeting approval ratings, the Peruvian economy is enjoying a period of steady growth, and to a certain extent, political stability. However, a number of personal scandals and basic errors of judgment have meant that Toledo's personal performance has been tainted and his personal standing has suffered.

Politically it has been a mixed year for the Toledo government. While the transition continues, and Toledo has had some success in promoting Peru abroad, he has been less convincing at home. Toledo has not been helped by a number of embarrassing personal episodes, most notably his reluctance to recognize the paternity of Zarai, a 14-year-old illegitimate daughter. Toledo's wife, Eliane Karp has also been caught up in a number of controversies, the most serious being the revelation that she was being paid US\$10,000 a month to act as a consultant to the Banco Wiese Sudameris, a major interest group that was closely allied to the Fujimori government. Toledo has also faced problems of disunity at cabinet level, which forced him to make a major reshuffle in mid-2002.

The government has embarked on a programme of decentralisation, and November 2002 saw regional elections in which Toledo's party *Peru Posible* did very badly, gaining just one of the 25 regional presidencies. It is still unclear whether it is really committed to honouring its promises in this respect, especially if it means conceding power and resources to the opposition APRA party which was the big winner in the regional elections.

Peru was the fastest growing economy in Latin America in 2002. GDP growth of 5.2 per cent was posted, which was particularly strong given the economic crises that hit Argentina and other countries of the region. The downside to this growth is that it was very heavily on the back of foreign-backed mining projects. In addition to the high environmental and social costs of mining, this meant that the benefits of growth will not be strongly felt at the grassroots level. There were few signs that growth on a macroeconomic scale had improved levels of inequality in Peru. Some figures suggested that there had been an increase in the percentage of peruvians living in both conditions of poverty and extreme poverty.

Peru's economic situation has not been without its problems. The main difficulty faced by the government was public opposition to privatization. This came to a head when opposition to the sale of two state-owned utility companies in the second city, Arequipa in mid-2002 led to several days of serious rioting that forced the government to back down. While Toledo claims to remain committed to privatization, and is under pressure from international financial institutions to push ahead with such programmes, foreign firms are now unwilling to risk the public backlash of investing in such operations.

At the start of 2003, Toledo was accused of packing the cabinet and other senior public sector positions with loyalists of his *Peru Posible* party, irrespective of their ability to do the job. This rather worrying sign that Toledo's democratic credentials may not be as strong as he had proclaimed will be one of the main points to watch in the coming year. The other notable upcoming event is the publication of the report of the Truth and Reconciliation Committee (CVR) in mid-2003. The CVR has been underfunded and obstructed in its investigations, meaning that its findings may not be taken seriously and acted upon.

Advocacy

Foreign and Commonwealth Office (FCO)

PSG relations with the FCO have been very good during 2002-2003. We have forged a good working relationship with the new desk officer for Peru, Chris Sturgeon. We held a debriefing meeting following visits to Peru made by both the co-ordinator and the desk officer in October 2002. During the visit to Peru the PSG met with the British ambassador, Roger Hart, who will be retiring in the coming year. The PSG will take part in a briefing session for the incoming British Ambassador, Richard Ralph, in May.

The PSG supported the work of the desk officer leading up to the visit by president Toledo to the UK in December 2002. We provided information on contacts, who should be informed of the visit and we were invited to public engagements that President Toledo was undertaking during his visit.

In March the PSG was invited by the FCO to brief a delegation of nine Peruvian Parliamentarians visiting the UK with the Inter-Parliamentary Union on our work. This gave us an opportunity to build direct links with representatives of the Peruvian congress and to look at ways that we could work together.

MPs & Peers in Westminster

The PSG has maintained its relationship with various MPs and Peers in Westminster with an interest in Peru. One of our sponsors, Lord Avebury, a long-standing friend of the PSG, agreed to take on the role of president of the organisation, and was elected as such at the Annual Conference in November 2002. We have kept our contacts in Parliament informed of the current situation in Peru, through the *Peru Update*, and by providing briefings and supplementary publications.

Other MPs, such as Des Turner and John Battle, have sponsored the PSG's use of rooms in the Palace of Westminster for events that we have held during the year, including a joint public meeting organised with Oxfam on the issue of trade.

Scottish Parliament

The PSG maintained its links with members of the Scottish Parliament, especially with our sponsor Linda Fabiani MSP, providing information and briefings, as well as looking together at future plans to hold events in the Scottish Parliament.

Department for International Development (DfID)

During 2002-2003 the Co-ordinator has built on existing links with the DfID office in Peru, meeting with the head of the Peru office, Mark Lewis, in October 2002. The PSG also provided written comments to DfID as part of a consultation process for the DfID Country Strategy Paper for Peru.

