

1.4. Tourism Facilities

1.4.1. Accommodations

(1) Types of accommodations

There are 4 types of accommodations, hotel, apart-hotel, hostel and common lodging/cabin (albergue). Apart-hotels are equipped with a kitchenette in each room for longer stay or families' stay, and hostels are more economical accommodations for tourists. Albergues are accommodations for special interested tourists, such as nature-oriented tourists, etc. Albergues predominantly appear in Loreto department, in the low jungle areas of the Amazon plains.

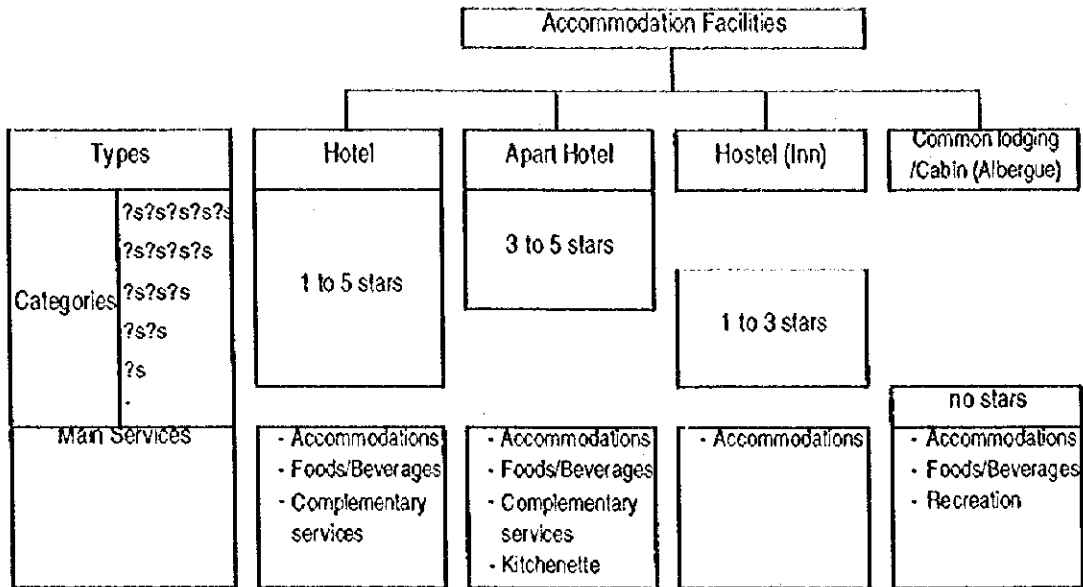
Hotels are classified from 1 to 5 stars, 3 to 5 stars for apart-hotels, 1 to 3 stars for hostels and albergues have no classification. These types and classifications are based on the quality of services. This includes the services of staff and hospitality, basic infrastructures, facilities and equipment. Also, the accommodations should have the minimal requirements for facilities and services in accordance with each type and class written in the regulations. These mentioned above are outlined in the table and figures below.

Table 1.23 Minimum requirements by categories of accommodations

Categories		5 stars	4 stars	3 stars	2 stars	1 stars
Hotels	No. of Rooms	40	30	20	20	20
	Single	13 m ²	12 m ²	11 m ²	9 m ²	8 m ²
	Double	18 m ²	16 m ²	14 m ²	12 m ²	11 m ²
	Suites (integrated bedroom)	28 m ²	26 m ²	24 m ²	-	-
	Suites (separated bedroom)	32 m ²	28 m ²	26 m ²	-	-
	Bathrooms per room	1 private tub	1 private tub	1 private shower	0.5 common shower	0.25 common shower
Floor requirements		5.5 m ²	4.5 m ²	4.0 m ²	3.0 m ²	3.0 m ²
Apart-hotels	No. of Rooms	6	6	6		
	1 bed room integrated with a kitchenette for 4 guests	28 m ²	26 m ²	24 m ²		
	1 bed room with separated living/dining room/kitchenette	32 m ²	28 m ²	26 m ²		
	2 bed rooms integrated with a kitchenette for 6 guests	46 m ²	42 m ²	38 m ²		
	2 bed rooms with separated living/dining room/kitchenette	50 m ²	44 m ²	40 m ²		
	1 bed room	1 private tub	1 private tub	1 private shower		
	2 bed rooms	1 tub & lavatory	1 tub & lavatory	1 shower & lavatory		
Floor requirements		5.5 m ²	4.5 m ²	4.0 m ²		
Hostels	No. of Rooms			6	6	6
	Single			11 m ²	9 m ²	8 m ²
	Double			14 m ²	12 m ²	11 m ²
	Bathrooms per room			1 private shower	0.5 common shower	0.25 common shower
	Floor requirements				4.0 m ²	3.0 m ²

Source: Accommodation Facility Regulations, and Compiled by JICA Study Team

Figure 1. 10 Types of Accommodations



Source: Accommodation Facility Regulations, and Compiled by JICA Study Team

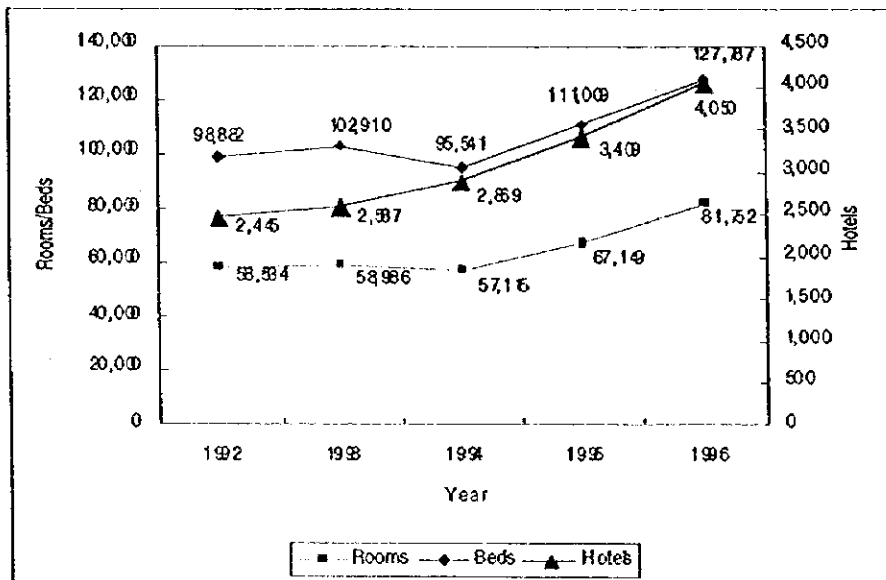
(2) Accommodation facilities

a. Annual fluctuation

National situation

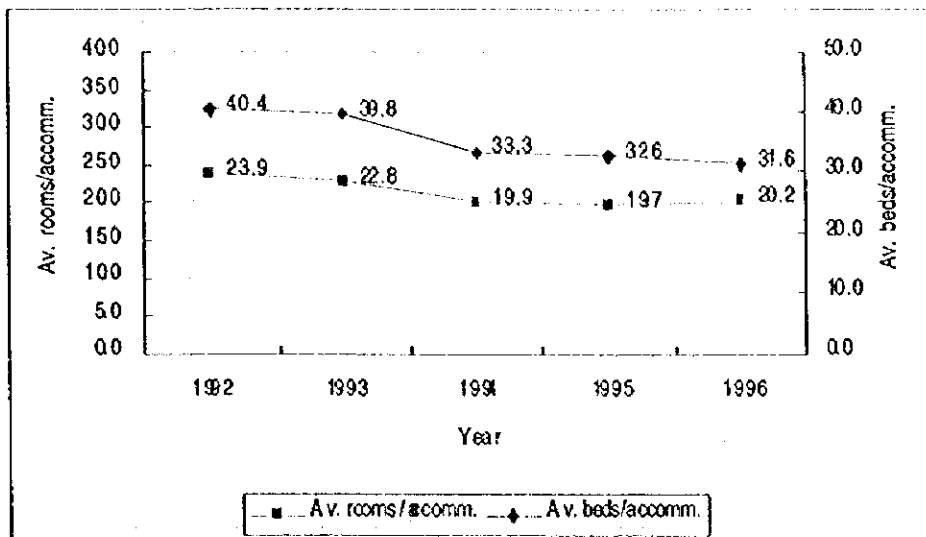
Recently the number of hotels, rooms and beds have been considerably increased in Peru. Total of hotel establishments have increased by 67% from year 1992 to 1996. Number of rooms and beds also have increased by 36% and 25 %, respectively during the same years. However, average rooms and beds per accommodation have decreased, it can be said that small-scale accommodations (they should be lower class) have relatively increased in the country.

Figure 1. 11 Annual fluctuation of accommodation facilities during 1992 - 1996



Source: National statistics institute (INEI), MITINCI, and Compiled by JICA Study Team

Figure 1. 12 Annual fluctuation of average rooms & beds per accommodation

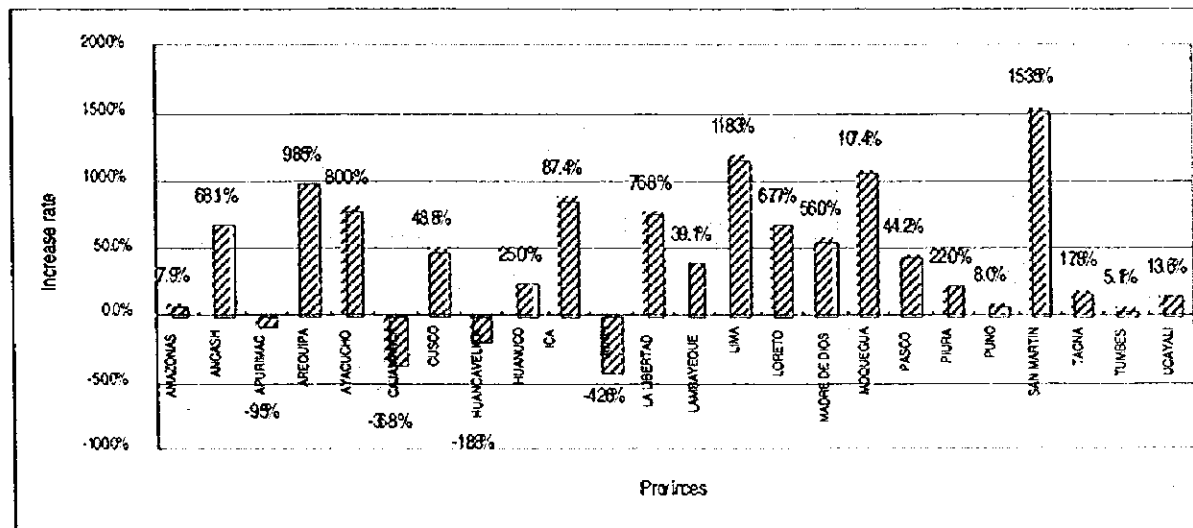


Source: National statistics institute (INEI), MITINCI, and Compiled by JICA Study Team

Departmental situations

San Martin has the highest increase rate of hotel establishments among the departments. The southern departments located at the Pacific Ocean side, Lima, Ica, Ayacucho, Arequipa and Moquegua, are designated as the group of the second higher increase rates. The third group is the northern coastal departments, Ancash, La Libertad and Lambayeque. The low land jungle areas on the amazon plains (La Selva Baja), Loreto and Madre de Dios are the next.

Figure 1. 13 Increase rates of hotels by departments 1992 - 1996



Source: National statistics institute (INEI), MITINCI, and Compiled by JICA Study Team

b. Total stock of accommodation facilities

Latest stock

The latest stock of accommodation facilities in Peru has reached around 5,000 establishments, 90,000 rooms and 140,000 beds in the year 1998 (July). The

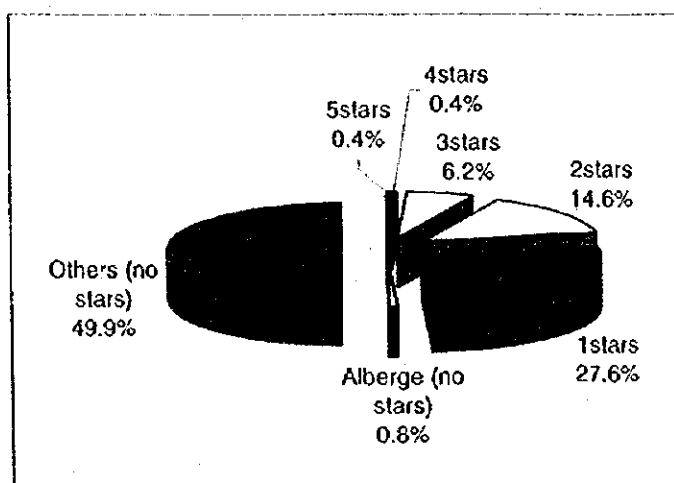
number of accommodations classified for 5 and 4 stars account for less than 10 %. On the other hand, 1 to 3 stars accommodations account for nearly 50 % of the total classified accommodations. However, around 50 % of total accommodations are out of classification. 5 stars accommodations stand out for average rooms and beds per accommodation. They have over 100 rooms and 200 beds in the average, however the other lower class-accommodations are less than half scale of 5 stars accommodations.

Table 1.24 Latest stocks of accommodations in Peru

Categories	Total	5 stars	4 stars	3 stars	2 stars	1 stars	no stars
Accommodations	5,065	22	21	316	742	1,396	2,568
Rooms	89,498	2,993	1,204	10,333	14,515	21,489	38,974
Beds	140,569	4,572	1,864	17,843	22,893	31,489	61,908
Av. rooms/accomm.	18	136	57	33	20	15	15
Av. beds/accomm.	28	208	89	56	31	23	24

Source: MITINCI, and Compiled by JICA Study Team

Figure 1. 14 Balance of classification for accommodations

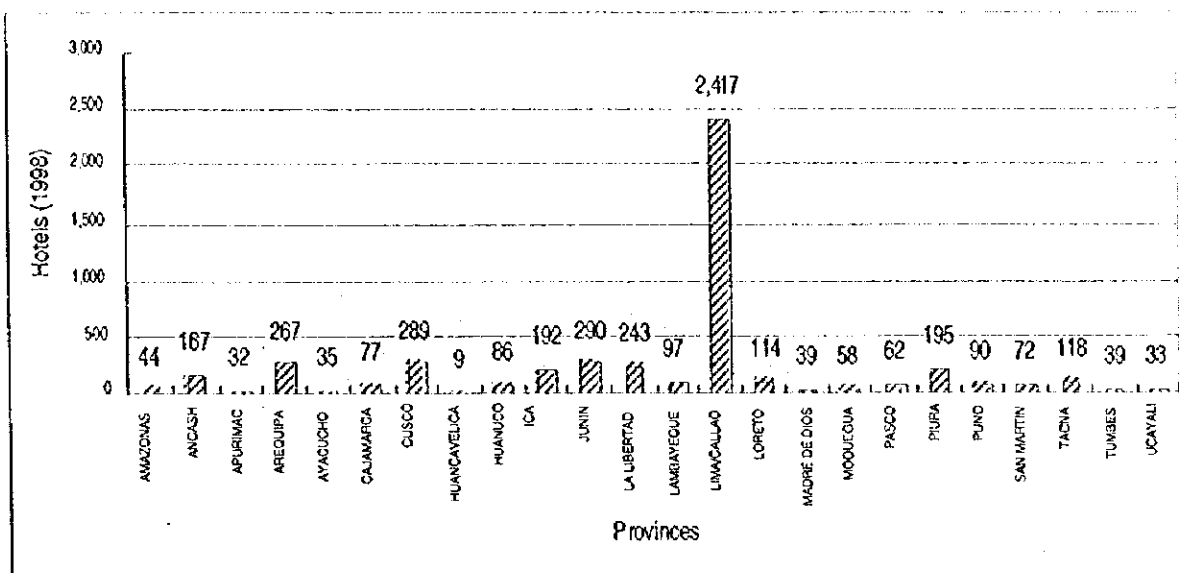


Source: MITINCI, and Compiled by JICA Study Team

Departmental situation

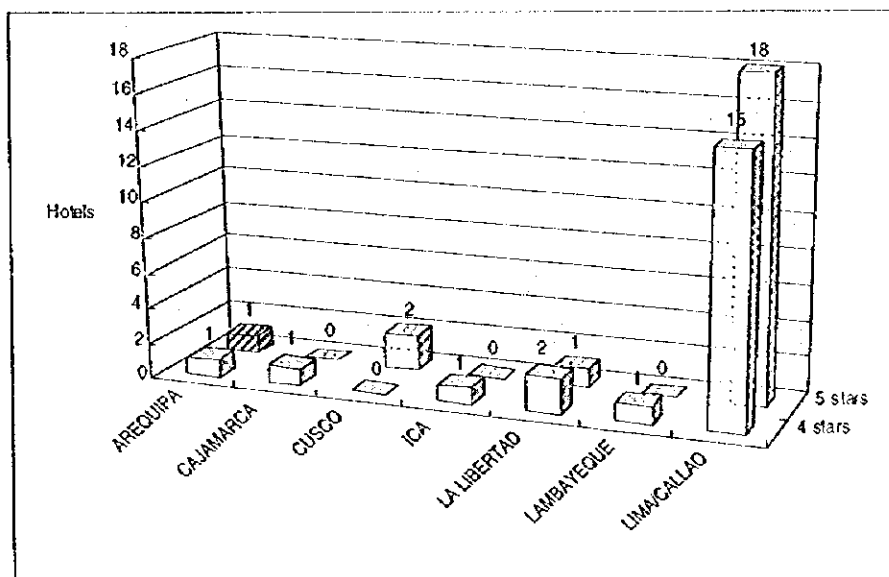
Lima has an overwhelming share (nearly 50 %) of total accommodations in the country. There are around 2,400 accommodations in Lima, although the half of them are without classification. The other departments have less than 300 accommodations. Regarding to the 4 and 5 stars accommodations, the share of Lima also reached nearly 80 % of the total. Actually the capacity of supply for accommodations concentrates in Lima.

