

Japan International Cooperation Agency (JICA)
Ministerio de Industria, Turismo, Integración y Negociaciones Comerciales Internacionales (MITINCI)

Master Plan Study on National Tourism Development in the Republic of Peru (Phase 2)

Final Report
Volume 2: Main Text



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1. Introduction

1.1. Background of the Study

The Government of the Republic of Peru requested the Government of Japan for technical cooperation to establish a comprehensive tourism master plan. In response to the request, Japan International Cooperation Agency (JICA), the official agency responsible for the implementation of technical cooperation programs of the Government of Japan, sent a preparatory study team to Peru to set the scope of work for the master plan study (hereinafter referred to as the JICA Preparatory Study Team). The JICA Preparatory Study Team and Ministry of Industry, Tourism, Integration, and International Trade Negotiations (MITINCI) finally reached an agreement on the scope of work for the Master Plan Study on National Tourism Development in the Republic of Peru (Phase 1) on July 3, 1998. JICA formulated a study team and dispatched it to Peru to conduct the Phase 1 Study, which was successfully completed by March 1999.

The Government of the Republic of Peru requested the Government of Japan to conduct the Phase 2 Study of the Tourism Master Plan. In response to the request, JICA has formulated a new Study Team and dispatched it to Peru to conduct the Phase 2 Study, which aims at elaborating several of priority projects proposed in the Phase 1 Study based on the agreement made in December, 1999 between the two Governments.

1.2. Study Objectives

The objectives of the Study are as follows:

- To conduct a feasibility study of projects chosen from the priority projects proposed in the Phase 1 Study of National Tourism Master Plan, to make it a case study that would facilitate implementation of other proposed projects of the Phase 1 Study, and
- To transfer the skill and know-how of tourism planning to the Peruvian counterparts.

The Study will place special importance to introduce measures to alleviate poverty and regional imbalance, and to envisage achieving tourism development that is harmonious with local communities.

1.3. Phasing

The phasing of the Study is set as follows, taking into account the consistency with the development framework set in the Phase 1 Study:

- Short-term: Year 2005 (the target year for the priority projects in the Study),
- Long-term: Year 2015.

1.4. Study Areas

Types and locations of projects for the Phase 2 Study are as follows:

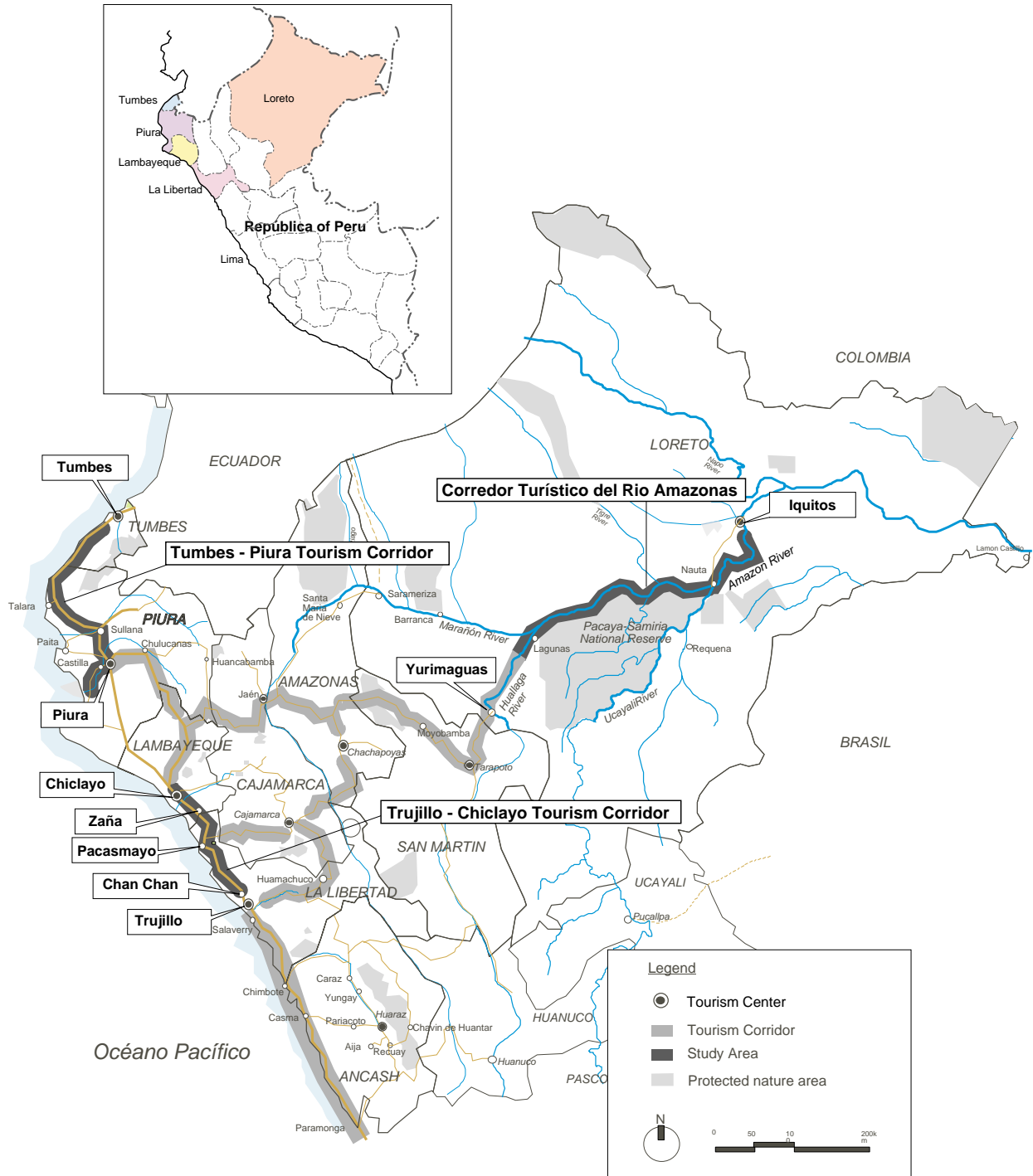
- Tourism corridor formulation between Trujillo and Chiclayo,
- Archaeological park development in Chan Chan,
- Historical towns conservation and development in Pacasmayo and Zaña,
- Nature tourism development in Iquitos and its surrounding areas, and
- Beach resort development and tourism corridor formulation in Tumbes and Piura.

The Study Areas are organized into three Tourism Corridors as follows:

- Trujillo – Chiclayo Tourism Corridor,
- Tumbes – Piura Tourism Corridor, and
- Amazon River Tourism Corridor.

Figure 1.1 shows the location of the Study Areas.

Figure 1.1 Study Areas

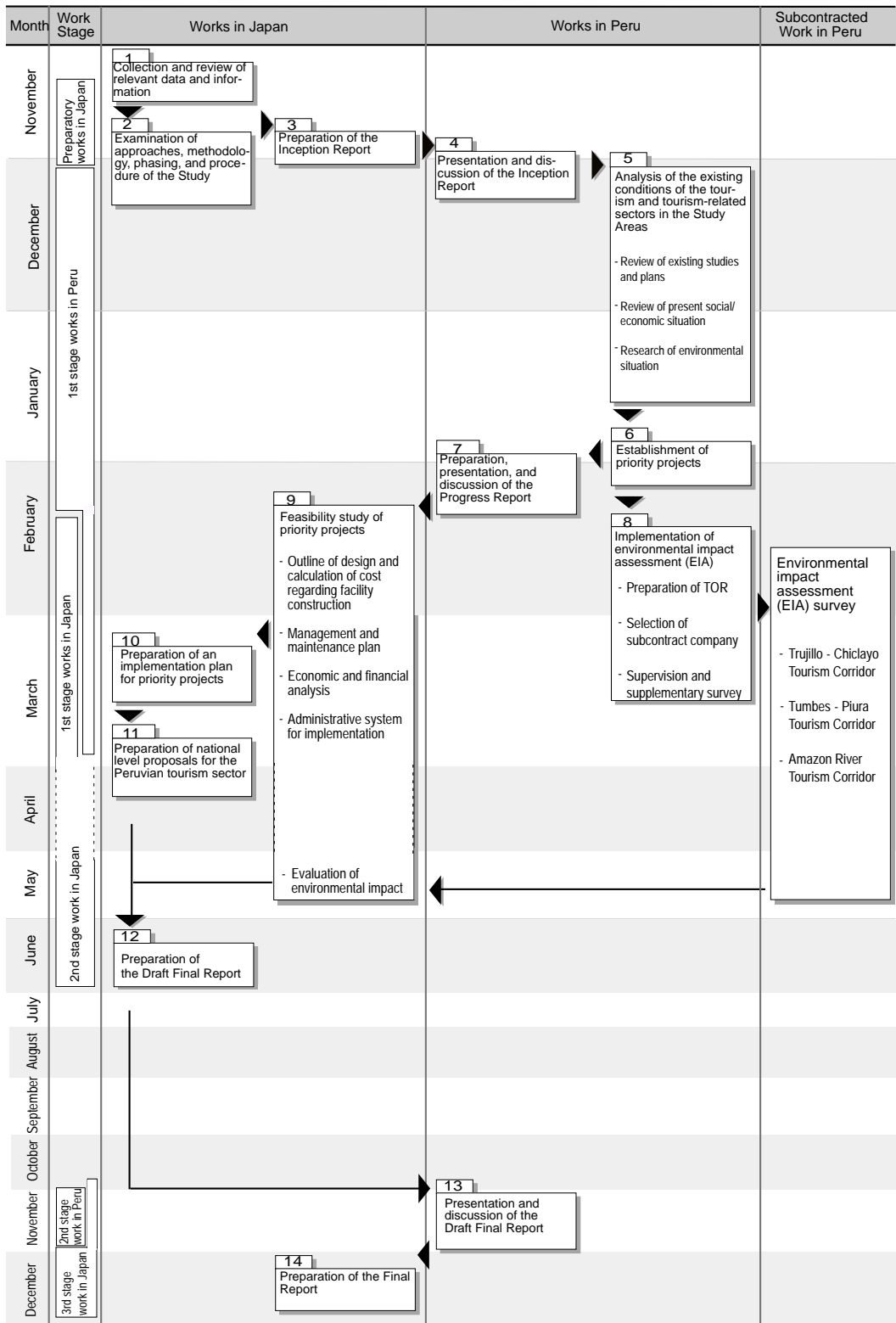


Source: JICA Study Team

1.5. Work flow of the Study

The Study, which was composed of 14 tasks in 6 stages, was conducted from November 1999 to October 2000 according to the following flow chart.

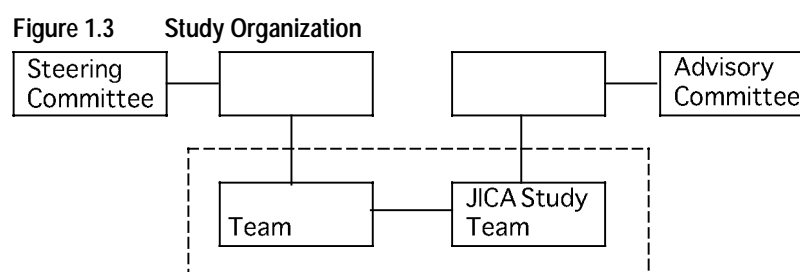
Figure 1.2 Work flow of the Study



Source: JICA Study Team

1.6. Study Organization

The Study was conducted by the JICA Study Team and its Counterpart Team from MITINCI with close collaboration with the Steering Committee and JICA's Advisory Committee as shown in Figure 1.3.



Source: JICA Study Team

- The Steering Committee was composed of representatives from the following organizations. The members of the Counterpart Team are shown in Table 1.1.
- Ministry of Presidency
- Ministry of Transport, Communications, Housing and Construction,
- Ministry of Energy and Mining,
- Ministry of Economy and Finance,
- Ministry of Gender,
- Tourist Police/ Ministry of Interior,
- National Institute of Natural Resources (INRENA)/ Ministry of Agriculture,
- National Institute of Culture (INC)/ Ministry of Education,
- Center of Tourism Formulation (CENFOTUR),
- PROMPERU,
- National Chamber of Tourism (CANATUR),
- Peruvian Association of Tour Operators (APOTUR), and
- Peruvian Association of Adventure and Ecotourism (APTAE).
- Members of the Peruvian Counterpart Team are shown in Table 1.1.

Table 1.1 Peruvian Counterpart Team

Name	Organization
Ms. Maria Lucio del Vesga	Vice-ministry of Tourism, MITINCI
Mr. Guillermo Noriega Massa	Vice-ministry of Tourism, MITINCI
Mr. Jose Soto Lazo	Vice-ministry of Tourism, MITINCI
Mr. Orlando Camarena	Vice-ministry of Tourism, MITINCI

Members of the JICA Advisory Committee and the JICA Study Team are shown in Table 1.2 and Table 1.3.

Table 1.2 JICA Advisory Committee

Name	Organization
Mr. Gokichi Ogawa	Executive Director, National Organization for Automotive Safety and Victim's Aids
Mr. Yuji Seki	Associate Professor, Department of Social Research, National Ethnographic Museum
Mr. Joichi Toda	Professor, Hiroshima University
Mr. Kiichi Kaneko	Transport Policy Bureau, Ministry of Transport
Mr. Mitsunori Kondo	Transport Policy Bureau, Ministry of Transport

Table 1.3 JICA Study Team

Name	Assignment
Mr. Yoshiki Hirabayashi	Team leader / Demand forecast
Mr. Kazunori Seki	Deputy team leader / Tourism facility planning (1)
Mr. Hiroshi Matsuo	Tourism resource evaluation / Regional planning
Mr. Alfonso Jimenez Martinez	Marketing research / Tourism product development planning
Mr. Masatoshi Kaneko*	Economic and financial analysis
Mr. Shingo Sato**	Economic and financial analysis
Mr. Reizo Murakami*	Tourism administration planning
Mr. Yasuhiko Maeno**	Tourism administration planning
Mr. Tatsuo Harada*	Tourism promotion and advertisement planning
Mr. Susumu Ishizaki**	Tourism promotion and advertisement planning
Mr. Elmer Atalaya Huerta	Cultural tourism resource preservation
Mr. Takeshi Omura	Tourism facility planning (2)
Mr. Yoshio Kawasaki	Tourism infrastructure planning (1)
Mr. Naoyuki Minami	Tourism infrastructure planning (2)
Mr. Milton Guerrero	Project Implementation Planning (1)/ Tourism-related SME Development
Mr. Hideaki Yamakawa	Project Implementation Planning (2)
Mr. Masafumi Ikeno	Social Considerations/ Social Development
Mr. Shunji Usui	Environmental Considerations
Mr. Akio Odani	Administrative coordinator

Note : *Assigned until the Second Stage Work in Japan, ** Assigned for the Second Stage Work in Peru

2. Prerequisites and Planning Framework

2.1. Revision of the Tourism Demand Framework

Like many countries in the world, there is a large gap between the immigration statistics and the hotel statistics regarding the visitor volume. The immigration statistics is considered to be more accurate than the hotel statistics, for the former is based on the number of people who actually crossed the Peruvian Border, while the latter is based on the figures voluntarily reported by hotels. The hotel statistics apparently underestimates the actual visitor volume. The immigration statistics, however, covers only international visitors. JICA Study Team estimated the volume of bed-nights spent at hotels by both domestic and international visitors with the following procedure.

2.1.1. Bed-nights spent at hotels by international visitors

All international visitors do not use hotel for their accommodation. They may stay at the following accommodation alternatives.

- Friends' and relatives' homes,
- Residence owned or hired by long-term business travelers,
- Camping,
- Bus and train, and
- Unregistered commercial accommodation.

Peru's immigration statistics does not give figures regarding the bed-nights spent at hotels by international visitors. Therefore the figures are estimated using statistics and survey results in other countries in similar situations as Peru.

Table 2.1 shows the percentage of bed-nights spent by international visitors at hotels in Kenya and the Philippines. Kenya had received a large number of immigrants from the UK, while the Philippines generated a large number of emigrants to the USA. Hence, both countries have large volumes of the VFR (visit friends and relatives) market, which is similar to the situation in Peru. The two countries are chosen as references since their statistical data are evaluated to be relatively accurate, at least, in this aspect.

Table 2.1 Percentage of bed-nights spent at hotels by international visitors

		Kenya(1992)	Philippines(1993)
Immigration statistics	International arrivals	781,500	1,152,952
	International bed-nights	8,752,800	-
Hotel statistics	International arrivals	663,700	-
	International bed-nights	4,746,800	-
Percentage of bed-nights spent at hotels		54.2%	49.5%

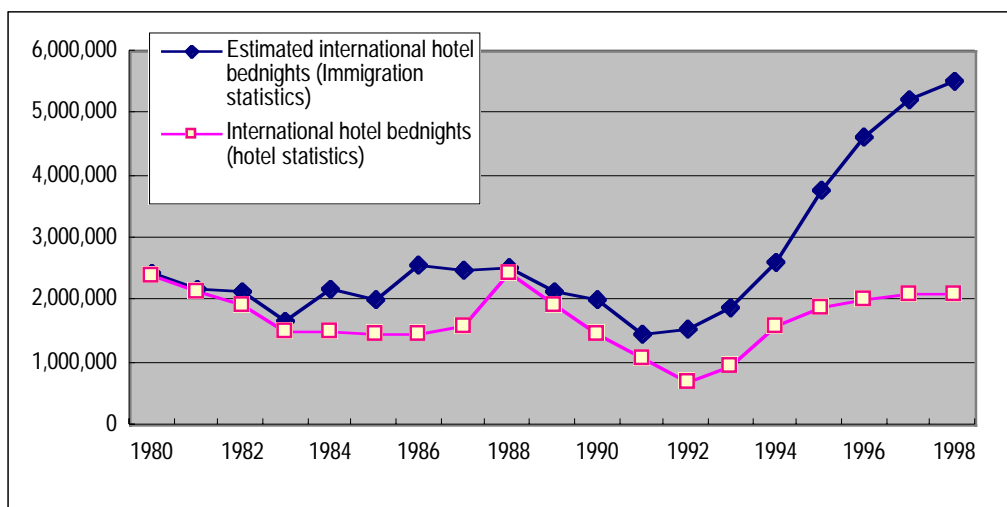
Source: Ministry of Tourism of Kenya, Department of the Philippines

The table shows that approximately 50% of the total bed-nights are spent at hotels. Based on these figures, JICA Study Team assumes that 50% of the international bed-nights as reported by the Peruvian immigration statistics is spent at hotels.

