

4.2. Diversification of Tourism Products

4.2.1. General Directions

Peru's diverse tourism resources should be developed into diverse tourism products. Not only product types but also geographic distribution have to be broadened to cater for diversified consumer needs. Of special note is its possibility to develop nature-based tourism products as additions to existing archaeological tourism. The followings will be needed to diversify tourism products.

(1) Development of nature tourism products

Nature tourism of rain forest is a growing market segment for the North American market. It is expected to increase popularity in other markets as well. Considering this, introducing Upper Amazon Cruise combined with cultural and archaeological attractions in the Sierra would be a possibility to diversify tourism types. It is also important from a viewpoint of spatial development as it integrates the Amazon Basin into the Northern Tourism Circuit.

Nature tourism combined with archaeological attractions like the combination of Inka Trail and Machu Picchu would be a new direction of Peruvian tourism, and the idea should be extended all over the country.

(2) Introduction of resort tourism

Although competition may be tough, resort tourism development would be worth consideration in Peru not only to extend tourists' length of stay, but to make their stay in Peru more enjoyable and relaxing, and to cater for the needs of domestic and short-haul visitors.

(3) Wise use of colonial cities

Colonial cities would function as stopovers along Tourism Circuit, and therefore have strategic importance to promote the formulation of Tourism Circuits. It would also be a new tourism product in their own right with the introduction of measures for visitor facilitation.

4.2.2. Amazon River Cruise - Tourism Use of River Transport Network

(1) Essential transport and attraction in the Amazon Basin

River transport is quite important in the Amazon Basin due to the difficulties to develop road transport network in the lowland jungle. MTCVS has a plan to improve the river transport network with aims to establish a transport corridor that connects the Pacific with the Atlantic, and to encourage development in the basin. The river transport network could be utilized for cruise tourism as well since observation of one of the largest remaining rainforest in the world with opportunities to encounter wildlife would make the tourism product as one of the most important in Peru.

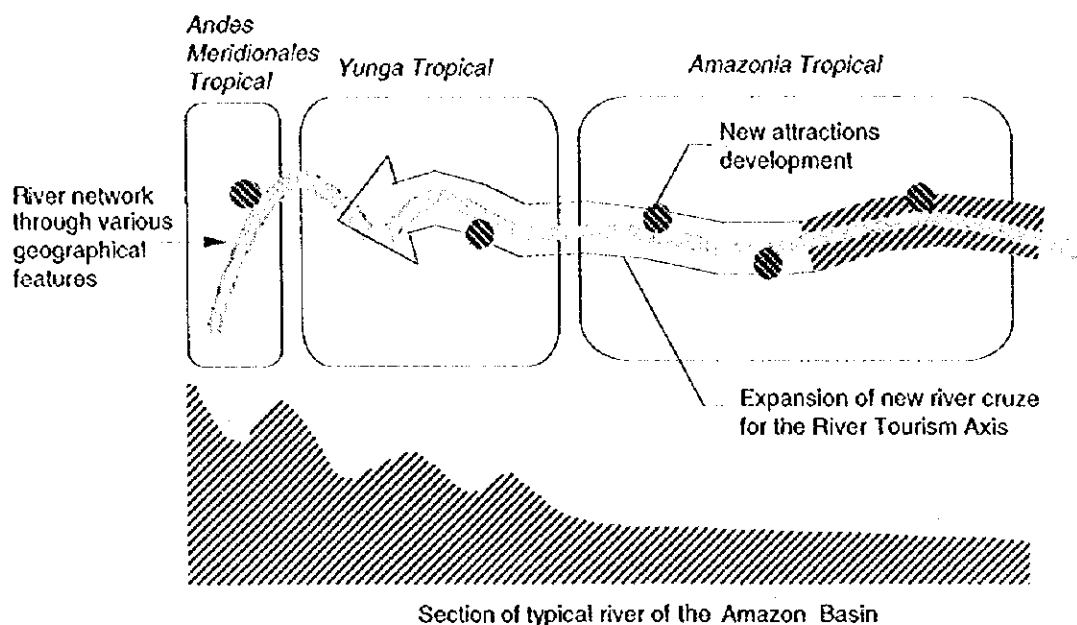
Amazon Cruise has been conducted between Iquitos in Loreto Department and Leticia/Tabatinga that is located near the border of Colombia and Brazil. The one way cruise takes about 3 to 4 days, and 7 days for the round cruise. Several Albergues (lodges in the jungle) that target at nature-oriented tourists are located within 100 kilometer radiuses from Iquitos.

(2) Objectives to establish a river Tourism Corridor

The river transportation network should play an important role to formulate an attractive "product mix" of nature tourism in the Selva and cultural tourism in the Sierra. The river transport network could provide a dramatic approach from Amazon to the culturally rich mountain area. The objectives to introduce river cruise are as follows:

- To establish a new Tourism Corridor that connects the Sierra with the Amazon Basin that has been out of Tourism Circuits,
- To encourage local economies that have been isolated, and
- To create new tourism products for visitors to the Amazon Basin.

Figure 4. 9 Conceptual diagram of Amazon River Eco-corridor



Source: JICA Study Team

(3) Possibilities of cruise ship tourism

The followings show various possibilities for the use of cruise ships.

a. Alternative accommodation for ecotourism

Cruise ship could be viewed as an accommodation that does not give much negative impacts to the jungle ecology. It could serve as a base for types of ecotourism, adventure tourism, and special interest tourism where adequate accommodations are not available.

b. Recreation facilities

Cruise ship could be deployed as recreational facilities as new tourism products. The possibilities are as follows.

- Ship for casino,
- Ship for the exclusive restaurant, and
- Ship for research laboratory that accepts special interest tourists.

(4) Provision of the supporting facilities for river cruise

a. Separation from cargo vessels

Shared use with cargo vessels should be carefully avoided for tourist safety and to secure good scenery.

b. Necessity of visitor service improvement

Visitor services such as tourist information, restaurants, and shopping should be improved.

c. Provision of business opportunities for local people

Business opportunities for local people should be secured in the port area. Tour operators, souvenir shops, restaurants and cafes, transportation services and management of port would be possibilities.

d. Contribution to the improvement of social infrastructure

The facilities for cruise should serve not only for visitors but also for local people. The local people can use the facilities for public infrastructures as river transportation lines and open spaces.

e. Considerations for the fluctuation of water level in Amazon

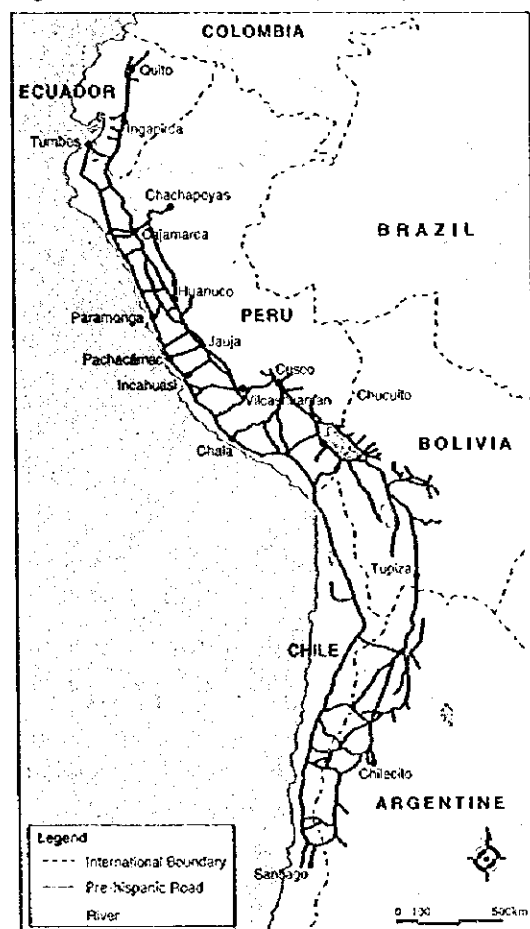
Extreme difference of water level between rain season and dry season should be considered to develop river port facilities. It is estimated to be between 5m and 8m.

4.2.3. Pre-hispanic Route Program

(1) Revival of pre-hispanic routes for outdoor activities

The network of Caminos del Inca or Inca Trail covered an area that extend from present-day Quito in Ecuador to Santiago in Chile with Cusco as the transportation hub. Fragments of the trails are still found all over Peru.

Figure 4.10 Network of pre-hispanic routes



Source: Compiled by JICA Study Team

At present, only a limited part of the pre-hispanic routes is serving tourists as trekking routes. "Caminos del Inca" near Machu Picchu is only a small part of the immense network.

Activities such as rock climbing, hang gliding, parasailing, mountain climbing, mountain biking, rafting, kayaking and camping are relatively popular in Peru. The ancient trails could serve for these activities and strengthen its attractiveness. The trail would also provide "authentic" access routes to many archaeological sites.

Therefore, restoration of the trail would serve greatly to promote activity tourism as well as nature and archaeological tourism in Peru.

(2) Establishment of a national trail system

Establishing a national trail system is strongly recommended, which encourages restoration of pre-hispanic routes and development of new walking trails for outdoor recreation and supplementary attractions for archaeological tourism.

Similar systems are found all over the world. The USA has "National Trail System." New Zealand has "Great Track," and Japan has "Tohokaido Nature Trail". Proposed system would imply the followings:

- Utilization of pre-hispanic routes as a theme for tourism promotion,
- Creation of a new tourism product,
- Economic contribution to rural communities, and
- Enlighten the visitors on local natural and cultural environment.

(3) Concept of the Pre-hispanic Route Program

The program has two functions. The first function is to connect historical and cultural sites in Peru like old villages and archaeological sites. The second function is to provide nature-based tourism attractions in highlands and valleys such as waterfalls, forests, and streams. Variations of the trails are as follows:

- National Culture Trails
- National Outdoor Recreation Trails

a. Facility requirements

The following facilities would be necessary to support the trail system.

- Route provisions
- Trekking centers
- Rest places and observatories
- Camping sites and lodging houses
- Signs and information for routes, historical sites, people, flora and fauna.

b. Certification of pre-hispanic routes

INC would be the most appropriate government agency for certification of pre-hispanic routes based on archaeological studies. It should also set the guidelines for conservation and management of the trails. MITINCI and INRENA should be involved in setting the guidelines. MITINCI should provide know-how for the tourism use of the trail, while the INRENA should provide advice for nature conservation along the trails.

It is noted that the certification of the trails by the government is quite important from the view point of tourism, as it gives authenticity and increases marketing appeal.

c. Management of pre-hispanic routes

INC should entrust the management of the trails to appropriate local organizations such as municipalities, NGOs, and local tourism organizations/cooperatives depending on respective situations. Entrusted organizations are tasked to monitor trail conditions, provide public relations and interpretation, develop and manage necessary visitor facilities like camp site and signs.

INC should cooperate with local organizations to identify new trails for certification.

4.2.4. Resort Development

(1) Considerations for resort development in Peru

The followings are necessary considerations for the resort development in Peru.

- To create new tourism product and Tourism Centers for the Tourists Circuits
- To control the disordered tourism development in the tourist destination, targeting at particular source market,
- To promote private sector participation by providing adequate infrastructure, and by soliciting investments with suitable measures,
- To contribute to local economy by encouraging local participation, and
- To guide agglomeration of accommodation and facilities to minimize environmental impacts as well as development cost.

(2) Necessities for resort development in Peru

Accommodations currently concentrate in Lima due to the demand of business travelers in the capital, and little other tourism opportunities in the rest of Peru. Resorts development is expected to be one of the measures to create tourism opportunities outside of Lima.

Resort developments would be successfully achieved by developing accommodations and, at the same time, controlling the development. The followings are major issues which resort developments have to cope with.

a. Provision of facilities and services for international tourists

In terms of quality and variety of facilities, existing accommodation facilities need much improvement, in particular, recreational activities and attractions for those who stay a long period.

b. Necessity of adequate development control measures to sustain tourist resorts

There are coastal areas suffering from disordered private summer villa development. Hindering of public access to the beach and insufficient water supply to accommodations are typical problems arising from disordered development.

c. Necessity of encouraging private sector investments

Private sector investment is the principal force of tourism development. Providing adequate infrastructure is a prerequisite to promote private sector investment.

(3) Resort development concepts in Peru

Taking into accounts the above circumstance, resort development in Peru should envisage the followings:

a. Strategic planning of tourist attractions for new Tourist Circuits formulation

Resort development could be utilized strategically to help formulate Tourism Circuits. Resort development would create new Tourism Centers between existing Tourism Centers, which would avoid long monotonous travel.

b. Resort development in alternative styles

Creating small to medium-sized agglomeration of resort accommodations, rather than low-density development dispersed in a wide area or highly urbanized large-scale resort development, would be preferable in Peru in order to reduce development cost of infrastructure, and to encourage appreciation of the natural settings. Possible types of alternative resort development are as follows:

Beach resort development

Developing small to medium-sized agglomerations of resort accommodations equipped with recreational facilities would be recommendable along the Peruvian coast, in particular, in Tumbes and Piura.

Highland spa resort development

Spa-resorts development in highland areas including improvement of existing spa-resorts is necessary to diversify tourism products in Peru. The resorts should have facilities for trekking, adventure sports, and ecotourism.

Lake resort development

The lakeside and riverside resort development that provides water-based recreation activities is necessary to as Tourism Centers for Tourism Circuit.

Hacienda resort development

Rural resort development capitalizes on rural landscape, local products like wine, and colonial architectures would be promising.

Oasis resort development

Tourism development in desert oases in the Costa would be necessary as a base for nature tourism in the desert, and as a Tourism Centers for Tourism Circuits.

(4) Resort development measures

a. Identification of Resort Development Promotion Zones

Public sector intervention is essential to induce resort development in strategic locations, to provide adequate infrastructure, and to control disordered development.

Infrastructure development is a key factor to promote private investment, and to prevent the environmental problems. In this context, designation of Resort Development Promotion Zones (RDPZ) is necessary for the following purposes:

- To introduce an integrated development system,
- To provide adequate infrastructure such as roads, energy, sewerage, etc. with the purpose to conserve the natural environment
- To promote private investment by providing development incentives
- To control disordered development, and
- To encourage local participation in small businesses in and around RDPZ for wider distribution of tourism benefits.

b. Development guidelines and standards

Resort development despite its development scale should be paid sufficient attention not to cause physical and social impacts through the following measures:

- Land use zoning system to demarcate functional groups in consideration of facilities, activities, and each zone's carrying capacity
- Controlled access to conserve fragile natural environment and to create comfortable resort spaces
- Architecture and landscape control by setting design standards not to destroy the vernacular landscape, and
- Infrastructure with the low-emission and recycling systems

4.2.5. Wise use of Colonial Cities

(1) Historical cities as the keystone of cultural tourism of Peru

Historical cities in Peru should play a vital role in tourism not only as gateway cities and accommodation bases to cultural and natural tourism sites but also as cultural tourism objectives in their own right. Recognizing the potential, many efforts for conservation and tourism use of historical buildings have been made to Lima and Cusco, both of which are World Heritage. However, many historical cities have been left untouched without adequate plans for wise use.

(2) Conservation of historical buildings into tourism establishments

There would be two types of cultural properties; one is without social activity, and the other is with social activities. The former type consists of two variations. The first one is a researchable object like cultural/archeological articles and exhibits in museums, and have values even if they are moved from original place. Second is a symbolic property like historical monuments and towns. They only have cultural/historical value in a specific environment or locations. Private buildings, quarters, and streets that have cultural value are the cultural property with social activities.

First of all, conservation of cultural properties should have the first priority. However, cultural properties with social activities should allow some improvements to cater to the needs for modern life styles since they should be used by people.