Figure 1. 15 Latest stocks of accommodations by department - 1998



Source: MITINCI, and Compiled by JICA Study Team

Figure 1. 16 Distribution of 4 and 5 stars accommodations



Source: MITINCI, and Compiled by JICA Study Team

(3) Occupancy rates

a. Annual fluctuation

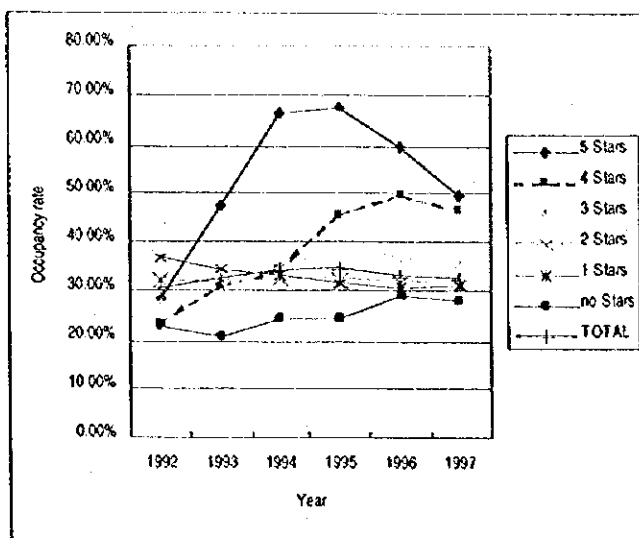
Nationally room occupancy rates have hardly fluctuated between 30 % and 35 % in these years. The tendency in Peru is that the room occupancy rates are as higher as the accommodations are higher-class. However, the rates of 5 stars have been declined since year 1995. Conversely, the rates of 4 stars have been increasing except for the decrease from the year 1996 to 1997. The rates of the other classes are almost stationary. The table and figures below give a summary of the annual fluctuation for the room occupancy rates in the country.

Table 1.25 Annual fluctuation of the room occupancy rates

Categories	1992	1993	1994	1995	1996	1997
5 Stars	28.30%	47.46%	66.40%	67.81%	59.44%	49.88%
4 Stars	23.60%	30.96%	34.35%	45.65%	49.68%	46.48%
3 Stars	27.80%	29.66%	35.32%	38.46%	36.71%	35.62%
2 Stars	32.35%	31.41%	32.89%	32.43%	31.85%	31.65%
1 Stars	36.91%	34.63%	33.32%	31.46%	31.00%	31.13%
no Stars	22.96%	20.76%	24.27%	24.18%	29.12%	27.92%
TOTAL	30.43%	32.29%	34.37%	34.73%	33.11%	32.30%

Source: MITINCI, and Compiled by JICA Study Team

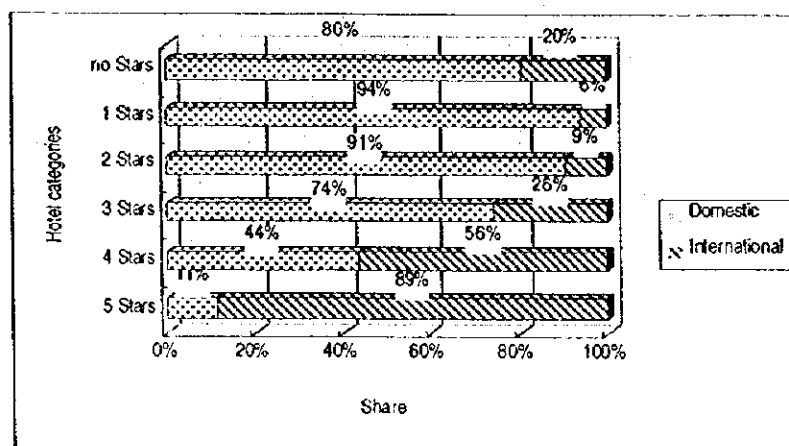
Figure 1. 17 Annual fluctuation of the room occupancy rates



Source: MITINCI, and Compiled by JICA Study Team

Moreover, it is dominant that international tourists tend to stay over nights at the higher-classes accommodations, in contrast, domestic tourists stay at the lower-classes accommodations.

Figure 1. 18 Share of number of guests by star category in 1997



Source: MITINCI, compiled by JICA Study Team

(4) Conclusions

a. Weaknesses

- A low room occupancy rate dominates all accommodations. However, it is felt that the rates are too low considering the volume of immigration as designated in the section "Tourism Market".
- Lack of accommodation facilities in the departments where tourists attractions are located on.
- Lack of higher-classes (5 or 4 stars) hotels particularly for international tourists.
- Unplanned development of accommodations. The lower class accommodations would be over supplied. It is assumed it leads to the low room occupancy rate.

b. Necessities and recommendations

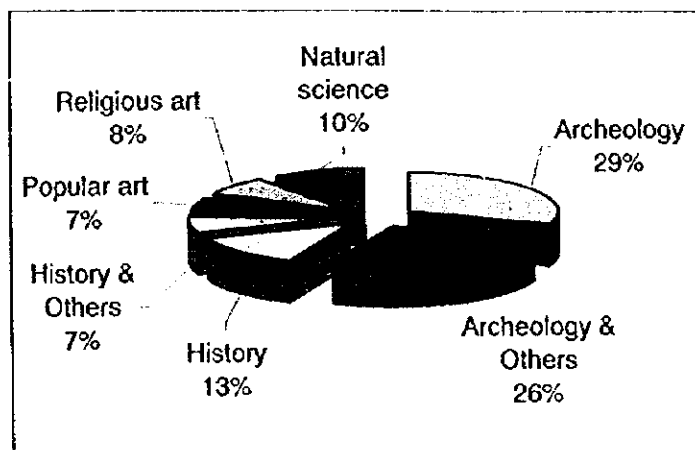
- Appropriate encouragement for development of accommodations in accordance with the tourism circuits.
- To develop and allocate higher-classes (5 or 4 stars) hotels particularly for international tourists.
- To develop resort hotels on the coastal and mountain areas to stimulate a longer stay.
- To provide higher standard or equipped accommodations even for the nature-oriented tourists, and also for accommodations without classification.

1.4.2. Cultural Facilities

(1) National situation

Museums play an important role for tourism attractions in Peru. There are 193 museums, public museums account for 70 % of all museums and private ones account for 30 %. Besides, archeological museums or museums including at least one archeological theme account for nearly 50% of the total as shown in the figure below.

Figure 1. 19 Categories of museums in Peru



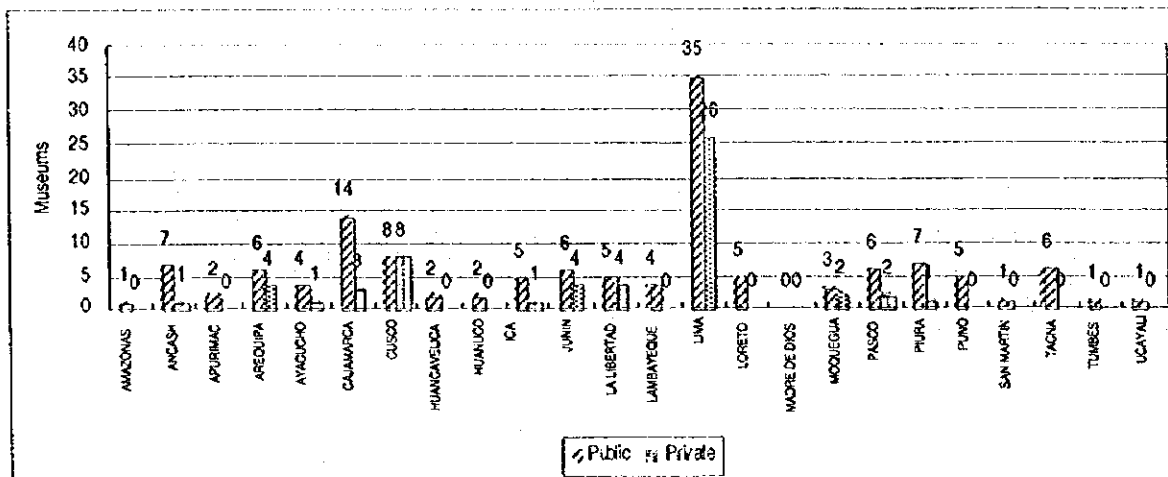
Source: INSTITUTO NACIONAL DE CULTURA (INC), and Compiled by JICA Study Team

(2) Provincial situations

Each department has at least a museum except Madre De Dios. Lima has 61 museums accounting for over 30% of the total. Cajamarca (17 museums) and Cusco

(16 museums) follow Lima in number of museums. Moreover, Lima has manifold museums; the themes are not only archeology and history but also art and science. However, in the museums of the other departments predominate archeological themes.

Figure 1. 20 Number of public and private museums by department



Source: INSTITUTO NACIONAL DE CULTURA (INC), and Compiled by JICA Study Team

(3) Visitors

Number of visitors to major museums is shown in table below. The most visited museum is the National Museum in Lima, with around 130,000 visitors. Although the number of visitors in Lambayeque accounts for around 80,000, in other departments, at most visitors hardly outnumber 50,000 persons. Foreign visitors, represents no more than 40% (Cusco) of the total visitors.

Table 1.26 Visitors to major museums in 1996

Museums	Departamentos	Domestic	International	TOTAL
M.A. CHAVN	ANCASH	47,058 (98%)	957 (2%)	48,015 (100%)
MUSEO REGIONAL	CUSCO	29,832 (60%)	20,193 (40%)	50,025 (100%)
MUSEO REGIONAL	ICA	30,913 (62%)	18,973 (38%)	49,886 (100%)
MUSEO DE BRUNING	LAMBAYEQUE	76,991 (94%)	4,989 (6%)	81,980 (100%)
P.A. HUACA RAJADA SIPAN	LAMBAYEQUE	78,506 (96%)	3,016 (4%)	81,522 (100%)
MN. ARQUEOL. ANTROP. E HIST.	LIMA	84,845 (76%)	26,454 (24%)	111,299 (100%)
M.A. PACHACAMAC	LIMA	60,111 (74%)	21,328 (26%)	81,439 (100%)
MUSEO DE NACION	LIMA	113,419 (86%)	17,800 (14%)	131,219 (100%)
MACCHU PICCHU*	CUSCO	83,587 (33%)	168,189 (67%)	251,776 (100%)

Note: * MACCHU PICCHU is shown as a sample of the most famous archeological site
 Source: INSTITUTO NACIONAL DE CULTURA (INC), and Compiled by JICA Study Team

(4) Conclusion

Diverse themes of archeology and culture are strengths for tourism in Peru. However, it is felt that this complicates tourists' understanding about the archeology and culture, because of numberless resources.

For instance, the exhibition of Sipan hosted by National Museum, has around 350,000 visitors annually due to be held at Lima, and being Sipan one of the most famous themes. The floor is orderly displayed with adequate space for the visitors.

Therefore, the following would be considered for improvements.

- Theme museum on the sites is impressive.
- Park with monument, museum, visitor center and landscaping would have appeal on the sites.

1.4.3. Recreational Facilities

(1) Hot springs

a. Strengths and weaknesses

There are around 370 hot springs including thermal springs in Peru. However, about 50 % springs have not developed the accesses, thus, only neighboring people can take the baths currently. Also, springs have few accommodation facilities. Churin, on the northern highland of Lima, is the most famous hot springs with developed accommodation. Churin locates on around 200 km away from Lima, it takes tourists a 6 hours car travel. Besides, an investigation for thermal curatives would be still under development, though in some springs inclusion have been found.

b. Necessities and recommendations

- To pursue possibilities for spa resorts.
- To improve facilities of accommodation and bath.
- To improve the access roads for the springs.

(2) Nature related recreational parks

a. Weaknesses

There is little information for zoological parks, botanical gardens and bird parks. Las Leyendas Park is the largest park located in Lima with zoo and botanical gardens for local resident in particular. Besides, the other major park is Laguna Quistococha located around Quistococha Lake in Iquitos. There is a small zoo of local fauna, a fish hatchery and a pedestrian walk around the lake for tourists. Currently these facilities would be regarded as a minor attraction for the tourists in Peru. The predominant idea could be breeding and cultivation.

Meanwhile, in the national parks or reserves, entrance fees are paid in scarcely 3 places, Huascarán National Park, Lachay national reserve and Paracas national reserve. Indeed, only Titicaca national reserve and Lachay national reserve have visitors facility. Moreover, they have poor conditions and services although they want to encourage in visitors.

b. Necessities and recommendations

Although nature oriented tourism is one of the major attractions, these artificial nature recreation parks are also popular attractions. Because wildlife do not always come into sight of tourists in field.

- To provide nature parks for tourists' attractions, education, possibly for research of wildlife and breeding of threatened species.
- To improve or provide visitor centers in national parks and national reserves.

(3) Sports/Recreation

a. Strengths and weaknesses

Marine sports and recreation, surfing and beach recreations are familiar for domestic people or tourists from neighboring countries. However, common service facilities (shower booths, toilets, promenade, observatories and etc.) hardly appear on the beaches.

In the mountainside, a numerous adventure sports or tourism, rock climbing, hang gliding, parasailing, mountain climbing, mountain biking, rafting, kayaking, trekking and camping have been taken their place. However these are for a specific

market, and qualitatively need less facilities. It is very difficult to expand this market without any actions though trekking and camping are more prevalent.

b. Necessities and recommendations

- To provide common service facilities for marine and beach activities.
- To provide the facilities and systems to encourage easier participation or to keep safety in adventure tourism for beginners or tourists.

1.4.4. Commercial Facilities

a. Strengths and weaknesses

Lima is also dominant on the volume of restaurants. It accounts for nearly 60 % (around 20,000 restaurants) of the national total (around 35,000 restaurants). The restaurants are also classified by number of "forks" as same as the "stars" of accommodation, however, this is just nominal. Incidentally, Lima has 35 restaurants 4 or 5 "forks", which account for nearly 50 % of the total number of "5 forks" restaurants.

Meanwhile, there are 1,354 handicraft shops and souvenir shops in Peru. Nearly 30 % of total shops (370 shops) are in Lima, and the other 984 shops are in the departments. In addition, MITINCI manages a laboratory for handicraft on products of skin, colorants and spinning in Huancayo in order to transmit to wishers.

Regarding to the other entertainment, there are 7 casinos in Lima. The casinos are authorized for high standard restaurants and 4 or 5 star hotels in Lima except 1 casino in Ica.

b. Necessities and recommendations

- To provide handicraft centers especially in the departments for the tourists' attraction, encouraging local business opportunities or enabling them to do it.
- Also, to consider showing the crafting processes as one of the attractions.
- Next, this center can conduct to development and transference of fine craftsmanship.