United Nations Commission on Human Rights

In February, in what is now an annual meeting, the PSG was invited by the human rights department of the FCO to attend a forum with Audrey Glover, head of the UK delegation to 59th UN Commission on Human Rights. The PSG had the opportunity to provide the delegation with a document outlining our human rights concerns. We were also able to discuss these concerns at a meeting attended by representatives of a number of country-specific organisations, the human rights department of the FCO, and the head of the UK delegation.

Conference, Meetings and Events

The PSG continued to organise and facilitate meetings and conferences with the aim of raising awareness amongst the British public on issues concerning civil, political, social, cultural and economic rights including the following:

Annual Conference 2002 – “November Elections: Building Democracy?”

This year the PSG held its Annual Conference at St. Antony's College in Oxford. The main plenary session of the day was a roundtable discussion on the implications and outcomes of the recent regional elections in Peru with **Paulo Drinot**, **John Crabtree** and **Manuel Iguiniz**. We also organised six workshop sessions on education, the economic outlook, the Truth and Reconciliation Commission, marginal voices from the highlands of Ayacucho, mining, and poverty in Peru.

Joint meeting of the PSG and Oxfam - Peru: a Case for Change

The PSG and Oxfam held a public meeting in Westminster, hosted by Labour MP for Brighton and Hove, Des Turner on Thursday 24 April 2002. As part of the PSG Trade Campaign, the meeting aimed to raise awareness of trade issues with a special focus on those affecting Peru. **Charis Gresser**, Oxfam policy advisor, talked about the recently launched Oxfam campaign and report. **John Crabtree**, Research Associate, Centre for Latin American Studies, University of Oxford, looked at the problems faced by coffee farmers in Peru. **Ana María Rebaza**, the project officer for Oxfam UK in Peru was unable to attend due to illness, however we were fortunate that **Andy Croggon**, the head of the Latin America and Caribbean team at Christian Aid, and **Martin Dewry**, head of campaigns at CA, were able to step in at the last minute. They looked at the asparagus industry in Peru and the Trade Justice Movement respectively. The event was chaired by **Nick Caistor**, the former Latin American features editor for the BBC World Service.

Joint meeting of the PSG and CIIR – Mining in Peru: an Appropriate Model for Development.

The PSG and CIIR held a public meeting at the CIIR offices on 16 May 2002 to look at the issue of mining in Peru, focusing on the type of environmental problems that mining can cause. It used the case study of the mercury spill in Choropampa. **Ernesto Cabellos** and **Stephanie Boyd**, representatives of Guarango Films, presented their documentary “Choropampa: the Price of Gold” and gave an overview of mining issues in Peru and the importance of international solidarity. **Maria Castañeda**, the ombudsman for Cajamarca at the time of the spill, spoke about the way the spill was managed and the environmental effects of mining in Cajamarca.

Book launch for Oxfam country profile on Peru

In February 2003, the PSG and Oxfam publishing jointly organised a launch for the new Oxfam Country Profile on Peru. The event was held at Canning House and was attended by a wide variety of government representatives, academics, members as well as those representing various NGOs and the travel and tourism industry. The broad remit of the book allowed us to bring together a wide range of people with an interest in Peru, and we were able to make contacts with an audience we had not reached before. The speakers, **Rosemary Thorp**, Chair of Oxfam GB, the author **John Crabtree** and the programme manager of Oxfam Peru, **Martin Beaumont** introduced the book and highlighted a number of key issues of concern in Peru including the mining issue in Tambogrande.

Trade Justice Movement

As a member of the Trade Justice Movement (TJM), the PSG took part in the mass lobbying of Parliament on 19 June 2002. This was the world's largest mass lobby of politicians in which over 12,000 people came down to Westminster to talk to their MPs about the unfair trade rules. The



PSG held a stall in one of the main venues of the event where we were able to talk to campaigners about the way the unfair trade rules affect Peru in particular. We handed out a large number of copies of the *Update Extra* on trade. The event was an opportunity for the PSG to reach a new constituency, and a number of people joined the organisation as a result.

Worldfair

In December 2002, PSG took part in the annual Worldfair, a two-day event held at the Conway Hall, sponsored by Oxfam, War on Want and the World Development Movement where around 3,000 people come to buy fairly traded crafts and learn more about the different NGOs present at the fair.

This year we also took part in the London Respect Festival, held in July in Victoria Park, which is part of a regional campaign against racism. The Peru Support Group took the opportunity to hold a craft and information stall, aiming to increase awareness about Peru, raising the profile of the PSG and building up the membership.

Peru Week in Oxford

The PSG supported some of its members and interested individuals who organised a Peru Week in Oxford. This was designed to enable people in Oxford to get to know more about Peruvian culture and society as well as the problems they face. It provided the opportunity to discuss recent developments, to taste Peruvian food, to view the work of contemporary Peruvian artists and to listen or dance to Peruvian music.