Cultural properties have possibilities for use as tourism facilities. They have tourism potential in that they would give tourists with a sense of authenticity. Some improvements of their interior and facilities would be necessary to utilize them as tourism establishments, or to prevent deterioration of the properties. Therefore, supporting program is required for utilization of cultural properties for tourism facilities.

(3) Issues for tourism use

a. Several requirements for legal approvals

To renovate cultural property for use as tourism facility such as accommodation, restaurant and shop is difficult since the procedure to obtain final approval is complicated.

b. Conflicts between historical buildings and modern technology

In addition, improvement for tourism use needs modern architectural techniques and materials for modern amenity, while government officials in charge of culture and archaeology rather than architects approve the conversion. This means that decision would be biased toward the conservation rather than tourism.

c. Conflicts between historical structure of city and modern activities

Historical centers in Peru have a problem similar to other historical cities in the world. Traffic congestion in historical centers is often caused by insufficient public transportation system. Lack of public transportation increases the traffic of private vehicles. Parking system does not come by easily due to the structure of old city.

d. Lack of supporting systems

There are no public supporting system for improvements of cultural properties like financial support for modification and extension of facilities and management support to operate tourism facilities.

(4) Integrated approaches for revitalization of historical cities

a. Identification of cultural properties

Preparing the inventory of cultural properties should be required in cooperation with INC, local municipalities, local communities, NGO and residents. The most important implication to prepare the inventory is to promote social recognition of cultural properties, which would prevent careless demolition. In addition, central government and local municipalities can intervene in the modification of the properties if they are on the inventory.

However, any properties should be given the same treatment but an appropriate classification system is necessary. In particular, private buildings should be given more flexibility for modification.

b. Institutional and legal assistance

A supporting organization in the form of a committee composed of representatives from government agencies (INC, MITINCI and MTC), local municipalities, local communities and private companies needs establishment.

Unreasonably complicated procedure to obtain approval for the modification of buildings for the tourism facilities should be simplified. The supporting organization should lobby to modify existing regulations that are preventing wise use. The supporting organization should provide consultation to clear the process for conversion.

Some incentives should be provided for entrepreneurs to promote renovation of quaint buildings. The following incentives are recommended.

- Subsidy for the improvements.
- Soft loan with grace period.
- Income tax reduction or tax exemption with grace period.

c. Controls and interventions in historic centers

Townscape control

Spatial control is indispensable for the conservation of historical architectures and structures in historical cities. Architectures and structures with similar cultural/historical value tend to locate in agglomeration. Tourists generally appreciate to be able to stay in such an area as it would make a cultural experience.

Advisory system with guideline

Reinforcement of the structure, modification and extension are required for improvements. Advice from architects on the improvement of buildings for tourism use will be useful. The following should be considered for the improvement.

Improvement of transportation system

To reduce traffic congestion and to improve visitor facilitation, public transportation and parking systems should be introduced to the historical center. At the same time, pedestrian trail network that has access to historical monuments as well as shopping areas should be provided.

d. Designation of "Special Tourism Area"

Historical buildings tend to locate in agglomeration. Municipalities that have historic center with tourism potential should designate such an area as Special Tourism Area where tourists are encouraged to roam about. They should provide in the area not only above mentioned measures to promote tourism use of quaint buildings but the measures for visitor facilitation such as installation of signs and interpretation boards, tourist information center, as well as intensive dispatch of POLTUR or municipal policemen.

It would be worth consideration to introduce the following measures to reduce car traffic in the Special Tourist Area depending on the traffic conditions of respective cities:

- Encouragement of the use of public transportation for both locals and tourists by improving information provision like signs, maps, and brochures,
- Charging of parking fees to the private cars in the Special Tourist Area,
- Installation of taxi stops to reduce cruising taxis,
- Banning of parking in specified areas and preparation of parking spaces outside the Special Tourist Area,
- Construction of parking building that harmonizes with the surrounding townscape, and
- Designation of vehicle-free promenade.

4.3. Encouragement of Local Participation

4.3.1. General Directions

It is a widely received knowledge that tourism could be alternative livelihood for people, who otherwise would have destroyed natural and cultural heritage. It is also an important measure to incorporate local characteristics into tourism products thus increasing their competitiveness. Local participation should be viewed as a necessity to inject local identity into tourism products rather than a requirement. The followings will be needed to encourage local participation.

(1) Supports for local tourism SMEs

Public sector's supports for local tourism SMEs are indispensable to encourage local participation in tourism. Financial supports, training supports, and information and marketing supports would be of special importance to encourage local participation. Introducing a new licensing system for "local guides" is expected to promote local participation as well.

(2) Promotion of handicraft production

Production of handicraft and tourism are closely related. Promotion of handicraft production would provide local opportunities for income and contribute to social development. Producer's market is proposed as a response to the distribution problems of small-scale handicraft producers, but it would also expected to be a tourist attraction.

(3) Introduction of village tourism

Village tourism is defined as a type of alternative tourism that contributes to cultural awareness of local people, as well as to rural development. It also envisages to integrate tourism and other economic sectors such as agriculture and handicraft. The methodology introduced here intends to provide know-how for community-based tourism development. Amongst all, establishing local tourism association would be of special importance to promote local participation.

(4) Enhancement of tourism education and training

Providing opportunities for tourism education and training is crucial to strengthen the tourism sector as well as promote local participation. Hence the opportunities should be provided not only to students but to people who are considering tourism as alternative livelihood. Further, tourism education that explains the importance of tourism is necessary.

(5) Environmental management through local participation

Involvement of local community is indispensable for the sustainable management of the environment. Tourism should be viewed as part of the environmental management system. Creation of the environmental awareness among local people is an important measure to achieve sustainability.

4.3.2. Supports for Tourism SMEs

Public sector's supports for small and medium-sized enterprises (SMEs) managed by the members of host communities would be an important measure to induce positive tourism impacts on host communities. This type of supports should need special emphasis since past tourism developments tended to regard local communities only as a source of labor force. Tourism SMEs, however, has following constraints in general.

- The size problem resulting in small business turnover, which is mostly translated into family income and the therefore small capacity to save and invest in the expansion or upgrading of the business,

- The limited access to information, in particular, market information and information on available support measures and programs provided by the public sector,
- The limited access to working capital and investment financing often caused by the non availability of any collateral, and
- The lack of business training.

Following measures to support tourism SMEs are necessary to overcome the above constraints:

(1) Financial supports

Financial support will make it possible for small and medium-size tourism-related enterprises (TRE) to have access to finance for working capital and/or business expansion. However, careful attention must be paid on how the funds are channeled and administered and repaid. It is important that the loan grantees must be aware of the financial responsibilities accrued by receiving a loan.

Two ways of financing TREs are proposed as follows: one is to create a Fund for financing TREs and administered by a corresponding public institution which will work together with NGOs; a second one is to generate funds by the members of the TREs themselves once their financing situation is strong and secure.

a. Special fund for financing TREs

The fund would be established at an appropriate public institution such as COFIDE (Corporación Financiera de Desarrollo: Development Financing Corporation) to support TREs. Because it is common to find that the public institution does not have enough material and human resources to assess and manage the funds at the end-users side, one way to eliminate this constraint is to leave actual administrative operations to regional NGOs. The institution will contact regional NGOs and propose them to allocate the funds; the NGOs, in turn, will provide the funds to TREs meeting the appropriate requisites. The use of the regional NGOs would be convenient as they have a more direct contact with the final users of credit and are capable to carry out a more accurate credit assessment than the public institution. The NGOs would receive a percentage of the loan as payment for the administrative operations (credit assessment, loan granting procedures, follow up and recovery).

One special characteristic is that the fund will work with TREs organized under the structure of Joint Liability Groups (JLGs) only. The members of the TREs organized as JLGs can supply a strong and reliable collateral in the sense that all the members of the JLGs are jointly and collectively responsible for the loan. The penalty for non-repayment of a loan will be faced by all members of the JLG. In order to avoid the penalty, the members of the JLGs will encourage and pressure each other for the payment on time of the loans

b. Revolving credit associations

Once the tourism SMEs are enjoying a secure and stable financial situation, it would be convenient for them to generate funds within themselves and depend less on external sources. The tourism SMEs organized under the structure of a revolving credit association, by means of periodic deposits, make up a communal fund from which each in turn withdraws certain amounts at regular intervals; the assignment of these sums can take place through a mutual agreement amongst the members. If there are two or more members which need funds from the association at the same time, a bidding system would be implemented and the one offering the highest interest rate to be paid on the funds would receive them. The member would pay his regular quota plus the respective interest; at the end, the interest amount will be accumulated and be part of the common funds. This will allow for the available funds for the association to grow. The deposits and withdrawals continue until each member has received an agreed standard sum of money. The duration of the

associations may be unlimited or pre-determined, further, the association can be open or closed, in the sense that it admits or does not admit the entrance of new members or the departure of existing ones. This form of association is created for the specific purpose of generating financing funds.

The tourism SMEs can, in the way described above, access financing funds either through any of the two systems described above.

(2) Training supports

There is a strong need in SMEs for training in advanced business and management techniques. Although there are schools that provide courses for tourism, there have been little attempts at systematic training of tourism SMEs in the past.

It is noted that the training should aim to incubate entrepreneurship in rural areas rather than to train local people as employees for large-scale tourism establishments. The program should provide basic businesses skill, the know-how to operate small lodges and home stays, guiding, and a few types of tourism knowhow that are identified as strategically important for target community like mountaineering, canoeing, and archaeology. In accordance with this action, it is recommended to introduce a new licensing system for "local guides," the details of which will be discussed later in this section.

"4.3.5 Enhancement of Tourism Education and Training" discusses more details of tourism education in general.

(3) Information and marketing supports for tourism SMEs

This section deals with the whole process of marketing, which requires inputs from the market, which is indispensable to develop and improve tourism products, and outputs to the market, i.e. promotion and selling of developed tourism products.

a. Information supports

Tourism SMEs, in particular, in rural areas tend to have limited access to information including various supporting measures like finance and training. This situation would improve through the improvement of information supports. MITINCI should provide tourism SMEs with information such as market trends, business opportunities, and case study of successful tourism businesses. Such information could be distributed by hosting occasional seminars, or news letters issued by appropriate local organizations. Above-mentioned

For effective dissemination of the information, encouraging establishment of local tourism organizations or cooperatives would be necessary, since the public sector could reach local people more easily through the organizations than approaching them individually.

b. Marketing supports

"4.7 Strengthening of Tourism Promotion" discusses the details of marketing supports for tourism SMEs and community-based tourism projects.

(4) Improvement of the Licensing System for Local Tourist Guides

As has been discussed previously, Peru has a severe problem regarding the quantity and quality of guides due to its insufficient education and training system. Capable official guides who can guide throughout the country are quite scarce, while there are many unofficial guides who can guide in a locality where they are familiar with. Capability of unofficial guides, however, differs considerably.

It is recommendable that MITINCI should introduce a new licensing system for guides, which classifies them into two categories:

- National guides who can guide throughout the country, and
- Local guide whose activity is limited to respective tourism sites.

The details of licensing criteria should be specified by official norm set by laws. The important consideration is that licensing criteria of local guide should not be as difficult as that of the national guide as it has another purpose of social development. It should aim at promoting participation of people living near tourism sites, and would be ideal if it accompanies seminars that teach guiding know-how to these people as will be discussed in the next section.

This arrangement would increase local business opportunities since it would widen the possibilities to be official guide. It should also contribute to eliminate rogue guides who are harmful to both tourists and cultural and natural heritage.

(5) Establishment of local tourism associations

It is necessary to establish appropriate organization at municipal or community level to receive the above-mentioned supports. Without local tourism association, supports from the public sector do not reach the target groups effectively. In this sense, MITINCI should promote the establishment of local tourism associations.

4.3.3. Promotion of Handicraft Production

A promotion program for the production and commercialization of handicraft must start by acknowledging the importance of handicraft products within the tourism product. 84% of the foreign tourists buy handicraft products spending an average of US\$89.10 being the most preferred products: ceramics, clothes, decorative textiles and gold and silver jewelry. The handicraft producer can be usually found near the Tourism Centers and his/her activity is usually seasonally and complementary to other activities which constitute the household income.

The promotion program of handicraft products has the following objectives:

(1) Objectives

a. Production:

- Improve the quality and diversify the handicraft range of products without losing their cultural characteristics and traditional production process.
- Develop equity elements in the tourism sector by improving employment and the household income of the handicraft producers.
- Involve the handicraft producers in the care and conservation of the cultural tourism resources.
- Increase the average expenditure level of the foreign and domestic tourists.

b. Commercialization:

- Improve the efficiency of the commercialization system.
- Achieve a greater participation of the producers in the direct commercialization of their products.

(2) Justification

The handicraft production is linked to the lower income groups and is usually located in or near the tourism sites; in many cases, it becomes a complementary activity which increases a usually small household income level.

The production is characterized by a high content of labor and by the utilization of local inputs. It is differentiated by geographical zones and by type of products.; its quality is also highly heterogeneous.

The elements above mentioned make the handicraft activities an area fit for the development of equity measures which will help to make one part of the population

with low income levels to become identified with the cultural tourism resources and will help in this way to make them care and preserve the cultural patrimony.

The results of researches have shown a preference of the foreign tourists to go to the following places: handicraft markets, handicraft boutiques, and street vendors stalls. However, concerning the presentation and display of the handicraft products, the boutiques have the best one while the street vendor stalls have the worst. The tourists preference for handicraft products has the following ordering: ceramics, clothes (textiles), decorative hand woven wool textiles, gold and silver jewelry, imitation jewelry, hand woven straw products, embroidered leather, clay images, and furs.

The results mentioned above shows the need to improve the production and commercialization of handicraft products, putting particular emphasis on the category of "handicraft producers markets" which link production and commercialization; in these markets, a higher benefit can be directly obtained by the handicraft producer. Some examples can be found in the Comercio Streer in Catacaos (Piura) and the Casa del Artesano (Handicraft House) in Huancayo, which gather the producers for the display and sale of their products.

The concept of handicraft producers markets include the Sunday Flea Markets of Chnichero and Pisac (Cusco) and the districts where handicraft producers are located such as San Blas in Cusco and Santa Ana in Ayacucho.

(3) Necessary actions

- Enhance the administrative activities of the State in the development of handicraft. Review and update the Handicraft Promotion Law No. 24052 issued in 1985. The review and updating must be done within the framework of the actual economic policies, pinpointing and enhancing the areas in which the State must take actions.
- One of the results of the action above mentioned should be the allocation of responsibilities and public administrative activities concerning the handicraft sector within the scope of the tourism sector of the MITINCI.
- Develop programs for technical training aiming to diversify the production and improve the quality of the handicraft products.
- Develop a producers markets system in which the tourists can appreciate and, in some cases, participate in the production of the handicraft product. The producers market of Catacaos (Piura) managed by associated producers, is an example of the potentiality of this proposal. The actions to implement such system must include the Catacaos market which was seriously damaged by the El Niño in 1998.

One of the attractions of the producers market of Catacaos is the confection of silver jewelry which is produced in the model and size ordered by the buyer; the production process takes place in front of the buyer. In other cases, for example in the the producers markets in the highlands, the same thing could take place for handicraft products related to textiles, clay, stone or leather.

The organization of the handicraft producers markets system would improve the possibilities of the producers for the access to joint-liability credit and, in the future, they could be introduced via the Internet.

- Incorporate in the process of development of the handicraft producers markets, the municipal governments and the Non Governmental Organizations (NGOs) supporting and working together with the producers at present.