1.4.5. Other Supporting Facilities

(1) Water transportation

a. Weaknesses

There are no berths, wharf and passenger terminal buildings exclusively dedicated for cruising ships, because all ports are commercial ports in Peru. However, a few international cruising ships come to Callao (Lima), San Martin (Paracas) and Paita (Piura) on the Pacific Ocean, and Iquitos on the Amazon River. These ships temporarily anchor at the cargo berth as the case stands. Besides, it appears that a pier in Paracas is used for sightseeing boats and fishing boats also. Moreover, this pier is also in poor condition, and what is worse, fishermen complain to the tour boat operators.

b. Strengths

In the mean time, according to interviews for tour agents in Lima, the demand of cruising tours would increase in the future. Besides, a sight seeing on boat is one of the important tourist attractions, particularly for Ballestas Islands (Paracas), Palomino Island (Lima), Amazon rivers cruise and on lakes. Further sports fishing would also be a possible tourist's activity.

c. Necessities and recommendations

Attention should be paid to the marine/river attractions shown below.

- To develop or improve the infrastructure facilities for marine/river activities.

(2) Land transportation

a. Weaknesses

A lack of traffic signs, and also lack of roads and poor surface conditions for land transportation especially it can be noted in the country side areas. It causes hard situations for tourism visiting sites without tourism guides. On the other hand, rest areas like drive-in cannot be found along the roads. Currently it is supposed that gasoline stands have a function as the drive-in.

b. Necessities and recommendations

The following should be considered to encourage the increasing domestic tourists and individual tourists by vehicles.

- To improve and increase the traffic signs.
- To find adequate locations in accordance with travel distance, time and superb scenery.
- To provide facilities with observatory, snack bars, shops, etc. for the comfort and rest of drivers and tourists.

1.4.6. Winery and Hacienda

a. Strengths and weaknesses

Wineries called "Bodegas", which are dominantly located in Ica Department, are also attractive for tourists. However, very few areas in the "Bodegas" are currently with restaurants or accommodations. Ocucaje in Ica would be an exceptional case; they have a resort hotel with some attractions and periodical dining services with local made wines in their winery.

Moreover, it is felt that hacienda hotels are very attractive not only as accommodations but also as tourists' attractions itself. There is little information about hacienda hotels, and they not familiar to the tourists.

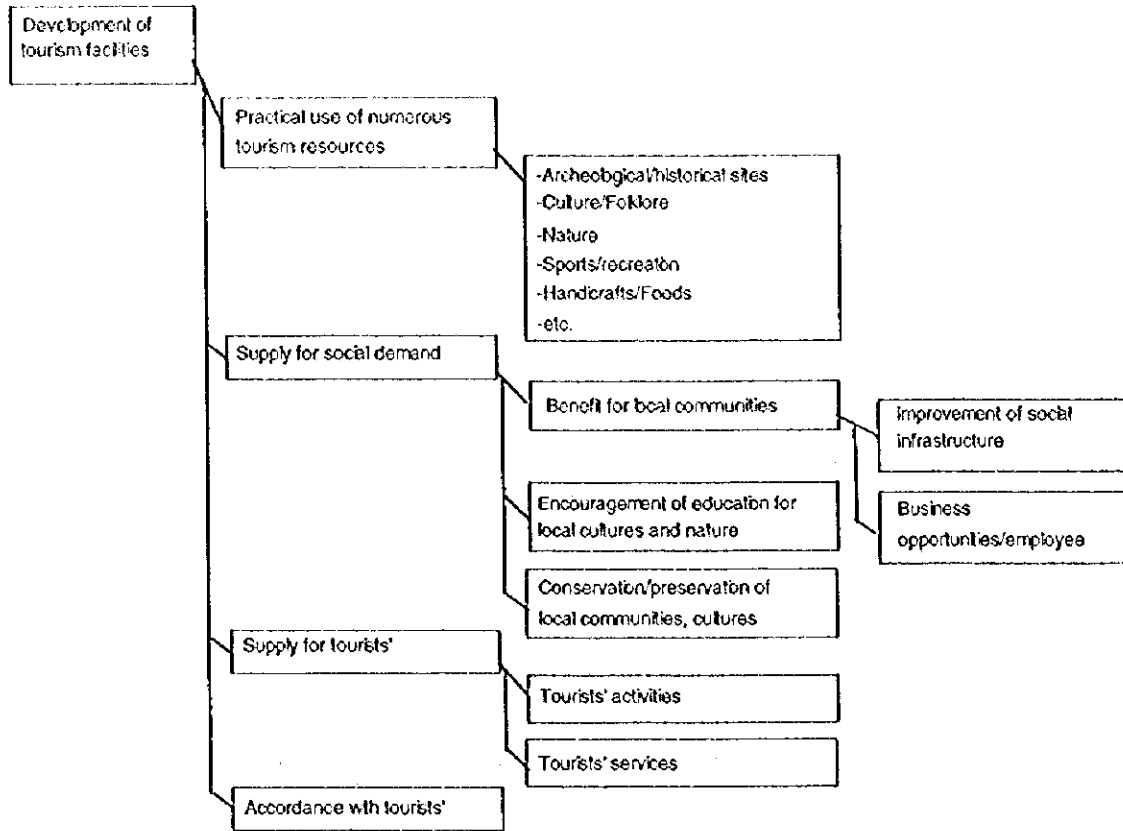
b. Necessities and recommendations

- Expansion of industrial functions (like wineries) for tourists' attractions and facilities.
- Expansion usage of historical/cultural resources like hacienda resorts.

1.4.7. Development Policies for Tourism Facilities

Development policies for tourism facilities in the study are summarized as follow.

Figure 1. 21 Development policies for tourism facilities



Source :JICA Study Team

1.5. Tourism Infrastructure

1.5.1. Introduction

The Ministry of Transport, Communications, Housing and Construction (MTC) and the Ministry of the President (MP) are the executing organization of the infrastructure. MITINCI, MTC and MP should make close coordination for planning and implementation of the infrastructure, which will serve for the tourism as well as for residents, industry and etc. To be efficient and effective, tourism infrastructure should be developed in coordination with the existing infrastructure development plan and promoting / backing up it.

In this chapter describes the existing conditions of infrastructure for tourism. The infrastructure should not including the tourism facilities such as hotels, restaurants, information centers, etc., but should be limited to basic infrastructures as shown below:

a. Transportation

- Airport
- Road
- Railway
- Port and Navigation

b. Telecommunication

- Telephone line system, Internet and other wired information system
- Cellular phone system
- Cable TV
- Broadcasting of television and radio

The following are the existing conditions reviewed by infrastructure and by zone: service coverage, service quality, capacity, demand, basic system, problem, plan, project / program

c. Others

- Water Supply
- Sewerage
- Solid Waste
- Electricity

1.5.2. Analysis of Existing Conditions

(1) Transportation

a. Airport

There are 33 airports and 28 airfields under services. The 33 airports that handle commercial operations belong to Peruvian Corporation of Airports and Commercial Aviation (CORPAC: Corporación Peruana de Aeropuertos y Aviación Comercial). It is planned that the airports should be tendered out as concessions, and the first group of them for the concession procedures is including the airports of Lima, Cusco, Arequipa, Iquitos and Chiclayo because of their heavy traffic to handle as shown in Table 1.27.

Table 1.27 Operation of major airport (1997)

Size (passengers / year)	No.	Airport
4,000,000 ~	1	Lima
500,000 ~	2	Cusco, Arequipa
200,000 ~	6	Chiclayo, Iquitos, Piura, Pucallpa, Tarapoto, Trujillo

Only the Lima airport has a hub function for both domestic and international lines. Cusco and Arequipa have feeder flight to Juliaca, Tacna etc. 27 airports out of the existing 33 airports are under service as of September 1998.

Table 1.28 Outline of Major Airport

Airport	Lima	Cusco	Arequipa	Iquitos	Trujillo	Juliaca
Domestic passengers	2,215,580	642,760	440,519	320,368	206,268	203,512
International passengers	1,872,379	30,823	13,308	8,695	58	0
Total passengers	4,087,959	673,583	453,827	329,063	206,326	203,512
Area (ha)	260.0	138.0	406.6	297.5	138.0	117.8
Runway						
Length (m)	3,507	3,400	2,980	2,500	2,405	4,200
Width (m)	45	45	45	45	45	45
Maximum aircraft	B747	B727	B727	B727	B727	B727
Passenger terminal (m ²)	35,334	7,043	3,294	5,280	1,570	2,250
Airport	Chiclayo	Ayacucho	Tumbes	Cajamarca	Piura	
Domestic passengers	151,091	75,922	49,097	34,231	171,631	
International passengers	11	0	0	0	0	
Total passengers	151,102	75,922	49,097	34,231	171,631	
Area (ha)	52.5	53.9	263.7	37.8	39.0	
Runway						
Length (m)	2,520	2,800	2,500	1,820	2,500	
Width (m)	45	45	45	30	45	
Maximum aircraft	B727	B727	B727	F28	B727	
Passenger terminal (m ²)	2,050	2,960	500	na.	1,600	

Source: CORPAC S.A., 1998

b. Road

The major road network in Peru covers a total of 75,726 km in Peru, comprising roads as shown in Table 1.29. In Peru, the Andes mountain range and the jungle area of Amazon make construction of road system difficult.

The Road Network Development Plan: 1996-2005 prepared by MTC shows that the road network of Peru consists of the Pan-American highway running in Costa, Sierra transversal road, Sierra longitudinal road, Selva longitudinal road. The main artery is the Pan-American Highway, which runs throughout the coastal area of Peru from Ecuador to Chile, covering a distance of about 2,500km.

The roads suffered from great damage by flooding caused by El Niño phenomenon, which made road sections destroyed or unconnected for 885 km long in total, and damaged for 6,392 km long. Restoration works for the road sections have been carried on in 1997 and 1998 with about 77 million dollars in total assisted by BID, BIRF and OECF. All part of the Pan-American highway is scheduled to be reopened and passable by December 1998.

Table 1.29 Length of Roads by level, and type and conditions

by level			by type and conditions (km)					
Level	Km	%	Type	Not damaged	Destroyed	Damaged	Total	%
National	16,737	22	Asphalt	8,112	155	691	8,958	12
Departmental	14,430	19	Gravel	8,736	395	4639	13,770	18
Local	44,559	59	No pavement	51,601	335	1062	52,998	70
Total	75,726	100	Total	68,449	885	6,392	75,726	100

(Road Association of Peru, MTC-DGC, 1998)

Total length of 2,500 km of Pan-American highway and 400 km of the central Sierra transversal highway are upgraded or rehabilitated since 1990. However, in Peru as a whole, the asphalt roads, which account only for 12% (8,958 km), are still below the average of Latin America (15%) and the non-paved roads share 70 % (52,998 km) as shown in Table 1.29. A major parts of the asphalt roads are Pan-American highway and several Andes transversal lines such as; Matarani – Arequipa, Lima – Junin – Huánuco – Tingo María, Barranca – Huaraz – Caráz, Pacasmayo – Cajamarca, Olmos – Jaén – San Ignacio.

The length of roads by type and by study zone are tabulated in Table 1.30 from which it can be seen that in Loreto, roads provision is very small due to the Amazon system, and the pavement condition is comparatively good in Lambayeque and worse in Amazonas, Cajamarca and Cusco.

Table 1.30 Road Condition by Department in 1997 (unit: km)

Zone No.	Department	Asphalt	Gravel	No pavement	Total	Area	km per 1000 km ²
1	Amazonas	100.00	761.32	920.41	1,781.73	39,249.13	45.40
2	Lambayeque	710.90	89.95	1,109.65	1,910.50	14,231.30	134.25
	La Libertad	575.08	522.25	2,589.45	3,686.78	25,499.90	144.58
	Cajamarca	370.50	877.03	4,020.93	5,268.46	33,317.54	158.13
	Sub-total	1,656.48	1,489.23	7,720.03	10,865.74	73,048.74	148.75
3	Tumbes	243.47	28.00	597.40	868.87	4,669.20	186.09
	Piura	745.67	360.48	2,285.51	3,391.66	35,892.49	94.49
	Sub-total	989.14	388.48	2,882.91	4,260.53	40,561.69	105.04
4	Puno	477.98	951.14	3,497.22	4,926.34	71,999.00	68.42
5	Cusco	388.18	926.80	3,943.35	5,258.33	72,104.41	72.93
6	Ancash	581.73	1,263.50	2,920.69	4,765.92	35,876.92	132.84
7	Lima	1,137.85	204.50	3,306.56	4,648.91	34,948.57	133.02
8	Ica	650.39	314.15	1,405.50	2,370.04	21,327.83	111.12
9	Loreto	13.40	262.70	228.25	504.35	368,851.95	1.37
10	Arequipa	951.35	1,023.76	4,263.36	6,238.47	33,345.39	187.09
	Total	6,946.50	7,585.58	31,088.28	45,620.36	791,313.63	57.65
	%	15%	17%	68%	100%		

(Road Association of Peru, MTC-DGC)

In Peru there are 3,500 numbers of bridge, among which 87 bridges were destroyed or damaged by El Niño phenomenon. There are being rehabilitated, however all of the bridges are yet completed, and this makes difficult traveling for example between Piura and Tumbes.

Table 1.31 Number of Bridges and Effect of El Niño

	Total	Destroyed	Damaged
National	1,521	31	20
Departmental	700	12	4
Local	1,279	16	4
Total	3,500	59	28

(MTC, 1998)

Maintenance works were used to be insufficient because of small budget of the public investment, but it will be improved by the concession plans and the assistance by foreign funds. At present, the conditions of the Sierra Transversal roads are not good and there is a lot of parts left unpaved with asphalt or concrete. To improve it, the projects of IDB, IBRD and OECF should be expedited such as:

- Desaguadero – Puno – Juliaca – Arequipa,
- Juliaca – Sicuani/Cusco – Abancay – Chalhuanca – Puquio (- Nazca),
- Pisco – Ayacucho and Piura – Las Lomas – Puente Macara

The road concession plan of Section-3: Trujillo – Lambayeque and Ciudad de Dios – Cajamarca, and Section-9: Cusco – Desaguadero should be promoted in addition to Section-5 and Section-6 from Lima.

c. Railway

Apart from freight lines for mining, the passenger services are operated only by the national corporation called “Empresa Nacional De Ferrocarriles S.A. (ENAFER)” founded in 1972. It consists of 3 systems such as Central, South and South-east in the railway network of Peru. Only the South and South-east lines are operating in regular passenger services. The South-east line has narrow rail gauge running in the mountain area, serving tourists to Machu Picchu. As the road is not reaching Machu Picchu from Cusco directly, the railway line plays important role in providing access to Machu Picchu. The South line serves between Cusco – Puno and Puno – Arequipa.

Table 1.32 Railway In Peru

	Central	South	South-east
Route	Callao – Huancayo	Cusco – Matarani	Cusco – Machu Picchu
Distance (km)	378.9	855.0	• Quillabamba
Route	La Oroya - Cerro de Pasco	Tacna – Arica	
Distance (km)	132.0	60.2	171.8
Route	Pachacayo – Yauricocha	Puno – Guaqui	Pachar – Urubamba
Distance (km)	80.0	204.0	13.2
Total (km)	590.9	915.2	185.0
Track (mm)	1,435	1,435	914
Service	San Bartolome Passenger, Cargo	Passenger, Tourist, Cargo	Passenger, Tourist, Cargo
Max. altitude(m)	4,781	4,477	3,678
Min. altitude(m)	0	4	1,000
Route		Arequipa – Puno	Cusco – Machu Picchu
Time (hour)		10.0	3.3
Passenger		42,786	330,780
Route		Puno – Cusco	
Time (hour)		10.5	
Passenger		44,099	
No. of cars	1,217	998	119

Total length: 1,691 km

Renovation is necessary for all facilities such as rails, signal system and trains etc., which have become old. However ENAFER becomes loosing profitability due to hovering around low income and increasing expense. It is not yet decided whether the railway system is privatized as a whole or concession is awarded, however the improvement and operation could be managed with supports of private sectors in future.

Special train cars for tourists are proposed to introduce to Cusco – Aguas Calientes and Cusco – Puno to secure the safety operation with proper maintenance and upgrading.

d. Ports and navigation

Main seaport in Peru is Callao and leading ports are Ilo, Salaverry, Pacasmayo, Paita and San Juan. The function of the ports is mainly for cargo and freight but not for passengers.

There are about 8,600 km of navigable tributaries of Amazon River system and 208 km of Titicaca Lake. Iquitos in Loreto has a deep river port and is navigable to the Atlantic Ocean by Amazon River. It is navigable by a motor boat with 1.8 m wide from Iquitos up to Sarameriza by Marañon River, and from Sarameriza it is also navigable all year to Soledad and Chiriaco by Santiago River and Marañon River respectively.