Publications and Projects

Photographic exhibition "Testimonies of Courage and Pain"

The PSG has produced an English version of a photographic exhibition that was originally commissioned by the Project Counselling Service (a Peru based NGO working with displaced people) called "Testimonies of Courage and Pain". The exhibition includes photographs and testimonies of women affected by political violence in Peru. It highlights the need for truth and reconciliation and the role that women can play in the process.

The PSG hopes to use this exhibition to raise awareness of the Truth and Reconciliation Commission in Peru, and to campaign for the Peruvian government to act on the recommendations of the commission which will be included in the final report at the end of their mandate in July 2003.

The PSG plans to hold events in London, Brussels, Edinburgh and Ireland over the coming year, using this exhibition as a resource.

After being completed in February 2003, the exhibition was put on show at St. Antony's College in Oxford as part of the International Women's Festival, from 1-14 March.

Update Extra on the Truth and Reconciliation Commission

Following the first Update Extra on the issue of global trade (March 2002), the PSG produced an update focusing on the issue of the Truth and Reconciliation Commission taking place in Peru. The Update aims to raise awareness about the commission, and the issues surrounding its work among our membership and contacts. The Update was a longer than usual 12 page bulletin including information on the work of the commission, its strengths and weaknesses, and the challenges it faces towards the end of its mandate. We included specific case information and opinions from victims of the violence.

The Update has always been one of the strengths of the PSG with such a wide range of people who receive and read it. To some this is what the PSG is known for. This extra edition of the *Update*, supplements the information given to the membership, and can be used as a campaigning tool.



Photographic Exhibition, “Peru on \$1 a Day: a Rough Guide to Living”

This PSG photographic exhibition addresses themes such as poverty, education, women’s rights, health, environmental pollution and debt repayment, to illustrate the social, economic, environmental and political hardships faced by so many Peruvians.

The exhibition has been in constant demand over the year, being used both as a visual aid, and as an exhibition in its own right.

The exhibition is available for hire and is helping to increase public awareness in the UK of some of the problems Peru faces.

Information and Educational Resources

The Peru Update

The PSG newsletter continues to be produced on a bi-monthly basis with a print run of 500 copies.

We use the Update as a way of keeping members and contacts of the organisation informed on issues of concern. The articles and news items in the Update are chosen to reflect our priorities.

The content continues to be informative and topical. Whilst the Update provides an important forum for raising topics of interest and concern from a variety of contributors, it also allows members of the PSG and the general public to participate in the work of the PSG by taking part in letter writing campaigns, workshops or cultural events.

Talks at public events

This year the Co-ordinator and other members of the committee have taken part in a number of talks on Peru, as a way of supporting educational initiatives and raising awareness. The Co-ordinator gave a seminar as part of a study abroad programme for students from the University of Oregon, USA. The seminar was part of a course on NGOs and solidarity organizations working on Latin America and was attended by around 40 students studying in London. The co-ordinator has also given talks to church groups and a presentation on the PSG and health issues in Peru during a conference at the House of Commons.

Information

We receive a large number of enquiries and requests for information. We regularly receive bulletins from a variety of Peruvian organisations, which provide an invaluable source of up-to-date and reliable information, particularly on the subject of political, social and economic rights.

We are able to use this information in all our activities. We also respond to a high volume of enquires from various sectors of society, either by providing information or building links between individuals and groups in Peru and the UK.

Website (<http://www.perusupportgroup.co.uk>)

The PSG website is a valuable tool for putting us into contact with other groups and interested people. It continues to increase our visibility, and it has prompted a number of people to get in touch with the PSG and to join. We have recently updated much of the key information on the website and we continue to include articles from the *Peru Update*. We have also been able to make information from the two *Update Extras* on to the website to reach a wider audience.

We have begun to put articles and information in Spanish on the website on a regular basis.

We have built up the email mailing list to which we send information about events and latest news. This is a free service for members and contacts. For example we sent information about November 2002 election results as they came in, as well as information about the ruling of a Constitutional Tribunal that found the Anti-terrorist laws unconstitutional. There are also plans to make changes to the website over the coming year, to ensure that updated information is easily accessible, which we hope will encourage people to return to the site on a regular basis.

Library and resources

We continue to subscribe to several key Peruvian magazines/journals (*Ideele, Que Hacer*) and have aided many people in their research and provided an effective resource library on contemporary Peru. We also receive publications and books from a wide range of Peruvian NGOs and other institutions.

Human rights organisations, development organisations, the media, along with students - mainly from the Institute of Latin American Studies (ILAS) and Goldsmiths College - use the PSG resources extensively.

Other Activities

Co-ordinator visit to Peru

The co-ordinator travelled to Peru in October 2002, supported by Christian Aid. The purpose of the visit was to reinforce contacts with Peruvian solidarity groups with which we have worked closely over the years. It also provided the opportunity to build on and establish new links with Peruvian experts from NGO, academic and government sectors. The trip provided an opportunity for the co-ordinator to collect information and interviews on key issues of concern, and compile information for the upcoming publications and activities.