2.1.2. Estimation of the bed-nights spent at hotels

Based on the above-mentioned assumption, Figure 2.1 shows the historical trend of hotel bed-nights based on the immigration statistics and hotel statistics. It shows that both statistics were relatively consistent during the 1980s, and the gap enlarged during the 1990s.

Figure 2.1 Historical trend of the immigration statistics and hotel statistics



Source: JICA Study Team based on the data provided from MITINCI

Table 2.2 compares the bed-nights based on the immigration statistics and hotel statistics in the past 3 years. In average, figures in the hotel statistics represent 40% of the estimated hotel bed-nights, or the estimated hotel bed-nights is 2.5 times larger than the figures reported to MITINCI.

Table 2.2 Comparison of the immigration statistics and the hotel statistics

	Estimated international hotel bed-nights (immigration statistics)	International hotel bed-nights (hotel statistics)	Immigration statistics/ hotel statistics
1996	4,639,152	2,034,867	2.3
1997	5,226,193	2,099,141	2.5
1998	5,531,828	2,110,669	2.6
Average	-	-	2.5

Source: JICA Study Team based on the data provided from MITINCI

According to interviews with personnel in charge of the hotel statistics, the composition of domestic and international demands is relatively accurate. Therefore it is assumed that the domestic bed-nights in the hotel statistics also represent 40% of the actual visitor volume.

Table 2.3 is a summary of estimated international and domestic visitor volumes in 1998. This new finding indicates that a review of the tourism demand framework set by the Phase 1 Study is necessary.

2.1.3. Revision of the Phase 1 Framework

The target figures of international visitor arrivals do not need a revision, since they are based on the immigration statistics. However, the target figures of domestic visitor arrivals should be revised since it was based on the hotel statistics that underestimates actual visitor volume. Future growth rates of domestic visitor volume in the Phase 1 Study are considered reasonable, and are applied to calculate revised domestic visitor volumes in the future.

Bed-nights in target years of 2005 and 2015 were calculated with the following assumptions:

- International visitors stay 14 days in average,
- International visitors spend 50% of the total bed-nights at hotel,
- Hotel arrivals and hotel bed-nights of both international and domestic visitors in the statistics represent 40% of the actual tourism demand.

Room requirements in target years were calculated based on the revised bed-nights with the following assumptions:

- Room occupancy rate is 75%, and
- The number of guests per room is 1.5 person.

Table 2.4 is the revised tourism demand framework at the national level.

Table 2.3 Estimated tourism volume in Peru (1998)

	Figures based on the immigration statistics	Figures based on the hotel statistics
International border arrivals	819,530	-
International bed-nights	11,063,655	-
Estimated international hotel bed-nights*	5,532,000	5,532,000
Reported domestic hotel bed-nights	-	9,126,507
Estimated domestic bed-nights**	-	23,900,000

Note: * 50% of the international bed-nights is assumed to be spent at hotels.

** Reported domestic bed-nights is assumed to represent 40% of the actual domestic bed-nights.

Source: MITINCI, JICA Study Team

Table 2.4 Revised tourism demand framework at the national level

(Unit: 1000)	1997	2005	2015
International border arrivals	747	1,300	2,700
International hotel arrivals	2,655	4,620	8,167
Domestic hotel arrivals	19,375	28,750	42,500
Total hotel arrivals	22,030	33,370	52,096
International hotel bed-nights	5,226	9,100	18,900
Domestic hotel bed-nights	25,815	38,238	56,525
Total hotel bed-nights	31,041	47,338	75,425
Available rooms/ room requirement	90	115	184

Source: JICA Study Team

2.1.4. Distribution of the revised tourism demand

The revised tourism demand was distributed to Departments and Tourism Regions using the shares of Departments calculated in the Phase 1 Study. The shares of Departments are set as targets with the following manner:

- Number of visitor arrivals by Department was forecasted using a multi-regression method with time and negative factors as variables.
- The numbers were adjusted using the national demand framework as “the control total.”

Calculated shares of Departments were adjusted by considering the following factors related to the Phase 1 Tourism Master Plan.

- Positive impact from the designation of “Priority Tourism Zones,”
- Expected increase in the popularity of jungle destinations,
- Positive impacts from proposed resort developments in Tumbes/Piura, Ancash, Cajamarca, and Puno, and
- Relative discouragement of Lima, and encouragement of the Northern Tourism Region and the Southern Tourism Region except Cusco.

It is noted that visitor arrivals to “discouraged” destinations would not decrease but that their growth rates would be kept lower than the average. The shares of respective Departments calculated in the Phase 1 Master Plan are reasonable and were applied to the revised tourism demand framework to calculate the target figures of respective Tourism Corridors. Table 2.5 summarizes the revised tourism demand framework at the Tourism Region and Tourism Corridor levels.

It is noted that above figures are inevitably on the estimation basis rather than the hotel statistics basis. Therefore, figures in 1997 are larger than those in the existing statistics except the existing numbers of rooms.

2.1.5. Recommendations to improve the accuracy

The revised tourism development framework as presented here is at least an improvement from the previous one. This, however, is calculated being based on assumptions. It is recommendable to conduct visitor surveys to obtain actual figures of the assumptions so that the hotel statistics would be more effectively supplemented.

2.2. Tourism Sector and National Economy

This section first describes the procedures regarding the estimation of tourism economic benefit and incremental tourism-related employment. Then, using these results and the tourism demand framework discussed in the previous section, it estimates the tourism benefit generated by visitor expenditure and employment for Peru.

2.2.1. Estimation Procedure of the Tourism Economic Benefit

The process of estimating the economic benefit of tourism for the economic analysis is as follows:

(1) General

In the economic analysis, quantitative benefit is estimated based on the incremental visitor expenditures.

The incremental visitor expenditures are obtained as a difference between the visitor expenditures in the “with project” situation and those in the “without project” situation”. In this case, “without project” is assumed to be the situation in which the demands in 2005 and 2015 are estimated based on the 1998 demand by applying the growth ratio of the world tourism market.

The economic benefit is obtained from the incremental visitor expenditures by applying a conversion factor.

Table 2.5 Tourism demand framework by Tourism Region and Tourism Corridor (unit: 1000)

	Peru Total	Northern T.R.	Trujillo - Chiclayo	Tumbes- Piura	Amazon River	Lima T.R.	Southern T.R.
1997							
Int'l arrivals	2,655	323	115	35	106	1,228	1,104
Domestic arrivals	19,375	4,797	1,999	748	282	11,164	3,414
Total arrivals	22,030	5,120	2,115	783	388	12,392	4,518
Int'l bed-nights	5,226	524	195	49	165	2,854	1,847
Domestic bed-nights	25,815	7,126	2,830	1,186	512	13,516	5,173
Total bed-nights	31,041	7,658	3,024	1,235	676	16,368	7,001
Available rooms	89.7	21.2	7.9	4.2	2.1	48.4	20.2
2005							
Int'l arrivals	4,620	792	285	81	291	1,727	2,101
Domestic arrivals	28,750	10,960	3,251	2,767	787	12,475	5,315
Total arrivals	33,370	11,751	3,536	2,848	1,077	14,202	7,416
Int'l bed-nights	9,100	1,323	495	117	467	4,153	3,624
Domestic bed-nights	38,238	15,767	4,507	4,201	1,372	14,683	7,788
Total bed-nights	47,338	17,090	5,003	4,319	1,839	18,836	11,412
Room requirement	115.3	41.9	12.3	10.6	4.5	45.8	27.6
2015							
Int'l arrivals	8,167	1,380	509	133	500	3,058	3,729
Domestic arrivals	42,500	17,431	5,612	4,320	1,204	16,865	8,204
Total arrivals	50,667	18,811	6,121	4,453	1,705	19,923	11,933
Int'l bed-nights	18,900	2,712	1,038	224	945	8,634	7,554
Domestic bed-nights	56,525	24,939	7,806	6,495	2,080	19,670	11,917
Total bed-nights	75,425	27,650	8,844	6,719	3,024	28,304	19,471
Room requirement	183.7	67.8	21.7	16.5	7.3	68.8	47.1

Source: JICA Study Team

(2) Visitors expenditures in the “with project” situation

The visitors expenditures in the “with project” situation are estimated by using the future visitor numbers in the tourism demand framework and the daily expenditure per visitor.

a. Visitors staying at hotels

The estimated hotel bed-night volume is used to calculate the visitor expenditure.

b. Estimation of the number of visitors who do not use hotel

Although relatively small in amount, expenditure of visitors who do not use hotel needs to be estimated. The number of visitors who do not use hotel is estimated as follows.

Domestic visitors

The shares of those who used hotel and who did not use hotel are 41% and 59%, respectively, according to the “Profile of Domestic Tourist, 1998, PromPeru”. It means that the number of domestic visitors who don’t use hotel is estimated to be 1.4 times the number of domestic visitors who used hotel.

International visitors

As discussed previously, only 50% of the bed-nights generated by international visitors is spent at hotel. Consequently, the number of international visitors who don’t use hotel is assumed to be the same as that of hotel users.

c. Daily expenditure per visitorDomestic visitors

“Profile of Domestic Tourist, 1998, PromPeru” shows that the average daily expenditure per domestic tourist was Soles 32, while the daily expenditure of those who used hotel was Soles 55. They are equivalent to US\$ 11 and US\$ 19, respectively, if the exchange rate of US\$ 1 to Soles 2.9 as of 1998 is applied. Tourist expenditure of those who did not use hotel is calculated to be US\$ 6, using the share ratio of domestic visitors who used hotel and who did not use hotel (41% and 59%). Expenditure of business travelers, which is not covered by the PromPeru survey, is assumed to be the same as tourists.

International visitors

According to the 1998 and 1999 versions of “Profile of International Tourist, PromPeru”, the daily expenditure per international tourist who stayed at hotel is reported to be US\$129 and US\$109, respectively. US\$119, which is the average of the two, is applied to the calculation. Expenditure of business travelers, which is not covered by the PromPeru survey, is assumed to be the same as tourists.

Although it may be an underestimation, international visitors who did not use hotel are assumed to spend the same amount of money (US\$ 6) as the domestic tourist who did not use hotel.

d. Estimation of visitor expenditure

Using the estimated number of visitors and the unit daily expenditure per visitor, the amounts of visitor expenditure are estimated.

e. Supplementary estimation of visitor expenditure

In the above estimation of visitor expenditure, the estimated number of visitors is on a “bed-night” basis, while the survey data of “PromPeru” regarding the expenditure per visitor is on a “per day” basis. This means that there is a difference between both data in terms of time basis. The calculation results of “multiplying bed-nights by unit daily expenditure per visitor” are an underestimation, since expenditure on the last day of each trip are not included. In order to get the last day expenditures, an additional calculation of “multiplying the number of arrivals in the tourism demand framework by the unit daily expenditure on the last day” are made. Since per day expenditure is not available, the same amount of visitor expenditure as those who don’t use hotel (US\$ 6) is applied to both domestic and international visitors.

(3) Visitors expenditures in the “without project” situation

The visitors expenditures in the “without project” situation are estimated by using the estimated number of visitors in the “without project” situation and the daily expenditure per visitor.

The demands in 2005 and 2015 in the “without project” situation are estimated by applying the growth rate of the forecast of the world visitor arrivals to the 1998 demand, i.e. 4.3% between 1998 - 2005 and 3.3% between 2005 – 2015, both for domestic and international demands.

The procedures to estimate the visitor expenditure in the “without project” situation is the same as the one in the “with project” situation.

(4) Estimation of incremental visitors expenditures

The incremental visitor expenditures are obtained as a difference between the amount of visitor expenditures in “with project” situation and those in the “without project” situation”.

(5) Conversion of incremental tourism expenditures to benefit

The incremental tourism expenditures are converted into the tourism economic benefit by applying a conversion factor. In this economic analysis, the same conversion factor as the Phase 1 Study (0.59) is used. The process of estimating a conversion factor is shown below:

The conversion factor (p) is calculated using the following formula:

$$p(\%) = \sum IPC_j \times EXP_j (\%)$$

where:

p(%): Conversion factor

IPC_j: Input coefficient of value added in the industry related to “j” item (trade, restaurants, hotel and lodging, road/sea/airport, amusement and recreation, etc.)

EXP_j(%): Percentage of international tourist expenditures for “j” item (accommodation, food and drink, shopping, entertainment, services, transport)

Data regarding IPC (input coefficient) was based on the analysis of the revised input-output table for Peru (issued for the tourism sector by the INEI and Junta del Acuerdo de Cartagena).

The composition of international visitor expenditures was provided by the document: “Analysis of the Tourism Sub-sector in Peru, 1998”.

The values used were as follows:

Table 2.6 Values on IPC and EXP

	IPC	EXP	IPC x EXP
Hotel and Lodging	0.58	0.20	0.12
Trade	0.69	0.14	0.10
Restaurant	0.57	0.25	0.14
Entertainment	0.77	0.20	0.16
Transport	0.36	0.21	0.07
Total		1.00	0.59

Source: JICA Study Team (Phase 1 Master Plan Study)

The conversion factor was estimated at 0.59 as the result.

2.2.2. Procedure of Estimation of Tourism-related Employment

The process of estimating tourism-related employment is as follows:

(1) Direct employment in hotels

According to the hotel registration record, the ratio of hotel employment per hotel room is estimated to be around 0.2. However, this value is considered to be too small. In the Phase 1 Master Plan Study, the value of 1.0 was adopted based on interviews with hoteliers. Site survey in the Phase 2 Study also revealed that the hotel employment per room is from 0.8 to 1.0. JICA Study Team assumes the value of 1.0 as the ratio of hotel employment per room..

(2) Direct employment in other tourism related business

1.31 direct tourism employment per one direct hotel employment is assumed based on the data in a World Bank report: “Tourism – Passport to Development?”

(3) Indirect employment

1.6 indirect employment per one hotel room is assumed based on the information in “Perú – Proyecto Nacional de Turismo” prepared by José Huayón dall’ Orto.

(4) Estimation of incremental tourism-related employment

Incremental numbers of hotel rooms is obtained as the difference between the number of room in the “with project” situation and that in the “without project” situation. The incremental tourism-related employment is estimated by applying the incremental number of hotel rooms to the above procedure.

2.2.3. Estimations of the Tourism Economic Benefits and Employment in Peru

Based on the above-mentioned procedure and the tourism demand framework, tourism benefit and employment in Peru are estimated.

(1) Visitor expenditures

The visitor expenditures including those who don’t use hotel in the “with project” situation for Peru are estimated as summarized in Table 2.7.

(2) Estimation of tourism benefit

Tourism economic benefit generated by visitor expenditures are estimated by applying a conversion factor of 0.59 to the above visitor expenditures as shown in Table 2.7. The growth ratios of the estimated tourism benefits are 1.6 and 2.8 for the periods from 1998 to 2005, and from 1998 to 2015, respectively as shown in Table 2.8.

Table 2.7 Estimation of visitor expenditures for whole Peru ("with project")

	Demand (x 1,000) (With)			Expenditures (US\$ 1,000) (With)		
	1998	2005	2015	1998	2005	2015
(Domestic)						
Arrivals	19,375	28,750	42,500	116,250	172,500	255,000
Bed-nights	(61,956)	(91,771)	(135,660)			
Hotel	25,815	38,238	56,525	490,485	726,522	1,073,975
Non-hotel	36,141	53,533	79,135	216,846	321,199	474,810
Subtotal				823,581	1,220,221	1,803,785
(International)						
Arrivals	2,655	4,620	8,167	15,930	27,720	49,002
Bed-nights	(10,452)	(18,200)	(37,800)			
Hotel	5,226	9,100	18,900	621,894	1,082,900	2,249,100
Non-hotel	5,226	9,100	18,900	31,356	54,600	113,400
Subtotal				699,180	1,165,220	2,411,502
Total				1,492,761	2,385,441	4,215,287

Source: JICA Study Team

According to the information in "Peru en Números 1999," the preliminary 1998 GDP in Peru is Sol 185,047,437 thousands, which is equivalent to US\$ 63,809,300 thousands, if an exchange rate of Sol 2.9 per US\$ is applied. The share of tourism benefits to the total GDP is estimated to be 1.4% in 1998.