There is a project in cooperation with Brazil to develop a land/water bridge crossing the Continental called "Bi-Ocean Axis Project" connecting Pacific Ocean and Atlantic Ocean: Paita (Pacific Ocean)– Piura – Santa Maria de Nieva – Sarameriza by road and Sarameriza – Iquitos – Leticia – Brazil (Atlantic Ocean) by boat. A development plan of Paracas was completed including a study on tourism jetty for the tourists to Canderabra, Ballesta islands and for marine tourism.

Recently the Mayor of Callao municipality to develop San Lorenzo Island that is located 4 km from La Punta announced a tourism development scheme by concessionaire. In relation to this, a marina project with a berth of 40 yachts will be completed by December 1998.

(2) Water supply, sewerage and sanitation

The service coverage of water supply and sewerage in 1996 is show in Table 7. Still 39% of the population lives without water supply service and 53% does not have sewerage. However, particularly in rural areas most residents do not have both services.

Table 1.33 Service Coverage of Water Supply and Sewerage (1996)

	Water supply*	Sewerage
Total	61.0%	47.4%
Urban	74.0%	60.5%
Rural	32.0%	11.0%

*: Including 'basin'

The water supply distribution with pipeline is provided only for urban areas with average of 69% in total of the study area. In Loreto and Puno, the coverage is as low as about 50%. In the other departments, the rates range between 57% and 76%.

The coverage of sewerage is far worse than water supply. The population, which has no sewerage service or facility, accounts for 29% in average and 64% in rural area in total of the study area. The condition of Cusco is worst in total of both water supply and sewerage.

With this program (Basic Sanitation Sector Plan, 1985 – 2002), the coverage will be 71% and 62% for water supply and sewerage respectively.

Table 1.34 Target Coverage of Basic Sanitation Sector Plan (1985-2002)

	1996	1998	2000	2002
Water Supply	54.6%	58.6%	61.5%	71.4%
Sewerage	47.0%	49.5%	54.9%	62.1%

According to the "National Drinking Water and Sewerage Program: Feasibility Survey for the Minimum Cost Drinking Water and Sewerage Expansion Plan, 1997", the average demand for water supply per capita is about 120 ~ 140 liter / day, which is estimated increasing to 200 ~ 300 liter / day in 2015.

The long-term mean cost for improved water supply and sewerage service was estimated as about 2.0 ~ 2.2 \$/ per m³ for both services.

(3) Solid waste

Solid waste management is becoming serious problem. Heaps of garbage or scattered refuses are here and there in a town and they are seen along main inter-regional highways. The solid waste is also disposed of to rivers, valleys and beaches, which cause pollution to environment. The conditions of the solid waste in the tourism area are spoiling feelings of tourists.

The solid waste should be properly collected and disposed of for both environment and visual effect. Local governments are handling solid waste management individually, which makes the control difficult.

(4) Electricity

The production of electricity has increased according to the development of the economy, especially sharply grown during 1992 to 1995.

The topography of Peru that high mountain range of Andes lies from north to south makes electrical supply networks difficult to widely-spread. 35% of the total population still do not have electricity supply. The coverage of electricity service is

still not sufficient in rural areas in particular. The average service rate is 72% for the whole study area. It is remarkably low in Amazonas, Cajamarca and Puno.

Table 1.35 Electricity Service Coverage (1997)

Zone No.	Department	Electricity Service
1	Amazonas	26%
2	Lambayeque	77%
	La Libertad	69%
	Cajamarca	23%
	Sub-total	55%
3	Tumbes	76%
	Piura	51%
	Sub-total	54%
4	Puno	35%
5	Cusco	56%
6	Ancash	57%
7	Lima	97%
8	Ica	80%
9	Loreto	45%
10	Arequipa	84%
	Total	72%

(MTC, 1998)

The electrification rate for rural areas, where more than 45% of the population live, is still 20%. To address this situation, the Peruvian Government is implementing a National Electrification Plan, with the target of raising the country's electrification rate to 75% by the year of 2000.

There are two main electricity grids: SISUR (Southern Interconnected System) and SICN (Central North Interconnected System). These two systems are planned to be interconnected as National Interconnected System (SIN) in 2000.

There are also many individual electricity producers, which have the share of 17% in generation installed capacity. The generating method is divided into hydraulic system (50%) and thermal system (59%).

Table 1.36 Generation Installed Capacity (MW)

Type	Hydraulic	Thermal	Total	%
Main System	2,395	1,751	4,146	83
Individual Producer	102	773	875	17
Total	2,497	2,524	5,021	100
%	50	50	100	

The government has intention of awarding concession of construction and operation of Mantaro - Socabaya transmission line in 2000, which will link SICN and SISUR and form a national interconnected system.

The total generation installed capacity is 5.0 GW including individual producers.

Table 1.37 Length of Transmission Lines (km)

	220kV	138kV	Others	Total
Existing (1997)	3,180	2,771	2,097	8,048
Project (1998-2000)	1,211	940	-	2,151
Project (2000-2005)	366	145	-	511

Source: Ministry of Energy and Mines, 1997, Referential Plan for Electricity 1997

The Ministry of Energy and Mines (MEM) has the demand forecast of electricity. According to the medium scenario of the demand forecast, the demand will become about 5,000 GWh, which will be twice of the demand in 1997.

Table 1.38 Power Demand Projection - medium Scenario (GWh)

	SICN	SISUR	SIN	Total
1997	2,101	408		2,509
1998	2,188	474		2,662
1999	2,277	521		2,798
2000	2,436	533	2,821	2,821
2001	2,675	545	3,059	3,059
2002	2,802	629	3,259	3,259
2003	2,906	642	3,371	3,371
2004	3,043	658	3,516	3,516
2005	3,142	670	3,621	3,621
2006	3,355	687	3,840	3,840
2007	3,470	699	3,961	3,961
2008	3,622	716	4,121	4,121
2009	3,747	730	4,253	4,253
2010	3,896	747	4,411	4,411
2011	4,062	765	4,586	4,586
2012	4,234	783	4,766	4,766
2013	4,415	803	4,957	4,957

Note: Italic figures show the case without SIN.

Source: Ministry of Energy and Mines, 1997, Referential Plan for Electricity 1997

The on-going major projects are as follows:

- High voltage line Tintaya-Socabaya (176 Km) SIS
- San Gabán II (110 MW) Hydraulic Power Station
- Sheque hydroelectric power plant (600 MW) with Mantaro transmission line (Lima)
- Yuncán hydroelectric power plant (126 MW) (Pisco)

(5) Telecommunications

There has been a dramatic development in telecommunications of Peru since the early 1990s due to the new legal framework and government-led privatization.

Number of telephone lines has increased remarkably from 1994 and accounted for 1,645,000 lines in 1997. Mobile phone system has developed from 1997 and number of users has reached at more than 500,000 in 1997.

Table 1.39 Increase of telecommunications capacity

	1990	1991	1992	1993	1994	1995	1996	1997
Telephone line	573,916	594,213	613,701	673,021	772,390	1,109,231	1,435,147	1,645,000
Mobile phone	1,000	9,400	23,060	37,200	46,000	73,543	170,000	507,936
Cable television	0	0	0	1,300	30,000	45,000	131,000	337,000

a. Telephone

There are nationwide microwave radio relay system and domestic satellite system with 12 earth stations. For international system, there are earth stations for 2 satellites above the Atlantic Ocean.

b. Television

There are 140 television-broadcasting stations with 7 main operators of the television broadcasting.

c. Cable TV

There are 2 main companies that provide cable TV in Lima, with more than 337,000 users in 1997.

d. Radio

There are 273 radio-broadcasting stations. Among them the three main stations are Radiomar, Radio Panamericana, and Radio Programmas del Peru. There were 5.7 million radios in 1992.

(6) Privatization and concession

The Peruvian government has started promoting private investment for construction, rehabilitation and maintenance of infrastructure and public services by awarding concession from 1991. A company awarded concession should develop and maintain infrastructure or public services in exchange of charging adequate tariffs. It provides an opportunity for long-term business assuring recovery of the investment, while the government can save the resources.

In 1996, the legal framework for awarding concession was modified. The Legislative Decree 839 introduced was to create a Commission for Promotion of Private Concessions (PROMCEPRI) as the sole organization for promotion of private investment to public works. The Law for Encouragement of Foreign Investment (Legislative Decree 622) has dispensed to ensure international remittance and juridical stability.

The first project awarded as a concession by Peruvian government in 1998 was the Mantaro- Socabaya electricity transmission line, which will link the two main electricity grids of Peru, the Central – North Interconnected System (SICN) and the South Interconnected System (SISUR) with 700 km power line.

The second was the cellular phone of B wavelength. It broke the monopoly of Telefónica del Perú in cellular telecommunication.

The third concession was the Machu Picchu – Aguas Calientes gondola lift or cable-cabin. The awarded consortium proposed the rate of US\$ 10.9 for a return trip. They are now waiting for the appraisal of UNESCO, which designated Machu Picchu as a World Heritage.

a. Toll-road concession program

The objectives of the Toll-Road Concession Program are:

- Promote private investment
- Ensure the maintenance of the road
- Reduce the usage of public resources for the road maintenance
- Improve service level

There are 11 road networks to be tendered out for concessionaires, among which Section 5 (Lima - Pativilca, Lima – Cañta – Cerro de Pasco) and Section 6 (Lima - Ica, Cañete – Yauyos – Huancayo) will be the first group of the concession.

Table 1.40 List of toll-road concessions

No.	Route / Section	Length (km)	Estimated investment (mil. US\$)
1	Piura - Sullana, Sullana - Macara, Sullana - Aguas Verdes	550	42.4
2	Lambayeque - Olmos - Piura, Lambayeque - Bayovar - Piura	580	42.4
3	Trujillo - Lambayeque, Ciudad de Dios - Cajamarca	400	86.1
4	Pativilca-Trujillo, Pativilca-Conococha, Conococha-Yungaypampa, Casma-Huaraz	1,060	139.3
5	Lima - Huacho - Pativilca, Lima - Canta - Unish	410	148.0
6	Lima - Ica, Canete - Huancayo	530	285.0
7	Ica - Camana	550	44.7
8	Camana - La Concordia, Matarani - Arequipa, Ilo - Moquegua, Ilo - Tacna	1,030	95.8
9	Circuito Turístico de Cusco, Cusco - Desaguadero	650	45.8
10	Par Vial Lima - Ricardo Palma	80	102.0
11	Ricardo Palma-La Oroya, La Oroya-Huánuco, La Oroya-Huánuco-Pucallpa	910	68.3

b. Port

Although it has little relation with tourism, the ports of Paita, Salaverry, Chimbote, Callao, San Martín, Matarani and Ilo will be tendered out for concessionaires. The National Port Company (ENAPU) manages the ports. The objectives are to improve the cargo handling system and infrastructure, in particular loading and unloading system, and storage facilities.

c. Railway and airport

There is a plan to privatize the ENAFER, which has not been finalized.

d. Electricity and telecommunications

In 1994 the Peruvian government decided to restructure and privatize Electrolima, a large state-owned power transmission, generation, and distribution utility. As a first step, it broke up the old entity and replaced it with one electricity generation company (Edegel) and four regional distribution companies (Edelnor, Edelsur, Ede-Cañete, and Ede Chancay). As part of a competitive bidding process of privatization that followed in the same year, a 60% stake in Edelnor was sold to a consortium. Edelsur soon became one of the largest companies in Peru. Taking supply from generators Edegel and Electroperce are in turn connected to Peru's largest regional grid system (SICN), it changed its name to Luz del Sur in March 1995.

As with other privatized infrastructure concerns in Latin America, Luz del Sur has seen many efficiency gains and service improvements since its initial sale. The government disposed of its remaining holdings in Luz del Sur in a transaction in December 1996.

According to the privatization policy, Telefónica del Peru (TdP) was established reorganizing several public corporations in 1994. It has retained monopoly control of basic domestic, long-distance and international service until June 1999, and the ability to enter to related telecom markets that are the fastest growing markets in the emerging market economies.

Since that time TdP has embarked on one of Latin America's most ambitious telecom expansions, Peru's ratio of installed lines per 100 residents has become in double from 2.5 to 5.0 and the productivity has increased with introducing new technology and reduction of workers. TdP plans to increase its number of installed lines by approximately another 50% before Dec. 31, 1998. Six months before the date TdP has lost its monopoly status.

The company's financial results in its first two years of operations have been strong, with earnings coming from the monopoly service as well as entry into competitive domestic markets such as paging, cellular, cable television, and value-added services such as an electronic mail and an inter-net access.

Privatization and tendering out for concessionaire have been in process from 1994.

(7) Typical tourism infrastructure development types

a. Development system of tourism infrastructure

Basically expansion and improvement of existing facilities and construction of new facilities should be considered to support tourism development. The following typical development types are classified.

System-1: Improvement and expansion of the existing system corresponding to increase of the demand for large cities

System-2: Improvement and expansion of the existing system coping with the deficit and corresponding to increase of the demand for small towns

System-3: Expansion of the existing system and preparation of new facilities for isolated tourism place

System-4: Preparation of new facilities for new tourism development

Table 1.41 shows application of the tourism infrastructure development system by sector.

Table 1.41 Application of the development systems

	System-1	System-2	System-3	System-4
Water supply	Expansion of existing water treatment facility Expansion of distribution system	Expansion of existing water treatment facility Expansion of distribution system	Expansion of existing water treatment facility Expansion of distribution system	Provision of new wells or other water intake
Sewerage	Expansion of exist. sewerage treatment facility Distribution system	Expansion of exist. sewerage treatment facility Distribution system	Expansion of exist. sewerage treatment facility Distribution system	Provision of individual sewerage treatment facility
Solid Waste	Expansion of exist. disposal sites	Expansion of exist. disposal sites	Expansion of ext. disposal sites	Provision of solid collection vehicles Sanitary landfill sites
Electricity	National electricity system	National electricity system	National electricity system Connection to exist. main electricity system Improvement of transformer capacity	Provision of individual power generators
Telecommunications	Expansion of exist. Telecommunication services	Expansion of exist. Telecommunication services	Expansion of exist. Telecommunication services	Provision of new telecommunication services (satellite communication, etc.)

b. Guidelines of infrastructure for tourism

The followings are development guidelines of infrastructure for tourism.

Table 1.42 Development criteria for tourism

	Water Supply		Sewerage		Electricity		Telephone		Solid Waste	
		unit		unit		unit		Unit		Unit
Hotel - High	0.6	m ³ /bed	0.6	M ³ /room	339+4.3P	KW	0.04-0.05**	Line/room	2.0	Kg/bed
Hotel - Medium	0.4	m ³ /bed	0.4	M ³ /room	243+3.6P	KW	0.04-0.05**	Line/room	1.5	Kg/bed
Hotel - Economy	0.2	m ³ /bed	0.2	M ³ /room	188+3.5P	KW	0.04-0.05**	line/room	1.0	Kg/bed
Restaurant	20-50	m ³ /seat	20-50	m ³ /seat	0.20	KW/m ²	1-2	line/no.	0.1	Kg/m ²
Souvenir Shop	0.03	m ³ /m ²	0.03	m ³ /m ²	0.18	KW/m ²	1-2	line/no.	0.05	Kg/m ²
Employee	0.2	m ³ /capita	0.2	m ³ /capita	0.5	KW/capita	0.1-0.2	line/capita	1.0	Kg/capita

1.5.3. Development Issues for Tourist Infrastructure

Reviewing the present conditions of infrastructure and tourism resources, the following are considered as important for the direction for development of the infrastructure for tourism:

(1) Transportation

a. Road

First of all, rehabilitation of all length of the Pan-American Highway should be expedited. One bottleneck will disturb transportation linkages of cities.

The concession plan that covers most important sections of the road network in Peru should be promoted to secure the good road conditions, but keeping side ways without toll.

In order to support the tourism development in the southern area the road section between Cusco and Ayacucho should be improved with paving in addition to the completion of the road section of Arequipa - Juliaca, under construction with the assistance of OECF, etc.

To promote the tourism development of the northern area, the road improvement of Cajamarca - Kuntur Wasi and Cajamarca - Chachapoyas has to be conducted on condition that Pacasmayo - Cajamarca road should be completed. The road rehabilitation and maintenance project of Cajamarca - Chachapoyas is proposed in the Regional Urban Investment Management Project for the Northeast Marañon Region,

b. Railway

Special train cars for tourists are proposed to introduce to Cusco - Aguas Calientes and Cusco - Puno to secure the safety operation with proper maintenance and upgrading. The concession plan for this part should be expedited to improve the service level.

c. Airport

Lima airport and Chiclayo Airport are considered important as the main international gateway of Peru and the regional gateway to the north tourism region respectively.