- Constitute a system and enhance and give more action range to the agreement between PRONAA and CORPAC by which handicraft stores have been set up at many airports through out the country for the commercialization of handicraft products. Through these stores, the social organizations of handicraft producers linked to PRONAA sell their products.
- Establish joint-liability credit lines to help the individual producer and also support the development of the producers markets.
- Promote the visit of domestic and international tourists to the sites and handicraft markets. Incorporate within the local Tourism Circuits, the visit to the handicraft producers markets or sites where the handicraft is produced and commercialized.

4.3.4. Introduction of Village Tourism

Village tourism is defined as a type of alternative tourism, in which tourists stay in a rural community in an intimate atmosphere to enjoy unique cultural and natural experiences. It would introduce a type of tourism that contributes to cultural awareness of local people, as well as to rural development. Village tourism puts importance on "local color" such as participation in the production of traditional handicraft and agriculture, enjoying landscape, local life style, festival, art and performance. It considers integration of tourism and other economic sectors such as agriculture and handicraft. It targets at culturally motivated tourists who want to experience a stay in a rural community where they can experience the real Peru.

Village tourism is considered to be the most suitable form of tourism to be introduced to communities in rural areas of Peru, for this is a low-impact tourism based on the alternative tourism concept. More specifically, it would be applicable to "volunteer tours" as will be discussed later, and

The concept and know-how of village tourism as discussed here have its origin in "Mura-okoshi" or the community activation movement in Japan. The movement included many tourism plans, though it has been focusing on social and economic development in general. Since JICA Study Team could not spare sufficient time for site surveys in Peru, it is hoped that tourism-related organizations and NGOs would revise and localize the concept and know-how to be applicable to Peru.

(1) Impacts of village tourism

a. Positive impacts of village tourism

Village tourism has the following positive impacts to the community.

- Increase of income and employment,
- Raising of openness to outsiders
- Boosting of morale through local participation, and
- Discovery of own characteristics and re-evaluation of own identity.

b. Negative impacts of village tourism

It, however, may have the following risks unless it is carefully guided.

- Abrupt changes in social system through influx of easy money,
- Enlarging gap between the rich and the poor
- Cultural deterioration and morale corruption.

c. Necessary considerations to introduce village tourism

Introducing village tourism to rural community more or less provoke changes. The following considerations are necessary to guide the changes to be positive ones.

- To promote local people to participate in the planning process,
- To establish a community-based tourism organization, in which local people has the initiative.

(2) Process of village tourism development

a. Establishing a local tourism association

Establishing a local tourism association is the first step for a successful introduction of village tourism. At the initial stage, municipal government may need to take the initiative, and provide financial supports to set up the association with assistance from Department, PROMPERU or MITINCI. Association members should be from the target community, as well as from municipal government, local chamber of commerce and industry, organizations that represent the interest and opinions of *campesinos/nativos*. It is recommended to include some non-villagers such as volunteer workers, tour operators/travel agents, NGO members who work for the village.

The association should be the body to implement the village tourism project, but it should also function as a think tank that provides individual tourism establishments with consultation for development and management. The task of the association would be as follows:

- To publicize the idea of village tourism to community members to formulate a community-level consensus for tourism development,
- To prepare a tourism plan of their community including development concepts and slogans, strategy, and specific tourism product ideas,
- To encourage villagers to participate in tourism businesses, and to provide them with training and consultation,
- To regulate or license tourism establishments in the community,
- To publicize tourism products in their village to the travel trade and potential markets, and
- Provide visitors and the travel trade with tourist information.

The village tourism plan should comply with community's goals, and the planning process should include a number of workshops that assure villagers to determine the directions of tourism in their village.

With the progress of the village tourism project, the initiative taken by the municipal government should be transferred to the association that is operated by villagers in exchange for the financial self-sufficiency of the association.

It is noted that the local tourism association is important to receive supports from the public sector such as financial, education, information, and marketing supports.

b. Change agent

Until the village tourism project takes off, non-villagers' roles are quite important. "Outsiders" in the association such as volunteer worker, travel agent/tour operator from the outside, NGO member, are considered to be "change agents" who are conducive to change. They are expected to provide villagers with recent tourism know-how, and to promote tourism products to the outside: to the travel trade and tourism markets both in Peru and foreign countries. Moreover, they could advise villagers to identify what is their uniqueness that appeals to tourists.

c. Identifying potential tourism resources

Newly established tourism organization members should examine tourism resources in their village. Other than existing tourism resources and products, they should try to discover new tourism resources according to the following criteria.

- Attractiveness to visitors who has different cultural and social background from villagers,
- Acceptability to visitors,
- Consistency with the image of the village,
- Representation of local color and cultural traditions,
- Prospect for positive effects to the village.

As noted previously, non-villagers' role is important to provoke self-awareness among villagers, for what are too familiar to villagers could be very exotic and interesting to visitors. Tourism resources such as falls, caves, and springs are relatively well researched, but there could be other types of potential resources. Types of these tourism resources and their directions for utilization are as follows.

Scenery

Both scenic view point and the landscape that non-villagers find unique are potential tourism resources. Building observation deck that also serves as a wayside amenity and rest station for trekking would facilitate visitors' attention to the resources. The observation facility should be consistent with local architectural design and physically unobtrusive.

Plant life

Plant lives that are so common to villagers could be interesting to visitors. Installing interpretation boards to trees, flowers, and other interesting plants along tourist trail and in the garden of tourist accommodation would make supplementary tourist attractions. The interpretation board should include detailed description of the plant, as well as topics that would attract visitor's attentions such as food, historical event, medicinal effect, myth and legend.

Architecture

Local-style architecture is one of the most important tourism resources for cultural tourism. It is more important that a certain area is kept in a traditional architectural style rather than conserving a specific old buildings. The tourism organization should consider to introduce a building regulation covering a certain area of the village to maintain traditional landscape. The regulation should specify such aspects as colors, building materials, and construction methods.

Newly built tourist facilities such as rest station and tourist accommodation should observe the same architectural style of the village to give visitors a sense of arrival.

Handicraft

Handicraft is important not only as a cultural representation but also as a measure to earn income from visitors. Not only the product itself but the visit to workshop to observe production process or even participation in the production would make a great attraction.

Local cuisine

Local cuisine is a great experience for visitors. Tableware is also important not only to represent cultural tradition but also to be potential shopping items. The dining experience could be enhanced by the explanation of plant life during hiking and sight-seeing.

Traditional cultures

Not only folk costume but folk music and dance contribute greatly to give visitors a sense of arrivals.

Ritual and festival

Observation of ritual and festival is a great tourist attraction. It, however, needs consensus from villagers for tourism use of religious ceremonies. Tourism organizations should seek for the approval by setting a guideline for visitor's behavior, limitation in number, and financial contribution to the community.

Virtuoso

Talented persons in various arts such as music, dancing, and producing handicraft should be viewed as important tourism resources. The tourism organization should create a database of villagers who have special skill, and mediate between tourism establishments that needs their skill and virtuosos who would appreciate income from tourism.

d. Planning tourism products

Tourism products and tourist facilities/services should be planned based on the "alternative" concept as discussed previously: small-scale development by local ownership rather than foreign-owned large-scale development, local-style facility deploying local products rather than the international style, low-volume high-income strategy targeting at culturally-motivated people worldwide rather than mass market who seek for leisure and night life from neighboring countries.

Local characteristics or local color plays an important role in village tourism. However, what should be offered to visitors is not the raw local characteristics; it could be too foreign for outsiders. Appropriate modification is necessary to make it acceptable for visitors. However, since village tourism targets at people who are prepared to experience a stay in a rural community, the modification should be carefully kept minimum so that visitors could feel authenticity in their experiences.

Concepts of tourism products that capitalize on the above mentioned tourism resources are as follows.

Tourist accommodation in alternative style

Staying at a tourist accommodation made by local architectural technique would be a great experience for cultural tourists. The accommodation should be in a local style, but it should be very clean and free from insect bites while guest is sleeping so that it would cater for international tourists.

Insufficient infrastructure and facility could be supplemented by man power to some extent. It would be worth considering to provide hot water shower by bring hot water in bucket to shower booth when guest takes a shower.

The accommodation can be the place to experience cultural performances that represent the tradition of the community.

Hiking and trekking

Setting up hiking and trekking trails that link various tourist attractions such as scenic viewpoints, remote villages, falls, and springs is vital to village tourism. Although village tourism is basically for culture, the hiking and trekking trails should be designed to be a nature tourism. It is recommendable to promote guided tour, during which guide explains various aspects of his cultural community to the guests.

“Do” tourism rather than “see” tourism

Guests’ participation in daily activities in the village such as handicraft production, music performance, and preparation of local cuisine would make great attractions for visitors, and give them a feel of alternative tourism.

Tourist event

Hosting tourist event would not only stimulate visitor arrivals but also publicize the village if tourism organization successfully manages the event to be covered by the media. At the initial stage, the tourism organization should regard the event as prior investment that could be recovered in the long-term perspective.

The event should aim at entertaining both villagers and visitors. The event would give villagers a change in their daily life, and also create awareness of what is going on in their village. Possible themes for the event would be as follows.

- Sports event such as mountain climbing, rafting, and off-road car racing,
- Exhibition of locally produced handicraft and other products, and
- Special performance of traditional music and dance.

It would be possible to modify existing events and festivals to be more acceptable for visitors from outside the community.

e. Setting up tourism guidelines

The association should set a tourism guideline for the village tourism project. The code would be subject to the conditions of respective villages but would cover the following aspects:

- Ecological guidelines: garbage, noise, feeding or touching animals etc.,
- Social guidelines: dress, religious beliefs, photography, tipping, etc.
- Economic guidelines: purchasing of local products, donation, etc.

Ecotourism Council should provide advice for local tourism associations to set up the tourism guideline. The guidelines should be delivered to visitors to let them know how to behave in the village. Seeking cooperation from transport company would be effective to distribute the guidelines to visitors.

Other than the guidelines for visitors, it would be necessary to set development and operation guidelines for tourism establishments.

f. Marketing tourism products

The local tourism organization should conduct the following marketing activities.

- To prepare brochures, posters, and simple sales manuals for the travel trade,
- To host familiarization trips to the village for journalists and the travel trade,
- To participate in travel fairs, or provide delegates to travel fairs with sufficient information and brochures of their tourism products,
- Install road signs and signboards to show the location of the village.

The association should approach the travel trade and PROMPERU rather than consumers. It is because direct advertisement except the use of Internet is not suitable for this type of tourism due to a small market volume. The organization should try to establish a good relationship with tour operators that specialize in cultural tourism, ecotourism, and soft adventure because they know how to reach potential customers who would be interested in this type of tourism. Tourism organization members from the travel trade should help his organization to establish the relationship.

g. Tourism education and capacitation

On one hand, the tourism organization should publicize the importance of tourism to villagers so that they would treat visitors with hospitality. This is important to improve visitor's impression of the village. On the other hand, the organization should provide villagers who are interested in tourism with basic tourism skill and know-how with the help from local tourism organization members from the travel trade so that they could participate in tourism businesses. It would be better if Ecotourism Council or MITINCI supports the training of villagers.

4.3.5. Enhancement of Tourism Education and Training

The quality of services provided in Peru is not very high, or, at least, it is not the competitive aspect of Peruvian tourism. This should be improved by enhancing tourism education and training. CENFOTUR estimates that only 15% of the employees working for the travel trade in Lima are trained for tourism. The percentage would be much lower in rural areas. Hotel managers report that they find difficulty to hire skilled employees. Shortage of guides, in particular, those speak foreign languages is also apparent.

Insufficient supply of skilled workforce in part comes from the insufficient capacity of tourism education institutions. Interviews with relevant organizations reveal that the most urgent issue is to increase the capacity for vocational level training. On the other hand,

(1) Expansion of CENFOTUR (Centro de Formación Turismo) - establishment of a training hotel

CENFOTUR is a public institution to provide education for tourism businesses to students who newly graduated from secondary schools or those are working for tourism establishment. Its curriculum is based on education for the management level, and only some syllabuses are for vocational training. CENFOTUR needs to increase its quantitative and qualitative capacity to meet the increase of the demand. Establishing a new training hotel is highly recommendable not only to expand the capacity of CENFOTUR but also to reinforce its capacity for on-the-job training.

The new training hotel should be managed on a commercial basis as a hotel, and provide on-the-job training as well. It should place more importance on the syllabuses for vocational training and practical hotel management know-how.

(2) Establishment of tourism schools for vocational training

There already exist private schools that provide tourism education at the vocational level. However, the capacity of these existing schools is far below the required level since the quantitative demand is very strong.

To meet the demand to provide vocational training for the tourism sector, establishment of new tourism schools is necessary. The sites for schools must be not only in Lima but also in local cities that locate near important tourism sites.

(3) Tourism education for local participation

Training of public and private staff related to tourism is essential to carry out sound tourism development with well-trained human resources. The following components need to be implemented by MITINCI.

a. Establishment of training courses for tourism management

Seminars and/or workshops for tourism management including protected area and buffer zone management is to be held to train local people as well as public and private staff related to tourism. Training manual is to be prepared by well-skilled tourism instructors for adjusting Peruvian present situation.

b. Establishment of tourism safety management

Tourism safety management is to be established to deal with accidents or sickness of tourists in cooperation with police, military service and hospital. The following measures are to be implemented:

- To establish national tourism safety management including safety standard, guidelines and procedures, especially remote areas where far from appropriate medication,
- To survey on risks related to tourism in various cases for establishment of the standard, guidelines and procedures, and
- To set up safety standard on tourism operation, and disseminate the standard to tour operators, guide and interpreter.

(4) Tourism awareness program for local people

There is a strong necessity to educate people, in particular, in rural areas on how to cope with tourists. Past examples show that discovery of an ancient tomb could trigger sacking of the archaeological site to find relics for sale to tourists. Efforts should be made to make people realize the importance of their ancestor's cultural heritage, and the sustainable methods to earning income from tourism. Another point is to teach people the economic importance of tourism for regional economy.

MITINCI should provide a tourism education program that teaches the appropriate manners to receive, treat, and earn income from tourists. Approaching local governments and communities would be effective to spread the idea to local people. For better permeation into local community, enforcement of existing organizations in local community would be necessary.

4.3.6. Environmental Management through Local Participation

(1) Re-establishment of hunting and collection zones management

INRENA should consider to reset hunting and collecting zones and establish sound hunting and collecting management against illegal ones such as poaching to attain protection of wildlife and fossils and sustainable ecotourism development. INRENA with the help from the proposed Ecotourism Council, which will be discussed in the section for tourism administration in more detail, should introduce the following measures:

- To re-establish hunting and collection zones management,
- To train park rangers, ecotourism operators and others for sound management,
- To educate local people on sound hunting and collection management, and
- To survey on ecological and socio-cultural impacts by hunting and collecting wildlife and fossils.

(2) Revision of fee system for protected areas and tourism sites

The Ecotourism Council should re-establish the fee system for protected areas such as entrance fee, photo and video fees in protected areas and ecotourism sites including various museums and visitor centers. A fund of the earnings is to be established by each protected area or ecotourism site under the local tourism association for supports of environmental management with local participation.

(3) Environmental awareness program for local people

Sustainable utilization of wildlife with precise data and information for nature conservation and ecotourism is essential for sustainable tourism development in consideration of environmental impacts. Systematic national wildlife management should be strengthened under the Ecotourism Council.

a. Preparation of national illustrated checklists of wildlife

Informative and educational illustrated checklists of Peruvian wildlife are to be prepared in cooperation with ecological and biological experts with reference to ecological and biological data and information for tourist as well as for staff related to wildlife management and the tourism sector.

b. Creation of data and information center for nature conservation

A data and information center for nature conservation is to be established with training courses under the INRENA receiving support from the Ecotourism Council.

c. Preparation of informative brochures for protected areas and wildlife

The Ecotourism Council should prepare informative brochures for protected areas and wildlife in cooperation with the above-mentioned data and information center. The main objectives are not only to provide tourists with tourism data and information but also to enlighten tourists and local people on wildlife management and nature conservation through ecotourism.