Table 2.8 Estimation of Tourism-related GDP for Peru

	(US\$ 1,000)		
	1998	2005	2015
(Domestic)	485,913	719,930	1,064,233
(International)	394,816	687,480	1,422,786
Total	880,729	1,407,410	2,487,019
Growth Ratio (1998=1.0)	1.0	1.6	2.8

Source: JICA Study Team

Study results from tourism surveys conducted in other countries show that the ratio of the spread effect varies considerably ranging from mere 0.5 to more than 2.0 in tourism revenues. Island countries tend to present lower figures due to their dependency on imports, while self-sustaining countries show higher ones. When taking the spread effect in consideration, the total effect will be larger than the calculated figures.

According to the statistical data of "Banco Central de Reserva," the share of the tourism sector in GDP is estimated to be about 3.8% in 1997.

Economic analysis of the Tourism Corridor Development Plans treats estimated benefits generated by visitor expenditures only, and does not include indirect benefits such as the spread effect and domestic flights' revenues from international visitors.

So far, it can be said that the tourism economic benefit treated in the economic analysis is considered conservative.

(3) Estimation of tourism-related employment

Based on the previously mentioned procedure and the tourism demand framework, the tourism-related employment for Peru is estimated as summarized in Table 2.9. In 1998, some 351 thousands employment is estimated, and nearly 451 and 718 thousands employment are estimated in 2005 and 2015, respectively. Thus, employment of nearly 100 and 367 thousands will be newly created by tourism in 2005 and 2015, respectively.

Table 2.9 Estimation of employment for whole Peru

	1998	2005	2015
Direct employment in the hotel sector	89,700	115,300	183,700
Direct employment other than the hotel sector	117,507	151,043	240,647
Total direct employment	207,207	266,343	424,347
Indirect employment	143,520	184,480	293,920
Total estimated employment	350,727	450,823	718,267

Source: JICA Study Team

According to the report: "Perú: Estimaciones y Proyecciones de la Población Económicamente Activa: 1970-2015", the total number of economically active population (EAP) in whole Peru in 1998, 2005 and 2015 are about 9,766, 12,000 and 15,224 thousands respectively. The share of the above estimated tourism-related employment to EAP is estimated to be 3.6%, 3.8% and 4.7% in 1998, 2005 and 2015, respectively.

2.3. Spatial Tourism Structure

2.3.1. Tourism hierarchical system

Tourism hierarchical system is set and employed for the tourism master plan. It distinguishes four planning levels as follows.

(1) Level 1: Tourism Center

Tourism Center is a stopover or a resort destination itself. It corresponds to the urban area of a city or a resort town.

(2) Level 2: One-day Trip Area

One-day trip area is the area where average people who stay at a Tourism Center can make a one-day trip. In general, radius of three-hour time distance from a Tourism Center is supposed to be its one-day trip area.

Tourists from the short-haul market prefer “city break” for long weekend. They tend to limit their travel activities within One-Day Trip area.

(3) Level 3: Tourism Corridor

If there is another Tourism Center within 8 hour time distance, overland trip to the Tourism Center could take place for people who are interested in sightseeing, provided that there are attractions along the travel route such as tourism sites and beautiful scenery.

Tourists who come from distant countries generally prefer itinerant travel covering a number of Tourism Centers. Visitors from the middle-haul market tend to travel within the short excursion area.

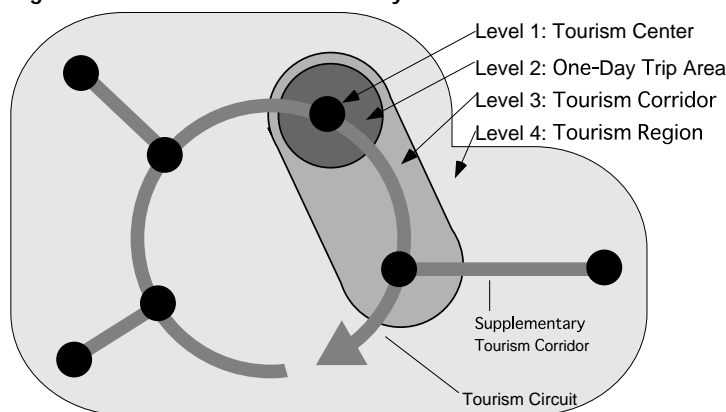
(4) Level 4: Tourism Region

Touring Region includes several Tourism Centers, and it takes from 1 to 2 weeks to travel the area by car or bus. This is the area often covered by tour itineraries for visitors from the long-haul market.

2.3.2. Tourism Region, Tourism Circuit, and Supplementary Tourism Corridors

Figure 2.2 illustrates the above mentioned tourism hierarchical system and the conceptual tourism structure applied to the Phase 1 Tourism Master Plan.

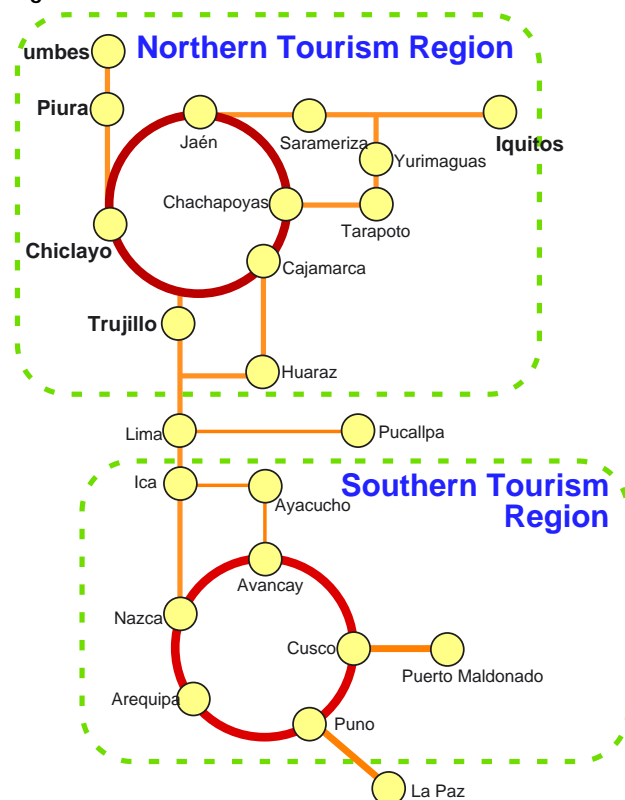
Figure 2.2 Tourism hierarchical system and tourism structure



Source: JICA Study Team

Tourism Circuit is a circular travel route connecting several Tourism Centers. Tourism Corridor is a section between two Tourism Centers, preferably with tourism sites on the way. Tourism Corridors that connect to a Tourism Circuit but is not part of the circuit are referred to as Supplementary Tourism Corridors. Tourism Region is an area that includes a Tourism Circuit and its Supplementary Tourism Corridors. Figure 2.3 is a national tourism structure based on the above theory.

Figure 2.3 Peru's National level tourism structure



Source: JICA Study Team

According to the spatial structure, the Trujillo - Chiclayo Tourism Corridor is a Tourism Corridor, while the Tumbes - Piura and Amazon River Tourism Corridors are

Supplementary Tourism Corridors. The following shows the national level tourism structure of Peru based on the above-mentioned spatial structure in the Phase 1 Study.

2.4. Criteria for Evaluating Project Priority

Priority of projects, whether proposed by the JICA Study Team or by local organizations, will be evaluated according to the following criteria.

2.4.1. Conformity with development strategy

Projects that are consistent with the development strategy for respective Tourism Corridors will be given higher priority than projects that are not.

2.4.2. Urgency of projects

Projects that have strategic importance and direct impacts on developing the tourism sector as described below, will be given higher priority than long-term integrated projects.

- Projects that contribute directly to the increase of visitors,
- Projects that contribute to quality improvement, or to the diversification, of tourism area,
- Projects that serve for the conservation of tourism resources.
- Projects that contribute to the improvement of the environment, and
- Projects that have good impacts on the improvement of income and employment among local people.

2.4.3. Maturity of projects

Projects that have a high degree of maturity as defined below will be given higher priority than projects, details of which are still in discussion.

- Projects, for which detailed studies are completed,
- Projects that have identified an entity in charge of implementation,
- Projects that have acquired land or raised some part of fund,
- Projects that have completed the coordination among relevant entities, and
- Projects that have achieved a consensus among local people.

3. National Level Proposals

This chapter discusses necessary arrangements and schemes at the national level to support smooth implementation of priority projects as presented later, and to ensure self-sustainable development of the tourism sector in the future.

3.1. Institutional Arrangements for Project Implementation

3.1.1. Assumptions

Priority projects, which are presented in this report, need implementation as early as possible. JICA Study Team believes that their implementation is indispensable for the Peruvian tourism sector to secure its position as one of the economic pillars of the national economy. A certain framework is necessary to certify the implementation of the priority projects. Project implementation requires coordination among stakeholders, capability of managing respective projects, as well as financing. Therefore a framework to integrate these necessary efforts should be prepared.

Tourism development has relationship with many areas; therefore requires involvement of relevant organizations both public and private at different administrative levels. In this sense, strengthening of the capability for coordination is especially important for tourism project implementation. It is noted that the capability is also necessary to promote local participation and incorporate local opinions and identity in tourism development.

Priority projects that will be detailed in this report include sub-projects of infrastructure and tourism facility development. This means that the responsible organization should have the capability to manage and monitor physical construction works.

Securing financial resources for implementing the priority projects is not easy for Peru considering its scale of national budget. Therefore, arranging soft loan from an international donor agency is considered as one of the practical measures to secure the financial resources. In this case, there is a need to comply with the donor agency's requirements. Generally speaking, there are two types of loan schemes provided by donor agencies: the project loan and the sector loan. The former is provided for respective projects, while the latter is provided for organizations that take the responsibility to formulate and manage projects. The project loan is considered to be more suitable to implement the priority projects of this Study, because it is considered easier to handle than the sector loan.

Based on these assumptions, the following sections elaborate on necessary institutional arrangements for the Government of Peru to implement the projects funded by an international donor agency.

3.1.2. Basic requirements

(1) Financing

The borrower of the soft loan should be the Government of Peru. The Government should specify a government agency as the Supervising Organization that takes the responsibility to supervise the project implementation. Ministry of Economy and Finance (MEF) would finance respective sub-projects that are implemented by various government agencies such as MITINCI, INC, INRENA, MTC, as well as local governments (CTARs) under the Supervising Organization.

(2) Supervising Organization

The Supervising Organization would function as the coordinator with donor agency, supervise respective sub-projects, and coordinate among relevant government agencies, local governments, and other stakeholders so that respective projects would be implemented effectively being consistent with the Tourism Master Plan.

There are alternative ideas as to which government agency would undertake the role of the Supervising Organization, which will be discussed later in this chapter.

(3) Project Coordination Unit for the Northern Tourism Region

The Supervising Organization should set up a Project Coordination Unit for the Northern Tourism Region. It is a mechanism in the Supervising Organization to coordinate among relevant organizations to implement the priority projects. Members of the Unit would be personnel in charge of respective components of the priority projects.

(4) Steering Committee

Steering Committee should be set up to provide advice to the Project Coordination Unit and “steer” the Project Coordination Unit to a right direction. Members of the Steering Committee would be representatives at high levels from Ministry of Economy and Finance (MEF), MITINCI, MIPRE, MTC, INC, and INRENA.

(5) Northern Tourism Region Development Authority

The Northern Tourism Region Development Authority or NTRDA is a semi-governmental organization that is tasked to coordinate among relevant organizations, and to plan, implement, and manage tourism projects in the Northern Tourism Region. The original idea was proposed in the Phase 1 Master Plan as the northern counterpart to PLANCOPESCO in the south. Autonomous Authority is an idea as to the status of the authority.

Although this Study deals with projects that may be financed by the project loan, the establishment of NTRDA would strengthen the capability for MITINCI to handle the sector loan in the future projects, and facilitate self-sustainable growth from the long-term

perspective. Figure 3.1 shows a possible organization chart of the Northern Tourism Region Development Authority.

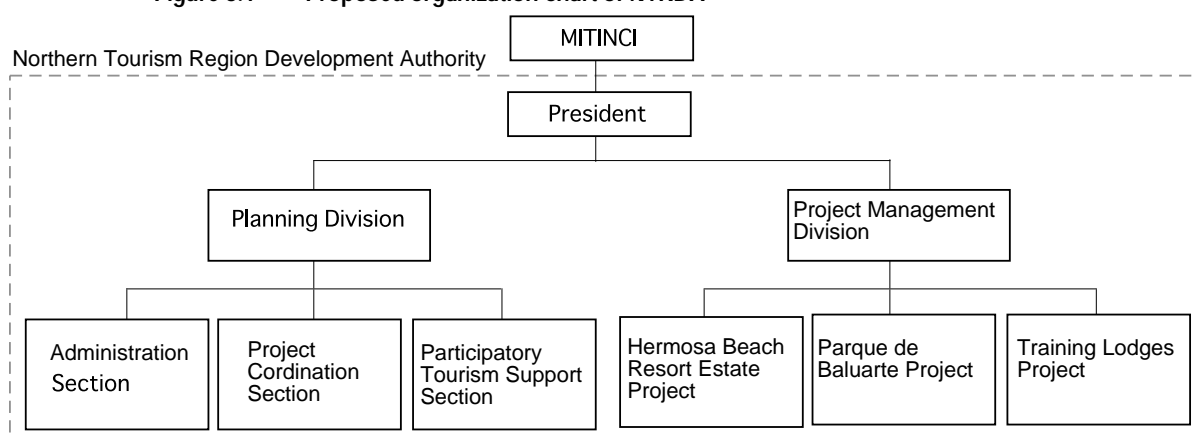
The above figure shows that NTRDA would have two divisions: Planning and Project Management Divisions. Their functions are as follows:

Planning Division

Planning Division is in charge of non-profit undertakings supported by the national budget. MITINCI would commission its tasks of project supervision and implementation to NTRDA so that NTRDA would function as the implementing arms of MITINCI. The division would consist of the following 3 sections

- Administration,
- Project Coordination, and
- Local Participation.

Figure 3.1 Proposed organization chart of NTRDA



Source: JICA Study Team

Project Management Division

Project Management Division is in charge of profitable undertakings. Project Management Division would implement the following sub-projects that are expected to achieve self-sufficiency. Details of the sub-projects will be discussed later in this report.

- Development of Beach Resort Estates in Hermosa Beach
- Parking Lot and Restaurants of “Parque del Baluarte (Fortress park)”
- Training Lodges in the Pacaya - Samiria National Reserve

Table 3.1 shows a possible staff allocation for NTRDA. Some 40 personnel are considered necessary to undertake the above-mentioned tasks.

Table 3.1 Proposed staff allocation of NTRDA

	President	Director	Deputy	Staff	Clerk	Total
President	(1) concurrent					
Planning Division						
Administration Dpt.		1	1	3	3	8
Project Coordination Dpt.			1	1	2	4
Participatory Tourism Support Dpt.			1	3	6	10
Project Management Division						
Hermosa Beach Resort Estate Project		1	1	4	4	10
Parque del Baluarte Project			1	2	2	5
Training Lodges Project			1	1	2	4
Total		2	6	14	19	41

Source: JICA Study Team

This arrangement, however, is not consistent with the national policy for smaller government and, therefore, would take time to establish the new semi-governmental organization. It may be necessary to establish a committee, as an alternative of NTRDA, with representatives from existing public and private entities such as Special Committee for Privatization (CEPRI Turismo), CTARs, CANATUR, APOTUR, APTAE, and AHORA.

3.1.3. Alternatives of the Supervising Organization

There are basically two possible alternative ideas of the Supervising Organization. Assigning MIPRE as the Supervising Organization would ensure easier implementation, while assigning MITINCI would be more challenging but desirable from the long-term perspective.

Each of the alternative ideas has its strengths and weaknesses. Decision should be made by the Peruvian Government with deliberate considerations of the strengths and weaknesses of the following alternatives.

(1) Ministry of Presidency (MIPRE) as the Supervising Organization

MIPRE already has experiences of receiving foreign finances and implementing a number of infrastructure and facility projects. It also has tourism know-how since it has the Tourism Infrastructure Project Section and PLANCOPESCO under its jurisdiction. Tourism know-how would be also channeled through the Project Coordination Unit that is composed of members from tourism-related organizations including MITINCI. Since it does not require any institutional modification, it would be easier and more practical to arrange an institutional setup than assigning MITINCI as the Supervising Organization.

This arrangement, however, does not solve a long-standing issue of fragmented tourism administration that has impeded its efficiency and consistency. Therefore it would be viewed as a temporary arrangement rather than a solution. In spite of the limitation, the

arrangement is expected to work to implement the priority projects that need implementation in the short-term.