Lima Airport

The terminal building has become too old to maintain adequate level of services. In particular, the number of fingers for aircraft and passenger spaces are not sufficient in space and quality. The at-grade flow of embarking and disembarking passengers causes conflict, inefficiency and dissatisfaction of passengers. The obsolete loading and unloading equipment makes passengers wait long time to get their baggage.

As the main gateway to Perú, its improvement is considered pressing, which includes:

- improvement of runway, which has been deteriorating considerably after 38 years from the opening of 1960
- improvement and expansion of terminal building; expansion of fingers, provision of boarding bridges, waiting lounges and loading and unloading equipment of passenger baggage
- separation of flow of embarking and disembarking passengers
- improvement of control system

Chiclayo Airport

The length of the runway is 2,520 m, where aircraft of B727 class can use. As the airport for the center of the region and the tourism excursion, the improvement of the facilities will be required.

(2) Water supply

Adequate quantity and quality of water should be supplied to tourism facilities with improvement of the total supply system in the areas.

(3) Sewerage

In areas where sewerage is not provided, individual treatment system should be promoted according to relevant regulations.

(4) Solid waste

The solid waste should be properly collected and disposed taking into account both environment and visual effects. Construction of sanitary landfill sites should be expedited and appropriate solid waste management systems should be established.

(5) Electricity

The development according to the national electrification plan should be expedited.

Mini hydroelectric power generation or individual diesel generation systems may be developed in an isolated area.

(6) Telecommunication

Expansion of telephone line networks should be promoted with the vitality of private sector.

1.6. Environmental Management and Local Participation

1.6.1. Analysis of Existing Conditions

(1) National policy

The government's understanding of environment issues would be summarized into the following two points.

- Poverty alleviation is the best way to settle the environmental issues, and
- Sustainable and/or participatory development have to be considered for the development of any economic sectors.

In accordance with the above-mentioned concept, the National Environmental Council (CONAM), a national environmental authority, sets the following three policies.

- Sustainable use of natural resources,
- Improvement of living condition, and
- Enhancement of environmental awareness and education, and cultural advancement.

(2) Laws and institutions

Following the national policy, the Peruvian government has issued a series of environmental laws and institutions since 1990.

Peruvian Congress enacted the Environmental Code in 1990 as a national environmental law for the purpose of covering all aspects of environmental issues. With the concept of sustainable development and/or participatory development, the Code aims at balancing the immediate needs of socioeconomic development and environmental conservation.

In the new constitution proclaimed in 1993, the following environmental articles related to tourism development were proclaimed:

- Qualification to use natural resources,
- Promotion of sustainable and diverse utilization of natural resources, and
- Promotion to preserve bio-diversity and protected natural areas.

Since many environmental regulations such as environmental standards of pollution control are old-fashioned and the regulations are no longer applicable to current environmental condition, the government is now preparing and/or modifying the new regulations to suit to the requested environmental conservation in accordance with the constitution and the Code.

However, due to financial constraints and insufficient experiences, enforcement of the laws and institutions and their application to the implementation of development projects/programs are not always successful.

(3) Administrative organization

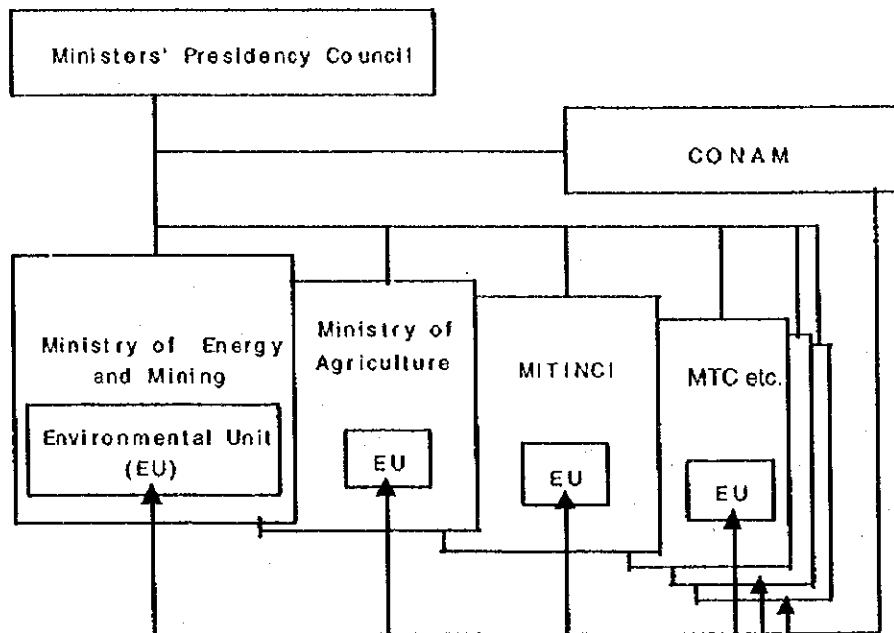
a. Central government

The National Environmental Council (CONAM) with the Direction of Transsectorial Administration, the Direction of Design and Environmental Development, the Direction of Promotion and Sustainable Development and the Administrations was created as an independent authority for national environment by the State's answer (Law 26410) in December 1994. The main functions are summarized into the following two points:

- To consolidate the national environmental policy, and
- To organizing an efficient system of environmental management.

As shown in Figure 1.22, the inter-ministry system is established under the leadership of the CONAM to have a close relationship with related Ministries with an environmental unit. To support the integrated national system, its representative council is composed of the following seven members: three from the public sector, two from the private sector, one from the regional government and one from the local government.

Figure 1. 22 Inter-ministry system under the leadership of CONAM

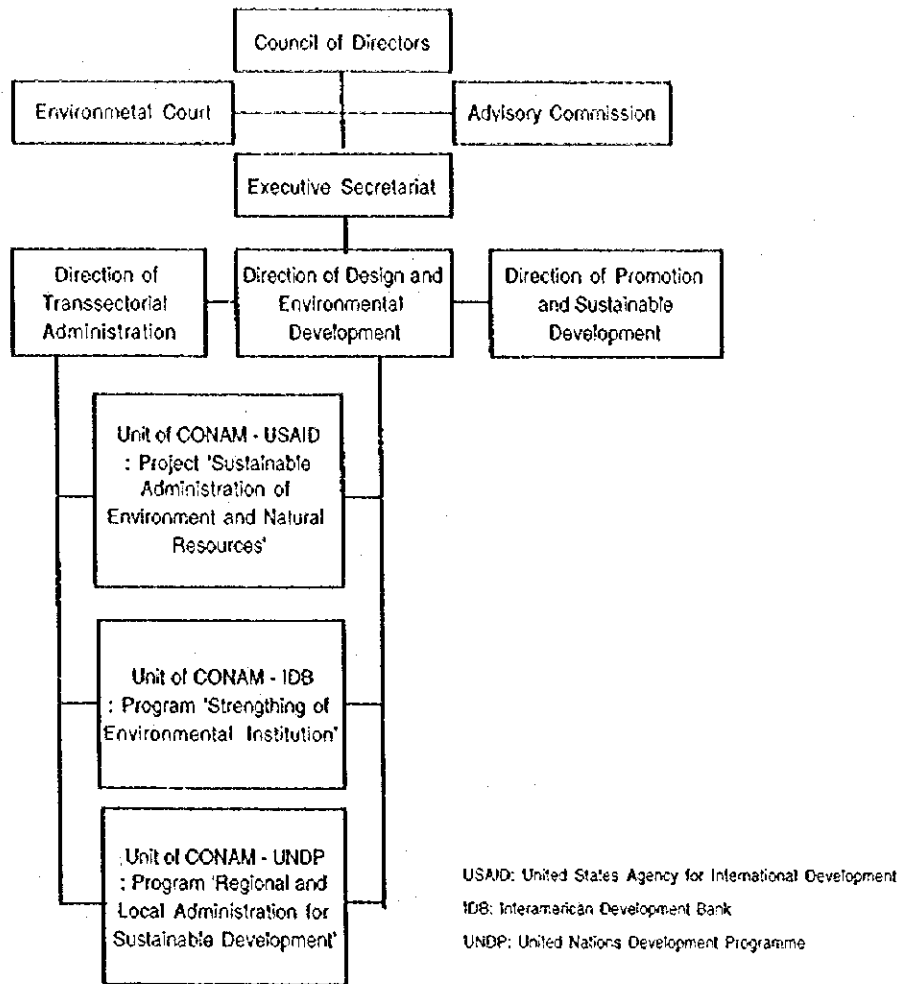


Source: CONAM, 1992

At present, both the Direction of Transsectorial Administration and the Direction of Design and Environmental Development are jointly implementing the following project and programs together with international organizations as shown in Figure 1.23.

- Project: Sustainable Administration of Environmental and Natural Resources, with USAID
- Program: Strengthening of Environmental Institution, with IDB,
- Program: Regional and Local Administration for Sustainable Development, with UNDP.

Figure 1. 23 Organizational Structure of CONAM



Source: CONAM, 1998

b. Environmental organization in the MINITCI

The National Direction of Tourism under the Vice Ministry of Tourism is responsible for environmental issues in the tourism sector. However, there exists no substantial system dealing with environmental issues within the Vice Ministry.

Thus, the Vice Ministry of Tourism has to cooperate with the Vice Ministry of Industry, in which only environmental unit in the MITINCI exists, and/or with other Ministries to cope with the environmental issues in the tourism sector, provided that the final right of decision is to the Vice-Minister of Tourism.

By the Ministry Resolution No.231-92-MITINCI/DM in late 1992, the MITINCI creates the Sub-Direction of Environmental Supervision and Inspection under the Vice Ministry of Industry that is responsible for environmental issues related to industry. Main functions are to propose policies and norms for environment and natural resources protection concerning activities of industry and tourism.

The sub-direction supports the Vice Ministry of Tourism as an only environmental organization within the MITINCI, though its expertise in the tourism sector is limited due to insufficient knowledge and experiences.

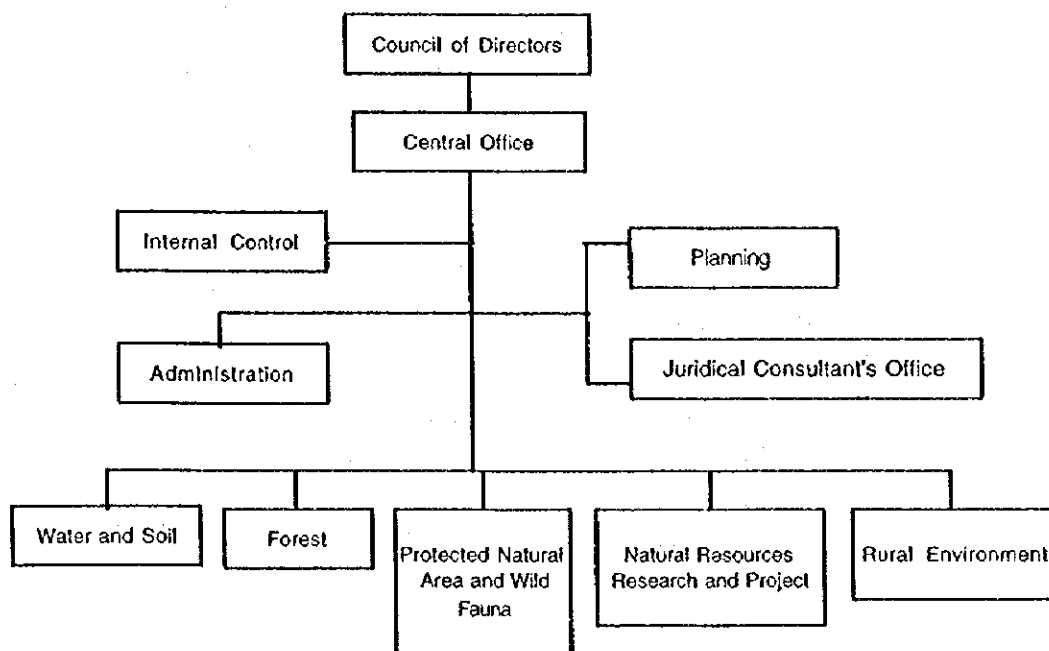
c. Environmental organization related to natural resources

Primary objective of the National Institute of Natural Resources (INRENA), which was established under the Ministry of Agriculture as an official authority by D.L.

26902 in 1993, is to manage natural resources and ecological surroundings to achieve sustainable development. The five directions of Water and Soil, Forest, Protected Natural Area, Wild Fauna, Natural Resources Research and Project, and Rural Environment as shown in Figure 1.24 implement the following functions.

- To promote, coordinate and arrange the policies for natural resources,
- To characterize, investigate, evaluate and observe natural resources,
- To coordinate between public and private sectors related to natural resources,
- To propose outline of policy and rules in the matter of basin management, and
- To evaluate environmental impact on natural resources.

Figure 1. 24 Organizational structure in INRENA



Source: INRENA

INRENA provides the following services related to tourism development for both public and private sectors:

- Permission for the wild fauna and flora export,
- Evaluation of environmental impact (EIA),
- Studies on inventory and evaluation of natural resources,
- Studies on environmental ordinance,
- Studies on agro-ecological zoning,
- Specific studies on natural resources,
- Elaboration of geographical information system models (GIS),
- Elaboration of pre-investment studies such as the followings:

- 1) Forestry projects,
 - 2) Projects of small irrigation,
 - 3) Improvement of watering and drainage infrastructure,
 - 4) Land recuperation affected by problems of salinity and drainage,
 - 5) Exploitation and use of underground water, and
 - 6) Exploitation and use of sewage water.
- Registration of companies and institutions that are possible to implement environmental impact studies in the agricultural sector,
 - Advisement and management of the Protected Natural Areas, and
 - Training on rational management and availability for natural resources.

The National Trust Fund for Parks and Protected Areas (PROFONANPE) was established in 1992 by the Global Environmental Facility of the World Bank and the German Technical Cooperation (GTZ). The main objectives are to coordinate with foreign donor agencies, and to provide technical supports and funding for natural conservation efforts countrywide.

The representative board of the PROFONANPE is, as a mediator between the public and private sectors, composed of three representatives of the government, three from Peruvian NGOs, and one from an international cooperation agency, currently from Germany's Technical Cooperation Agency (GTZ). It has a technical committee composed of twenty scientists and natural resource's experts experienced in park management in order to provide technical advise to the board. It is responsible for the following activities:

- To manage FONANPE and the financial resources transferred to it for financing the programs and projects,
- To contribute to conservation, protection, and management of State Protected Nature Areas, while promoting conservation and sustainable development of their influential areas that are part of the National System of State Protected Nature Areas (SINANPE),
- To strengthen the operation capability of the General Direction of the Nature Protected Areas and Wildlife in INRENA for the optimum achievement of its goals with regard to the management of the Protected Areas,
- To contribute to the strengthening of the technical capability of the personel who works in the State Nature Protected Areas, and
- To supplement the resources that the State allocates to the General Direction of Nature Protected Areas and Wildlife to achieve its goals.

(4) Environmental control and management

The inter-ministry coordination system under the leadership of CONAM is still weak to achieve efficient environmental control and management. Thus, each pollution problem is controlled and managed by each Ministry within its scope of work as in the past.

Natural resources are controlled and managed by INRENA in cooperation with other organizations such as the PROFONANPE, international organization and NGOs. INRENA is tasked to the following activities.

- To contract exploitation and evaluation of forestry resources for industrial and/or commercial purposes in the National Forests,

- To authorize export and import of wild fauna and flora,
- To authorize extraction and hunting of the designated wild fauna for the purpose of scientific investigation and cultural diffusion,
- To authorize the establishment of zoo hatcheries,
- To authorize handling areas at both public and private property,
- To authorize scientific investigation, hunting of the wild fauna, extraction of wild flora, recreation and tourism in the Protected Natural Areas, and
- To authorize the establishment of Community Reserves and Reserved Areas.

The pollution control and management are implemented by Ministries related to economic sectors. To counter-act industrial pollution, the government attaches great importance to the formulation and application of the adequate environmental management program (PAMA). Due to government's necessity, ministries in charge of economic development such as the Ministry of Energy and Mining, Ministry of Transportation, Communication and Construction, and MITINCI design PAMA to control and supervise industrial activities in both public and private sectors.

In principle, waste collection and disposal are responsible to public firms affiliated with the local government or entrusted to private companies. Except for Lima and a few other cities, most municipalities insufficiently provide these services due to financial restriction. The fishery sector is attempting to find measures to convert arid coastal land to farmlands by using sewerage water and solid waste from factories processing marine products.