(4) Establishment of environmental management with local participation

Local participation is a reasonable measure for sustainable environmental management in/around a community land, especially indigenous community land, protected area and buffer zone where are valuable ecotourism sites.

a. Preparation of community participation system on environmental management

Community participation system on environmental management should be established in consideration of natural and socio-cultural environment. Interdisciplinary technical experts such as sociologist, anthropologist, ecologist, biologist and social development planner are to be invited under the ecotourism council.

b. Preparation of local community land management for tourism utilization

Criteria and guidelines on local community land management for tourism utilization is to be prepared to attain sustainable utilization of environmental tourism resources in local communities respecting the traditional and socio-cultural rights. The Ecotourism Council and the local tourism association are to supervise and advise local communities for environmental management with local participation on tourism development by use of training and education system.

4.4. Conservation with Self-sufficiency

4.4.1. General Directions

Corresponding to the global trend for smaller government, tourism is increasingly viewed as an important source of fund for cultural and natural conservation based on the beneficiaries-pay principle. Under this situation, conservation plans should include tourism strategy for its financial viability, and the tourism sector is expected to cooperate with those who work for conservation. Coordination among the tourism sector, INC and INRENA would be increasingly important. At least, some of the most important nature areas and archaeological sites should achieve financial self-sufficiency in the long-term perspective. Know-how from the private sector, in particular, from the tourism sector to earn income for conservation is indispensable to achieve the self-sufficiency.

(1) Cultural Tourism Resources Conservation

To achieve the conservation of cultural heritage, participation of local government, community, and the private sector and their collaboration are crucial. Tourism is expected to play a vital role to promote the conservation.

(2) Development of National Archaeological Park System

National Archaeological Park System is a proposal to establish a system to manage archaeological sites with local participation including the adoption of a participatory planning method.

(3) Promotion of volunteer tours

Introduction of volunteer tours would contribute to the conservation of both natural and cultural sites. Their labor could be utilized for research works, excavation, and visitor facilitation improvement. It could also finance the research work and excavation through donation included in the tour fee.

(4) Development of museum network via Internet

Museums play a vital role for tourism in Peru. INC should develop a museums database including private museums cooperating with PROMPERU, MITINCI and ICOM-Peru. It would encourage visits to museums, and would improve visitor facilitation in Peru, if it is made accessible through Internet.

(5) Introduction of Ecotourism Certification System

Introducing a certification system for ecotourism would be effective to help formulate the desirable triangular relationship between guest, host, and cultural and bio-diversity. On the other hand, the certification would make a good marketing tool for the travel trade. Thus, the certification system would spread the correct idea of ecotourism, improve the quality of tourism products, and promote the sales.

4.4.2. Cultural Tourism Resources Conservation

Our conclusions and the outline for cultural tourism development are the starting point for the objectives and strategies oriented to the conservation of cultural tourism resources in the geographic scope of the Master Plan.

(1) Outline

- An outline of Cultural Tourism should indicate, after a certain period, the obtained achievements and the direction that takes the development of their major elements. The achievements to be obtained after five years of the Master Plan implementation is shown as follows.
- There is a Master Plan of Tourism Development, in which framework the development of tourism zones are elaborated and applied. The plans are elaborated and developed with the participation of the concerned public and private entities.

- Economic policy recognizes tourism as a major economic sector and with a significant possibility of growth during the medium and long term.
- The harmonization of legislation among the institutions participating in the tourism development has been achieved. Also, it has been achieved the elaboration of plans and in the management of tourism zones.
- The Law for Supporting the Nation Cultural Heritage is modified, allowing ways of association with private enterprises, thus cultural resources could be used as tourism products, generating resources for the cultural heritage conservation.
- The State develops important programs of conservation and rescue of cultural resources to support the tourism growth with the participation of Universities and private entities.
- A plan of tourism diversification has been developed in order to incorporate to the supply, sites complementary or alternative to Cusco.
- Governmental investment in infrastructure, takes into account among other factors, tourism zones development.
- Sustainability: economical, social and environmental, illustrates the plans, policies and actions for cultural tourism development, that means the following contents:
 - Private enterprise finds encouragement in infrastructure works and security, stability and promotion actions, realized by the State to favor tourism development.
 - Local governments participate in a important manner to promote tourism. Policies and actions to encourage local communities participation and policies to achieve equity has been implemented. Both cooperate to the cultural heritage conservation.
 - Community identification with its cultural heritage has been developing through educational and cultural programs.
 - Adequate capacities for the reception and circulation of visitors at each cultural site has been determined. Even though, technologies for environmental protection has been applied to preserve environment.
 - A code of ethics has been elaborated and distributed for cultural sites visitors.

(2) General objective

To protect and conserve cultural tourism resources, both the illegal traffic and also the negative impact caused by cultural tourism development. To conserve its capability as tourism attraction and as part of the Nation's Cultural Heritage, and in some cases of the World.

(3) Specific objectives

a. Concerted actions by related institutions

It is necessary to achieve a concerted application of the conservation actions developed by the distinct institutions concerned with tourism activities: INC, INRENA, local governments and regional entities. The followings are necessary to achieve the objective:

- 1) Unify the formulation of Tourism Development Plan and management of tourism zones. MITINCI is the appropriated entity to direct this process. The decision of unification and the way to do it should be considered among other, experiences like the "Autoridad Autónoma del Colca" – Colca Autonomous Authority – and proposal like the Unity of Management proposed by the Master Plan of Machu

Picchu Historical Sanctuary, recently elaborated by INRENA.

- 2) Elaboration of Zonal Development Plans of Tourism should be made with the participation of MITINCI, INRENA, INC, local governments, regional entities and private institutions representing the tourism activity.
- 3) For the elaboration and application of their yearly budget, state entities responsible for the conservation of cultural heritage should arrange the application of their investments with INC:
- 4) To achieve in the tourism field, compatibility in legislation and in the practical application of the following legal regulations.
 - Law for the Development of Tourism Activity
 - Municipalities Organic Law
 - General Law for the Support of the Nation's Cultural Heritage
 - Law for Protected Natural Areas
 - Environment Code

b. Involvement of municipal governments and communities

It is necessary to develop in the municipal government and the community, interest and responsibility for the cultural tourism resources conservation.

- 1) MITINCI, should encourage local governments' participation in the tourism promotion, with the following objectives:
 - Generation of employment
 - Identification of the population with the local government
 - Increase of the tributary base and of the municipal income
- 2) MITINCI should work with local governments in programs and actions of training directed to a better access of the population to tourism benefits. This training should count with, among others, the following contents:
 - Training in handicraft production and commercialization
 - Formalize productive activity and support in the creation of micro enterprises
 - Installation of small handicraft markets
 - Prepare municipal policy to give information
- 3) MITINCI should promote together with municipalities and local institutions, programs oriented to the conformation and consolidation of folkloric cultural groups to integrate to the tourism product.
- 4) Municipalities should be incorporated to the actual programs of "Tourism Conscience" to increase the identification of the community with the local tourism resources linked to their value as national heritage.

c. Linkage of tourism and conservation

It is necessary to link the tourism development with the resources conservation and with their human and natural environment. The followings are necessary to achieve the objective:

- 1) To elaborate between the concerned public and private institutions, a code of ethics for the care and conservation, directed to guests, hosts and population in general. MITINCI is the indicated entity to coordinate this task.
- 2) Local cultural activity and conservation actions developed by INC,

municipalities and other entities of the state, should incorporate local communities: Educational Institutions, clubs, associations. The organization and development of foundations, trusteeships and cultural entities should be encouraged.

d. Emphasis on the role of INC

It is necessary to emphasize the role of INC in its responsibility of the protection and conservation of the cultural, archeological and historical heritage. The followings are necessary to achieve the objective:

- 1) To provide great resources to INC's budget in order to execute its responsibility in conserving the cultural heritage in a better way..
- 2) To work together with the municipalities, provincial communities institutions, INRENA and other regional entities, the actions for the cultural heritage conservation. Such actions should be part of the Yearly Plan of Tourism Development with unified elaboration.
- 3) To privilege actions of conservation instead of restoration. In any way, restoration should be based on UNESCO's recommendations.

e. Participation of the private sector

It is necessary to achieve great participation of private institutions in the cultural heritage conservation. The followings are necessary to achieve the objective:

- 1) State, through institutions concerned with tourism development, should develop programs of encouragement for the participation of private sector institutions, in the activity of cultural heritage conservation. On this respect, there are the following experiences:
 - Participation of "Fundación Wiese" and "Backus" company in the conservation of archeological sites in La Libertad and Lima.
 - The participation of Banks in the recuperation and conservation of old mansions in Trujillo and its use as institutional locals.
 - Program "Adopte un Balcón" – Adopt a balcony- of the Municipality of Lima. de la Municipalidad de Lima.
 - "Kuntur Wasi" Museum experience in Cajamarca, directed by the community and supported by Tokyo University.
- 2) Promote the private participation in the management of cultural resources providing particular rights in order that the tourism use could generate resources for its proper conservation.

This policy should be carried out in the framework of rules that grant the conservation of the resource by a competent national authority.

f. Establishment of an Archaeological Park System

It is necessary to create a National System for the Development of Archeological Parks in order to achieve a better institutional structure for the administration of security, research and visitor service measures. Strategy

- Define the archeological sites that would be part of the system.
- Define a general system of archeological sites and, by doing so, define the different zones at each archeological site.
- Define the carrying capacity of each site or archeological park as an important criteria for the regulation of the volume and seasonability of the visitors.

- Define the organizational structure of the system and its location within the institutional structure of the State.

4.4.3. Development of National Archeological Park System

(1) Necessity of protection for archeological sites in danger

Owing to abundant archeological sites and insufficient efforts of the conservation, some of important archeological sites in Peru has still been put themselves in danger from not only natural hazards but also human interventions including tourists. The followings are identified as typical issues on archeological monuments and sites in Peru at present.

a. Insufficient conservation system or institutions for archeological sites

Archeological sites and their surroundings has been facing with danger from inadequate exploitation such as robbing tombs, large scale development, mining and visitor's violation, except areas guarded by the nature protection system such as the National Park, etc. It is necessary to establish a new system which controls at national level and consolidate the function for conservation of ruins.

b. Necessity of organizing the pivot of archeological research

In spite of many efforts of the archeological research and restoration, the conservation activities including their surroundings are not sufficient owing to abundant archeological sites in Peru and sporadic activities by private organizations mainly. It is necessary to organize and manage strategic and continuous research activities on the conservation by a central function, including the development activities of conservation technique, training programs, database and others.

c. Necessity of enhancing the peoples participation

Although inadequate situation has been observed in the archeological sites, such as occupation by local communities, there are some difficulties and conflicts to eliminate people's daily life from archeological sites and their surroundings. From the point of view of having suitable benefits from the value of archeological sites, local communities should receive the same opportunities for participating the conservation activities or tourism activities.

It is important for local communities to formulate programs for the conservation system, in order to realize coexistence with local community and ruins, by economical contribution to the local community and their appreciation to the conservation.

d. Insufficient measures to control visitors in the archeological sites

Because of uncontrolled and poorly planned archeological sites, some visitors have made irreversible physical and cultural damages to them. Unfortunately, at present, there are only a few measures to control the visitors, such as a guidance by the tourists guide, in reality, they do not help to preserve from the disasters.

It is necessary to manage and control the visitors to archeological sites, in order not only to fascinate them with attractive explanations about archeological sites, but also to enlighten them on the significance of the site and its conservation.

e. Insufficient facilities to attract visitors to the archeological sites

Almost all archeological sites in Peru do not have the effective measures to interpret them for visitors to the sites, such as not only basic facilities of sign and information (especially for international tourists) or site-museum, but also visitor service facilities of the rest spaces or restaurants, etc. On the other hand, some remote ruins have bad accessibility to the sites.

It is necessary to develop the facilities for visitors, in order not only to fascinate them with attractive explanations about archeological sites, but also to enlighten them on the significance of the site and its conservation.

(2) Roles of archeological park and tourism position

Protection and succession of important archeological sites in Peru toward future should be guaranteed by the system such as nature control measures, not only for national significant historical assets, but also for sustainable tourism development. National archeological park system is proposed to introduce into several archeological sites in Peru, in terms of the following purposes.

- To consolidate the conservation measures of archeological sites and their environments
- To promote scientific research activities without obstacles and deterioration of ruins and their environments
- To enlighten visitors in terms of educational and cultural activities
- To contribute a self-financing mechanisms for the parks as a tool for conservation of archeological ruins.

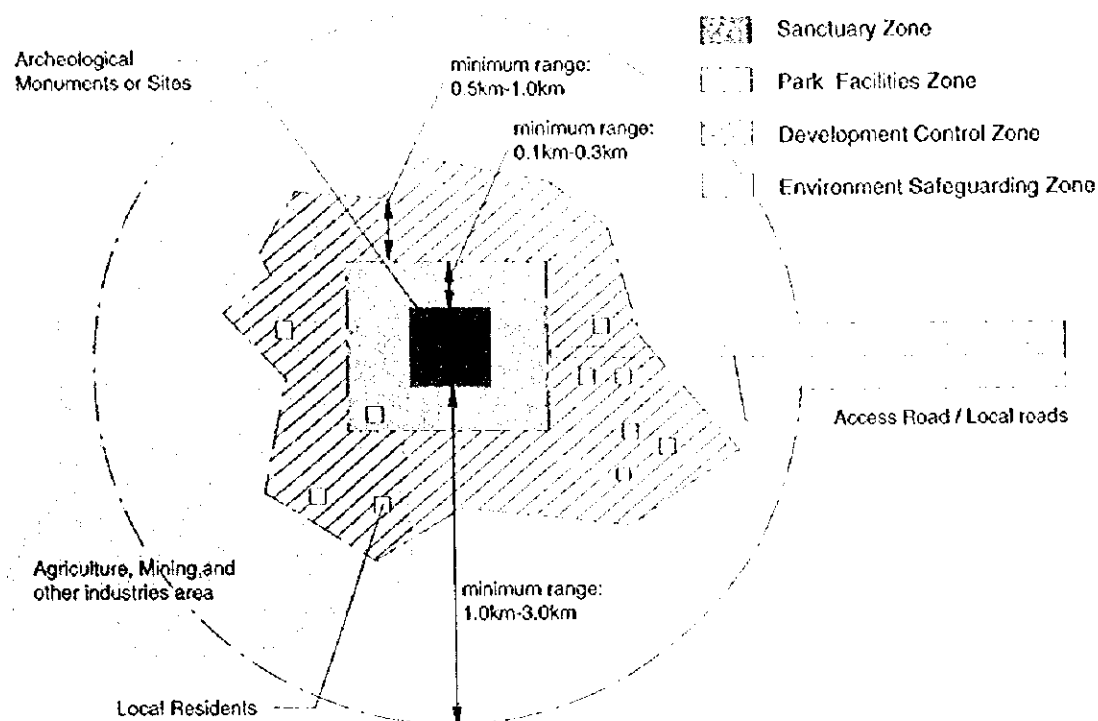
(3) Proposed National Archeological Park system**a. Introduction of integrated zoning system**

Formulation of a zoning system is proposed as following, in order to manage and sustain the monuments or sites and their surroundings under controlling activities (visitors activities and local economic activities such as agriculture and mining) by hierarchical order. Also it should be based on results of scientific research and socio-economic survey for the site.