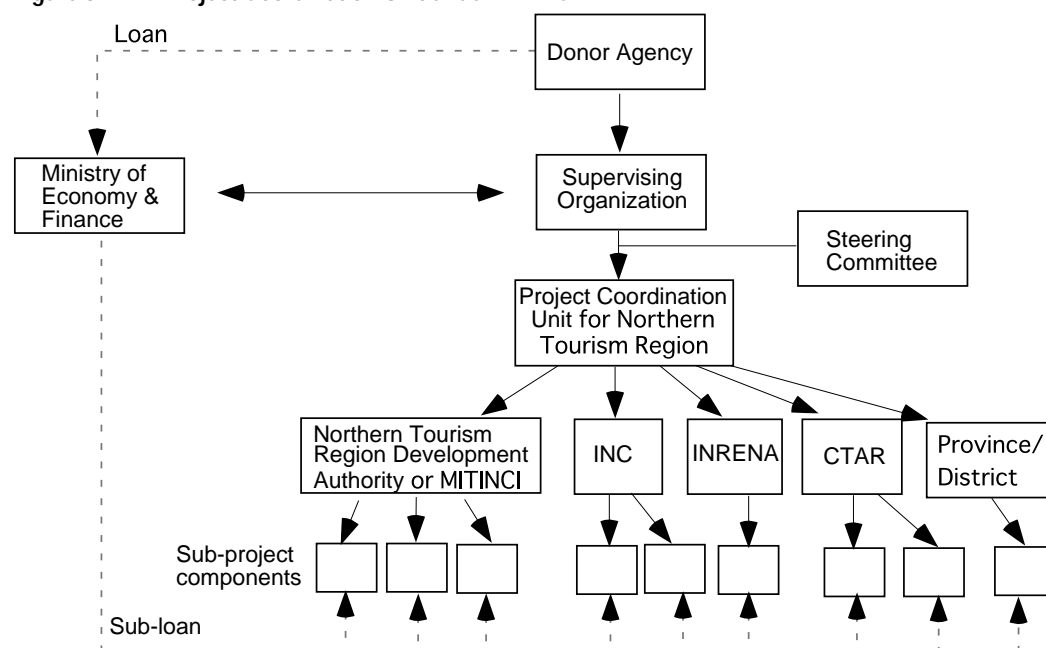
(2) MITINCI as the Supervising Organization

Contrary to the former case, if MITINCI is assigned as the Supervising Organization, additional institutional arrangements have to be made since MITINCI does not have sufficient expertise and experiences to coordinate among CTARs and relevant organization, and to supervise tourism projects that accompany physical construction works. To cope with this, MITINCI should invite staff from the Ministry of Presidency to support the Project Coordination Unit. This arrangement is more desirable from the long-term perspective, although it would be more difficult to set up than the former idea.

3.1.4. Organization Chart for Project Implementation

Figure 3.2 shows an example of institutional setup for project implementation.

Figure 3.2 Project Coordination Unit under MITINCI



Source: JICA Study Team

3.2. Promotion of Tourism-Related Small and Micro-Enterprises (SMEs)

3.2.1. Importance of Tourism SMEs in Peru

- Small and micro-enterprises represent 98% of the companies in Peru. They constitute 75% of the total employment and 42% of the GDP.
- As for the agricultural sector (where the poorest population is included), the SME represent 90% of the Sector GDP and 98% of the sector employment.

- Trade and Services Sectors are second and third in importance after the agricultural sector, and the SMEs represent 40% of their GDP and 98% of the employment.

3.2.2. Areas of Tourism SMEs promotion

- 1) SMEs in the tourism sector mainly provide the following goods and services: hostels and lodges, restaurants, entertainment, handicrafts, local transportation, agricultural services and trade.

A new field of tourism-related SMEs is taking shape in the areas of investigation (excavation and cleaning), maintenance works, restoration, and guarding of the natural and cultural tourist sites. It is necessary for people living in and around tourism sites to participate in these areas.

- 2) Promotion of production, marketing, and the quality of said goods and services would extend the benefits of tourism growth in income and employment. It will contribute to the sustainability of tourism development and conservation of cultural and natural heritage.
- 3) This promotion should be carried out in two large fields: Financial and Non-financial promotion.

3.2.3. Financial Promotion for Small and Micro Enterprises

(1) Current situation

The state provides financial services through a group of financial institutions; the most important of which is the Financial Corporation of Development - COFIDE, a second floor financial entity, which, in 1997 and 1998, allocated lines of credit specifically for small and micro-companies with the values of 121 and 160 million dollars, respectively.

The detail of the state institutions in different periods is shown in the table as follows based on the information from the books of Fernando Villaran and Samuel Chincaro: the State Promotion to the PYMEs in the Peru.

Table 3.2 Institutions and financial services

Institutions	Program	Services	Areas	Period	Credit (US \$1000)
COFIDE	PROPEM. MICROGLOBAL Lineas Propias	Credit	Small- and micro- enterprises	1997	120,588
FONDEMI	Credit fund for micro- enterprises	Credit	Micro-enterprises	1994-1997	9,879
BANMAT	Local and machinery credit	Credit	Micro- and family- run enterprises	N.A.	N.A.
MiBANCO	Bank of Micro- enterprise	Credit	Micro-enterprises	1997	36,000
FOGAPI	Guarantee fund	Guarantee and deposit	Small- and medium- sized enterprises	1996-1997	4,504
FONREPE	Security fund of credit	Guarantee	Small- and medium- sized enterprises	N.A.	N.A.

Note: 1) According to the source, "N.A." is not
2) MiBanco is a private entity with its origin in Peru.

Source: State Promotion of Small and Micro-enterprises in Peru. Fernando Villaran and Samuel Chincaro 1998.

(2) **Role of COFIDE in the SMEs promotion**

Like second floor bank, COFIDE obtains funds from the multilateral organizations and channels them to the system through the intermediary banking. It also acts in the area of the non financial promotion through the COFIDE Center that provides support to the creation, development, and competitiveness of the small and micro-enterprises.

The services of the COFIDE Center are: legal advisory, establishment of companies, marketing, financial advisory, new markets, trademark and patents registration, consultation specialized in projects financing and banking information.

It is important to examine the COFIDE' financial allocation using the figures in their Annual Report. For 1998, COFIDE allocated 7.8% of its operations to the microempresa and 2.6% to the small company; in total 10.4% for both categories. The allocations outside of Lima were 27.6% of the total of their operations, of which corresponded 8.6% to the north region.

Both observations suggest the necessity to increase the allocations from COFIDE to the PYMEs and to even decentralize their operations.

The same source, in its classification of operations approved by Economic Sectors, shows a sum of 66.8 million dollars for the tourism sector in 1998, equivalent to 4.3% of the total operations.

3.2.4. Promotion of Non Financial Character

(1) Public sector

Recent experiences demonstrate that the results of the financial promotion are secured and increased if it is accompanied by the promotion services of non-financial character.

The State carries out non-financial promotion through a group of programs and institutions in the following areas: establishment of companies, formalization and training; information, connection, domestic commercialization and exports.

These tasks are conducted by the following organizations in independent ways: Ministry of Agriculture, Ministry of Labor, MITINCI, Ministry of Fishery, Ministry of Transport, Communication, Housing and Construction, COFOPRI, COFIDE, PROMPEX, PROMPYME and PRONAA.

Table 3.3 COFIDE: operations by size of company and by region (1998)

Operations by size of company	US \$ million	%
Medium and large enterprises	1382.9	89.6
Small enterprises	39.0	2.6
Micro-enterprises	120.6	7.8
Total	1542.5	100.0
Approved operations by region		
Lima	1116.6	72.4
South	173.3	11.2
North	132.3	8.6
Central	103.5	6.7
East	16.8	1.1
TOTAL	1542.5	100.0

Source: COFIDE, Annual Memory 1998.

For the purpose of developing the Tourism Master Plan (Phase 2), two programs exist in MITINCI. Micro-enterprise Program European Union – MITINCI, and the Program of Small and Micro-Enterprises, are relatively important not only because they are located in the administrative area directly responsible for tourism, but because the range of its services and the importance of its contents.

The first one works like a program of first-stage training, using a system of Funds of Training and Technical Attendance (incentive to the demand). The second, as a program of information and managerial coordination

It is necessary to integrate, extend, increase the emphasis, and adapt to specific projects in the tourism sector, these tasks, in the geographical area of the Tourism Master Plan (Phase.2).

(2) Private sector

The private sector participates mainly in the promotion activity through a group of NGOs and development entities of small and middle-sized enterprises. Many times these entities integrate their support works, training, and financial promotion activities.

A program related in some of their aspects with the Tourism Master Plan (Phase 2) is the Agreement ADEX-USAID, which is directed to the support of micro-enterprises and small producer through the following two projects:

- Proyecto MSP (Micro-enterprise and Small-scale Producer Support Project)
- Program of Alternative Development (DA).

The first one is implemented through four programs: Programs of Sierra, Micro-enterprises, Handicraft, and Micro-finances Initiative. The second one (DA) is directed to the development of legitimate cultivation in coca-producing areas.

The Program of Handicraft develops the lines of: ceramic, textile, wood and colored glass. It is located in Lima, Piura, Ayacucho, and Cajamarca.

As for ceramic, the project has induced and achieved the innovation of the product (designs), the inputs (clay) and the machines (ovens), with the artisans of Chulucanas (Piura). This product has significant demand in Lima, and they have started distribution in stores specialized in home accessories in the USA.

3.2.5. Proposal for the Integral Promotion of the SMEs in the Tourism Sector

- 1) Integral promotion of the PYMEs of the tourism sector from the State should include both financial and non-financial mechanisms.
- 2) As a financial mechanism, COFIDE could reduce the spread of the funds, which it obtains from the multilateral and bilateral organizations, and that it channels to financial intermediation entities. In this way the credits could reach to the SMEs with more favorable conditions than the market generally offers to the SMEs regarding the conditions and rates of interest.
- 3) An alternative to the preceding plan is that without reducing the Spread of COFIDE; this entity dedicates important part of this revenues to the non-financial promotion of the SMEs, carrying out integral agreements of promotion with the ONGs and the EDPYMES that work in this sector.
- 4) Apart from the above, a fund specifically targeted at tourism SMEs should be negotiated with a multilateral or bilateral financial entity. In this case, once the loan is obtained, the before-mentioned criteria or part of it, should be incorporated in the Agreement of Transfer of Resources that the Ministry of Economy and Fiananzas-MEF, (contracting and recipient of the fund) carries out with COFIDE (entity that would execute the financing program for the SMEs of the tourism sector).
- 5) In all cases, the non financial promotion of the tourism SMEs in relation with the Tourism Master Plan (Phase 2) should be developed by the implementing entity of the Master Plan with strong linkage to the financial promotion. The concept should be that of the integral SMEs promotion including the followings in a single group: credit, technical attendance, attendance for the internal commercialization and export and training and specialized Information.

3.2.6. Development of the Small and Micro-Enterprise of Handicrafts and Development of Handicraft Markets

(1) Justification

According to the survey in the Subsectorial Study of Tourism 1998, 84% of the tourists purchased handicrafts, spending a per-person expense average 89.10 dollars. The favorite products are ceramics, dressing garments, ornamental fabrics, and jeweler's of gold and silver.

The same study found that the tourists come to the places for the purchase in the following areas in the preference order: handicraft markets, specialized and tourist stores.

Handicraft production generally links to lower-income groups; it is characterized by labor intensive works and use of local inputs. It differs by geographical zones, and heterogeneous in their quality.

These elements make the handicraft an appropriate field to apply measures for community participation and for the equality in tourism development, which corresponds with the objectives of the Study.

The promotion of SMEs, producer and vendor of handicraft, and the development of local markets are two measures that realize the direction to achieve equality in tourism development.

(2) Development directions and locations

The generation of revenues, their increment and the increase of the employment, are the main objectives of the development of small and micro-enterprises, and of the local markets.

Table 3.4 Locations, products, and development directions

Locations	Products	Development
La Encantada; Chulucanas, Piura	Ceramics	Community development and training center
Catacaos; Piura	Silver work, wood and ceramic	Donisio Romero market
Monsefu, Lambayeque	Textile, vegetable fiber, goldwork and ceramic	Monsefu handicraft market
Trujillo	Gold work, fabrics, vegetable fibers and ceramic	Handicraft market in the Parque del Baluarte (Fortress Park)
Iquitos	Wood, fabrics, and costume jewelry	San Juan Market and Training Center
Tumbes	Vegetable, textile, fabrics	Not planned in this stage.

Source: JICA Study Team

The places, the productive address and the markets to be developed (in some cases improvement of the existent ones), are shown in the following table. The details are described in the Volume 3 of this report.

3.2.7. Training Program for Tourism SMEs Other Than the Handicrafts Sector

(1) Backgrounds

- 1) The education and training of PYMEs multiplies the effects of financial support and non-financial promotion.
- 2) The education and training should increase the labor productivity and the economic efficiency of the productive unit.
- 3) With different contents, it should be directed to workers, administrators and managers of small and micro-enterprises, according to their demands and necessities and in the location the market requires.
- 4) The fields the education should be directed to are: hotels, lodge operation, gastronomy and restaurants, attendant service, cooking, bar, and “sommelier.”
- 5) A different field of the education will be the folklore. In this case, it would also have contents of managerial promotion, to organize teams for folkloric dances in: Piura, Chiclayo and Trujillo.

(2) Objectives of the program

- To increase the quality, productivity and economic efficiency in the areas of: hotels, lodge operation, gastronomy and restaurants, attendant service, kitchen technology, bar, sommelier, and folklore.
- To increase the income and employment of establishments and people linked to the production and sales of these services.

(3) Description of the Program

a. Localization of the program.

- Initially in the cities of Tumbes, Piura, Chiclayo, Trujillo and Iquitos. Then it should be extended to Port Pizarro, Catacaos, Chulucanas, Pacasmayo and Huanchaco. The program related to the folkloric arts would be developed in Piura, Chiclayo and Trujillo.

b. Contents of the program

- Identification of the preferences (tendencies of the market) of tourists, regarding these goods and services.
- Education in the before-mentioned fields directed to two different group-objectives, a) owners and managers, and b) employees.
- Incorporation of modern technology in the production and provision of goods and services considered in the projects.
- Development of folklore talents and incorporation of them to the tourist circuit.

c. Costs of the Program

- It is estimated at US \$230,000 for the total cost of the development of a course of each one of the 8 mentioned matters, in the 6 cities that have been defined for this program (a total of 48 courses).
- The development cost for the program of folklore teams is estimated at US \$185,000 (this program would be autosostenible in the future).
- Total cost of both projects is US \$415,000.

d. Implementation schedule

- The program should be carried out in the first two years of the development plan.

(4) Arrangements for the Project Implementation

a. Institutional arrangements

- Northern Tourism Region Development Authority or MITINCI

Participation of the private sector and other public sector entities in the program implementation

Private sector:

- Associations of hotels and local restaurants.
- Consultants private specialists in the matters of the project
- CANATUR.
- Faculties of Tourism in the Universities
- Peruvian institute of Administration of Companies (IPAE).
- Non Government organizations linked to the tourism (ONGs).

Public Sector:

- National Center of Tourism Formation (CENFOTUR).
- National Service of Learning and Industrial Work (SENATI).
- National institute of Culture (INC).
- Local universities.

b. Financial arrangements

Most of the training cost should be contributed form the implementation entity of the tourism master plan. However, it should not be free. The experience points out that it is better if a part of the cost is covered by themselves.

(5) Direction and administration

The direction and administration of the program will be in charge of the implementing entity of the development of the Master Plan. It should cooperate with diverse institutions and specialized consultants mentioned in the part of institutional arrangements.

(6) Prospective benefits

- Increase of tourism attractions in the main cities of the Tourist Corridors
- Increase of tourism deriving from the improvement in the services quality.
- Lower-income population's access to the benefits of tourism development.

3.3. Establishment of a System to Support Local Participation

Local participation is strongly demanded from the two viewpoints. One is a necessity to distribute tourism benefit locally, and to get tourism to function as an economic incentive among local communities for conservation. In the Peruvian context, local participation is indispensable for the conservation, since archaeological sites and nature areas still have risk to be destroyed for short-term benefits by local community. Another viewpoint is to incorporate local identity into tourism products for better visitor appreciation. It is often overlooked, but is important for tourism products to acquire authenticity.

There are basically two approaches to promote local participation. One is to invent tourism ideas specific to each project or sub-project. Another is to establish a system, which supports local participation. Since the former approach is discussed in the respective chapters for the development plans for the three Tourism Corridors, this section concentrates in the latter approach.

3.3.1. Introduction of the Community Support Fee**(1) Financial arrangement to promote local participation**

There is a need to provide a financial basis in order to enforce local participation. It needs to be accompanied by a scheme that promotes, manages, and supervises efforts at involving local community.

In view of the necessity to involve local community in tourism development, it is proposed to spare 1% of the total cost of the priority projects for use as a Community Support Fee for the Study Areas.

(2) Use of the Community Support Fee

The Community Support Fee should be used for the following efforts at promoting local participation

a. Public relations

Publicizing the necessity of implementing tourism projects for local community is the first step to involve local community. MITINCI should conduct public relations activities using its “Tourism Awareness Program.” The public relations activities do not only focus on the effects and benefits of projects but also the supporting measures provided by the government for local community members to participate in tourism-related businesses.

b. Working funds for Sub-project Implementation Committees

Sub-project Implementation Committee, which will be discussed later in this section, is a mechanism for coordinating among stakeholders including organizations that take part in construction of respective components of a sub-projects, as well as local community members in and/or around the sub-project site. Part of the Community Support Fee should be used as the working fund for starting up and operating the Project Implementation Committees in the Study Areas.

c. Participatory Tourism Support Program

The Participatory Tourism Support Program, which is also detailed later in this section, is a program for supporting community-based tourism development plans, and for providing training and education necessary to implement local tourism plans. This program covers not only the communities involved in the priority projects but communities in the Study Areas with willingness and potential for tourism development. An important purpose of the program is to elaborate locally conceived tourism ideas and plans like those presented in the Volume 3 for implementation in the next stage.