Though the Water General Law issued in 1969 and the Agricultural Investment and Promotion Laws in 1991 are put into practice, there exists no authority that is consistently responsible for river administration. INRENA implements a limited administration for observation of water volume and water rights, and the General Directorate of Environmental Sanitation under the Ministry of Public Health and Welfare for examination of water quality. Control of waste dumping into river is responsible to local government, which is not sufficient at present.

(5) Environmental impact

If any controversy arises among authorities in charge of environmental impact studies, the CONAM is responsible to settle the conflict. In response to the requirement, CONAM is preparing the System of Environmental Impact Assessment (SEIA) in cooperation with the Inter-American Development Bank (IDB) for the following purposes:

- To establish a framework of the SEIA Law,
- To strengthen technical capacities for environmental impact studies,
- To develop only one national SEIA

At present, environmental impact studies including the environmental impact assessment (EIA) are conducted by the ministry in charge of respective projects. They conduct the studies by themselves according to the guidelines of the Environmental Code.

An authority, which is responsible exclusively for the environmental impact studies for the tourism sector, is not available. Hence, the knowledge and expertise in the environmental study for tourism still remain underdeveloped.

On request of the Vice Ministry of Tourism, the environmental unit of the Vice Ministry of Industry cooperates for tourism development within the scope of its technique on the environmental impact studies. The unit prepares the preliminary

environmental diagnosis (DAP), the environmental impact assessment (BIA), the adequate environmental management program (PAMA), the environmental impact statement (DIA), and the other environmental information. Table 1.43 summarizes the responsibility of respective organizations involved in the environmental study.

Table 1.43 Responsibilities of assignment by environmental study

	DAP	EIA	DIA	PAMA	Environmental Information
Project Proponent	b, d	a, b, d	a, b, d	a, b, d	a, b, d
Consultants	a, e, f	a, e, f	a, e, f	a, e, f	a, e, f
Auditors	f	f	f	f	f
MITINCI	c, d, f	c, d, f	c, d, f	c, d, f	c, d, f

Note: a: elaboration, b: presentation, c: approval, d: supervision, e: subscription, f: review & evaluation

DAP: Preliminary Environmental Diagnosis

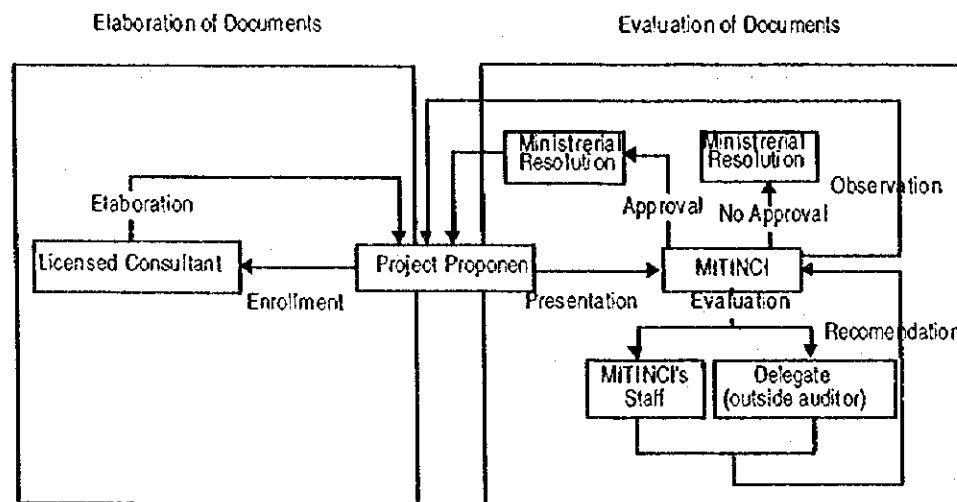
EIA: Environmental Impact Analysis

PAMA: Adequate Environmental Management Program

Source: Vice Ministry of Industry, MITINCI, 1998

Licensed consultants registered by the Vice Ministry of Industry, INRENA, or other appropriate organizations carry out environmental impact study. MITINCI evaluates the study result, and determines to approve or not to approve respective projects as shown in Figure 1.25.

Figure 1. 25 Workflow of environmental evaluation in MITINCI



Source: Industry Vice Ministry Office, MITINCI, 1998

Direction of Rural Environment under INRENA is responsible to environmental studies in protected nature areas. The standards for evaluation, assessment and management of environmental impact in the tourism sector still has room for improvement.

(6) Nature conservation

a. Protected natural areas

INRENA is responsible for administration of protected nature areas in cooperation with other environmental organizations such as PROFONANPE, international organizations, and NGOs. The adequate administration, however, is limited in a few specific areas.

Most of the National Park staff such as administrators and guards are inadequately trained. Besides, the park system officially employs only 110 park guards for 5.5

million hectares or one guard per 50,000 hectares, while general guidelines show that one guard per 5,000 hectares is suitable for park management. This indicates a severe deficiency of administrative and managerial staff to protect nature areas in Peru.

Corresponding to the above situation, Peruvian NGOs complement the management of some of the protected areas. The level of management, however, varies depending on the financial situation of respective NGOs.

Protected Nature Areas are put into the following eight categories as shown in Table 1.44, and are administrated as follows.

National Parks

The wild fauna, flora, and landscape in National Parks have to be kept intact. Any exploitation of natural resources and construction of housings are absolutely prohibited. Visitors are only permitted under strict conditions in case of scientific, educational, recreational or cultural purposes. To this date, eight parks are designated as National Parks, which account for 2.27% of the national territory.

National Reserves

National Reserves are designated to preserve and breed the wild fauna and flora for the national interest. Only public organizations are given permission for its utilization. Landowners of existing farmland in the reserve are allowed to cultivate under the Ministry of Agriculture's supervision. At present there are eight National Reserves, which occupies 2.29% of the national territory.

National Sanctuaries

National Sanctuaries are designated to preserve wild fauna and flora as well as topographic formations that have scientific importance or tourism value. There are six National Sanctuaries, which occupies 0.04% of the national territory.

Historic Sanctuaries

Historic Sanctuaries are designated to protect natural scenery, in which national historical events took place. Three sanctuaries have been established, which accounts for 0.03% of the national territory.

Reserve Zones

14 Reserve Zones have been established to protect and/or maintain wild fauna and flora. These are transitory or provisional zones until they are classified into an appropriate category. They account for 3.92% of the national territory.

Hunting Sites

Wild fauna shall be managed in the designated public or private site. Sport hunting by tourist as well as poaching by local people shall be controlled adequately in opposition to unstable acts.

Protection Forest

Protection Forests are designated to protect the land, infrastructure, and communities as well as to secure the water supply for human consumption, industry and agriculture. Six Protection Forests occupies 0.31% of the total land area in the country.

Community Reserves

Two Community Reserves have been designated to protect wild fauna and flora that have been used as traditional nourishment sources for the livelihood of indigenous people and farmers who live in the surrounding areas of the reserves. It occupies 0.28% of the national territory.

Table 1.44 List of protected nature areas

Name of protected areas	Registered year	Area (ha)	Location
National Parks		2,918,179	
1 Cutervo	1961	2,500	Cajamarca
2 Tingo María	1965	18,000	Huánuco
3 Manu	1973	1,532,806	Cusco/ Madre de Dios
4 Huascarán	1975	340,000	Ancash
5 Cerros de Amotape	1975	91,300	Tumbes/ Piura
6 Río Abiseo	1983	274,520	San Martín
7 Yanachaga Chemillén	1986	122,000	Pasco
8 Bahuaja Sonene	1996	537,053	Madre de Dios/ Puno
National Reserves		2,946,686	
1 Pampa Galeras	1967	6,500	Ayacucho
2 Junín	1974	53,000	Junín/ Pasco
3 Paracas	1975	335,000	Ica
4 Lachay	1977	5,070	Lima
5 Titicaca	1978	36,180	Puno
6 Salinas Aguada Blanca	1979	366,936	Arequipa/ Moquegua
7 Calipuy	1981	64,000	La Libertad
8 Pacaya - Samiria	1982	2,080,000	Loreto
National Sanctuaries		48,113	
1 Huayllay	1974	6,815	Pasco
2 Calipuy	1981	4,500	La Libertad
3 Lagunas de Mejía	1984	691	Arequipa/ Moquegua
4 Ampay	1987	3,636	Apurímac
5 Manglares de Tumbes	1988	2,972	Tumbes
6 Tabaconas Namballe	1988	29,500	Cajamarca
Historic Sanctuaries		35,392	
1 Chacamarca	1974	2,500	Junín
2 Pampas de Ayacucho	1980	300	Ayacucho
3 Machu Picchu	1981	32,592	Cusco
Reserve Zones		5,038,640	
1 Tambopata Candamo	1990	1,043,998	Madre de Dios/ Puno
2 Manu	1980	257,000	Madre de Dios
3 Laquipampa	1982	11,347	Lambayeque
4 Pantanos de Villa	1989	396	Lima
5 Apurímac	1988	1,669,200	Junín/ Cuzco
6 Tumbes	1994	75,102	Tumbes
7 Balan Grande	1991	13,400	Lambayeque
8 Algarrobal el Moro	1995	321	La Libertad
9 Chancay Baños	1996	2,628	Cajamarca
10 Aymara - Lupaca	1996	300,000	Puno
11 Gueppi	1997	625,971	Loreto
12 Río Rímac	1998	(28km length)	Lima
13 A. Cañete y Conchas Pachacayo	1999	176,000	Lima
14 Santiago Comainas	1999	863,277	Amazonas
Protection Forests		397,164	
1 Pui - Pui	1985	60,000	Junín
2 San Matías San Carlos	1987	145,818	Pasco
3 Pagaibamba	1987	2,078	Cajamarca
4 A.B. Canal Nuevo Imperial	1980	18	Lima
5 Puquio Santa Rosa	1982	7,250	La Libertad
6 Alto Mayo	1987	182,000	San Martín
Community Reserves		357,245	
1 Yanesha	1988	34,745	Pasco
2 Tamshiyacu - Tahuayo	1991	322,500	Loreto
Hunting Sites		124,735	
1 El Angolo	1975	65,000	Piura
2 Sunchubamba	1977	59,735	Cajamarca
Total (49 Protected Nature Areas)		11,866,154	

Source: INRENA

b. Wildlife

Valuable fauna and flora constitute an essential part of tourism resources as ecotourism flourishes. The INRENA confirms the number of valuable animal species as shown in Table 1.45.

Table 1.45 Number of valuable animals by category

	Birds	Mammals	Reptiles	Amphibians	Total
Endangered ¹⁾	11	12	1	-	24
Vulnerable ²⁾	25	28	11	2	66
Rare ³⁾	14	10	2	-	26
Indeterminate ⁴⁾	19	12	11	12	54
Total	69	62	25	14	170

Note: 1) Endangered: species or subspecies in danger of extinction
 2) Vulnerable: species or subspecies on the way t to extinction
 3) Rare: species or subspecies being threatened its existence
 4) Indeterminate: species or subspecies that are valuable but limited in information

Source: INRENA

Commercial hunting and extraction of wild animal products are under the supervision of the INRENA. Its number and period of capture are specified by specie and by natural zone (i.e. coast, mountain, jungle). Hunting/extraction fees per head or volume by specie are also specified. Restricted species for hunting include 176 of birds, 19 of amphibian, 33 of reptiles and 3 mammals as of 1998. In spite of the regulation, illegal activities like poaching are increasing in number.

c. Forests

Peru's unique bio-diversity faces threats. One of the major threats come from deforestation caused by several decades of spontaneous colonization. Their unsustainable agricultural practices have resulted in the deforestation of invaluable primary forests.

Although over ninety percent of the Amazonian lowlands of the country are still forested, some large vertebrates and valuable timber species are now confined to an area which is estimated to be 30 to 40% of the Peruvian Amazon. Destruction of habitat and poaching have driven some species to the brink of extinction.

(7) Gender and the tourism sector

Generally speaking, there exists no serious gender problem for the female workers in the tourism sector. Many female staff who graduated from university work in the tourism sector. High-grade hotels, restaurants for tourists, large travel agencies as well as public sector organizations such as Vice Ministry of Tourism and the PROMPERU hire university graduates irrespective of gender.

Social promotion of female has already proceeded in both public and private sectors. Through further tourism development in Peru, employment opportunity for women will surely increase in various fields of the tourism sector. Most of the women in the tourism sector are quite positive to participate in social activities both in rural areas including indigenous communities as well as in urban areas.

There exists no serious problem and negative impact in terms of the Gender and Development (GAD) or the Women in Development (WID) in the tourism sector if the socio-cultural factors are taken well into account.

(8) Local participation

Participatory development plays an important role for sustainable development for poverty alleviation. There has been traditional community-based mutual-aid system in local communities, which indicates that participatory development would be easily accepted by local people.

a. Participatory development projects

One of the important authorities adopting a community-based participatory development method is the Social Investment Fund to Finance (FONCODES) under the Ministry of Presidency, the main objective of which is to cope with the poverty alleviation, in particular, in rural areas. Projects implemented by FONCODES are designed from the view point of participatory development.

FONCODES projects are composed of four categories: socio-economic infrastructure, social supports, production supports and special programs. Tourism development projects such as socio-economic infrastructure project at tourism site, handy-craft industry project, and small-scale enterprise project have been implemented with the participatory method, though the number is not very large.

Participatory projects have been accepted positively by local communities. Local people participate voluntarily in collecting materials such as wood for construction, carrying it to project site, as well as working as a member of project committee or core-organization.

b. Gender issues in participatory development projects

FONCODES promotes women's participation in its sustainable development projects because its effects would be limited without women's participation. Actual women's participation, however, is still low in some categories like civil engineering project as shown in Table 1.46.

Table 1.46 Women's participation rate to a core-organization of FONCODES

Source: FONCODES

c. Local participation for environmental management

The Environmental Code indicates that people have the right to participate in environmental and natural resources management. In accordance with this principle, MITINCI and the other ministries with environmental unit have to establish a system to assure local participation in the process of adequate environmental management program (PAMA).

A project proponent or a person who prepares the PAMA are to address the following issues related to participatory development.

- Identification of concerned local people and communities, and information ,
- Objectives for the local participation,
- Activities and programs for local participation,
- Results of local participation in the process of the PAMA, and
- Contacts with local communities.

Although the system of environmental management such as the above-mentioned PAMA is prepared and/or modified by authorities related to environmental issues, the local participation for environmental management, however, is still underdeveloped and implemented through trial and error.

(9) Social impacts

Peruvian societies have traditional, religious and, sometimes, superstitious socio-cultures, in particular, indigenous ones in the Amazon rainforest and the Andes mountainous areas. They would be utilized to attract foreign tourists. The tourism sector should make good consideration to the social environment since tourism in

Peru is closely related to indigenous socio-culture and societies in/around tourist sites.

a. General condition

In general, the tourism sector such as travel agents, hotels and tourist-camps as well as governmental sector does not have significant negative impact on not only urban area but also on rural communities in comparison with other economic sectors. The tourism sector has made efforts to keep a good relationship with local communities and their socio-culture, and paid good attention to them in case of tourism development. People in Peru has received tourists with good hospitality and have been tolerant to foreigners in spite of the fact that their careless behavior could negatively affect local society and culture.

On the contrary, natural environment, indispensable for ecotourism, began to be damaged by local people unconsciously or intentionally. Collecting firewood and agricultural practices including overgrazing are major causes to destroy invaluable natural resources, in particular, primary forest. The illegal poaching and extraction has increased recently because wildlife is traded in large quantities by local people who want easy cash income.

Some local people, on the other hand, are interested in tourism as an alternative livelihood such as lending of horses, selling of agroforestral and handicraft products, and utilizing of their unique daily life for ecotourism and cultural tourism. This means that local people are beginning to understand the value of tourism including natural resources and their socio-culture.

b. Relationship between local people and the tourism sector

Employment situation

The employment opportunities for local people, in particular, indigenes are very limited in the tourism sector even as menial workers such as cleaner, waiter/waitress and bed-maker due to the oversupply of worker force and/or their insufficient expertise in tourism. Even if a tourist site situates in/around an indigenous community, many of the workers could be recruited from nearby local towns.

Though indigenes have profound knowledge of nature and socio-culture in their site, the opportunities for indigenous guides for ecotourism is quite limited due to difficulties such as the insufficient command of Spanish or English language and/or the lack of education for guide.