Table 4.4 Proposed zoning system

Zoning	Purpose
Sanctuary Zone:	zone for protection and prevention of destruction of the physical environment of the archeological site or monuments
Park Zone :	zone for development of facilities for visitor use, park management and operation, and for archeological conservation activities and researches.
Development Control Zone :	development (landuse) control zone as a buffer for conservation of the physical environment of the archeological park to be compatible with the park concept, including access road and scattered monuments. And for archeological reserves to guarantee future research and excavation
Environment Safeguarding Zone :	a scenery control zone for protection of destruction of the historical scenery and for improvements of historical environment such as roadside scenery and panoramic view.

Source: JICA Study Team

Figure 4.11 Conceptual diagram for proposed park zoning system

Source: JICA Study Team

Table 4.5 Proposed zoning system for archeological park and example of regulations for private activities

Proposed Zoning system	changing (existing)			developing (new)		
	building height	land use	land reclaim	plants and vegetation	building facilities	advertising facilities
Sanctuary Zone	---	---	---	---	---	---
Park Zone	⊙	---	---	⊙	---	---
Development Control Zone	⊙	⊙	⊙	●	---	---
Environment Safeguarding Zone	⊙	●	●	●	⊙	⊙

Note: ● = allowed, ⊙ = conditionally allowed, --- = not allowed

Source : JICA Study Team

b. Development of park facilities for visitor management

Principles of the density and location of facilities in the park, taking account of careful study by carrying capacity approach, is proposed, in order to achieve an effective visitor management.

Table 4.6 Proposed park facilities by function

Function	Facilities	location
Visitor Services	<ul style="list-style-type: none"> - Visitor Information Center - Archeological Museum - Cultural theater - Guest House - Park Amenity Complex (souvenir shops, restaurants, sanitary facilities) - foot path for field trip in the park 	visitor facilities block area of park zone
Visitor Management	<ul style="list-style-type: none"> - Park Management Office - Light transportation facilities - park roads and parking 	park management block area of park zone
Research & Development	<ul style="list-style-type: none"> - Archeological Conservation Center - Conservation Training Center 	

Source : JICA Study Team

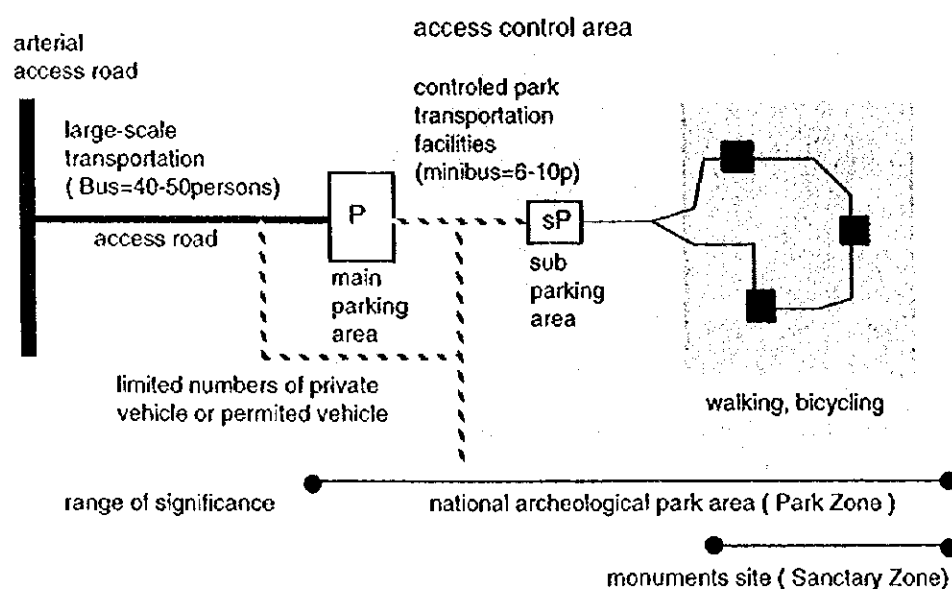
The followings are major considerations for the facility development to sustain and conserve the environment of archeological sites and monuments.

Design guideline

Formulating appropriate design standards to achieve harmonious improvement and development with valuable environment, such as sympathetic in scale and design with local architectures, environment and culture of archeological sites.

Access control and road improvement

Preferable traffic system for access control measures is proposed to be introduced to the park, in order to avoid archeological site deterioration and to create comfortable environment and amenity of the park.

Figure 4.12 Conceptual diagram of access control system (Example)

Source: JICA Study Team

c. Providing research and development programs for the archeological assets

As one of the main pillars of the park system, archeological research and development programs play the most important role in the conservation of archeological sites and monuments in Peru. Major objectives of this program are:

- To research not only into the archeological sites of the park but also ruins scattered in its vicinity,
- To develop scientific techniques and training programs for the restoration of archeological sites and monuments as a archeological center.
- To exhibit and present the results of research and general information about archeological sites in Peru.

d. Providing education and public awareness programs

As another main pillar of the park system, education and public awareness programs play an important role in the conservation of archeological sites and monuments of Peru. Major objectives of this programs are :

- To awaken public awareness of park purposes and policies and strives to develop a concern for protection of archeological sites and monuments.
- To educate visitors to appreciate concept and meanings of historical and cultural assets of archeological sites.
- To interpret the archeological sites with a greater sense of wonder and curiosity about archeology, by providing facilities such as a museum and other measures.

e. Local community involvement and participation

Local communities have possibility to be a important role for conservation of ruins in suitable way, and the park system have great potential not only to create jobs opportunities in tourism industries by the park, but also to give a chance to participate in the park management activities.

It is necessary to make local communities understand the importance and potential of ruins, in order to conserve and effective use of these resources. Examples of local participation in the park system are as follows:

Planning and development stage

- Local participation in the project cycle (workshop, permanent committee, etc),
- Creating stakeholder such as a part of an organization of the park system

Management and operation function

- Inner transportation system (mini-bus, rental bicycle and horse-back riding, etc.) operated by local communities
- Employment of local peoples to participate in the supporting works in archeological research and monitoring activities, such as excavation and restoration and the management or maintenance works as staffs and clerks, after a few weeks of training.

Tourist services function

- Souvenir shops , restaurants and handy-craft workshops by giving concession to local communities
- Park guides and interpreters operated by a commission

- Material supplier for park operation such as foods, and equipment operated by a commission

f. Establishment of organization and implementation body

Although public intervention is essential for development of archeological parks, local participation by local governments, local communities and related private organizations should be involved with such organizations and implementation bodies. The followings are items and examples for them.

- Establishment of basic organization to manage and control the park system by a higher authority such as the National Archeological Park Board
- Institutional arrangement, setting for the park project to coordinate and manage the implementation
- Establishment of new implementing body for the park development project, in consideration of local participation from public and private sectors, such as Archeological Park Corporation.

g. Considerations in selection of areas for the park

In many archeological sites being threatened by natural hazards and human activities, some important archeological sites and monuments, even the world heritage are urged to protect, and need attractive interpretation and presentation for visitors. Candidates of the parks are possible to nominate for, such as Chan Chan, Sipan, and Pachacamac, etc. Major considerations in selection of area is:

- Degree of national or world significance from archeological, cultural and historical point of view
- Degree of dangers threatened by several factors such as human settlements, economic activities, natural hazards
- Degree of tourism potentials for both international and domestic tourists, in consideration of accessibility, attractive environment, etc, and
- Degree of necessity owing to no other protection system for the sites

4.4.4. Promotion of "Volunteer" Tours

On one hand, many of archaeological sites and protected nature areas in Peru have constraints in budget and manpower for adequate management and research work. On the other hand, there are many people throughout the world, who are interested not only in the archaeological sites and nature areas in Peru but also in helping to conserve these heritage sites as volunteers. MITINCI and PROMPERU, in collaboration with appropriate NGOs would mediate the needs of the both parties. Promoting volunteer tours to these sites would contribute to achieve the conservation goals, as well as to the diversification and, in consequence, the strengthening of the tourism sector in Peru.

There are already precedents of volunteer tours that aim to recruit volunteers for ongoing research works and scientific expeditions. An example is the volunteer tours organized by Earth Watch, an American non-profit organization. The volunteer tours not only aim to recruit volunteers who work as assistants for researchers, but also to provide participants with unforgettable experiences of participating in the "real" conservation works. Since volunteer workers for archaeological excavation are also common in countries like Japan and the USA, it would be possible to recruit volunteers for excavation in Peru if INC would provide permission and establish a system to receive these volunteers.

The following arrangements and considerations would be necessary to introduce volunteer tours under the Peruvian context.

(1) Outline of volunteer tours

Volunteer tour should be in the form of package tour organized by NGOs or other organizations suitable for recruiting volunteers. It intends to contribute to the conservation through volunteers' labor as well as the donation included in their tour fee.

Group tour would be the appropriate form to receive volunteers since the sites where volunteers are assigned could be remote areas where tourism, or even modern civilization, have not touched yet. Volunteers would be sent to their site of assignment in "team," and engage in appropriate tasks according to their interest and expertise. Designated staff from the site management would take care of the volunteers. In many cases, camping or home stay at rural community would be used for accommodating volunteers. They participate in their tasks for one-week to a few weeks, and on their way back to home country, touring of tourism sites may be provided as "optional tours."

It is noted that volunteers should contribute to the conservation in two ways; one is through free labor, and another is through donation to the management of nature or archaeological site or research/excavation project that takes care of volunteers. Otherwise, few nature areas and excavation sites are willing to receive volunteers.

Participants would accept tour fees higher than ordinary tours, as volunteer tours provide special experiences that sightseeing tours can not provide.

(2) Assignments for the volunteers**a. Archaeological sites**

Possible assignments for volunteers to archaeological sites would be as follows:

- Assistants for excavation works that do not require special skills, and
- Preparation of interpretation boards and signs in foreign language, and advise on visitor facilitation.

b. Nature areas

Possible assignments for volunteers to nature areas would be as follows:

- Assistants for research and monitoring works,
- Removing of garbage from nature areas, and
- Preparation of interpretation boards and signs in foreign language, and advise on visitor facilitation.

(3) Institutional arrangement

Ecotourism Council that would be composed of members from MITINCI, PROMPERU, INC, INRENA and NGOs would be the most appropriate organization that plays the central role to promote volunteer tours. The council is tasked to mediate between the two parties: volunteers and managers of heritage sites. More specifically, their tasks are as follows:

- Dissemination of the idea of volunteer tours to the management of nature areas and archaeological sites through the members from INC and INRENA,
- Promotion of the volunteers opportunities in Peru to potential organizers overseas through the member from PROMPERU,
- Setting of operation guidelines for volunteer tours with the initiative of the members from MITINCI, and
- Matching of tour organizers and nature and archaeological sites that will receive volunteers.

The tours would be operated by local private tour operators on the commercial basis. They can get profit by arranging accommodation and transportation to reach the site as well as selling optional tours after the assignment is over. Involvement of the travel trade is inevitable since the management of heritage sites does not have know-how to receive foreigners.

(4) Necessary considerations

Since the sites for volunteer tours tend to be located in remote areas, sufficient considerations have to be paid to local communities. Ecotourism Council should establish operation guidelines for volunteer tours. The followings show the examples of necessary specifications of the guidelines:

- Code of conducts for participants,
- Code of conducts for tour organizers such as amount of fees paid as donation and the maximum number of a group,
- Qualification of organizations that can receive volunteers, and
- Qualification of tour organizers.

(5) Potential organizers of volunteer tours

Potential organizers for volunteer tours are as follows:

a. NGOs

There are NGOs that take part in conservation of cultural and natural heritage. They are ideal tour organizers. They usually issue periodical newsletters, which could be utilized for recruiting participants.

Since some of them have already started dispatching volunteers, it would be an idea to invite them as advisers to the Ecotourism Council.

b. Academic circles

Academic circles and clubs for archaeology, anthropology, ecology, and nature conservation could be organizers of volunteer tours. Participants would be recruited in the same way as that of NGOs.

c. Travel agencies and tour operators

There are travel agencies and tour operators who specialize in niche market segments such as nature tourism, adventure, and ecotourism. They would organize volunteer tours on the commercial basis.

(6) Sales promotion

Since this is a variation of SIT, promotion efforts should be directed to approaches to organizations rather than to consumers. PROMPERU could reach above organizations by directly sending leaflet and by distributing the leaflet in travel trade shows targeting at travel agencies and tour operators specialize in SIT.

The same leaflet could be sent by INC and INRENA to organizations, to which they have connections.

4.4.5. Development of a Museum Network via Internet

(1) Objectives

The museums are an important attraction among the cultural tourism resources. 76.9% of the foreign tourists visit museums according to the research study: *Percepción del Turismo Extranjero sobre el Producto Turístico Peruano* (1998).

The elaboration of the National Network of Museums and its presentation via Internet would fulfill the following objectives:

- Enhance the role of the museums in the policies and actions of the State in favor of the development of tourism.
- Enhance the role of the INC's Museums National System Office linking those Offices with PROMPERU concerning this area and establishing a Museums Network that can progressively be shown through the Internet. It would be convenient to share this responsibility with the Peruvian Committee of the International Council of Museums (ICOM-Perú).
- Make it possible for users of the Internet and those seeking information before deciding a trip, to see part of the cultural patrimony of the country contained in the museums.
- Stir the interest the users of the Internet and encourage them to visit Peru.
- Provide information on types of museums, their characteristics and the programs and events that they are developing.
- The information must be related to the following topics: characteristics of the museum, explanation of its contents, recent acquisitions, temporal exhibitions (for example, the Señor of Sipan in the Museo de la Nación), publications, events, sale of reproductions made by the museum, conference calendar and annual programs.

(2) Justification

- The statistics indicate a very important role of the museums as part of the tourism attractions of Peru. According to the above mentioned source, the museums which have been most visited by foreign tourists, in order of preference, are: Museo Regional de Cusco, Museo de la Nación, Museo de Oro del Perú, and the Museo Nacional de Antropología, Arqueología e Historia del Perú.
- According to other information source (Perú en Números, 1997), the museums with the highest number of foreign visitors are: Museo Nacional de Antropología, Arqueología e Historia del Perú, Museo de Sitio de Pachacamac, Museo Regional de Cusco, Museo de Ica and Museo de la Nación. This information, which has been generated by the INC, does not include the Museo de Oro or other private museums.
- There are 193 museums in Peru; 70% are public and 30% private. The museums which include archeological aspect are 50% of the total number. A network of these museums introduced in the Internet would promote a bigger number of visitors and, therefore, increase the income sources for its maintenance and operation.
- The conformation of a Peruvian museums network in the Internet would require and encourage at the same time, a previous or simultaneous process of modernization. This should be managed by the Museum National System General Office (Dirección General del Sistema Nacional de Museos: Digesnamu) of the INC.
- The use of the Internet within the realm of the museology is a practice in which many museums through out the world would be participating. There are methods and special programs available for the use of the Internet with museological purposes.
- In Peru, there is the Web Page of the Museo de Arte de Lima providing artistic-cultural information. The system allows to send by Internet postcards with materials concerning the museum. This experience should be very useful at the moment of organizing a museums network in the present proposal.

(3) Necessary Actions

a. Organization

- Create a committee integrated by the INC, PROMPERU and the Tourism Sector of the MITINCI, to design and develop the project. Invite the participation of the ICOM-Perú. The MITINCI must be the promoter of the birth of the project, but the INC and PROMPERU should manage it.
- It would be necessary that the committee create a specialized work group to carry out an evaluation of the actual situation of the public and private museums..
- The resulting evaluation should determine which museums should be included in the network.

b. Financing

- The financial resources for the program could be generated from the following non-exclusive sources: budget of PROMPERU, budget from MITINCI, international cooperation, resources provided by national and international travel agencies which would be interested in promoting their services through the web page of the Peruvian museums.