The program would be conducted under the “teach the teachers” scheme to ensure self-sustainable development in the future. The Community Support Fee would be spared for this program to hire Peruvian staffs who are tasked to incubate local tourism plans, international consultants who provide the Peruvian staffs with know-how to support community-based tourism plans, and to host seminars, workshops, and meetings.

Training programs would be offered by this program for those willing to work for tourism-related businesses such as home-stay, guiding, and handicrafts as necessary. Opportunities for respective priority projects are described in the chapters for Tourism Corridor Development Plans.

d. Tourism promotion

As the implementation of priority projects nears to the completion, it becomes necessary to conduct tourism promotion activities such as preparation of brochure, map, and poster, and familiarization trips for the travel trade and the media. Although tourism promotion

should be conducted by gathering contributions from the private sector in the long-term perspective, the Community Support Fee may be used at the startup stage.

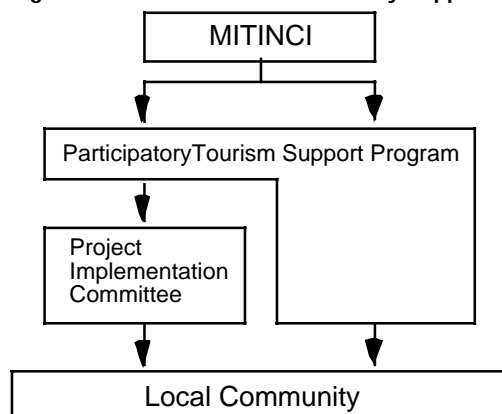
Considering the scale of sub-projects that are often implemented at district or provincial levels, tourism promotion activities would be better conducted jointly at the Tourism Corridor level. MITINCI should coordinate among Project Implementation Committees to launch the initial tourism promotion campaign toward the domestic market, and seek cooperation from PromPeru for international tourism promotion.

(3) Management of the Community Support Fee

Under the coordination of the Supervising Organization, MITINCI should manage the Community Support Fee through its local offices in CTAR. Figure 3.3 shows a proposed flow of the Community Support Fee.

Under the management of MITINCI, the fee would be channeled to communities in/around the sub-project sites included in the priority projects, and those with potential and willingness for tourism but are not chosen for sub-project sites for the priority projects.

Figure 3.3 Flow of the Community Support Fee



Source: JICA Study Team

3.3.2. Sub-Project Implementation Committees and Local Tourism Organizations

(1) Institutional Arrangements for Local Participation

As has been discussed previously in this chapter, respective sub-projects would be implemented locally under the Supervising Organization. Like the proposed mechanism at the national level, respective sub-projects need a system that ensures effective implementation. At the local level, considerations for local participation to incorporate local opinions and identity are of special importance in addition to the capability to coordinate among stakeholders.

This section discusses the institutional arrangements in general. Necessary institutional arrangements by respective projects are detailed in the Volume 3.

(2) Sub-project Implementation Committee

In many cases, several organizations implement a sub-project proposed in the Study. In case of tourism improvement of an archaeological site, INC takes charge of improvement within the boundary of archaeological site, while CTAR builds access road, and electric company installs power supply. A mechanism to coordinate among these organizations has to be introduced. Moreover, it is necessary to provide local government and local community members with an official opportunity to participate in project implementation.

For these purposes, the Supervising Organization should urge each responsible implementation body of sub-projects to establish a Sub-project Implementation Committee. Project Implementation Committee should be composed of representatives from organizations that implement respective components of a sub-project as well as local community and local governments at the provincial and district levels. It would be established at the district or provincial level depending on the scale of sub-project. It is tasked to facilitate project implementation and incorporate local opinions and identity into project through coordination among stakeholders. Local community could use the mechanism to secure their tourism opportunities.

To clarify the location of responsibility, the Supervising Organization should specify an implementation body of each sub-project that plays the central role to organize the Project Implementation Committee.

(3) Local Tourism Organization

Project Implementation Committees should be transformed to Local Tourism Organizations after the completion of physical construction works, gradually shifting the initiative in the organization from the public sector to the private.

The organization should be in charge of tourism destination management and tourism promotion. More specifically, the organization should coordinate among stakeholders to maintain and improve the tourism destination, and to conduct tourism promotion activities such as preparation of brochures and maps, dispatch of tourism promotion missions, and advertisements.

The organization could be a body that receives supporting measures for tourism management and planning know-how, which will be discussed in the next section.

(4) **Arbitration of grievance and complaints**

A system has to be introduced to arbitrate grievance and complaints. Although Project Implementation Committee could cope with minor problems, the Supervising Organization should take the responsibility for the arbitration of grievance and complaints.

3.3.3. **Participatory Tourism Support Program**

(1) **Basic context**

In the course of this Study, a large number of locally conceived project ideas were delivered to JICA Study Team. Although some of the projects were incorporated in the priority projects, many are placed in the long-term project category due largely to low project maturity. These project ideas need to be elaborated by the people who conceived, rather than to be abandoned. These projects need supports of know-how, training, and financing by a national level scheme to promote local participation.

At this moment, it does not exist a single established methodology to incorporate local communities successfully to tourism or ecotourism projects (although cases in different countries have been studied¹). Projects always have to deal with differences that arise from different contexts, culture, traditions, capabilities and expectations. Therefore, JICA Study Team proposes a six-phase method to achieve an optimal involvement of local community to tourism development. This method tries to identify and recognize differences and potential of communities involved in tourism projects in Peru. Basic steps proposed are as following:

- Phase 1: Identification of characteristics in each destination (recognizing strengths and weaknesses in relation to tourism activity);
- Phase 2: Identification of opportunities in each destination;
- Phase 3: Identification of persons and programs able to participate in each destination;
- Phase 4: Identification of supporting measures for each destination;
- Phase 5: Execution of programs; and,
- Phase 6: Evaluation and correction of programs.

The following chart shows a basic scheme for these phases:

¹ Lindberg, Kreg; Hawkins, Donald (Eds). Ecotourism. A Guide for Planners & Managers. USA. The Ecotourism Society. 175pp.).

(2) Description of the process

a. Identification of characteristics in each destination.

A method to implement local community participation has to start recognizing characteristics of the community's economic activity as well as its strengths and weakness in relation to tourism activity, since they are influenced by different contexts, culture and expectations. One major difference emerges when considering an urban versus a rural isolated area --small community location--: Trujillo Vs. Pacaya-Samiaria communities by example. Differences can lead to strategies and has also a different scope of work (Phase 1 of Diagnosis). This is very important because local community has to identify different forms of participation, and they have to develop even new skills related with new opportunities. This would lead to the next step.

b. Identification of opportunities in each destination

Development of tourism brings an impulse to economic activity in different sectors and sub sectors of local economy. Identifying the way tourism activity is currently affecting local economic activities is a major issue. It is considered that multiplier concept (measure of how tourism is linked to other local economic sectors) is a very useful tool to improve such knowledge. This task can be obtained from surveying existing tourism business in the community to identify employment and purchasing patterns. This analysis will show linkage among tourism and local economic potential and weakness to overcome. If the local tourism industry imports their food the money leaks away and produce fewer local benefits. Therefore, to increase local development and to include local community, tourism should be linked with others sectors. Some of the most important ones would be the following:

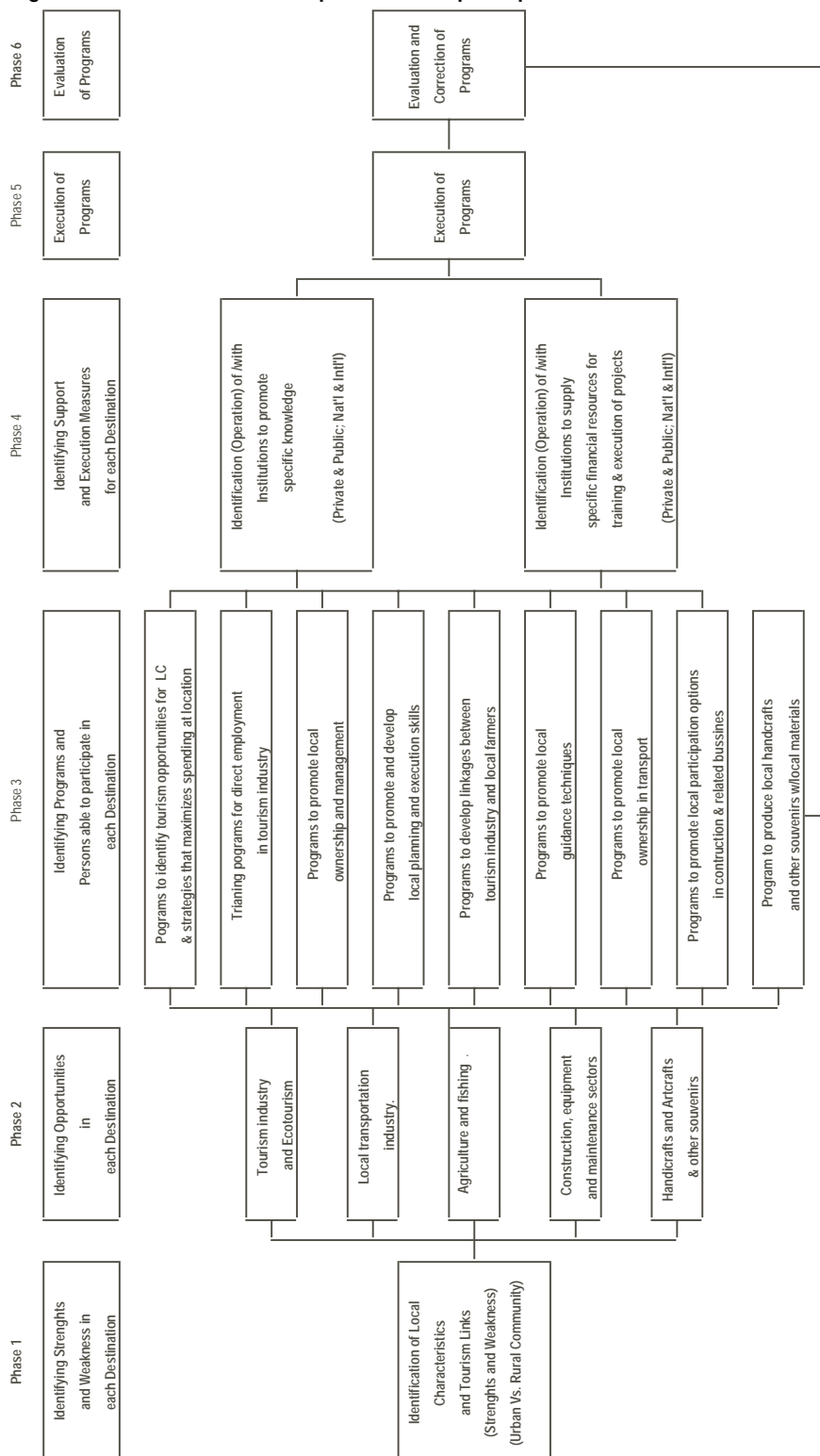
Tourism industry and ecotourism

This is perhaps the most obvious opportunity for local residents to benefit from tourism. In the short term this employment may center on unskilled labor; however, training programs should be developed so that residents are able to fill a skilled positions such as guides, middle and top management and even planning process in the mid and long term.

Local transportation industry

Tourism needs to use existing local modes of transportation, ranging from the traditional to the modern. When possible, local boats, canoes, horses and taxis should also be utilized. In some cases, cooperatives can be formed to purchase more expensive transportation equipment.

Figure 3.4 Basic scheme to promote local participation



Source: JICA Study Team

Agriculture and fishing

A large portion of tourist expenditure goes to the purchase of food, and therefore, being a relevant source of economic benefit for local community. Tourists are interested in local

cuisine provided that quality standards are met and maintained. At the same time, local farmers and distributors need to recognize the importance of quality and reliability.

destinations needs personnel for maintenance of air conditioning equipment.

Construction, equipments and maintenance sectors

Depending on the scale, tourism development requires, in particular in remote locations, local labor and materials used for the construction. Possibilities to work intensively and extensively in local excavations of archeological sites are included in this case, given the fact that Peru has a vast variety of such resources. Another form to participate directly from activity related with tourism growth is maintenance of construction equipment or transport maintenance (boats, cars & trucks). Communication sector needs also skilled persons to repair specialized equipment, and operation of hotels in beach or tropical Local handicrafts and other souvenirs development

Souvenir sales are often the easiest way for local residents to benefit from tourism spending (some Peruvian destinations sell souvenirs from other regions or even from other countries). It is very important to establish a commitment to develop local handicrafts since this is an important direct source of benefits to local communities, which can be supported from a variety of organizations and institutions both in financial forms and through provision of up-to date technologies.

c. Identification of persons and programs

A comprehensive program to involve local communities in economic development has to start with the training and education of specific local communities' persons, willing and ready to take that possibility. Local participation can be viewed as a process and therefore it takes time to achieve the main goal². Besides, local community needs to have a sense of "ownership in the project" and therefore it should be considered the local community empowerment.

Actions to start these programs could be undertaken in different ways: one is to assign coordinators to take further action at a local level after specific training. Other one is to act directly and immediately with local community. Either case, JICA Study Team proposes the following programs to be carried out, as a starting point of a comprehensive

² Brandon points out the following has to be considered according with some experiences: a) Initiation of local participation activities requires a great deal of time, energy and keen organization ability; b) Private sector interest may want quick action and need fast answers to remain competitive and c) there is a risk that needs and desires of local people may differ from one community to the other or may differ sharply in one community. Katrina Brandon. Basic steps toward encouraging local participation in nature tourism projects. A Guide for Planners & Managers. USA. The Ecotourism Society. 175pp.

education and training program aimed to offer different options to persons and communities:

Opportunities availability

A program that identifies impacts and potential benefits of tourism development is a base program that leads to defining strategies for local community participation, identifying ways to maximize tourism spending at the location. First of all, local community has to be aware of the way tourism development can be linked with their expectations and possibilities.

Training programs for direct tourism industry employment

This is a traditional and most obvious way to involve local community to tourism development. According with expectations of local community's persons, that would lead to organize training programs and workshops/seminars to get specific qualifications to be hired by hotel, transportation or travel agency. Although this should not be the main objective of tourism community involvement, at the initial stage of tourism growth it is the more effective way to incorporate local community for the benefits of development.

Programs to promote local ownership and management.

According with opportunities, a program to promote local ownership and management has to be designed and organized. This program has to consider expectations of local community as well as real possibilities to establish a successful enterprise: conditions of the specific market; competition and expectations of customers; basic management techniques and organization as well benefits that have to be share within the whole community.

Programs to promote local planning and project implementation

In order to have a comprehensive approach to local participation and empowerment in the medium and long term, it has to be designed as programs to promote local planning and project implementation skills. Specific community's persons, with specific abilities and knowledge, have to be identified as well, to undertake such a matter.

Programs to promote linkages between tourism industry and local farmers

It was pointed out before, the importance of food supply for direct tourism activities. Diagnosis of links between local economy and tourism activity should lead to recognition of local products to be offered as well as incorporations of potential local products for tourist's menus, in particular natural raise and free-insecticide products.

Programs to promote guiding techniques

Guiding techniques are very well developed in some countries. These techniques should be incorporated into the training of local people willing to work as local guides. This is a

very important form of local participation due to their deep practical knowledge of environment conditions, as well as the real potential for locals to participate in this activity. Topics to be covered includes: basic English terminology, basic conduction techniques and recognition of local features (flora & fauna) in English, basic procedures to deal with possible problems, and first aid techniques, etc.

Programs to promote local ownership in transport

Transport is another of the very immediate and important options for local participation. Availability of these options to the tourist can vary widely to include canoes and horses or mules (owned by locals), or even 4x4 automobiles or speedboats (as well as material transportation trucks). Beach recreational activities for tourist are also a source of local ownership enterprises. A very important issue is related with organization, due to the possibility to acquire more expensive equipment through cooperatives and other forms of local association. Management and finance skills are also necessary to meet these expectations.

Programs to promote local participation in construction & related activities

Besides direct employment in construction of tourist facilities (normally unskilled labor), emphasis should be given to identify alternatives of local community to supply local materials for construction or/and transportation of such materials to the construction facility site. Archaeological excavations are also an important source of unskilled work for local people; however, it should not be neglected specific training to meet archaeological methods and also to create awareness of local heritage and preservation.

Programs to promote local handicrafts

Programs to produce local art crafts and handicrafts should recognize local materials to be used, in particular materials than can be replaced or cultivate. Emphasis should be given to application of basic techniques to elaborate products with those materials; local design and self-confidence aesthetic; importance of use-oriented items, and so on. It is important to consider that coral and bird feather as souvenirs, are cited as an examples of how handicraft cause severe damage to natural resources. Handicrafts should not be based on consumption of flora and fauna when this consumption could endanger the species or local customs.

d. Identification of supporting measures

Supporting local community activities should include two main aspects: training/ education and financing. There are two ways for financing: obtaining funds to execute defined programs, and identifying credit lines to support local enterprises.

e. Implementation of the program

JICA Study Team proposes to consider MITINCI or Northern Tourism Region Development Authority as the body responsible to design, prepare and execute such a program with local communities as well as identifying specific instructors for training and education and the coordination to get an effective collection of funds.

This organization could hire private consultants or specialist (at national or international level) to activate the first two phases of the program. This body would be also responsible for the identification, definition, execution, and follow up of programs within each community.