Agricultural products

There does not exist a proper system to supply local agricultural products directly to tourism establishments such as hotels, tourist-lodges and restaurants. Only a limited number of local people can sell an excess of agricultural produce to local tourism establishments. While, hotels and tourist lodges owners are reluctant to purchase agricultural products from local market near tourist site because the supply is unstable in terms of quantity and quality.

Souvenirs supply

Most of mass-produced souvenirs are supplied to souvenir shops from handicraft cottage industries in the suburb of Lima. Handicrafts produced in rural areas are generally supplied by way of middleman. Market channels for handicraft, through which producers in rural areas could sell their products directly to urban areas, are still very scarce.

In local cities/towns near tourist sites mass-produced souvenirs, transported by way of middleman from Lima, are displayed in the souvenir shops. Local people who bring local handicrafts by themselves to the towns and cities without a middleman often face difficulty to make favorable business with local retailers.

At tourist sites, local people, irrespective of gender, produce handicrafts with natural resources and traditional techniques to get cash income for improvement of their living condition. They mainly sell them to tourists by themselves at tourist sites and/or at their communities where tourists visit as a part of ecotourism or cultural tourism. However, the handicrafts do not sell on a periodic basis due to low-quality and/or unsophisticated-taste.

Tourist attraction

Some tourists are quite interested in indigenous traditions, socio-culture, and daily life in the Amazon rainforest and the Andes mountainous areas. Travel agents arrange trips to see tourist attractions representing indigenous cultures as part of ecotourism or cultural tourism programs.

Indigenes by unit of family, relatives or communities provide a kind of show that presents their traditional and ritual dances, songs and legend. However, they are not sophisticated as tourist attractions for ordinary international tourists who are not very knowledgeable about indigenous cultures.

Tourism is regarded as an opportunity for indigenes to get cash income. Most of local communities and people are quite positive to participate in tourism to improve their living conditions.

1.6.2. Issues

Measures to cope with the environmental and social issues in the tourism sector is still insufficient in Peru. In addition, since the tourism sector has a close relationship with other sectors, environmental issues have to be considered as inter-sectorial matters. Major issues on the environmental conservation and tourism development are described below.

(1) Environmental issues for tourism

a. Administrative organization

- Insufficient coordination among the Ministries, local governments, the private sector, and local people to cope with environmental issues due to a weak leadership of CONAM,
- Lack of an environmental unit in the Vice Ministry of Tourism, MITINCI, and
- Insufficient consultation between the Vice Ministry of Tourism and the organization related to the tourism sector and tourism development.

b. Policy and legal institutions

- Insufficient knowledge about environmental issues including the laws and the regulations among public and private sectors, and local people,
- Insufficient legal institutions of environmental conservation for the tourism sector and tourism development under the leadership of the Vice Ministry of Tourism,
- Lack of clear guidelines of the environmental laws and regulations for the governmental authorities, private-sector and local people,
- Inconsistency of legal institutions related to the tourism sector and tourism development, and
- Old-fashioned environmental standards to the present conditions.

c. Environmental management

- Insufficient control and management of natural tourism resources, in particular, in protected nature areas, in relation to the tourism sector and tourism development,
- Inadequate Environmental Management Program (PAMA) for the tourism sector including the control of natural tourism resources under the Vice Ministry of Tourism in cooperation with CONAM,
- Lack of enforcement on environmental impact studies including the EIA in tourism development projects,
- Lack of institutions that integrate tourism development and nature conservation,
- Lack of educational and informative facilities/materials for nature conservation including environmental impact studies, and
- Little socio-economic incentive for local people to respect environmental rules and regulations.

d. Protected nature area management

- Insufficient integrated system for environmental management in tourism development to coordinate among relevant organizations such as CONAM, INRENA, and the Vice Ministry of Tourism,
- Need for closer communication between the INRENA and the National Institute of Culture (INC) to cope with environmental issues, in particular, in the Historic Sanctuaries,
- Insufficient infrastructure to conserve natural tourism resources against tourist visitation, and
- Insufficient budget and man power for effective protection and management of protected areas,

e. Natural resources management

- Weak management and enforcement of forest protection and conservation,
- Presence of illegal activities (logging, poaching, etc.) mainly due to the economic problem, poor enforcement of laws and financial difficulty,
- Unsustainable collection of natural resources due to lack of sound scientific data, management and monitoring program, and
- Loss of habitat due to unsustainable agriculture practices, overgrazing, deforestation, mining, multiple tracks, river and lake's sedimentation.

f. Ecotourism management

- Lack of guidelines and criteria for ecotourism
- Lack of organizations to control guidelines and standard of ecotourism,
- Lack of safety standard for ecotourism and/or adventure tourism,
- No guidelines for tourism utilization and the development in/around indigenous communities, and

- Lack of human resources who has expertise in ecotourism with sufficient ecological knowledge.

(2) Issues in local participation for tourism

a. General issues

- Conflicts among different projects that are implemented simultaneously in the same target communities,
- Lack of coordination among authorities related to tourism and/or environmental sectors,
- Underdeveloped method for participatory development in the tourism sector,
- Lack of specialists who major in both participatory development and tourism development,
- Limited women's participation in some fields of project due to the lack of incentives and insufficient cooperation of their family,
- Poor understanding of the participatory method in the environmental management, and
- Insufficient incentives for local people to conserve the environment in/around their community.

b. Worker supply

- Limited participation of indigenous communities due not only to insufficient education and knowledge of tourism services, western manners and foreign languages, but also to the oversupply of worker population in local area, and
- Limited opportunities for indigenous people to work as ecotourism guides due to their insufficient expertise to work for the tourism sector.

c. Agricultural products supply

- Difficulty for indigenous farmers to sell their agricultural products to local tourism establishments,
- Difficulty for local community to supply agricultural products that would meet the necessity of tourism establishments due not only to their financial problems but also the lack of agricultural techniques and management.

d. Souvenir

- Lack of market channels, through which handicraft producers could sell their products in urban areas,
- Insufficient organization of handicraft producers which would increase their negotiation power with middlemen and retailers.
- Insufficient sophistication of handicraft due to the lack of market information,
- Decay of valuable traditional techniques of handicrafts due to a small number of people who would inherit the skill.

e. Tourist attraction

- Insufficient elaboration and sophistication of indigenous socio-cultures as tourism products,

- Conflicts between indigenous community in remote area and tour operator due to insufficient communication.

1.7. Cultural Tourism Resource Conservation

1.7.1. Introduction

Cultural Tourism is a kind of tourism moved by interest, knowledge and observation of civilizations, their historical and contemporary aspects, Actual observations about its development show that this tourism carries also values, culture, history, identity and respect for the people, there natural resources and natural environment.

Cultural tourism is one of the most important components of tourism in Peru, 38 % of the foreign tourists (219 thousand) visited the city of Cusco and 28 % (155 thousand) visited Machu Picchu during 1997. Cusco and Machu Picchu are the most attractive places for the cultural tourism in Peru.

However, the heritage of Peruvian cultural resources is not concentrated only in Cusco, there are many other Pre-inca and Inca archeological cultural expressions of importance for tourism attraction. They are examined in the Master Plan and highlighted in their characteristics, accessibility and services, should be incorporated, as suggested by the Plan, as tourism products to diversify the actual supply.

A well directed cultural tourism, should be the result of the convergence of tourism and cultural policies and of the concerned agents. Economical policies also should converge with the above, for tourism is considered an activity that generates currency, employment, income and in general of economical and cultural development.

The Master Plan proposes an ordained tourism development, in order to avoid the negative consequences of a disorderly development over the cultural an natural heritage. A major requirement for the cultural tourism development is to carry it on in a sustainable way in the framework of the market system, and for that three contents are important:

- 1) It should be the result of a set of profitable projects executed by efficient entrepreneur unities in a secure and stable environment
- 2) It should be developed applying equitable actions, with a contemporary content and inter-generation for the access to benefits that it creates. The participation of the community is an important factor for the protection and conservation of cultural tourism resources and it should contribute to the sustainability of cultural tourism development. As suggested by the modern approaches on this theme, the policies that promote equity could diminish or extenuate the social tension giving to society a grate social cohesion, lessening the possibilities of political conflicts.
- 3) It should incorporate, in an important way, environmental technologies that avoid degrading impacts over the environment and the cultural heritage in what tourism products are concerned.

The incorporation of these contents in the cultural tourism development could allow to the future generations the same or a great cultural and economic benefit than that gotten by the actual generation.

The proposed exigencies and contents for the development of cultural tourism, constitute the starting point and show the perspectives from where the Conservation Plan Cultural Tourism Resources are developed as shall be explained as follows.

1.7.2. Institutional System for the Protection and Conservation of Cultural Tourism Resources

(1) National Institutions

a. Instituto Nacional de Cultura (INC)

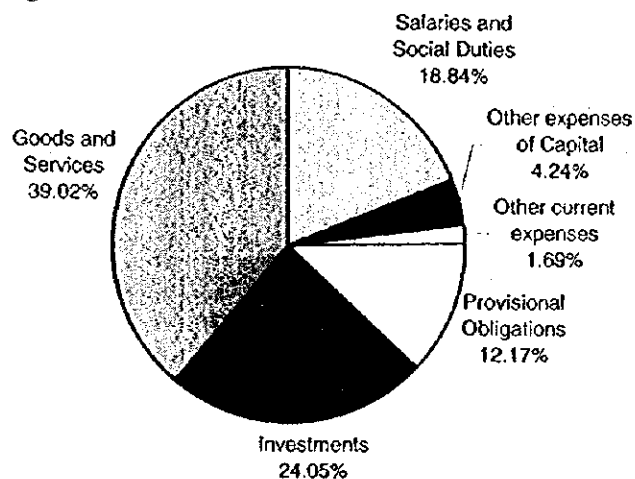
According to the Law that determinates the finality, functions and basic structure of the Ministry of Education, and the objectives of their decentralized organisms, the INC is a Decentralized Public Organism of the education sector; its objective is to execute a cultural policy formulated by the National Council of Culture that conducts to the consolidation of a National Identity: promote the integration, improvement, development and diffusion of the several cultural manifestations, and also the conservation, restoration and defense of the cultural heritage and the support for cultural creations.

The INC has offices at the 24 capitals of Department and one at Callao, additionally, it has 94 provincial and 154 district representatives. In the field of cultural heritage conservation it develops up to their economical possibilities, actions of conservation and restoration at the archeological sites of our cultural heritage; however, it has budgetary restrictions the influence significantly in the actual state of protection and conservation of such heritage.

The total budget of INC for 1998 reaches S/ 32 million (US \$ 10 million approximately), abut only 24% is assigned for investments in the conservation of cultural heritage. For the application of this small amount, the institution stresses in the protection and conservation of the sites included in the relation of World Cultural Heritage: Cusco, Machu Picchu, Chan Chan, Lima Historical Downtown and Nazca Lines and the Pampas of Jumana.

In the field of protection, the scarcity of resources also bring about negative effects; the institution suffers from lack of personnel to do the protection, and probably due to the same motive it is difficult to get the participation of the National Policy to do this work.

Figure 1. 26 National Institute of Culture: 1998 Budget



b. Regional governments, and Transitory Council for Regional Administration (CTAR).

The 25431 Law creates the Transitory Councils for Regional Administration - Consejos Transitorios de Administración Regional (CTAR) that substitutes, as the name indicates, transitorily the Regional Governments and depends on the Ministry of Presidency. Among their functions they are responsible for the tourism and for

that they have a Regional Direction of the Ministry of Industry, Tourism, Integration and International Trade (MITINCI).

The CTAR exist in all departments of the country excepting Lima and they have competence to apply the aspects established by the Law of Tourism and that are derived from the Vice- Ministry of Tourism through the National Direction of Tourism.

Almost every Regional Direction of Industry and Tourism has prepared Inventories of tourism heritage for their regions. In this aspect, a lack of complementation or coordination can be noted between the CTAR and the National Institute of Natural Resources - Instituto Nacional de Recursos Naturales (INRENA) - that also elaborates and approves plans concerned with tourism development.

For example, in 1996 INRENA approved and published the Plan for the Tourism and Recreational Uses of Huáscaran Park - Plan de Uso Turístico y Recreativo del Parque Nacional Huáscaran-. On the other hand, in 1998, the Regional Direction of Industry and Tourism - CTAR Chavín, published the Regional Plan of Tourism Development for the Chavín Region - Plan Regional de Desarrollo Turístico de la Región Chavín-. There is little relation between them, although the last is inside the geographical space of the first. Also recently, (October 1998) the National Institute of Natural Resources (INRENA), approved the Master Plan of the Machu Picchu Historical Sanctuary - Plan Maestro del Santuario Histórico de Machu Picchu- which logically contains aspects of tourism development.

c. Municipalities

The Organic Law of Municipalities N°. 23853 shows that the competence of Municipalities about tourism and conservation of Archeological and Historical Monuments in coordination with other public institutions and in accordance with the national policies imparted by the government.

Also the Law N° 26961 for the development of tourism activity indicates that the provincial and district municipalities, have the faculty to promote tourism resources in their locality. They could in the ambit of their competence, execute actions and programs in such matter, according to the basic principle of the State and with the objectives and strategies formulated by MITINCI.

Actually, the participation of department and district municipalities is very modest. The responsibilities and attributions given by the laws in matters of tourism and cultural heritage conservation to the Municipal Institution do not correspond to their limited budgets. This point of view was expressed and gathered during the VIII National Congress of in 1997.

(2) Participation of private sector agents

The responsibility of cultural heritage conservation is considered by the private sector, as a particular field exclusive of the state and its institutions like the National Institute of Culture. The reality shows the National Institute of Culture trying to cope with the responsibility of the conservation, restoration and defense of the cultural heritage with a limited budget considering the magnitude of such heritage and the existent necessities.

In some sporadic and specific cases the INC achieves the mobilization of some municipalities and private entities for this task, without meaning that it conforms an organized and common system for such objectives.

Actually the participation of private sector enterprises not directly concerned with tourism in the restoration and conservation are known at the following sites:

Company	Site	Department
Wiese Foundation (Banco Wiese)	El Brujo Complex	La Libertad
Wiese Foundation (Banco Wiese)	Cajamarquilla	Lima
Backus y Johnston	Huaca de la Luna	La Libertad

(3) International cooperation entities

The organization of the United Nations for Education, Science and Culture UNESCO, is the major entity in the field of protection, conservation and restoration of the places that constitute the cultural and natural world heritage.

UNESCO supervises, stimulates and supports the fulfillment of the compromises assumed by Peru in the following conventions concerned with the Protection of the Cultural Heritage:

- Convention about measures to be adopted in order to prohibit and impede the imports, exports and transference of illicit property of cultural goods (1970)
- Convention about the protection of the world cultural and natural heritage (1972).

In order to be included in the World Heritage List, a monument, group of constructions or site, must comply with the following requirements, among others:

- To be a master's work product of the man's creativity or represent an important exchange of human values, during a determined period or in a specific cultural area, in the development of architecture, monumental arts, urban planning or the design of landscape.
- To constitute a unique or at least exceptional testimony of a civilization or cultural tradition that has extinguished.

Per registers in UNESCO the following sites at the List of World Cultural and Natural Heritage.

- Cusco
- Machu Picchu
- Chavín
- Chan Chan
- Centro Histórico de Lima -- Lima Historic Downtown
- Parque Nacional Huascarán- Huáscaran National Park
- Parque Nacional Manú -- Manú National Park
- Líneas y Geoglifos de Nazca y de Pampas de Jumana. -- Nazca Lines and Hieroglyphs and the Jumana Pampa

The National Parks of Huascarán and Manú are selected sites from the whole of Peru's natural resources,; Machu Picchu is a Historic Sanctuary that unites its valuable archeological testimony with the natural landscape. The other sites, constitute a very important set of cultural tourism resources that the country possesses; all of them, excepting the Manú National Park have been considered in the Master Plan.

(4) Universities

National and foreign universities, usually participate in the field of research, a process that sometimes determine the rescue and exposition of archeological sites.

However, Peruvian University lack of resources to undertake notable projects is remarkable.

It is important indicate, for example, the case of the Archeological Mission of the University of Tokyo, that since 1988 have been realizing research at Kuntur Wasi, in the province of San Pablo, Cajamarca Department. In such site, the mission has encouraged the local population to organize, construct and direct a site museum. This matter will be detailed later.