4.4.6. Introduction of an Ecotourism Certification System

The objectives to introduce an ecotourism certification system are summarized as follows:

- Establishment of integrated ecotourism management in consideration of natural environment and socio-economic impacts
- Strengthening of sound environmental management through ecotourism,
- Promotion of sustainable tourism development through sound ecotourism management with local participation, and
- Facilitation of marketing ecotourism products by giving them official "brand."

The appropriate organization in charge of the ecotourism certification is the Ecotourism Council. The organization is discussed in detail in "4.6.4 Institutional Reinforcements for Alternative Tourism."

The following components are to be implemented in accordance with the above objectives.

(1) Introduction of the national criteria and guidelines system for ecotourism management

The Peruvian criteria and guidelines on ecotourism management should be set up under the auspices of the Ecotourism Council aiming at improving the quality of tourism products and preserving the environment in/around tourism sites through ecotourism with local participation. Invitation of foreign ecotourism experts is quite effective.

(2) Introduction of the national criteria on ecotourism certification system

Ecotourism certification system should be introduced urgently by the ecotourism council as an important measure of tourism development with local participation. In tourism sector, the certification system is expected to disseminate integrated ecotourism management in consideration of natural environment including wildlife and socio-culture in indigenous communities. Moreover, the certification system makes good marketing and promotion tools for tourism industry, and contributes greatly to sophisticate tourism products.

(3) Guidelines for ecotourism certification

The followings would be important considerations to issue a ecotourism certificate.

- Correctness of the interpretation provided to participants and contribution to disseminate the knowledge of the environment and indigenous cultures.
- Low impact on the environment and host communities.
- Financial feedback that motivate host community to conserve the environment and traditional cultures, and
- Quality of the tourism product and compliance with the concept of ecotourism.

Issuers of the certificate should carefully examine the operation guideline of tourism products. For example, they should not issue certificate to tours, in which participants leave pet bottles and plastic bags in nature areas. They should also examine the carrying capacity in case tour operator conducts it continually; they may need to set the maximum frequency or number of participants when they issue certificate. For cultural ecotourism, the issuers should pay attention to whether the cultures are interpreted from the view point of host community.

Detailed criteria should be determined by the Ecotourism Council.

4.5. Improvement of Visitor Facilitation

The followings would be necessary to open the door of Peru to a wider range of people, and to improve impressions of Peru to those who have visited.

4.5.1. Directions

(1) Beautification and creation of sense of arrival

Apart from official promotion activities, word of mouth communication plays an important role in tourism promotion. Therefore, beautification of tourist sites, and services to give visitors with favorable sense of arrival would result in increase of visitor arrivals through word of mouth communication.

(2) Improvement of the basic services for tourists

Basic services for tourists such as tourist information, acceptable restaurants, clean toilet, and safe public space are not always easily available in Peru. Considering that greater part of tourists in Peru is independent tourists, provision of tourist information should be placed more priority

With the improvement of road network, traveling by bus and rent-a-car would be increasingly popular for tourists. They need various amenities that make their travel pleasant such as places for lunch, clean toilet, and viewing decks.

(3) Creation of favorable sense of arrivals

Sense of arrival greatly influences tourists' impression of a destination. Sense of arrival in Peru at places like airport, access road to historical center, and central plaza is not always favorable due to derelict airport lobby, garbage, traffic congestion, and insufficient landscape. They would be improved through beautification and various arrangements to direct "locality" such as music, tapestry, and costume.

(4) Improvement of visitor facilitation services

As airport surveys show, Peru receives a large number of independent travelers from abroad who would appreciate improvement of visitor facilitation services. Hence, it is crucial to improve the services including tourist information centers for independent travelers, wayside amenity for travelers using bus and rent-a-car, and information and interpretation services in museums and archaeological sites.

4.5.2. Beautification and Creation of Sense of Arrivals

(1) Beautification of tourist sites

Construction of waste disposal facility, and environmental education for local people are basic measures to cope with illegal dumping of garbage. In addition to them, tourism organizations at both local and national levels should lobby with municipalities to beautify major travel routes and waterfront areas. The same goes for other unfavorable sights for tourism including the airplane cemetery in Iquitos.

Dirty lavatories are a serious problem for Peruvian tourism, in particular, in rural areas. It gives tourists an unfavorable impression that "Peru is dirty," which would spread through word of mouth communication. It is recommended that every local tourist office would provide "clean lavatories" for tourists. The location of tourism office would be shown in tourist maps by adding a comment that "clean lavatories available."

Assigning personnel who always keep watch on archaeological site is only a short-term solution to avoid graffiti on the walls. Education toward local people to respect their own cultural heritage would be more important from the long-term perspective. School excursions to archaeological sites are recommendable from this viewpoint.

(2) Improvement of service quality

Despite the fact that souvenir hunting is one of important objectives to travel, souvenir shops in Peru are not always selling high quality products. It is reported that tourists sometimes encounter fake goods, which would hamper tourism image of Peru.

Hence MITINCI should not only incubate handicraft industry, but also introduce measures to guarantee product quality, in particular, of expensive products like Alpaca sweaters. MITINCI should publicize the importance of quality toward those who work for the tourism sector and tourism-related industries. It would be a measure to overcome Peru's unfavorable reputation of being "expensive for its quality".

(3) Control of "bombardment"

In some touristic cities like Iquitos, arrived passengers are often bombarded by a throng of tour operators who press them to join a tour. Further worse, some of the tour operators are illegal or their products are of dubious quality.

Hence, a kind of system that controls the activities of tour operators so that arrived passengers would not be embarrassed. It is recommended to install booths for registered tour operators, and to exclude illegal operators from airport lobby.

(4) Creation of sense of arrivals

Jorge Chávez International Airport is the gateway to Peru, and is the starting point of the travel around Peru. The airport currently looks like anywhere else on earth, hence it need arrangements that would give arriving passengers with the sense of arrival to Peru. The arrangements should be based on appropriate themes related to Peruvian history or cultures.

Folkloric music and dance would be a useful tools to create a distinctive Peruvian milieu, and would be useful to crease sense of arrival not only in airport but also at places like central plazas of historical cities where visitors would spend their time. Dance and music clubs of universities could be invited as performers, in order to motivate the younger generation to inherit Peruvian cultural traditions.

4.5.3. Securing Tourist Safety

Securing safety makes a prerequisite for tourism. Stagnation of tourism during the 1980s in Peru proves the importance of this aspect. "Opinion Survey of Overseas Travel Preference" conducted by Japan Travel Bureau Foundation in 1998 indicates that "security concern," which accounted for 42.6%, is the most common reason for the Japanese consumers who don't want to travel abroad.

Although the security conditions have been improved remarkably through the government efforts, they are not enough for Peru to eliminate its unfavorable image of a country infested by terrorism and crime in the international tourism market. Aside from efforts at appealing the improved situation in Peru, the following would be necessary to improve tourist safety.

(1) Reinforcement of Tourist Police

Reinforcement of the police force, in particular, Tourism Police, is indispensable for the growth of the tourism sector. The benefit of reinforcing the police would be much larger than the cost of reinforcement. Proposed Sub-council of Tourism Affairs could be a place where MITINCI and PROMPERU could appeal the benefit of tourism to Ministry of Interior. In return, PROMPERU and MITINCI should support POLTUR by providing tourism information such as hotels, tourism attractions, museums, and souvenir shops in the form of computerized database using internet.

It is noted that the POLTUR officers should wear more distinctive uniform so that tourists could easily distinguish them from normal policemen.

(2) Intensive dispatch of policemen to "Special Tourist Areas"

Intensively securing safety at important tourism sites is a practical solution for Peru considering the constraints in budget and manpower to reinforce the police. There are places of tourism importance but are not recommendable for tourists to spend a long time due to security reasons like the case of Central Plaza and its vicinity in Lima and certain parts of Cusco. It is recommendable to specify "Special Tourist Area," where POLTUR or municipal police would be intensively dispatched. Special Tourist Area is an area that contains important tourism sites, where tourists can experience a typical local ambience, and where they can find restaurants and souvenir shops.

This arrangement would facilitate visitors to roam about the areas freely without concerns for security. This arrangement would drastically improve visitors' satisfaction, and contribute greatly to increase tourism income to the host community with minimum increment of cost.

4.5.4. Visitor Management System

(1) Visitor management for sustainable tourism development

Congestion is caused by over-development and insufficient measures to control visitation. The extreme volume of visitors on a site consequently causes negative impacts to tourism resources, natural environment, and local community. Therefore, introduction of a visitor management system is indispensable to achieve sustainable tourism development.

(2) Principles of visitor management system

Dispersal of visitors both in geographical and chronological terms is the core concept of the visitor management system. The followings are identified to be measures for the dispersal.

a. Restriction on visitor's activities

Uncontrolled activity of visitors on their way to tourism site could lead to negative impacts on surrounding environment. Visitors should be regulated through restriction on their activities such as access route and behavior.

b. Providing new destinations or attractions

Concentration of visitors to a certain tourism site is one of major causes for congestion. Introducing new tourism sites would contribute to dispersal of visitors.

c. Equalization of visitation

Short peak time of visitation causes congestion. It could be caused by limitation in transportation. It could be solved by providing alternative access measures.

(3) Control measure for visitor management

a. Zoning system control

Zoning system could be an effective control measure. It is a system that distributes visitors as well as tourist facilities like museums, restaurants in a broad area.

b. Operational controls

Visitor center should locate close to the entrance point of a tourism site, and provide introduction of the site to its visitors with exhibits, displays, panels and guidance. Besides, its staff should manage the site through the following measures.

- Access control (control of vehicle access, control of entrance, provision of alternative transportation facilities)
- Administrative control (reservation system, compulsory guide, group control, orientation for the visitors)

- Monitoring control (research for physical damages)
- Conflict control (mitigation of conflicts between local residents and visitors, etc.)

4.5.5. Improvement of Visitor Facilitation Services

(1) Improvement of tourist information offices

PROMPERU should operate national tourist information offices in Jorge Chávez International Airport and downtown Lima, which are tasked to provide tourist information on Peru as a whole.

Municipalities should operate a tourist information booth at airport and a tourist information office in downtown area. The booth at airport is to provide local tourist information with focuses on the access to downtown and arrangement of accommodations for arrived visitors.

PROMPERU has a plan to operate local tourist information offices directly in major tourism destinations, and absorb the functions of SPT (Tourist Protection Services). It would be viewed as an opportunity to transfer PROMPERU's know-how to the local level, since municipalities tend to lack in know-how to operate tourist information office. It is recommended that local tourist information offices that would be run by PROMPERU would transfer its responsibility back to municipalities after they transferred their know-how to the local level.

(2) Provision of reliable public transportation from airport to downtown

Both national and local tourism organizations should coordinate with relevant organizations to provide reliable public transportation like airport shuttle bus services from airport to downtown, and to install signs in airport that guide visitors to the place where they could get the public transportation.

Taxis at airport should be licensed and operate with fixed official rates. The rates should be shown in the public to avoid over-charging.

(3) Signing system

PROMPERU should instruct local municipalities to set up systematic signs in downtown so that independent tourists could explore the city without getting lost. The signing system should be planned carefully to formulate sightseeing routes that visit major tourism sites going through areas with typical local atmosphere.

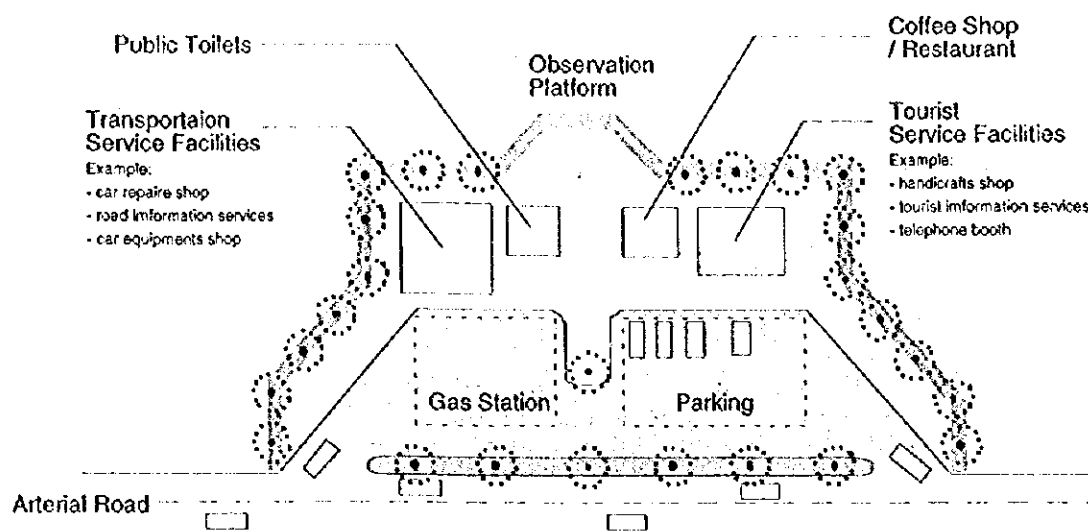
(4) Wayside amenity

Traveling by road either by bus or by car is expected be more common form of travel in Peru in the future if the road network improves as is planned by Ministry of Transport, Communication, Housing, and Construction (MTCVC). It would require development of wayside amenity to facilitate travel by car. Wayside amenity includes facilities and services that are necessary for those who travel by car such as restaurant, shop, gas station, car repair workshop, and toilet.

A good example of wayside amenity is the "Roadside Station" complexes in Japan run by administrator of respective roads (Ministry of Construction or local government), which offer various services for drivers. A typical complex consists of free car park, clean lavatory, telephone booth, and various service facilities such as shop, restaurant, museum, local tourist information center, public squares, and observation deck.

Administrator of major roads, regional tourism organizations, or even private companies should consider developing wayside complexes. MITINCI should also promote development of wayside complexes in order to facilitate travel by road to help formulate Tourism Circuits.

Figure 4.13 Concept of Wayside Amenity



Source: JICA Study Team

(5) Improvement of museums and archaeological sites

Museums in Peru should consider the following points to improve its appeal to tourists.

- Some museums should consider decreasing the number of objects in display,
- Interpretation should be written in English as well as Spanish,
- Drab interior of museums and old equipment used for display need improvement,
- Museum shops should consider improving the quality of goods.

In archaeological sites, INC should install signs and interpretation boards written, at least, in Spanish and English. This could be done by inviting special interest tourists as volunteers to archaeological sites. INC should also install fences and warning signs if there are insecure places.

4.5.6. Visitor Facility Requirement

(1) Direction for development

a. Principles of tourism facilities development

Tourism facilities development to encourage Tourism Circuit formulation

The followings are major objectives of facilities and infrastructure development in order to formulate the Tourism Circuits.

- To consolidate or develop Tourism Centers along the Tourism Circuits, and promote stopovers at the Tourism Centers,
- To consolidate the functions of Tourism Centers
- To entertain visitors by providing recreational opportunities and adequate interpretation facilities, and to increase visitor expenditures,
- To improve the quality of existing tourism facilities and transportation network (roads, water-way, air-access) along the Circuits

Tourism facilities development for tourism product development

Tourism facilities serve not only for visitor facilitation but also for creation of new tourism products with the following manners:

- To encourage formulation of “product mixes” like beach combined with archeology, and river cruise combined with trekking.
- To add unique characteristics and attractiveness to tourism sites,
- To increase the competitiveness of tourism destinations with improved compliance with market needs, and
- To interpret and reveal the uniqueness of Peru.

Basic infrastructure supports for tourism

Infrastructure serves to tourism development with the following manners:

- To support the development of attractive tourism products, and
- To secure sustainable tourism development.