Some staff-training program may be developed with public funding while other may be provided by the private sector from national or international origin. This phase has to be developed with a very skillful expert that can lead future program necessities. Depending on priorities, the decision on which project to fund might be based on a very real evaluation that considers community strengths and weakness and therefore real possibilities to achieve success.

This body would also be responsible for the creation, coordination and operation of an Advisory Committee in each Department, to feed back the whole process. Participants of this Advisory Committee would be local associations, municipalities and community leaders.

f. Evaluation and correction of programs.

Links between tourism development with local community and the programs carried out have to be evaluated periodically. This evaluation has to define success and failures of different programs, trying new strategies when appropriate.

(3) Organizing individual community members

It was mentioned previously that there are different ways to organize communities:

- One is to identify and hire a local leader to work directly with members of his own community; however, this would need a greater amount of time to start up, for every community have different leader's capabilities and personalities and they have to be trained out for specific projects. Besides, a local leader can be very good in managing a project but there is also a possibility to find someone who is a good leader but not the best project manager --which is a key factor for this kind of projects--.
- The second alternative is to work with a facilitator, someone specifically trained to recognize, evaluate and promote a member of the local community able to carry out necessary tasks to achieve objectives establish for the community according with

tourism potential growth, local community resources, expectations and capabilities. Every tourism project should involve a local member (a local project manager) in charge of every community's project. He or she should be helped by the facilitator, which in turn, will generate experience to work with communities for future projects of the NTRDA.

Economic, social and tourism context of every community is quite different and therefore, we should recognize that a single methodology would be difficult to apply if a successful local community involvement has to be achieved. As well as capabilities of community leaders, different groups have different approaches and expectations and this has to be recognized for each community.

Considering the former, JICA Study Team recommends choosing the second alternative because a facilitator can, in a better way, select and evaluate performance of a specific project leader on a case-to-case base. Flexibility in this program is a key aspect to consider: in so much this flexibility will apply to a specific local community depends largely on local community characteristics and expectations. If a successful local community involvement has to be achieved, a great deal of flexibility and good management skills is needed. Thus, a standard procedure seems impossible (and useless) to establish.

Accordingly, community leader and facilitator could organize and coordinate workshops and seminars on different topics mentioned in phase 3. It is expected to offer and integrate alternative possibilities for the community. Facilitator should be also responsible to coordinate with NTDC department, specific human and financial resources to carry out before mentioned seminars and workshops at local level. Issues as place, duration, trainer and schedule of seminars and workshops have to be worked out by facilitator with local leader and community.

Evaluations of the seminars and workshops conducted have to be evaluated also by facilitator in order to reorient, replace, refine improve or even change, seminars and workshops.

(4) Implementation body and scheme of the Program

MITINCI should implement the program with the staff from CENFOTUR. MITINCI would hire and dispatch CENFOTUR staff periodically to selected target communities to carry out the above-mentioned process. Communities where the priority projects are to be implemented should be chosen as target communities for the program. International consultants specialized in community-based tourism development should be hired to transfer know-how to the CENFOTUR staff.

(5) Funding of the Program

Budget for implementing the program is secured as part of the project cost for priority projects.

3.4. Other Recommendations**3.4.1. Promotion of Domestic Tourism**

Domestic tourism is relatively important in the coastal areas of the Northern Tourism Region. Tumbes, in particular, would have to depend on domestic market as its principal clientele. To further develop the domestic tourism market, MITINCI, Promperu, and related organizations should create and improve the following tourism environment.

- Provision of reasonably priced accommodation, transportation (in particular, air flight) and tourism related facilities,
- Encouragement of organizing compulsory school excursions
- Encouragement of group tours aiming at promoting mutual friendship, which would be organized by labor union and private company
- Promotion of convention and incentive tours,
- Provision of information on reasonable priced tours for the public,
- Promotion of family travels, and
- Provision of a program that educates the public on the importance of tourism.

3.4.2. Improvement of Visitor Survey

Results of periodical visitor surveys provide basic information necessary to conduct promotional activities: it clarifies the visitors' behavior and preference of each market segment. It is also important to make a study on detailed visitor behavior and their level of satisfaction with regard to facilities and services in order to continuously improve the quality of tourism destinations. In addition, tourist behavioral surveys are helpful to supplement existing tourism statistics and offer basic information for tourism planning. Therefore, in cooperation with local governments and the travel trade, Promperu should conduct the following visitor surveys.

(1) Survey on overseas travelers in major market countries

Staff dispatched to overseas offices in major market countries, proposed previously, should collect existing reports and data on foreign travelers' behavior and preference from respective countries. (e.g. the number and characteristics of overseas travelers, their purpose of travel, motive, destination, length of stay, preference of potential overseas travelers, etc.)

(2) Airport survey on international visitors

PromPeru should continue to conduct the interview surveys on international visitors at international airports. The following points should be improved:

- The result of the surveys should be added up and analyzed for each resident country and area (North America, Europe, Asia, etc.) in order to distinguish tourist behavior and preference for each area.
- The surveys conducted by Promperu have targeted merely pleasure tourists and excluded business travelers from their survey target. However, it is extremely important to know the percentage of pleasure tourists to the total number of visitors since the figures in the immigration statistics is not correct and there is no other source to get the information. Moreover, business travelers are also an important market segment for the hotel sector, and the MICE (meeting, incentive, convention, and event) market cannot be overlooked.
- To understand types of accommodations used by visitors such as hotels and other tourism related facilities and the distribution of tourist arrivals in bed-nights for each departure, the surveys should include inquiries asking how many nights they stay and what kind of accommodation they use.
- To make market segmentation clearer, the surveys should specifically ask tourists for their purpose of visit. For example, the survey asks them to categorize their purpose of visit into the following: 1) enjoying heritage of the Pre-Hispanic era, 2) exploring indigenous culture and historical cities, 3) appreciating the nature, 4) enjoying resort, shopping, entertainment, etc.
- To understand how attractive the tourism destination was for tourists, the surveys should include inquiries asking how many times they have already visited and if they would like to visit again.

(3) Accommodation facility survey on foreign and Peruvian visitors

It is recommendable to conduct surveys on characteristics, preference and satisfaction levels of domestic visitors by each department cooperating with hoteliers in major tourism destinations.

(4) Interview survey on the Peruvian living in major cities

PromPeru should continue to carry out the surveys on domestic visitors to understand the behavior and preference of the domestic market.

3.4.3. Supporting Measures for Beach Resort Tourism in the Tumbes - Piura Tourism Corridor.

Development of beach resort tourism is conceived as a development target of the Tumbes - Piura Tourism Corridor. Beach resort tourism is highly price-elastic and the market competition is global and fierce, which makes a contrast with cultural and nature tourism that depend on Peru's unique tourism resources. There is a chicken and egg situation in the Tumbes - Piura Tourism Corridor. Investors are hesitant to invest in hotels due to expensive and infrequent airline services, while airline companies are reluctant to operate flights because there is not much hotel capacity. The situation would be eliminated by government interventions. In this context, beach resort tourism in Northern Peru should be supported by national level policies and arrangements.

(1) Flexibility in the domestic airfare system

Domestic airfare system should be flexible to allow tour operators could produce inexpensive beach resort packages to Tumbes and Piura. More specifically, discounted airfares such as group discount, off-season discount, and weekday discount should be made available.

At present, most of the tour packages sold in Peru does not include airfare. It is recommendable that airline companies, hotels, tour operators, and local governments would cooperate each other to introduce tour packages that include airfare, accommodation, and hotel - airport transfer. It may be necessary for local government to take initiative to introduce the tour packages as part of a "tourism destination campaign."

(2) Tax incentives for tourism investment

The lack in both quality and quantity of beach resort hotels is a serious constraint for the Tumbes - Piura Tourism Corridor. Investors views beach resort development in Peru as promising but risky. It is worth a consideration to introduce tax incentives to the proposed pilot project of beach resort estate development in Tumbes, which will be discussed in Chapter 5.

(3) International civil aviation policy to support beach resort tourism

Beaches in the Tumbes - Piura Tourism Corridor may be marketed to the long-haul international market if they are combined with internationally recognized tourism destinations like Galapagos, Amazon, and Peru's Northern Tourism Circuit. In the long-term, it may be necessary to consider introducing international flights to the beach destination to make it function as the gateway to these destinations.

3.4.4. Securing of Tourists' Safety

Security and safety are important prerequisites for tourism, and these aspects should be strengthened further. Enforcement of Tourist Police is necessary as proposed in the Phase 1. Establishment of rescue police and provision of education supports are additionally proposed to cover areas and fields that are not covered by Tourist Police.

(1) Tourist Police

The number of Tourist Police should be increased if the expected increase in international visitor arrivals is taken into account. As has been proposed in the Phase 1 Study, they should be allocated intensely to some specific areas, which tourists are expected to concentrate in, and encouraged to roam around. In the Study Areas of the Phase 2, the historic center of Trujillo is the area that needs intensive assignment of Tourist Police.

(2) Establishment of Rescue Police

The first team of rescue police was organized in Yungai in Ancash. They are to be organized in the Colca Valley, the Inca Trail, and Iquitos. Their mission is to rescue people and tourists in danger in nature areas such as mountains and rivers. Although the teams have minimum equipment, there is need to improve their equipment as well as techniques for operation and maintenance of their equipment.

Tourism police are on service in urban areas, while the rescue police operate mainly in nature areas. In other words, rescue police would supplement tourist police. With the increasing popularity of ecotourism, adventure, and other forms of alternative tourism, the rescue police would increase their importance in the near future.

In this sense, enforcement of the rescue police, in addition to the tourist police, should be considered. Training courses provided by countries that have expertise in this field, would be a suitable form of assistance.

4. The Trujillo – Chiclayo Tourism Corridor Development Plan

4.1. Regional Context

4.1.1. Geographic overview

The Trujillo – Chiclayo Tourism Corridor covers a Pacific coastal area some 600km northwest of Lima. It is defined as an area that includes the coastal provinces of La Libertad Department and the Lambayeque Department. Trujillo is the capital city of La Libertad Department, and Chiclayo is the capital city of the Lambayeque Department.

The Tourism Corridor's climate is arid despite its coastal location, which is caused by the cold Humboldt Current off the Pacific Ocean that provides only limited evaporation of seawater that does not produce rainfall but only mist that covers the coastal area. Although the temperature is moderate (average annual temperature is 18.9 centigrade in Trujillo, 22.3 centigrade in Chiclayo), annual precipitation is less than 100mm. Cultivation has been conducted only in river valleys fed by the precipitation in the Andes since the ancient times. Therefore major cities and archaeological sites are located in these river valleys such as Moche near Trujillo, Chicama near El Brujo Site, Jequetepeque near Pacasmayo, Zaña and Chancay both close to Chiclayo.

Temperature is higher in summer months from January to March, and is regarded by locals as the season to go to beaches. The fluctuation is caused mainly by the change in the direction of wind; western wind brings chilly mist from the sea, while eastern wind pushes it back.

4.1.2. Historical background

The Trujillo - Chiclayo Tourism Corridor has been a cradle of Prehispanic Cultures. It could be argued that it is one of the most archaeologically rich areas in Americas.

The earliest inhabitants of the area lived as nomadic hunters and gatherers. By about 4000 BC with the introduction of agriculture, people eventually settle and started to build structures for ceremonial and ritual purposes. One of the earliest archaeological sites in the Tourism Corridor is Huaca Prieta near El Brujo in the Chicama Valley, where evidences of fishing, agriculture, and weaving were found.

The Initial Period is marked by the introduction of pottery around 1500 BC. Guañape and Huaca de Los Reyes (Caballo Muerto Complex) are examples of this period. It is followed by the Formative Period or the Early Horizon, which is represented by the Chavin and Cupisnique Cultures. Ceremonial centers such as Huaca Lucia (Batan Grande), Cerro Purulen, Morro Eten, Udimá belong to this period. Later, several cultures evolved locally. A strong influence of the Viru - Gallinazo Culture came to be found in

such places as Batan Grande, Ucupe Complex, Santa Rosa, etc. At that time, army appears as part of the society, the evidences of which are found in Castillo de Tomabal, Huancaco, Galindo, Puemape, etc. The Salinar Culture developed in the Chicama Valley.

The Regional Developments Period (300-800 AC) is characterized by the emergence of the Moche Culture with an advanced hydraulic technology, a clerical and secular social system, specialists in pottery, metallurgy and other activities. Huacas Del Sol y La Luna and the Royal Tombs of Sipan (Huaca Rajada) are the two of the most significant archaeological sites in the Trujillo - Chiclayo Tourism Corridor. Other archaeological sites include El Brujo, Dos Cabezas, San Jose de Moro, Pampa Grande, and Ucupe Complex.

The Waris emerged in the central highland near Ayacucho around 600 AD and expanded their territory to cover most of Peru. This period is called Middle Horizon. Their cultural influences mixed with Moche traditions in the northern Peru, and formulated the Sican or Lambayeque Culture. Sican, Tucume, and Pacatnamu are typical archaeological sites that belong to this period.

The Chimus emerged around 1000AD as a successor of the Moche, and build a huge capital at Chan Chan. The Chimus developed a highly organized society with sophisticated hydraulic and architectural technology. At its height, the empire controlled from Chancay in Central Peru to Guayaquil in Ecuador. Although the Incas conquered the Chimu Empire in 1471, they only controlled the Chimus from an administrative center nearby, and Chan Chan was kept intact until the Spaniards arrived.

In 1532, Francisco Pizarro arrived at Olmos in Lambayeque on his way to Cajamarca via Zaña. In 1534, Diego de Almagro founded Trujillo in the Chimu Valley. In 1684, the citizens of Trujillo decided to build a wall circling the city in order to protect it from pirate's attacks.

Diego Pineda founded Santiago de Miraflores de Zaña in 1563. The town, however, was plundered by the pirate Edward Davis in 1686, and destroyed by the flooding in 1720.

4.1.3. Socioeconomic Conditions

La Libertad Department has a total population of 1,415,512 in 1998. It accounts for 5.7 % of the national population and is the 3rd populous Department among the 24 Departments in Peru. The population has increased at 1.8% per annum during the 1996-1998 period. The urban population accounts for 70.1% in 1996. The average population density is 55.5 persons per square kilometer.

The gross regional domestic product (GRDP) is US\$ 3,304 million, and per capita GRDP is US\$ 2,419 in 1996. They rank 3rd and 7th in the country, respectively. The annual increase rate of GRDP at the constant price of 1979 is 7.68% during the 1992 – 1996 period. The manufacturing sector is the major industry, which accounts for 35.3% of the total GRDP in 1996. Services sector comes second (26.2%) followed by the agricultural sector (16.1%).

Lambayeque Department has a total population of 1,050,280 in 1998. It accounts for 4.2 % of the national population and ranks the 8th among the 24 Departments in Peru. The population has increased at 2.1% during the 1996-1997 period. 78.6% of its population lives in urban areas. The average population density is 73.8 persons per square kilometer.

Table 4.1 Major socioeconomic indices: La Libertad

Geography	Administrative area (km ²)				Share				Density	
	Total	Costa	Selva	Sierra	Total	Costa	Selva	Sierra	55.51	
	25,500	9,908	0	15,592	100%	39%	0%	61%	(Pop/km ²)	
Population	Total population					Annual growth rate				
	Year	1972	1981	1993	1996	1998	'72 - '81	'81 - '93	'93 - '96	'96 - '98
	Total	825,380	1,011,631	1,287,383	1,365,735	1,415,512	2.3%	2.0%	2.0%	1.8%
GRDP 1996	Industries	Total	Agri.	Fishery	Mining	Industry	Construc.	Commer.	Gov. serv.	Other serv.
	(million US\$)	3,303.8	530.8	11.7	15.0	1,165.6	294.3	252.8	166.9	866.7
	Share	100.0%	16.1%	0.4%	0.5%	35.3%	8.9%	7.7%	5.1%	26.2%
	GRDP per capita	2,419 (US\$)								
GRDP annual increase rate		7.68% ('92 - '96 constant price of 1979)								

Note: US\$ 1 = 2.5 Nuevos Soles

Source: National statistics institute (INEI)

The following table shows the number of hotels and restaurants in La Libertad Department based on the registration record in MITINCI.

Table 4.2 Number of hotels and restaurants: La Libertad

	No. of Establishment	No. of Room	No. of Employee
(Hotel with star)	37	1,734	371
(Other Hotel)	290	4,170	553
Hotel	327	5,904	924
Restaurant	1,400		

Source: Registration Record of Lodgings and Restaurants, MITINCI, as of Dec. 1998

The following table shows the estimated employment based on the existing number of hotel rooms. Approximately 23 thousand tourism-related employment is created in La Libertad Department.

Table 4.3 Estimated existing employment related to tourism: La Libertad

(1) Direct Employment in the Hotel Sector	5,904
(2) Direct Employment Outside the Hotel Sector (1) x 1.31	7,734
(3) Total Direct Employment (1) + (2)	13,638
(4) Indirect Employment (1) x 1.6	9,446
(5) Total Estimated Employment (3) + (4)	23,085

Source: Estimated by JICA Study Team.

The following table shows the estimated tourist expenditure based on the estimated tourism demand. It is equivalent to 2.2% of the total GRDP.