(5) Participation of the community

Local community of the neighborhood or adjacent population to the sites that constitute cultural tourism resources generally do not have any participation in the management of the tourism product neither on the benefits generated by them. Their participation for the preservation and conservation of the heritage is also scarce or nil. The introduction of equity measures that would allow the access of population to the tourism benefits, should have repercussions in the interest and knowledge for the conservation of archeological sites. The present destruction of archeological sites, particularly on the north of the country is evident and deplorable. That means the destruction of the cultural heritage and also deteriorates or makes it impossible to change a tourism resource into a tourism product.

It is important to remark two examples of community participation in the tourism development associated to the reappraisal of its cultural belonging. This fact has had repercussions in its interest for the care and preservation of the surrounding cultural heritage. We refer to the Copesco Plan - Plan Copesco developed in the departments of Cusco and Puno and the Kuntur Wasi case in Cajamarca.

Since 1975, Plan Copesco has been realizing a work of protection, conservation and restoration of archeological places at Cusco and Puno, extending the project to the improvement of service infrastructure at the communities and cities neighbor to the archeological site. As a result, in such places it can be noted a better identification of the population for the preservation and conservation of the cultural heritage and at its turn a great access for them in the benefits of tourism.

This greater access has been given through infrastructure work of transports, power supply, educational centers and improvement at the urban areas. Through them, the communities have received benefits, first as workers and then as neighbors and inhabitants due to a greater and better availability of services.

Plan Copesco was established with the participation of the UNESCO and financing support of the Interamerican Development Bank (IDB). By the Law N°20176 of the year 1973 it was conformed as a Executive Direction of the Ministry of Industry and Trade, granting to it the right to contract, execute and administrate Plan Copesco's resources.

During the years 1975-1983 the project realized investments in the order of US\$ 93.9 millions. In the second stage, 1984-1997 investment reached to US\$ 60.3 millions. Accumulated investment during the entire period is US\$ 154.2 millions.

The second case is the locality of Kuntur Wasi, at San Pablo province, Department of Cajamarca. Here, in 1988 an Archeological Mission of Tokyo University arrived to investigate the formative period of the Andean civilization.

The initial link between the community with the Mission was to be hired for the works of cleaning and excavation and to provide lodging and alimentation. During the realization of the works, and stimulated by the Mission, the peasants participated in the process of investigation, developing identification with their history and culture, deciding as next step create the Asociación Cultural Kuntur Wasi - Kuntur Wasi Cultural Association.

In 1990, under the same stimulus, the association decides to construct a site museum under their administration. The Museum is visited by students of the zone

and less by national and foreigners tourists. In 1996 the Museum started a library service that is administrated alternately by the associated women.

This process has conducted to the participation of the organized peasants of Kuntur Wasi, as expositors in many talks realized in Universities, Pedagogical Superior Institutes, Municipalities and Schools.

This is a case where the community participation during the transformation process of a cultural resource into a tourism good, compromises itself with it, by the historical and cultural identification. Thus, it rebounds in the care and preservation of the cultural heritage.

1.7.3. System Functioning and Efficiency in the PTDZs

(1) General situation of the cultural resources protection and conservation

Our appreciation over the actual situation of the tourism resources protection and conservation, is based on the Tourism Resources Inventory in actual process by the National Direction of Tourism of Tourism Vice Ministry (MITINCI).

The Inventory of tourism resources actually in course by the Directorate of Tourism of MITINCI, in its preliminary and partial results, determines as an average, "regular" qualification for the actual state of conservation of the tourism resources, excepting sites like Sacsayhuaman, Machu Picchu and some others that are qualified as "good".

It is important to specify the use of the three categories used by the MITINCI in its evaluation: "good", "regular" and "bad", also used by ourselves.

The detected conservation situation is related to the insufficient budgetary resources of the entities that according to the law, are in charge of taking care of the cultural heritage, that means the National Institute of Culture and Municipalities.

It has to be also with the lack of equity, as a rooted conviction in the population and the local government. On the other hand, Local Governments that show interest in tourism as a development factor, though do not receive direct income from it, express the insufficiency of resources to affront a minimal program of heritage conservation and tourism development.

In some cases, Municipalities cooperate with the National Institute of Culture in the conservation works, like the municipality of Miraflores (Lima), that realizes investigation and conserves the "Huaca Puellana". In some cases the relationship is conflicting, like Huanter where is located the archeological site "Chavín de Huanter" (Ancash). In this place, the municipality has expressed that they do not benefit from tourism, at least not proportionally to what they estimate, receives the National Institute of Culture.

The reduced budget of INC to execute its responsibility in the conservation of the cultural heritage and the small possibilities of increase it with resources from the central government, establishes the necessity of practicing complementary measures:

- 1) To stimulate a greater participation of the private sector in the same way as practiced by "Wiese Foundation" and "Backus y Johnston" and,
- 2) To look for ways to the participation of the private sector, in order that the use of cultural heritage as a tourism product generates resources for its conservation.

The described situation shows the existence of an extensive space to implement tourism development, policies and actions of population participation that implies an encouragement of equity and that contributes to the alleviation of poverty at the communities adjacent to the cultural tourism resources.

This consideration should reflect in a greater identification of the population with the surrounding cultural heritage and the development of their interest for the protection and conservation of what is a income source for their families, and consequently for the alleviation of poverty.

(2) State of conservation of cultural tourism resources in the 10 TPDZs

a. Amazonas (Zone I)

Amazonas has 27 tourism attraction in the national inventory that is being made by MITINCI. The Master Plan favors 7 of them as the most important: Colla Cruz, Yalape, Pitaya, Kuclap, Gran Vilaya, Karajia and Laguna de Pomacochas.

A very reduced proportion of Amazonas cultural resources has been incorporated to the tourism product, however, it is considered as an important zone of tourism resources.

Inventory information qualifies its conservation state as "regular". Both MITINCI's inventory and our preliminary perception, detected scarce identification and appraisal of the adjoining population for the neighborhood archeological sites.

For 1998, INC has an approved budget 80 mil nuevos soles (US\$27 thousands) to invest in archeological monuments. They are destined for the preservation of Kuclap and the Departmental Museum.

b. Lambayeque, La Libertad y Cajamarca (Zone II)

At the National Inventory, Lambayeque registers 26 main tourism attractions, La Libertad registers 40 and Cajamarca 35.

The same source estimates as average a "regular" qualification for the cultural tourism resources in this zone. At the department of Lambayeque, excepting the "Brunning Museum" the remaining cultural resources have "bad" qualification. Exceptionally, some sites as "Huaca del Sol y de la Luna" and the Archeological Museum of the University in La Libertad, are classified as "good".

It is important to mention the case of Chan Chan archeological site at La Libertad, that due to its state of conservation has been included in the UNESCO's List of World Heritage in Danger.

In the case of Cajamarca, the evaluation by the Sub-Regional Directorate of Industry and Tourism (1995) shows a "bad" state of conservation for the archeological or cultural resources.

Similarly to the above zone, there is little identification of the population adjoining the cultural resources concerning their value and conservation. Authentic "huacos" and ceramics of great commercialization (illegal) at Lima, proceed from the "huaqueo" (sacking) of Lambayeque, La Libertad, Piura and the north of Lima zones.

INC in its budget of 1998, registers for the three departments an amount of 297.000 nuevos soles (US\$ 97 thousand) for expenses with conservation of cultural heritage, distributed as follows.

Departamento	Nuevos soles
Lambayeque	82,000
Cajamarca	0
La Libertad	215,000
TOTAL	297,000

c. Tumbes y Piura (Zone III)

National Inventory of Tourism Resources registers 32 attractions for the Department of Tumbes and 77 for Piura. The Master Plan considers 10 of them in Tumbes and 14 in Piura.

Most part of the tourism resources considered in Tumbes corresponds to Contemporary Urban Realizations and Natural Sites (particularly beaches). Only the Cabeza de Vaca Complex has been considered tourism attraction among the archeological sites, both by the MITINCI's inventory and by the privileged resources roll of the Master Plan.

Its conservation state has been classified as "regular" in the inventory and also by the evaluation realized by the Master Plan.

In Piura, the Master Plan considers 4 major cultural resources among 14 selected tourism resources: Templo de los Jaguares (Huancabamba), Basílica La Merced (Paita), Petroglifos de Samanga (Ayabaca) y Catedral de Chulucanas (Chulucanas - Morropón).

The inventory classifies as "bad" the situation of these cultural resources, this same qualification is extended to 9 of other 10 tourism resources. It is possible that this qualification was influenced by the effects of the El Niño Phenomena that had started to affect the zone by the time of the investigation.

Piura has very important archeological sites of the Vicus Culture, (Pre Inca) and other cultures, all of them in bad state of conservation. It is worth noticing the grade of destruction inflicted by the "huaqueros"(sackers) at the distinct archeological sites of the department. The little identification and scarce interest of the population adjoining the archeological sites for the conservation of the cultural resources is evident.

INC registers in its budget of 1998 total expenses of 104,662 nuevos soles (US\$ 35 thousand dollars approximately), for conservation of cultural heritage. 20 thousand Nuevos soles correspond to Piura and S./ 84,662 to Piura.

d. Puno (Zone IV)

Department of Puno registers 79 tourism attraction in MITINCI's inventory. 54 are of cultural character and 16 have been selected as major to the Master Plan (includes a complex comprised by the Cathedral and 6 churches in Puno as one of the 16 attractions).

At Puno, the state of conservation of tourism cultural resources are qualified as "regular" at the inventory, excepting the city of Lampa, qualified as "good".

Puno's archeological sites and also its festivities constitute an important tourism attraction. Additionally to the "regular" state of conservation of the archeological resources there are the loss of objects and paintings stolen for years from their colonial churches.

INC does not register expenses for cultural heritage conservation at Puno in its 1998 budget.

e. Cusco (Zone V)

Cusco is the department with more quantity of cultural tourism attraction; The Plan of Tourism Development of the Inca Region elaborated by the Plan Copesco in 1995, shows 124 cultural attractions, in a total of 243 tourism attractions.

The National Inventory of Tourism Resources considers 50 tourism resources at the Department of Cusco. The master Plan selects 33 among the most important.

The state of conservation of tourism resources is qualified as "regular" by the MITINCI's inventory. It is important to indicate the cases of Machu Picchu and Sacsayhuaman which conservation situation is qualified as "good".

A relative evaluation allows a better qualification concerning the qualification about the state of conservation of Cusco's main cultural tourism resources in respect to the other tourism zones considers in the Plan. That is due to the better attention that the State (Plan Copesco) pays to the, for the City of Cusco and Machu Picchu are in the roll of UNESCO's World Cultural Heritage of Humankind.

However, in spite of the Plan Copesco actions and the income from tourism that in part is assigned to the care and conservation, the necessity for increasing resources is remarkable, considering the sites dimensions and the quantity of cultural tourism resources.

In the 1998 budget, INC registers investments amounting to S./1,080,000 (US\$ 360 thousand approximately), for the conservation of heritage at Cusco.

f. Ancash (Zone VI)

The MITINCI's National Inventory of Tourism Resources evaluates 64 tourism resources, 24 are of cultural character and the others are of natural kind. Among the cultural ones it is found Chavín, archeological site, present at the roll of World Cultural Heritage of UNESCO.

For the Master Plan, 20 resources have been selected and half of them are qualified as cultural resources.

Excepting the Regional Museum of Ancash which state of conservation has been considered good, all other cultural tourism resources have been considered "regular". This is the case, for instance, of the important archeological site of Chavín.

1998 budget of INC considers an investment of S./ 40,000 for conservation of archeological monuments, in this case the total of expenses would be assigned to the archeological complex of Chavín.

g. Lima (Zone VII)

MITINCI's National Inventory for Tourism Resources, under preparation, still has not concluded the evaluation of the Department of Lima. Even though, our evaluation are still in progress and its conclusions shall be presented in the final report.

For the Master Plan, 15 complexes have been selected as tourism resources at the Department of Lima; among them, 12 are cultural resources incorporated to tourism products (see Annex 1).

Information collected preliminarily from distinct sources informs a "regular" state of conservation in average, existing some: Centro de Lima, Catedral e Iglesias del Centro de Lima, Huaca Puellana, Museos, Pachacamac, Cajamarquilla y Puente de los Suspiros with qualification "good".

For 1998, the INC's budget, Lima is the department with higher budget after Cusco, for the conservation of cultural resources; it amounts to S./ 668,700 (US\$ 223 thousands approximately). Certainly this budget is too short considering the magnitude of the demand to conserve the cultural resources that the INC has to confront.

h. Ica (Zona VIII)

MITINCI's National Inventory of Tourism Resources, under preparation, has not concluded the evaluation of the Department of Ica yet. The evaluation entrusted for the Master Plan still is in process and it shall be presented at the final report.

14 tourism resources for the Master Plan have been selected, 12 of them are cultural and the other 2 are natural (Reserva Nacional de Paracas and Islas Ballestas).

Information collected preliminarily about the state of conservation of the cultural resources informs a "regular" state of conservation in average, existing some

qualified as good but with a fragile equilibrium; for instance the Candelabro de Paracas and the Líneas de Nazca.

INC registers in its budget for 1998, a reduce expenditure of S./50,000 (US\$ 16.6 thousand dollars approximately), assigned to the Paracas archeological project and to the local of the Departmental Institute of Culture at Ica.

i. Loreto (Zone IX)

Tourism resources in the Department of Loreto are concentrated in those of natural character, proper for the ecotourism; however, associated to it, there are cultural expressions through the Amazon communities that actually are part of the tourism visits. For instance the Native Community of Boras and the Handicraft Complex San Juan.

MITINCI's National Inventory of Tourism Resources, under preparation, has not concluded the evaluation of the Department of Loreto yet.

For the Mater Plan 9 tourism resources have been selected (see annex 1), concerning lagoons and rivers. In the set of tourism resources, it is relevant the National Reserve of Pacaya Samiria.

INC has an office at Loreto. For 1998 there is not registered any investment expenses in its budget.

j. Arequipa (Zone X)

MITINCI's National Inventory of Tourism Resources registers 56 tourism resources in Arequipa; 35 have cultural character, 20 have natural character. Additionally the Colca Valley and Canyon contains natural and cultural resources.

Master Plan considers 13 tourism resources; in some cases, many resources mentioned in the Inventory were grouped together into one. It is the case of the City of Arequipa, that in the Plan is considered as a set, while the inventory considers the various partial expression, such as churches, convents, house and districts.

The state of conservation of the cultural tourism resources is "regular", excepting the "Mirador de Yanahuara" qualified as in "good" situation.

INC's budget for 1998, considers a reduce expense of S./ 20.000 (US\$ 6,300 dollars approximately) for preservation, in this case exclusively for the "Toro Muerto" project.

(3) Conclusions

- 1) INC, Municipality and Regional Governments, have responsibilities in the conservation of the cultural heritage, consigned in their respective laws, however their budgetary resources are insufficient to comply with such responsibility.
- 2) INC, according to the law of Support for the Nation Cultural Heritage - Amparo al Patrimonio Cultural de la Nación - No. 24047, is the entity with the greatest responsibility in the conservation of the cultural heritage. Its total budget for 1998 is S./ 32 million and 24% of such amount is assigned to investment in conservation.
- 3) Except the Municipality of Lima and some other capitals of Department, Municipalities do not participate in the conservation of cultural heritage, leaving this task to INC. Their relationship with INC is generally weak. They participate little for the development and promotion of tourism expressing lack of economical resources for that.
- 4) The national private sector participation is scarce in the preservation of cultural tourism resources. "Fundación Wiese" participates in works of conservation at the "El Brujo" complex (Trujillo) and Cajamarquilla (Lima). "Backus" company do the same at "Huaca de la Luna" (Trujillo).

- 5) There is no way of association between the State and private enterprises that allows the tourism use of cultural heritage that generating economic resources for its conservation.
- 6) The adjoining communities of the archeological sites has little identification with these sites., this attitude conducts to the destruction of the resource. The participation of the community in the management and benefits of tourism is also scarce.
- 7) There is an huge space to bring into the development of tourism, policies and actions of local communities participation. Through them, the adjoining communities to the tourism cultural resources, could benefit from tourism promoting in this way equity and alleviating poverty.
- 8) The situation of the chosen cultural resources conservation for the Master Plan at the 10 determined tourism zones, preliminarily could be in average qualified as "regular"; in few cases in "good"(Machu Picchu and Sacsayhuaman, for instance). In some departments like Lambayeque and Cajamarca, the qualification for many archeological sites is "bad" (Huaca Rajada and Cuarto del Rescate, respectively).
- 9) From the experience of the Copesco Plan it is possible to conclude that there is a close relationship between investment in conservation and in the adjoining population of the archeological sites, in the increase of cultural tourism and a better identification of the population with their historical heritage.