Membership

The PSG has a committed and enthusiastic membership. A number of members help out with events, attend the public meetings, and volunteer with translation and interpreting work. Members and contacts have been able to use our resources to organise their own events. We continue to receive a number of substantial donations from members.

Relationship with other UK NGOs

The PSG has continued to maintain and build on relationships with other UK NGOs working in or on Peru, as well as those working on themes linked to our work. This includes our core funders, and many other large and small organisations within the UK. We have encouraged groups to work together and have been able to put groups working on similar issues in contact with each other.

European Groups and NGOs

The PSG has built on its relationship with other groups and key individuals working on Peru within the EU, including the Berlin Peru Group and the Amnesty Co-ordinator for Peru in Brussels.

The PSG has also built up links with an organisation called Christian Solidarity Worldwide. They have been able to make plans for a joint event in Brussels as the Programme officer for Peru is based in Belgium.

The co-ordinator was able to attend an event organised by the Federacio Catalana d'ONG per al Desenvolupament and Cooperacció in Barcelona on the mining issue of Tambogrande.

The Executive Committee

This has been crucial to the work of the PSG. The committee members have continued to contribute their time, advice and expertise generously. Committee meetings take place once a month, with additional strategy meetings taking place every three months. Many members of the committee travel to Peru on a regular basis, facilitating communication with the various organisations with which we work.

Volunteers

They have continued to donate invaluable time and effort. Mostly they have been involved in desktop publishing, research activities, office administration, editing, mailings, and helping on stalls at events.

PSG End of Year figures 2002/2003

These end of year figures are produced on a cash basis and cover all payments and deposits made between 6 April 2002 and 5 April 2003. Please take the endnotes into account.

| Payments | Budget | Actual |
|--|-------------------------|--------------------------------|
| Rent & Insurance ¹ | 4,595.00 | 2,965.36 |
| Salary & National Insurance ² | 18,970.00 | 25,162.90 |
| Volunteers ³ | 670.00 | 184.35 |
| Equipment & Stationary | 425.00 | 390.52 |
| Travel | 400.00 | 279.39 |
| Phone & Fax, Email & Website | 1,600.00 | 1,191.00 |
| Postage | 600.00 | 491.95 |
| Printing & Copying ⁴ | 720.00 | 310.54 |
| Resources | 770.00 | 147.04 |
| Update | 1,130.00 | 1,000.75 |
| Events | 515.00 | 432.59 |
| Production of Materials | 1,000.00 | 287.36 |
| Visitor expenses ⁵ | 200.00 | 29.00 |
| Other | 260.00 | 167.59 |
| Special Projects | 515.00 | |
| | | Womens publication 278.00 |
| | | Truth Commission Update 656.63 |
| TOTAL PAYMENTS | <u>32,370.00</u> | <u>33,974.97</u> |
| Receipts | | |
| Grants | 25,000.00 | 25,999.99 |
| Subscriptions | 2,500.00 | 2,492.99 |
| Donations | 1,000.00 | 1,071.04 |
| Events | 515.00 | 165.55 |
| Publication sales | 100.00 | 35.00 |
| Crafts | 500.00 | 86.29 |
| Interest | 400.00 | 180.35 |
| Special Grants | 3,000.00 | 2,000.00 |
| Other income | 50.00 | 145.67 |
| TOTAL RECEIPTS | <u>33,115.00</u> | <u>32,176.88</u> |
| GRAND TOTAL | <u>745.00</u> | <u>-1,798.09</u> |

¹ The budget for rent included £750 for the cost of moving premises, the PSG has not had to move offices in this financial year. The actual rent also appears lower than the budget because only three of four quarterly payments of rent etc were made this FY.

² This figure includes tax payments made after 5 April corresponding to previous financial years. The actual cost of salary and national insurance to the PSG for the period 2002-2003 is £20,700.00 following a salary review for the year.

³ The PSG received less voluntary support than expected this year.

⁴ The printing and copying costs are lower than we budgeted as we did not print new letter headed paper, nor other planned printed stationary in 2002/2003, due to the possibility that we would be moving offices.

⁵ This figure is much lower than expected, some of the costs have been classified as event costs.

Balance Sheet

| | Petty Cash | Current account | Deposit account | Total |
|---------------------|-------------------|------------------------|------------------------|------------------|
| 6 April 2002 | -54.87 | 1,610.45 | 13,049.63 | 14,605.21 |
| 5 April 2003 | 30.52 | 1,798.83 | 10,977.77 | 12,807.12 |
| Difference | - 85.39 | -188.38 | 2,071.86 | -1,798.09 |