Table 4.4 Estimated existing tourist expenditure: La Libertad

International Tourist	Domestic Tourist	Total
16,500	55,304	71,804

Note: Unit: US\$ 1,000

Source: Estimated by JICA Study Team

The gross regional domestic product (GRDP) is US\$ 2,751 million, and per capita GRDP is US\$ 2,728 in 1996, which is ranked the 4th and 5th, respectively in the country. The annual increase rate of GRDP at the constant price of 1979 is 7.65% during the 1992-96 period. The manufacturing sector is the major industry, which accounts for 33.9% of the total GRDP in 1996. The services sector comes second (28.5%) followed by the commercial sector (20.6%).

Table 4.5 Major socioeconomic indices: Lambayeque

Geography	Administrative area (km ²)				Share				Density	
	Total	Costa	Selva	Sierra	Total	Costa	Selva	Sierra	73.80	
	14,231	14,155	0	76	100%	99%	0%	1%	(Pop/km ²)	
Population	Total population					Annual growth rate				
	Year	1972	1981	1993	1996	1998	'72 - '81	'81 - '93	'93 - '96	'96 - '98
	Total	533,266	708,820	950,842	1,008,505	1,050,280	3.2%	2.5%	2.0%	2.1%
GRDP 1996	Industries	Total	Agri.	Fishery	Mining	Industry	Construc.	Commer.	Gov. serv.	Other serv.
	(million US\$)	2,750.9	193.5	9.9	0.2	932.1	144.6	566.4	121.1	783.2
	Share	100.0%	7.0%	0.4%	0.0%	33.9%	5.3%	20.6%	4.4%	28.5%
	GRDPper capita	2,728	(US\$)							
GRDP annual increase rate		7.65%				(‘92 - ‘96 constant price of 1979)				

Note: US\$ 1 = 2.5 Nuevos Soles

Source: National statistics institute (INEI)

The following table shows the number of hotels and restaurants in Lambayeque Department based on the registration record in MITINCI.

Table 4.6 Number of hotels and restaurants: Lambayeque

	No. of establishment	No. of room	No. of employee
(Hotel with star)	17	379	139
(Other Hotel)	90	1,225	378
Hotel	107	1,604	517
Restaurant	1,238		

Source: Registration Record of Lodgings and Restaurants, MITINCI, as of Dec. 1998

The following table shows the number of tourism-related employment estimated from the number of hotel rooms. In Lambayeque Department, tourism creates approximately 6 thousand jobs including indirect employment.

Table 4.7 Estimated existing employment related to tourism: Lambayeque

(1) Direct Employment in Hotel Sector	1,604
(2) Direct Employment Outside Hotel Sector (1) x 1.31	2,101
(3) Total Direct Employment (1) + (2)	3,705
(4) Indirect Employment (1) x 1.6	2,566
(5) Total Estimated Employment (3) + (4)	6,272

Source: Estimated by JICA Study Team.

The following table shows the estimated tourist expenditure based on the estimated tourism demand.

Table 4.8 Estimated existing tourist expenditure: Lambayeque

International Tourist	Domestic Tourist	Total
12,963	47,323	60,285

Note: Unit: US\$ 1,000

Source: Estimated by JICA Study Team

4.1.4. Natural Environment

(1) General

The Trujillo – Chiclayo Tourism Corridor has the following major habitat types similar to those in the Tumbes – Piura Tourism Corridor, according to Dinerstein et. al. (1995).

- Tumbes/ Piura dry forests: They are ranked as Globally Outstanding, and are categorized as Level I (Highest Priority at Regional Scale) for biodiversity conservation in Latin America and the Caribbean. Its conservation status is categorized as “endangered”.
- Sechura desert: They are ranked as Bioregionally Outstanding, and are categorized as Level III (Moderate Priority at Regional Scale) for biodiversity conservation in Latin America and the Caribbean. Its conservation status is categorized as “vulnerable”.

“Tumbes/ Piura dry forests” are found in some parts of the northern part of this Trujillo – Chiclayo Tourism Corridor, and the rest of the area is dominated by “Sechura desert”.

The area is a part of the Tumbesian region, one of the Endemic Bird Areas of the world (Stattersfield et.al. 1998). Avifaunal centers of endemism are known as areas that often hold other faunal endemism centers (Bibby et. al. 1992).

(2) Protected Areas

In the Chiclayo area, there are two protected areas; Batán Grande and Laquipampa Reserve Zones (INRENA 1999). There is a plan to promote Batán Grande from a reserve zone to a national reserve. In the Trujillo area, there are two protected areas: Algarrobal El Moro Reserve Zone and Puquio Santa Rosa Protected Forest (INRENA 1999).

Problems regarding the management of the protected areas in the Study Area are extraction of woods for fuel (charcoal) and their land tenure. Woods are in great demand for fuel wood in cities and local communities, and some of the lands are still owned by privately, which makes INRENA difficult to manage the protected areas. The highest priority of these protected areas is to draw up management plans.

Except for the Batán Grande Reserve Zone, the protected areas seem not to be managed for tourist use.

Batán Grande and Cerro Campana are among the areas proposed by CDC-UNALM (Centro de Datos para la Conservación – Universidad Nacional Agraria La Molina) which have high priority for biodiversity conservation (GTZ – INRENA 1996). Cerro Campana is a small mountain located north of the Trujillo airport. Cañoncillo forest, which is located to east of Pacasmayo seems to have potential to be a protected area.

A project - Los Balsares de Huanchaco - has been running since 1991 to coserve Totora reeds with the local community in Huanchaco in the Trujillo area. It is a project at a regional level.

MITINCI has designated 27 National Tourism Reserves by Ministerial Ordinance in order to sustain tourism assets in Peru in combination with natural, historical, and cultural tourism resources. The details of the management system, however, have not been established at the time of this writing. They are classified into three categories of Tourism Reserve Zone, Tourism Park Zone, and Tourism Center Zone. There are two National Tourism Reserves in this Tourism Corridor as follows:

- Tourism Reserve Zone: Batán Grande, and
- Tourism Center Zone: Huanchaco.

4.1.5. Existing Plans and Projects

Existing and on-going plans and projects that have relationship with tourism development are as follows:

- Extension of national electricity grid to the northern region is on going.
- City development plan of Trujillo “Plan de Desarrollo Metropolitano de Trujillo-2010” has been issued in 1995.
- Master plan of the water supply in Trujillo 2000-2005 has been issued.
- Chavinmochic, Jequetepeque - Zaña and Olmos - Tinajones irrigation projects are on going, which provide not only irrigation for agriculture, but also providing drinking water, electricity and roads along the canals.
- Site museum of Sican is under construction in Ferreñafe town.
- Sipan museum is under construction in Lambayeque town.
- Road construction between Batán Grande and Túcume was recently approved by the President.
- Improvement of the existing access road from the Panamerican Highway to the Huacas del Sol y la Luna was recently approved by the President.
- Tourism development study of Pacasmayo Province by the Provincial Municipality was completed.

4.2. Tourism Conditions

4.2.1. Tourism Resources

Being a cradle of Prehispanic Cultures, the Trujillo – Chiclayo Tourism Corridor is characterized by abundant Pre-Inca archaeological sites. Although many of them are not ready for tourism, they are archaeologically important and have tourism potential to attract visitors from the international long-haul market, if excavation, restoration works, visitor facility and services development have been made properly. Colonial and republican style buildings, tropical dry forests, and folkloric traditions are tourism attractions supplementary to archaeological tourism. Beaches are important for the domestic market.

Table 4.9 shows the list of principal tourism resources, and Figure 4.1 shows their distribution. The followings are comments on respective tourism resources.

- The Trujillo – Chiclayo Tourism Corridor is especially rich in archeological sites of the Pre-Inca Cultures. Chan Chan, Sipan (Huaca Rajada), El Brujo, Pacatnamu, and Sican (Batan Grande Reserve Zone) are evaluated to be the most attractive resources in the Tourism Corridor.
- Batan Grande Reserve Zone (Bosque de Poma) is endowed with an ideal combination of the nature and archaeological interests. Cañonsillo, Viru Valley and El Algarrobal de Moro have a similar type of attractions to Batan Grande but are less ready to receive visitors.
- Colonial and republican style buildings are kept in relatively good conditions in place like the historic center of Trujillo, Pacasmayo, and Zaña. They would be tourism attractions supplementary to archaeological tourism.
- Beaches such as Huanchaco, Pacasmayo, and Pimentel are important for the domestic market. Beaches, temperate climate, good seafood, and low altitude would be important to differentiate the Study Area from competitor archaeological destinations in the Sierra.
- Folkloric traditions such as Caballitos de Totorá, Marinera dance, and Caballo de Paso are distinguishable and have potential for tourism use.
- Other remarkable tourism resources are museums that exhibit archaeological findings, and handicraft markets like the one in Monsefú.

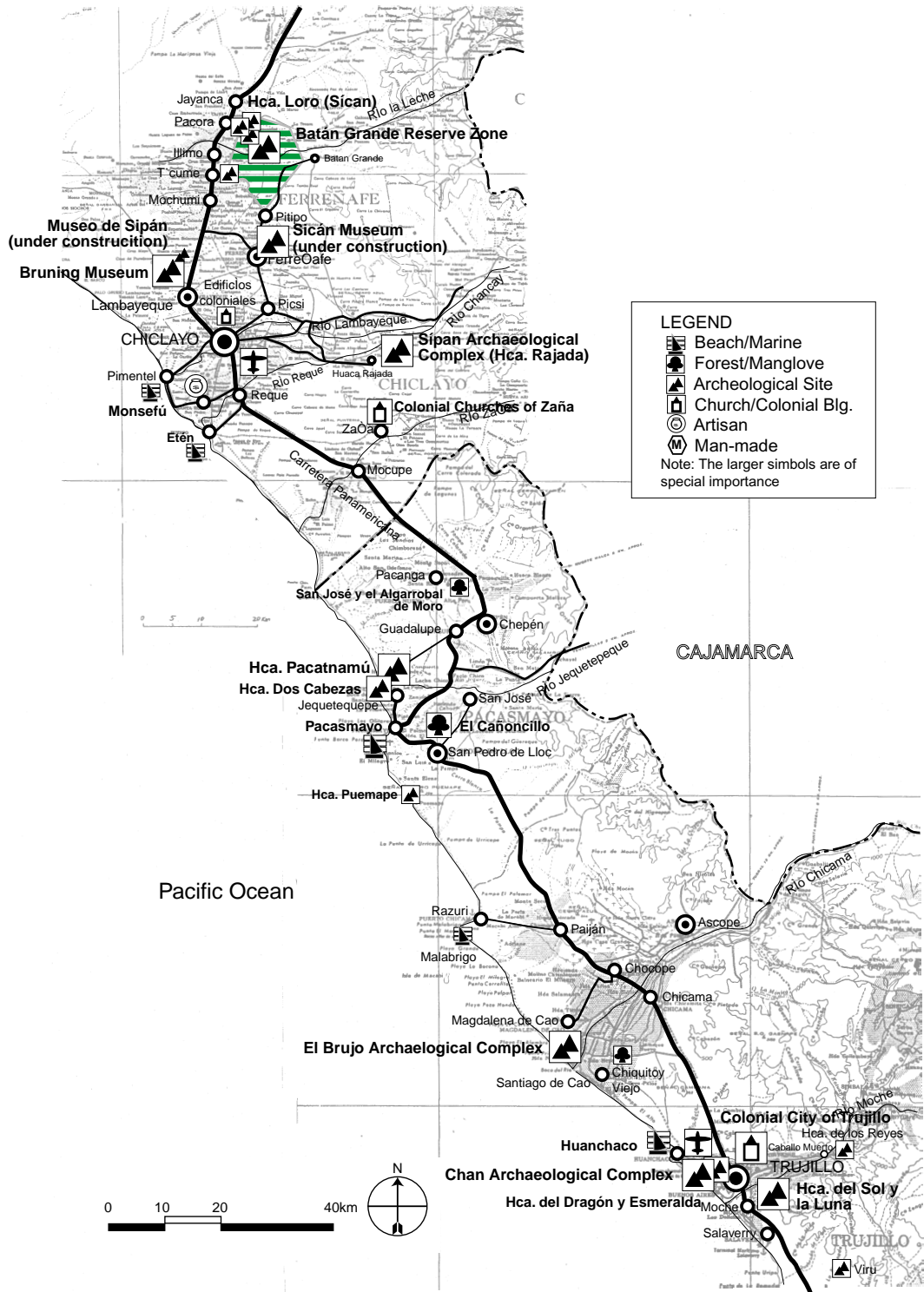
Table 4.9 Major tourism resources in Trujillo-Chiclayo Tourism Corridor

Department	Province	District	No	Ev	Name of the resources	Ctg	Era	Remarks
La Libertad	Trujillo	Trujillo	1	B	Casa del Mariscal Orbegoso	HS	CI	Colonial blg.
La Libertad	Trujillo	Trujillo	2	B	Casa Colonge o Urquiaga	HS	CI	Colonial blg.
La Libertad	Trujillo	Trujillo	3	B	Casa de la Emancipacion	HS	CI	Colonial blg.
La Libertad	Trujillo	Trujillo	4	B	Casa Bracamonte	HS	CI	Colonial blg.
La Libertad	Trujillo	Trujillo	5	B	Palacio Iturregui	HS	CI	Colonial blg.
La Libertad	Trujillo	Trujillo	6	B	Palacio Arzobispal	HS	CI	Colonial blg.
La Libertad	Trujillo	Trujillo	7	B	Catedral/Basilica Menor	HS	CI	Cathedral
La Libertad	Trujillo	Trujillo	8		Carmen Monastery	HS	CI	Church
La Libertad	Trujillo	Trujillo	9	B	Trujillo National University Museum	CL	(Ph)	Museum
La Libertad	Trujillo	Trujillo	10	B	Museo Arq. Cassinelli	CL	(Ph)	Museum
La Libertad	Trujillo	Trujillo	11		Fortification of Trujillo	HS	CI	Colonial blg.
La Libertad	Trujillo	Trujillo	12	B	Hca. Esmeralda	HS	Ph	Arc. site
La Libertad	Trujillo	Trujillo	13	B	Hca. del Dragon and Acro Iris	HS	Ph	Arc. site
La Libertad	Trujillo	Trujillo	14	A	Hca. del Sol y de la Luna	HS	Ph	Arc. site
La Libertad	Trujillo	Esperanza	15	A	Chan Chan Archaeological complex	HS	Ph	Arc. site
La Libertad	Trujillo	Huanchaco	16	A	Chan Chan site museum	HS	Ph	Museum
La Libertad	Trujillo	Huanchaco	17	B	Huanchaco Beach	NA	-	Beach
La Libertad	Trujillo	Laredo	18		Hca. de los Reyes	HS	Ph	Arc. site
La Libertad	Viru	Viru	19		Castillo de Tomabal	HS	Ph	Arc. site
La Libertad	Ascope	Stg. de Cao	20		Chiquitoy Viejo	NA	-	Scenery
La Libertad	Ascope	Mag. de Cao	21	A	Eel Brujo Complex	HS	Ph	Arc. site
La Libertad	Pacasmayo	Pacasmayo	22	B	Pacasmayo Beach	NA	-	Beach, pier
La Libertad	Pacasmayo	Pacasmayo	23	A	Hca. Pacatnamú	HS	Ph	Arc. site
La Libertad	Pacasmayo	Pacasmayo	24	B	Hca. Dos Cavezas	HS	Ph	Arc. site
La Libertad	Pacasmayo	S. P. de Lloc	25	B	El Cañoncillo	NA	-	Scenery
La Libertad	Chepen	Pacanga	26		San Jose y el Algarrobal de Moro	NA	-	Arc. site, Forest
Lambayeque	Chiclayo	Chiclayo	27		Convento of Santa María	HS	CI	Colonial blg.
Lambayeque	Chiclayo	Chiclayo	28		Catedral of Chiclayo	HS	CI	Cathedral
Lambayeque	Chiclayo	Pimentel	29	B	Pimentel Beach	NA	-	Beach, pier
Lambayeque	Chiclayo	Monsefú	30	B	Handicraft market	MA	-	Com'l street
Lambayeque	Chiclayo	Zaña	31	B	Colonial Churches of Zaña	HS	CI	Colonial blgs.
Lambayeque	Chiclayo	Zaña	32	A	Sipán Archaeological Complex	HS	Ph	Arc. site
Lambayeque	Ferreñafe	Ferreñafe	33	A	Sicán Museum (under construction)	CL	(Ph)	Museum
Lambayeque	Ferreñafe	Pitipo	34	A	Batán Grande National Reserve	NA	-	Forest reserve
Lambayeque	Ferreñafe	Pitipo	35	A	Sicán Archaeological complex	HS	Ph	Arc. site

Notes: 1) Ev; Evaluaton by the JICA Study Team; A:very important, B: important
2) Ctg; Category/ NA=Natural, HS=Historical, CL=Cultural, LF=Tribe village & lifestyle, MA=Man-made
3) Era/ Ph = Prehispanic, CI=Colonial, Rp=Republican
4) Bolívar, Pataz, Sanchez Carrion, Otuzco, Santiago de Chuco Provinces in La Libertad and Lambayeque Province in Lambayeque Department are not included in the Study Area.

Source: JICA Study Team

Figure 4.1 Tourism resources in the Trujillo – Chiclayo Tourism Corridor



Source: JICA Study Team

4.2.2. Tourism Market

A core “leit motiv” of tourism flow in this corridor is numerous archaeological sites and the magnificence of Pre-Inca Cultures that spread over this area, as well as the colonial and republican architectures, and the relative proximity to Lima - the most important domestic market.