Nature areas and archaeological sites require adequate number of visitation to earn income for conservation, and its sustainability often depends on basic infrastructure.

b. Components of tourism facilities and infrastructure development

Basic components of tourism facilities and infrastructure developments are listed below.

Tourism Center development

Tourism Centers that function not only as tourist gateway but also as one of tourism destinations with cultural and historical tourism products, need to enhance and consolidate their function through the improvement of tourism infrastructure. Sub-components listed below serve to enhance the functions of the Tourism Centers.

Improvement of Tourism Centers as tourist gateway

- Beautification of “special tourist areas” in Tourism Centers,
- Improvement or development of tourist information centers, and
- Improvement and development of mid to high-grade accommodation facilities.

Tourism use of historical cities

- Conservation, and utilization as tourism products, of historical buildings, and
- Urban development control for revitalization of historical centers.

Transportation facilities improvement

- Improvement of airport facilities as an international gateway
- Improvement of seaport facilities as an international gateway for cruise ships
- Improvement or development of public transportation facilities, coping with traffic congestion in historical center

Cultural tourism development

Cultural tourism development is considered to be one of the most important tourism categories in Peru. Wise use of the historical and cultural heritage is the concept for development.

Archeological park development

Archaeological park development deals with the followings.

- Establishment of national archeological park system
- Development of park facilities for visitors
- Introduction of conservation measures

Details of the development plan are discussed in the section for "Cultural Tourism Resource Conservation."

Cultural trails development as part of National Trails System

Cultural trail development aims at reviving pre-hispanic trails as both cultural and natural tourism products. It consists of the following components:

- Establishment of the National Trail System, and
- Cultural trails with route development, which connect historical sites and traditional villages, and other cultural sites.

Nature tourism development

Nature tourism development should play an important role to diversify tourism products of Peru. It aims at utilizing the nature resources carefully with focus on the development of ecotourism and other new products.

Resort development in coast and inland regions

- Alternative resorts development utilizing potential natural resources
- Resort development measures with environmental consideration

Caminos Peruanos - National Trails System

- Establishment of National Trail System,
- Development of national cultural trails,
- Development of national outdoor recreation trails, and
- Introduction of national trails programs.

River cruise with river transport network development

- Formulation of strategic tourism axis using river network,
- Diversification of river cruise functions, and
- Development of supporting facilities for river cruise.

Tourism Corridor development

Tourism Corridor development that consists of infrastructure, tourist facilities, and utilities development is one of the core projects to formulate the Tourism Circuits. Major sub-components listed below are conducive to Tourism Corridor development.

Improvement of road network

- Encouragement of MTCVC's road improvement program to connect Tourism Centers on the Tourism Circuits.

Tourism facilitation along Corridors

- Improvement of access roads to the sites of attractions,
- Provision of tourist facilities necessary to facilitate comfortable travel along Tourism Corridors, such as traffic signs and information including utilities development, and
- Beautification of corridors including garbage collection and treatment facilities development and landscaping with flowers, etc.

Wayside amenity development

- Model development of wayside amenity and its strategic distribution
- Development of wayside facilities equipped with restaurants, rest place, observation facilities, public toilet, transportation service facilities along arterial roads, and
- Development control of wayside amenity

The section for "Tourism Promotion and Visitor Facilitation" discusses details of wayside amenity development.

General considerations for accommodation facilities development

This section discusses qualitative aspects of accommodation facilities development by tourism type such as sightseeing travel, recreation, business trip, resort, and others.

Development control measures

This section deals with the negative aspects of tourism development, and proposes measures coping with them. Major sub-components are listed below..

Visitor management system

- Visitor control measures including zoning system, and operational control.

Land control for tourism development

- Legislative measures to protect tourism potential areas against speculation and parceling of land, disordered small development, and
- Public interventions and controls through regulations including land use and other planning measures.

Environmental control

Sub-components listed below are the measures for environmental control. The section of "Social Development and Environmental Considerations" discusses the same theme from a different angle.

- Carrying capacity study by stage of development,

(2) Basic facilities for tourists

Visitors need adequate facilities to access, observe, enjoy and understand the tourism resources. Even nature tourism which does not seem to require facilities needs them to reduce negative impacts. Basic facilities for visitors could be defined as follows.

a. Network services

- Access road from arterial road to sites of attractions (asphalt pavement)
- Access road facilities (street lighting, traffic signs and information, road side planting)
- Pedestrian network (walkway in towns, boardwalk or trails in nature area) with street furniture)
- Access facilities for water transportation (small pier, some water recreational facilities)
- Access facilities for air transportation (emergency or sightseeing strip, support facilities for air transportation for small airplane)

b. Tourist base

- Visitor center (information services, rest room, public toilet, site museum or interpretative center introducing the site)
- Transportation facilities (car parking, site station for bicycle, boats, others)
- Amenities (coffee shop, restaurant, handicrafts shop, garden, open space)
- Supplemental outdoor recreational facilities (camping site, observation platform, and others)

c. Infrastructure for sites

- Basic utilities (water supply, electricity, communications system, sewerage treatment)
- Solid waste disposal system (with consideration of recycle or low-emission system)

(3) Necessity of basic tourist facilities improvement in Peru

Most of tourism sites such as archeological sites, monuments, traditional villages, beaches, nature protected areas and others are insufficient in the provision of tourist facilities, due to inadequate infrastructure and other service facilities. Hence, tourist facilitation improvement would be inevitable measure to cope with the following problems. It does not only serve to tourists but rural community members as well.

a. Difficulties of access to tourist sites and rural villages

Most of access roads to tourism sites are not satisfactory, due to insufficient traffic signs and unpaved roads. Further, some inadequately built roads cause the deterioration of fragile soil.

b. Insufficient tourist facilities

Existing tourist facilities such as interpretation board, public toilet, and entrance management facilities are too basic and inadequate.

c. Inadequate management of garbage

Roadside and, even observation points suffer from unlawful dumping of garbage by local residents. Poorly placed advertisements often harm the scenery of tourism sites.

(4) Visitor Facilitation Package Program for tourist sites

To cope with the problems as described above, tourist facilitation packages are proposed by JICA Study Team. The packages aim to remove the heaps of small problems by packaging small improvement sub-projects. It has the following advantages.

a. Comprehensive approach

Tourism sites have sometimes been developed by several different projects conducted by different public authorities without proper coordination. Tourist facilitation package is proposed to cope with this circumstance. Its comprehensive approach would improve effectiveness of tourism projects.

b. Acceptability for international donor agencies

Small-scale improvement package would be easy to be handled by local authorities and expected to contribute to local economy. Packaging small projects would enable international donor agency to finance the packaged project.

The following table shows examples of tourist facilitation improvement packages.

Table 4.7 Direction of Tourist facilitation Improvement packages.

Subject Category	Network services			Tourism Center		Infrastructure	
	Access road with related facilities	Pedestrian network facilities	Water / Air trans- portation	Visitor inform. Center	Amenities facilities	Basic utilities	Waste disposal system
Tourist destination							
Tourism Center	●	●	□	●	◎	□	●
Resort support	●	—	□	—	—	●	●
Historical resources	●	◎	—	●	□	□	●
Cultural resources	●	●	—	◎	●	□	●
Natural resources	●	◎	□	●	□	□	●
Village/ lifestyle	●	●	□	●	◎	◎	●
Responsible organization							
Central government	●	◎	●	□	—	—	◎
Local government	●	●	□	◎	◎	●	●
Local community	□	□	—	◎	◎	□	●
Private sector	—	—	—	□	●	□	□

Legend: ● necessary ◎ favorable □ possible — low priority

Source: JICA Study Team

(5) General considerations for accommodation facilities development**a. Necessity of identification of visitors' preference**

Hotel accommodation has come to be developed for specific purposes such as mode of travel (airport hotels, motels), types of recreation (sports hotels, floating boat hotels, hotels in theme park), types of business (convention hotels), types of resorts (villas, condominiums, village inns). The traveler's preference for types of accommodation could be indicated generally as follows. Thus, it is necessary to provide accommodation facilities by considering the characteristics of travelers both of international and domestic.

Table 4.8 Traveler's preference to accommodation types

Travelers activities	Urban Hotels	Suburban Inns, Motels	Resort Hotels	Holiday Villas	Lodges, Cottages	Camping Sites
Business / conventions	●	□	◎	—	—	—
Holiday resort	□	◎	●	●	◎	□
Sightseeing / touring	●	●	●	□	●	□
Outdoor recreation	□	●	◎	●	●	●
Health / spa	□	◎	◎	◎	◎	—
Education / students	□	□	—	—	◎	●
Pilgrimage, etc.	●	◎	—	—	—	—
Visits to relatives	●	◎	—	—	—	—
International	●	◎	●	—	◎	□
Domestic	◎	●	□	●	●	●

Legend: ● Primary ◎ Secondary □ Tertiary — low possibility

Source: JICA Study Team

b. Strategic development of accommodation facilities

Developing accommodation facilities over too many locations or developing too many new destinations at the same time should be carefully avoided. Allocation of accommodation should be carefully consider the balance of tourism development potential and economic feasibility of development including not only tourism but business demands as well. The following table shows the development priority and phasing of accommodation facilities.

Table 4.9 Development priority of accommodation facilities

Tourism Regions Geographical Character	Urban Hotels	Suburban Inns, Motels	Resort Hotels	Holiday Villas	Lodges, Cottages	Camping Sites
Northern Tourism Region						
Costa	●	□	●	□	—	—
Sierra	●	◎	◎	—	●	□
Selva	●	—	□	—	●	◎
Central Tourism Region						
Costa (Lima)	◎	●	□	◎	◎	●
Sierra	●	—	—	—	◎	□
Selva	●	—	—	—	◎	□
Southern Tourism Region						
Costa	◎	●	◎	◎	—	—
Sierra	◎	□	●	□	●	◎
Selva	●	—	□	—	●	□

Legend: ● First priority ◎ Secondary □ Tertiary — low priority

Source: JICA Study Team

4.6. Enforcement of Tourism Administration

4.6.1. General Directions

Tourism administration in Peru needs more elaboration to guide the tourism sector to a sustainable growth. Actions towards two opposite directions, namely, horizontal centralization and vertical decentralization, would be necessary to enforce tourism administration.

(1) Coordination mechanism among tourism-related organizations

It is widely recognized that tourism has relationship with many industries. Therefore, collaboration among authorities in different fields is a prerequisite for successful tourism development. An institutional mechanism, which rules over tourism-related authorities and makes the final decision of tourism policy, is needed to achieve the collaboration among the authorities for "horizontal centralization" in the central government.

(2) Tourism Administration for Tourism Regions

However, functions of the central government that executes tourism policies and plans should be devolved to the local government levels. In other words, the central government should concentrate on policy planning. Local governments and communities should have more autonomy and capability of tourism administration. Regional tourism development plans should be based on tourists' travel patterns, which would extend over several Departments. Therefore, it would be necessary to establish regional tourism organizations that correspond to tourism Circuits.

(3) Institutional reinforcement for alternative tourism

MITINCI should proactively commit alternative tourism and national environmental administration by creating its own Environmental Unit, and Ecotourism Council with INREA and INC.

(4) Establishment of a financial assistance body for archaeological sites

Archaeological sites should have a trust fund like FONAPE for nature areas. National Fund for Protected Archaeological Sites is proposed to channel donations and financial assistance to the conservation of archaeological sites.

4.6.2. Coordination Mechanism among Tourism-related Organizations

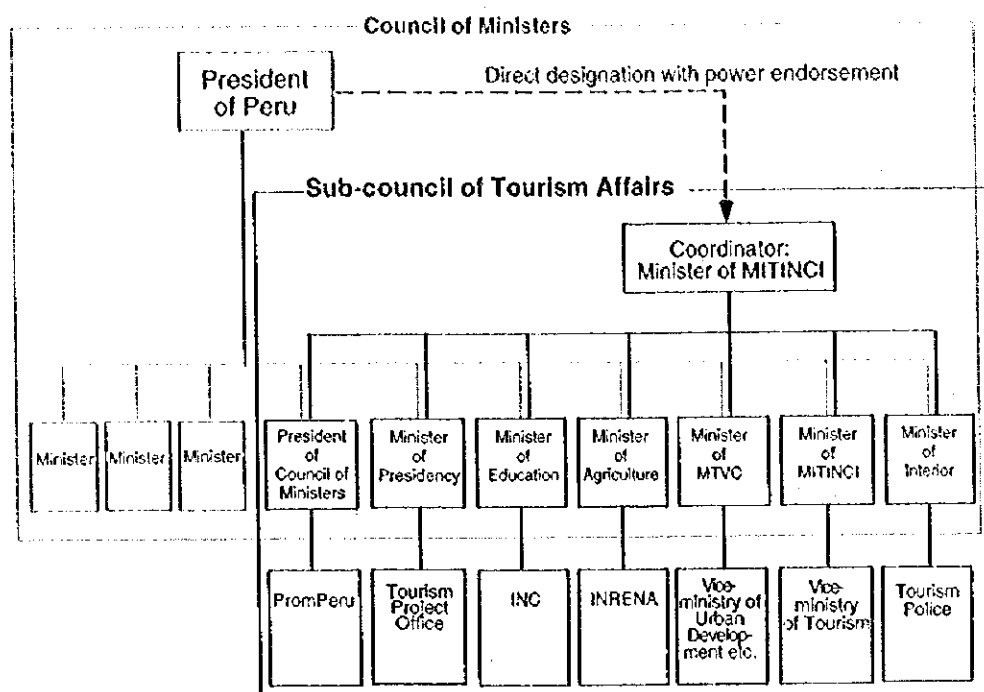
The prime government agency responsible for tourism is Vice-Ministry of Tourism in MITINCI, which is clearly specified by the Law for the Development of Tourism Activities and its modifications. Tourism development, however, is undertaken by several government agencies and institutions. Tourism promotion is, along with investment promotion, in charge of Promotional Commission of Peru (Comisión de Promoción del Perú - PROMPERU), which is under the Council of Ministers. Development of tourist infrastructure is in charge of Ministry of Presidency, while planning of infrastructure and regional development is in charge of Ministry of Transport, Communication, Housing, and Construction. Archaeological sites are managed by National Institute of Culture (Instituto Nacional de Cultura -INC) that is under Ministry of Education, while nature areas such as National Parks, National Reserves, and National Sanctuaries are managed by National Institute of Natural Resources (Instituto Nacional de Recursos Naturales - INRENA) that is under Ministry of Agriculture. Tourist Police (POLTUR) belongs to Ministry of Interior. Aside from the current administrative structure of tourism, tourism is multi-sectored in nature, and therefore coordination among tourism-related organizations is indispensable for successful tourism development.

Under the current situation, the coordination is not easy since there is neither superior organization nor mechanism that rules over tourism-related agencies and institutions. In the long-term perspective, establishing Ministry of Tourism by incorporating tourism-related functions. This, however, is not consistent with the global trend for small government.

(1) Sub-council of Tourism Affairs (Consejillo de Asuntos Turísticos)

In this context, establishing a coordinating mechanism called the Sub-council of Tourism Affairs (Consejillo de Asuntos Turísticos – tentative name) within the Council of Ministers is strongly recommended. Figure 4.14 shows the structure of the sub-council and its relationship with the Council of Ministers.

Figure 4. 14 Organization chart of Tourism Sub-council



Source: JICA Study Team

Sub-council of Tourism Affairs is a sub-council within the Council of Ministers. Members of the Sub-council are Ministers that have tourism-related Vice-ministries, sections, or institutes, and the representatives of these tourism-related organizations. More specifically, sub-council members should come from the following organizations:

- Ministry of Industry, Tourism, Integration and International Trade (Vice-ministry of Tourism),
- Ministry of Presidency - PROMPERU,
- Ministry of Transport, Communication, Housing and Construction - Vice-ministry of Urban Development, Vice-ministry of Transport,
- Ministry of Education - INC,
- Ministry of Agriculture - INRENA, and
- Ministry of Interior - Tourism Police.

The coordinator of the Sub-council should be the Minister of MITINCI taking into account its leading role in the tourism administration. He should be appointed directly by the President of Peru as the Coordinator, and endorsed with the superior power over tourism administration.

Sub-council of Tourism Affairs is tasked to coordinate among the Ministries to guide Peruvian tourism to a right direction. The sub-council may advise to elaborate cultural heritage conservation plans from the viewpoint of tourism marketing strategy. Tourism development plans may be requested to comply with regional development scheme, or to make more considerations for environmental conservation. The sub-council would serve greatly to elaborate any plans and programs that need tourism strategy, and to reduce duplication and inconsistency in national development plans. It is the final decision-maker of tourism administration,

and any tourism-related plans, laws, regulations, projects and programs need approval from the Sub-council.

It is noted that Sub-council of Tourism Affairs has different functions from the existing Consulting Committee of Tourism (Comité Consultivo de Turismo). Consulting Committee of Tourism is established in MITINCI and coordinates with the tourism-related private sector, while Sub-council of Tourism Affairs coordinates among the public sector organizations.

(2) Alternative ideas

An alternative idea to improve the coordination among tourism-related organizations is to establish National Institute of Tourism that incorporates the functions of tourism-related organizations including Vice-ministry of Tourism, INC, INRENA, and the Tourism Project Office of Ministry of Presidency. Compared with the Sub-council of Tourism Affairs, it has the following drawbacks:

- Establishing a new organization under a Ministry contradicts the national policy for smaller government, and
- Institute is a lower-level organization than Ministry, which implies its coordination capability would not be like the Sub-council.

Incorporating institutions in charge of conservation into tourism administration is another controversy, since it would hamper their important function to check and control development despite the fact that commercialization of conservation efforts is increasingly viewed as necessity.

In conclusion, establishing the Sub-council of Tourism Affairs is the most practical solution to the issue of dispersed tourism administration, at least, in the short-term. It can be established with the minimum efforts because it requires only small modification to the existing Council of Ministers.

In the long-term, establishing Ministry of Tourism might be an idea though it also goes against the small government policy.

Even though the above options are difficult to realize, it is worth a consideration to incorporate, at least, PROMPERU and the tourism infrastructure section of the Ministry of Presidency into the Vice-ministry of Tourism. Since the two organizations have closer ties with the Vice-ministry of Tourism than other tourism-related organizations, the integration would greatly increase the efficiency. It is noted that the above integration coexists with Sub-council of Tourism Affairs.

4.6.3. Tourism Administration for the Tourism Regions

Actual travel routes, in particular, those of international tourists, extend over several Departments. Tourism Region should not be only spatial tourism structure but also an administrative unit for better compliance with the tourists' needs and development concept. In this context, JICA Study Team proposes to introduce a tourism administration system for respective Tourism Regions. These organizations should keep close cooperation with the private sector, and have a certain level of autonomy from the central government for "vertical decentralization."

(1) Tourism administration for the Northern Tourism Region

It is recommendable to establish Northern Tourism Region Development Corporation (Corporación de Desarrollo Turístico de la Región Norteña – tentative name) that is tasked to coordinate among Departments and private companies in the Tourism Region to facilitate the formulation of the Northern Tourism Circuit. It is also tasked to build tourist facilities and infrastructure that support the development.

It is a semi-governmental organization with its board members from respective Departments and private companies in the Tourism Region. The organization operates with the budget from the central government as well as contributions from

board member Departments and private companies. The president of the corporation should be appointed by the Minister of MITINCI.

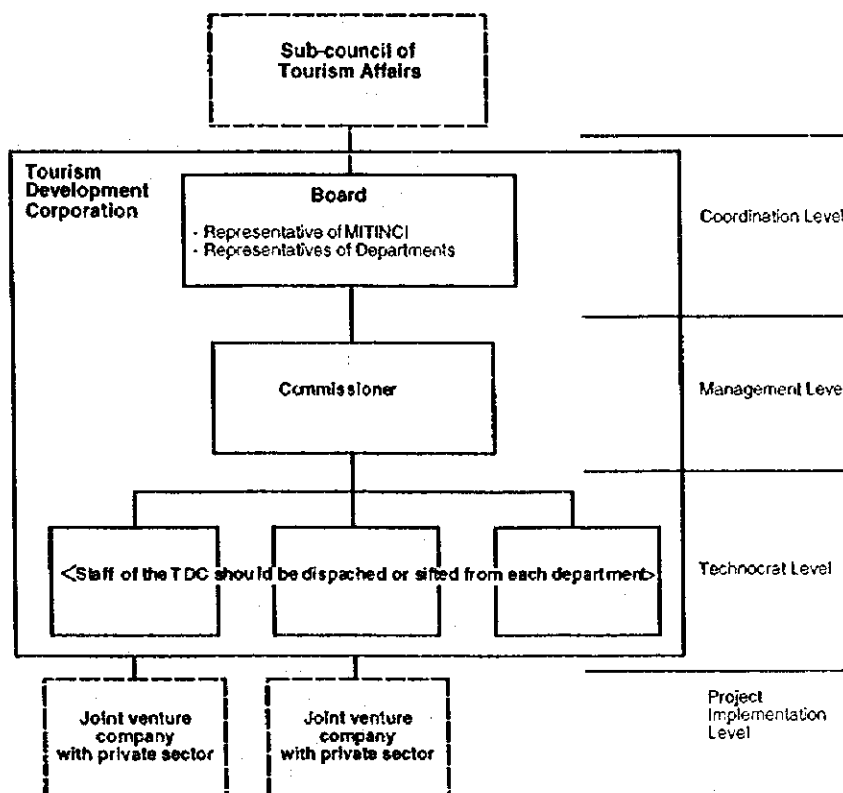
The corporation should be able to implement its own tourism projects, which would generate its own income. The followings are possibilities for the organization to generate income:

- Planning and development of tourism estates, and the sale or rent of the estates to the private sector,
- Consulting services for the tourism private sector,
- Tenant fees from private tourism establishments in tourism sites, and
- Sponsorship from private companies in tourism sites.

The corporation should encourage the participation of the private sector in tourism development. Hence, the organization should focus on providing infrastructure and basic services for tourism sites to facilitate the private sector to operate tourist facilities and establishments.

In the long-term perspective, it should envisage to reach a "self-sufficiency" status without budget allocation from the central government. Visitor facilities in Archaeological Parks and the beach resort estates in Tumbes and Piura as have been proposed previously could be developed by this organization.

Figure 4.15 Organization chart of tourism development corporation



Note: financial sources could be

- 1) Subsidy from the central government
- 2) Advertisement fee: all media should be utilized such as outdoor furniture, explanation boards, pamphlet, etc.
- 3) Donation from companies which receive benefit from the promoted tourism, such as beverage companies, airlines, bus company, etc.
- 4) Profit from own business such as resort development, etc.

Source: JICA Study Team

(2) Tourism administration for the Southern Tourism Region

Southern Tourism Region Development Corporation (Corporación de Desarrollo Turístico de la Región Sureña -- tentative name) is a similar organization to its northern counterpart. It should be a semi-governmental organization with its board members from Departments and private companies in the Southern Tourism Region. It coordinates among the private and public sectors in the Tourism Region to facilitate formulation of the Southern Tourism Circuit. It is also tasked to build tourist facilities and infrastructure that support the development in the Tourism Region.

PLAN COPESCO that has taken part in tourism development in Cusco and Puno Departments under the Ministry of Presidency could be transformed into the semi-governmental organization by extending its operation territory to include the whole Tourism Region. This arrangement would transfer its tourism expertise and know-how to the newly proposed organization. Considering the process of its establishment, the president of the semi-governmental organization should be appointed by the Minister of Presidency. However, it would be worth considering to transfer the organization under MITINCI in the long-term perspective, taking into account the leading role of MITINCI in the tourism administration.

(3) Tourism administration for the Lima Tourism Region

The central government is located in the Lima Tourism Region, and its size is small compared with the Northern and Southern Tourism Regions. Considering this, it would be practical that the Tourism Region except Lima and Callao is planned and developed directly by the central government with cooperation from local governments and private sectors. Lima and Callao Municipalities should implement their tourism projects with their own budget and funding source.

4.6.4. Institutional Reinforcements for Alternative Tourism

For smooth implementation on environmental management projects/programs, organizational structure for environmental issues is to be reinforced immediately among environmental organizations related to tourism sector with the following components mainly.

(1) Establishment of an Environmental Unit under Vice-ministry of Tourism

There are three Vice-ministries in MITINCI, namely, Vice-ministry of Industry, Vice-ministry of Tourism, and Vice-ministry of Integration and International Trade. Since Vice-Ministry of Tourism does not have its own environmental unit, it has used the environment unit of Vice-ministry of Industry in case it needs environmental evaluation.

Peru has an inter-ministry coordination system for environmental management in the National Environmental Council (Consejo Nacional de Ambiental - CONAM), which is under the Council of Ministers. It coordinates national environmental policies among Ministries and their environmental units. Since the only environmental unit in MITINCI belongs to Vice-Ministry of Industry, Vice-ministry of Tourism does not have close relationship with CONAM.

Tourism depends on the natural and cultural heritages. Unlike many of other economic sectors, their conservation is an immediate benefit for the tourism sector. Tourism makes a useful economic incentive to motivate people for conservation. This is the principal reason why tourism strategy is increasingly important for environmental conservation plans under the global trend for smaller government. In other words, tourism strategy is needed to achieve the conservation.

In this context, Vice-ministry of Tourism should have sufficient measures to influence the national environmental policies. Hence, it is strongly recommended to create an environmental unit under Vice-Ministry of Tourism. At the initial stage,

inviting foreign experts in ecotourism and environmental evaluation would be an effective method to incubate the skills.

(2) Creation of the National Ecotourism Council

The principal purposes to create the National Ecotourism Council are:

- To develop an appropriate national ecotourism strategy, certificate a national license of ecotourism,
- To guarantee the quality of ecotourism, and
- To promote ecotourism.

The council is urgently to be set up with the Vice-Ministry of Tourism as the leader under the proposed Environmental Unit. The members of the council should be composed of the following organizations considering that ecotourism deals with both cultures and the nature:

- Vice-Ministry of Tourism, MITINCI,
- Peruvian Adventure Tourism and Ecotourism Association (APTAB),
- PROMPERU
- National Environmental Council (CONAM),
- National Institute of Natural Resources (INRENA), Ministry of Agriculture, and
- Ministry of Promotion for Women and Human Development (PROMUDEH).

(3) Establishment of the EIA System for tourism development

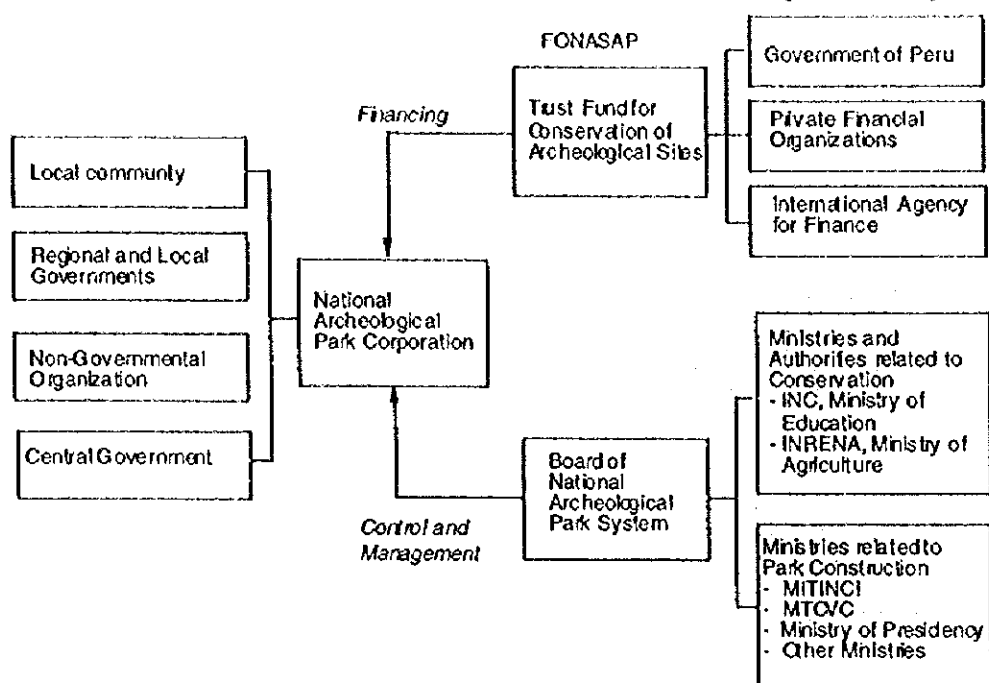
System of the Environmental Impact Assessment (EIA) in the field of tourism development is essential to sustainable tourism development. Surveys on tourism impacts in protected areas, buffer zones and tourism sites including the peasants and native communities are necessary for establishment of national systematic monitoring and assessment system on tourism impacts. The enforcement system on EIA with local participation is urgently needed under the Environmental Unit.

4.6.5. Establishment of a Financial Assistant Body for Archaeological Sites

Taking into account the budgetary limitation in conservation of archeological sites and the construction of archaeological park, it is proposed to establish a financial system that sustain healthy management of Peru's archeological sites. FONAPE (Fond Nacional para Areas Naturales Protegidas por el Estado) is established for the protection of nature areas in cooperation with German Aid (GTZ). A similar trust fund called FONASAP (Fond Nacional para Sitios Arqueologicos Protegidas) is proposed for conservation of archeological sites with the following objectives:

- To provide a long term and reliable source of funding for the conservation of Peru's archeological assets
- To improve INC's capacity to conserve and manage Peru's archeological assets
- To provide the country with reliable institutional mechanism to channel debt donations for conservation through bilateral and commercial debt

Figure 4.16 shows the system to manage archaeological parks including the proposed financial arrangements.

Figure 4.16 Proposed organization chart of National Archeological Park System

Source: JICA Study Team

4.6.6. Other Recommendations

(1) Administration of museums

There are 136 public museums in Peru, which are under the jurisdiction of the National Institute of Culture (Instituto Nacional de Cultura - INC). The private museums are obliged to register to INC. INC, however, does not have much control over private museums.

Private museums have relative importance in Peru as many of them are renowned for invaluable collections of artifacts and archaeological findings. Although there is the Association of Museums, it does not represent all the public and private museums. Creation of an organization or reinforcement of Association of Museums would be necessary in order to establish a nationwide network of museums. The organization would be useful to create a database of museums, regulate entrance fees to avoid over-crowding in certain museums, to demarcate roles of city museums that provide general overview and on-site museums that provide information specific to the site, and to facilitate research work of academics.

(2) Basic laws

Peru has enacted basic laws for tourism in recent years. The Law NO.26961 for the Development of Tourism Activities (Ley para Desarrollo de la Actividad Turística) together with the Legislative Resolution No. 26964; its modification on the role of Vice-ministry of Tourism, and the Decree 25831; the organization law of MITINCI, are considered as the basic laws for tourism. These laws form the legal framework of tourism administration.

Detailed application of the said laws, however, has not been specified. To improve this situation, MITINCI has started preparation work to enact bylaws that stipulate detailed application of the basic laws. This preparatory action is expected to be completed.

Moreover, MITINCI should prepare legislative arrangements for proposed new organizations including Tourism Sub-council and Tourism Development Corporations that will be detailed later in this section, if they are approved.