(1) Visitor arrivals

La Libertad Department recorded 612,475 visitor arrivals in 1998, while Lambayeque Department received 435,653 arrivals. Accommodation’s occupancy rate has been around 30%. The occupancy rate is higher in Lambayeque than in La Libertad over the past few years. Average length of stay in La Libertad was 1.35 nights in 1998, while it was 1.5 nights in Lambayeque. Accommodations and rooms supply shows an increase in both Departments.

JICA Study Team estimates, using the method described in the Chapter 2, that the total amount of bed-nights in Trujillo-Chiclayo Tourism Corridor or the Mochic Route, would amount to 3,024,000, of which 195,000 bed-nights or 6.5% are occupied by international visitors.

Table 4.10 Major tourism indices in La Libertad Department

Year		1992	1993	1994	1995	1996	1997	1998
Arrivals	Total	310,633	324,976	654,466	820,522	918,381	845,006	612,475
	Domestic	306,564	316,658	628,717	767,924	857,035	793,809	587,540
	International	4,069	8,318	25,749	52,598	61,346	51,197	24,935
Bed--nights	Total	493,973	513,965	1,200,093	1,347,863	1,467,168	1,295,359	827,070
	Domestic	487,471	498,476	1,144,581	1,243,075	1,337,964	1,188,463	776,285
	International	6,502	15,489	55,512	104,788	129,204	106,896	50,785
Average Length of Stay	Total	1.59	1.58	1.83	1.64	1.60	1.53	1.35
	Domestic	1.59	1.57	1.82	1.62	1.56	1.50	1.32
	International	1.60	1.86	2.16	1.99	2.11	2.09	2.04
Occupancy Rate		26.95%	32.08%	33.60%	38.03%	35.20%	33.75%	30.61%
Stock of Accommodations	Hotels	138	171	193	236	244	198	327
	Rooms	3,732	4,015	4,178	4,856	4,938	4,023	5,904
	Beds	5,343	6,224	6,844	7,834	7,310	8,178	6,390

Source: National Institute of Statistics and Information (INEI), MITINCI

Table 4.11 Major tourism indices in Lambayeque Department

Year		1992	1993	1994	1995	1996	1997	1998
Arrivals	Total	250,475	256,993	273,680	311,506	373,433	420,520	435,653
	Domestic	247,489	254,113	269,122	302,778	358,713	385,494	415,741
	International	2,986	2,880	4,558	8,728	14,720	17,026	199,112
Bed-nights	Total	288,566	298,268	311,250	355,135	435,135	610,648	704,140
	Domestic	283,643	294,197	304,817	343,505	414,406	576,791	664,257
	International	4,923	4,071	6,433	11,630	20,729	33,857	39,883
Average Length of Stay	Total	1.15	1.16	1.14	1.14	1.17	1.52	1.62
	Domestic	1.15	1.16	1.13	1.13	1.16	1.50	1.60
	International	1.65	1.41	1.41	1.33	1.41	1.99	2.00
Occupancy Rate		23.78%	24.15%	24.40%	27.09%	32.50%	34.20%	33.34%
Stock of Accommodations	Hotels	69	73	77	83	96	54	107
	Rooms	2,120	2,309	2,415	2,573	2,801	1,097	1,604
	Beds	3,494	3,772	3,947	4,229	4,554	1,135	1,930

Source: National Institute of Statistics and Information (INEI), MITINCI

(2) Tourism characteristics

a. Trujillo

Domestic visitors to Trujillo are mainly for business purposes. Nevertheless, there are tourists who expect colonial and pre-Inca cultural experiences³. Domestic tourism dominates in Trujillo. The city is marketed for tourists in combination with Chiclayo and with Huanchaco (Caballitos of Titora traditional fishing).

International tourists prefer to stay in Trujillo to continue to Chiclayo. Sometimes they do not overnight in Chiclayo since they arrive in the morning and go back on the same day evening⁴. International visitors to this area are basically Europeans: German, Italian, French and Spanish, as well as, to a lesser extent, American and Argentineans. As a general rule, Europeans stay 1 night/ 2 days; when they have keen interest in pre-Inca cultures, they stay 3 days including a city tour (colonial houses and churches, Casinelli Museum, and University's Archaeological Museum). There are international youth tourists, albeit not numerous, from Argentine, Brazil and United States, who seek waves for surfing in Huanchaco. Since they seek inexpensive services and accommodation, they are regarded as "hippies" by the travel trade. Since there are no adequate accommodations in Huanchaco, most tourists are reluctant to overnight at this place.

On the way back from Trujillo to Chiclayo, tourists occasionally stop at Pacasmayo to rest and, after a while, they continue their trip.

3 Visitors' data to Chan Chan (Tschudi Palace specifically) shows a very erratic trend: 56,900 visitors in 1997 to fall down next year: 12,000 visitors in 1998. Visitors are mainly nationals: 66% in 1997 and 63% in 1998. When Tschudi Palace is closed, Site Museum and Huaca Dragón increased his visitor volume and vice versa.

4 This excursion is made by a inbound tour operator in Trujillo according with cruise passengers wishes (it is expected to receive 3 cruise yearly with around 300 passengers each. They arrive to Salaverry Port and move forward to Trujillo and Chiclayo. They go back to Lima one day later to find the cruise ship in Callao. Some go directly to Cusco and some others stay in Trujillo for the City Tour visiting Chan Chan and Huacas del Sol y de la

b. Chiclayo

Domestic visitors to Chiclayo are basically for business purposes mainly from Lima and Trujillo. There are some tourists who come to visit archaeological sites and museums in Chiclayo's vicinity. Túcume, Sipán and Brunning Museum are the most popular tourism sites in this area. Even business travelers sometimes visit these sites.

International visitors to Chiclayo are mostly interested in archaeological sites as mentioned above. Their length of stay is limited from 1 to 2 nights, and they go back to Lima, or to Trujillo - the most important tourism city in this area after their brief visit to the archaeological sites.

Tourists' expectations of archaeological sites, in particular, Huaca Rajada, are not often met, because there are not many artifacts left for display, and site museum is not very attractive. At present, tour operators don't take people to Zaña or to Batán Grande because there is little to offer and lacks in tourism services.

4.3. Considerations for Sustainable Tourism

The following considerations should be paid to assure sustainability in tourism development plans. They are described from the three viewpoints: natural environment, cultural resources conservation, and local participation/ social considerations.

4.3.1. Natural environment

(1) Scenery

- Designs of infrastructures must be harmonized with their surroundings environments.
- Any trees and ornamental flowers planted around any infrastructures should be native species.
- Trashes need to be adequately treated in and around buildings, along roads/ walking trails and rivers/ creeks.

(2) Ecosystems

The Study Area is a complex of desert and dry forests, which is a fragile ecosystem, and the following considerations are needed to be paid.

- Protected areas: Master plans need to be drawn for each of the protected areas. In particular, when the Batán Grande Reserve Zone is upgraded to a national reserve, the highest priority is to make a master plan and the protected area should be properly zoned in order to conserve a complex of the algarrobo forests and the archeological sites. Any tourism development in the protected areas should be carefully examined

by INRENA. In the Batán Grande Reserve Zone, the existing roads need to be improved to either gravel or asphalt roads.

- Phenology: There is a clear seasonal difference, and the impacts on the ecosystems are also different. Appropriate management measures to meet the difference need to be required.
- Fire: Since it is very dry in the Study Area, prevention of bush fire has a high priority.
- Roads and trails construction: Although the desert looks a very simple ecosystem, it is in fact complex and fragile. Micro topographic features create many habitats for plants and a variety of animals. When an access road to an archeological site is planned, an existing road should be improved instead of constructing a new one. Tourists are strongly requested to follow designated trails in order not to tamper their surrounding habitats. If the existing road is found to go through important habitats of flora / fauna, it is necessary to consider alternative routes.
- Light-up show: A light-up show at archaeological sites may be proposed for tourist attraction, and it is necessary to assess the impacts to insects especially in their breeding season.
- Wildlife/ wild plant extraction: Extracting any wildlife and wild plants should be strictly prohibited.

4.3.2. Cultural Tourism Resources

La Libertad Department (Trujillo) has many archaeological assets as well as colonial and republican architecture. The archaeological sites could be used as tourism resources with the following considerations:

- Chan Chan; the Master Plan of Chan Chan includes projects that could improve its tourism attractiveness, but they must be limited to a certain sectors that could be managed as a unit with cultural, natural and social contexts.
- Huacas del Sol y la Luna; They have infrastructure for tourism. Their attractiveness could increase through investigation, consolidation and development of visitor facilities.
- El Brujo; besides its archaeological features, it needs to be treated as a unit of cultural, natural and social tourism assets involving the local community.
- Dos Cabezas and Pacatnamu archaeological sites should be treated as a unit as they used to be in the prehispanic times. Involvement of the Jequetepeque village in introducing tourism is strongly recommended due to their historical ties with the archaeological sites and their distinct cultural traditions.

- Pacatnamu is an archaeological site needs to be treated with care because of the nature of their structures - mainly adobes with mud- and its proximity to the seashore. A management plan has to be established before tourism is introduced.
- Castillo de Tomabal in Viru needs tourism improvements but is not for the short term.
- Sipan archaeological site needs several improvements like some investigation to restore the pyramids to show their former shape though this could be done gradually with the participation of the community. It is necessary to consolidate its structure.
- Sican Archaeological Complex; Investigation of Huaca El Loro, restoration of the ancient building, consolidation of the structures, and the re-excavation of Sican Lord Tomb may be necessary. Because of the nature of the natural-cultural area, it is necessary that archaeologists and naturalists collaborate to manage this potential tourism resource through an integral plan.
- Iglesia San Agustin (Zaña); Its structures that need to be consolidated before tourism use. It could be advisable to make some investigation through excavation in order to collect some colonial artifacts to be shown in a proposed museum.

4.3.3. Social Considerations and Local Participation

The followings are general requirements for social considerations, and to promote local participation in the Trujillo – Chiclayo Tourism Corridor. Based on these requirements, specific measures to respective sub-projects should be prepared.

(1) Sub-project Implementation Committees and Local Tourism Organizations

Infrastructure and visitor facility development project could be used as a catalyst to organize local community. As has been discussed in the Chapter 3: National Level Proposals, Sub-project Implementation Committees should be established for respective sub-projects in the priority project. Training programs would be provided by MITINCI as necessary. The committees would be transformed to community-based Local Tourism Organizations that are responsible for tourism destination management and tourism promotion.

(2) Participatory Tourism Support Program

This program is intended to support and elaborate locally conceived tourism projects for future implementation, and to provide tourism know-how to potential tourism sites including sub-project sites of the priority projects.

(3) Handicraft production

Promotion of handicraft production and sales contributes greatly to increase visitor spending and, more importantly, distribute tourism benefits to a wider range of people. Therefore, projects for handicraft promotion should be given a high priority in the

tourism development plan of this Tourism Corridor. As has been discussed in the National Level Proposals, a handicraft center in Parque del Baluarte and the improvement of the Monsefu handicraft market are proposed, and the former is chosen as a sub-project in the priority project.

(4) Considerations for historical ties

Historical ties to archaeological site among local community members have to be considered for tourism planning. Efforts should be made to involve these people to participate in tourism planning, project implementation, and operation and maintenance.

People in the Moche village thinks that their ancestors had built Huacas del Sol y la Luna. Therefore, the routing of the access road was modified to connect the archaeological site with the village so that the villagers have tourism opportunities along the access road. Similar arrangements would be necessary for other archaeological sites such as El Brujo, Pacatnamu, Sipan, and Sican. It is highly recommended to create tourism packages that combine visit to archaeological site and nearby village for cultural experiences.

(5) Involvement of local community in the operation and maintenance of site museums

Site museums at archaeological site should have a system to allow the participation of local communities in operation and management. Although the degree of participation would vary depending on the situation of respective archaeological sites, maximum efforts should be made for site museum and archaeological site to function as local community's cultural identify.

4.4. Tourism Development Strategy

4.4.1. Prospects for Development

The Trujillo – Chiclayo Tourism Corridor is part of the Northern Tourism Circuit, and the Phase 1 Master Plan stipulated that the Northern Tourism Circuit should focus its development efforts on its abundant archaeological sites and, to a lesser extent, colonial/historical cities. Expected roles of the Tourism Corridor in the national context become apparent if it is compared with other Study Areas; The Tumbes – Piura Tourism Corridor is for beach resort tourism, while the Amazon River Tourism Corridor is for nature tourism. In this context, the Trujillo – Chiclayo Tourism Corridor should give the first priority to develop archaeological tourism. Tourism promotion activities, in particular, toward the international market should be centered on this type of tourism.

However, other types of tourism products to be combined with archaeological tourism should be developed so that traveling in the Tourism Corridor would be more enjoyable.

(1) Competitor analysis

The Cusco - Machu Picchu Corridor in the Southern Tourism Region is considered to be the most formidable competitor of the Trujillo - Chiclayo Tourism Corridor. Tourism development strategy of the Trujillo – Chiclayo Tourism Corridor would not be complete without adequate strategy to compete or supplement the world famous destination. Table 4.12 summarizes the comparison of the two destinations.

Table 4.12 Comparison of Trujillo- Chiclayo and Cusco – Machu Picchu

	Trujillo-Chiclayo Tourism Corridor	Cusco - Machu Picchu Tourism Corridor
Culture	Mostly Pre-Inca Cultures	Mostly Inca Culture
Structure	Adobe	Stone
Scenery	Normal	Extraordinary
Excavation works	On going	Non existent
Artifacts	Rich and diverse	Moderate
Museums	Many	Several
Participatory tourism	It may become possible	Impossible
Tourist stimulation	Informative	Impressive
Price	Cheap (in case of bus tour)	Expensive
Access from/to Lima	1 flight/day and many bus services	1 flight/day and a few bus services
Ease of travel	Relax on the beach after sightseeing	Altitude sickness is likely
Others	World Heritage site: Chan Chan	World Heritage site: Machu Picchu

Source: JICA Study Team

(2) SWOT Analysis of the Trujillo – Chiclayo Tourism Corridor

The followings are the result of the SWOT (strengths, weaknesses, opportunities, and threats) analysis of the Trujillo - Chiclayo Tourism Corridor. It is based on the analysis of existing conditions and the above-mentioned competitor analysis.

a. Strengths

- Excavated artifacts are one of the most attractive ones in Peru.
- Many of the archaeological sites are under excavation, which means visitors may have opportunities to observe, and even participate in, excavation works, which would make a great tourist attraction.
- Due to low altitude, relatively developed infrastructure, and proximity to Lima, and availability of beaches, it could be easy and fun to travel in the Trujillo and Chiclayo Tourism Corridor.

b. Weaknesses

- Many of the archaeological sites in the area do not appeal to people who don't have knowledge of archaeology.
- Most of the existing tourism products are archaeological sites, and lack in variety of tourism products and ideas to entertain visitors.
- Facilities, infrastructure, and services to receive visitors are generally poor and need improvement.

c. Opportunities

- Archaeological tourism is the mainstay of tourism in the Trujillo-Chiclayo Tourism Corridor.
- Museums would play an important role since excavated artifacts are a strength of the Tourism Corridor.
- Nature, historical cities, and beaches would effectively supplement archaeological tourism to make tour itineraries more exciting and fun.

d. Threats

- Insufficient local involvement would significantly increase the risk of deteriorating heritage sites.

4.4.2. Market strategy

(1) General

- The Trujillo - Chiclayo Tourism Corridor needs an appropriate name to increase awareness of Pre-Inca Cultures that thrived in the area, as well as to promote trips between the two cultural destinations. "Ruta Mochica (Mochic Route)," which was suggested in a workshop, would be an idea.

(2) International market

- The principal target market for the Trujillo – Chiclayo Tourism Corridor is archaeological tourism from the long-haul market including North America, Europe, and Asia.

- Since the market prefers touring itineraries, linkage with neighboring destinations in the Sierra such as Cajamarca and Huaraz would be important.
- The fact that many of the archaeological sites in the area are under excavation is an appeal to the market, for visiting emerging destinations would give them a sense of superiority.

(3) Domestic market

- Beach holiday combined with visit to archaeological sites would appeal to the domestic market.
- Resort tourism elements such as ease of travel due to low altitude, seafood gourmet would be important to differentiate the Tourism Corridor from its competitor archaeological destinations.
- Folkloric traditions such as Marinera, Caballo de Paso, and various handicrafts should be arranged for tourism use. They are only supplementary attractions for the international market but could be the purpose of visits for the domestic market.

4.4.3. Tourism Product Development Strategy

- Development/ improvement of museums and on-site museums is especially important for the Trujillo – Chiclayo Tourism Corridor since excavated artifacts are a focus of the trip.
- Efforts should be made to improve how archaeological sites are presented to visitors. Further excavation and restoration works, introduction of tourism attractions like “sound and light show,” and development of “archaeological park” would contribute greatly to make archaeological sites more attractive for those who don’t have ample knowledge of archaeology.
- A system that enables volunteers to participate in archaeological excavation should be introduced.
- Archaeological tourism should be combined with other types of tourism such as exploration of nature areas, and visit to rural community and historical cities.
- Historical cities should be improved for tourism use so that they would work as accommodation bases for archaeological tourism.
- Promoting handicraft production and sales is necessary to increase tourist expenditure, and distribute tourism benefits to a wider range of people.
- Local community members should be encouraged to participate in operating visitor facilities and services not only to extend tourism benefits but also to attach “authenticity” to tourism products.

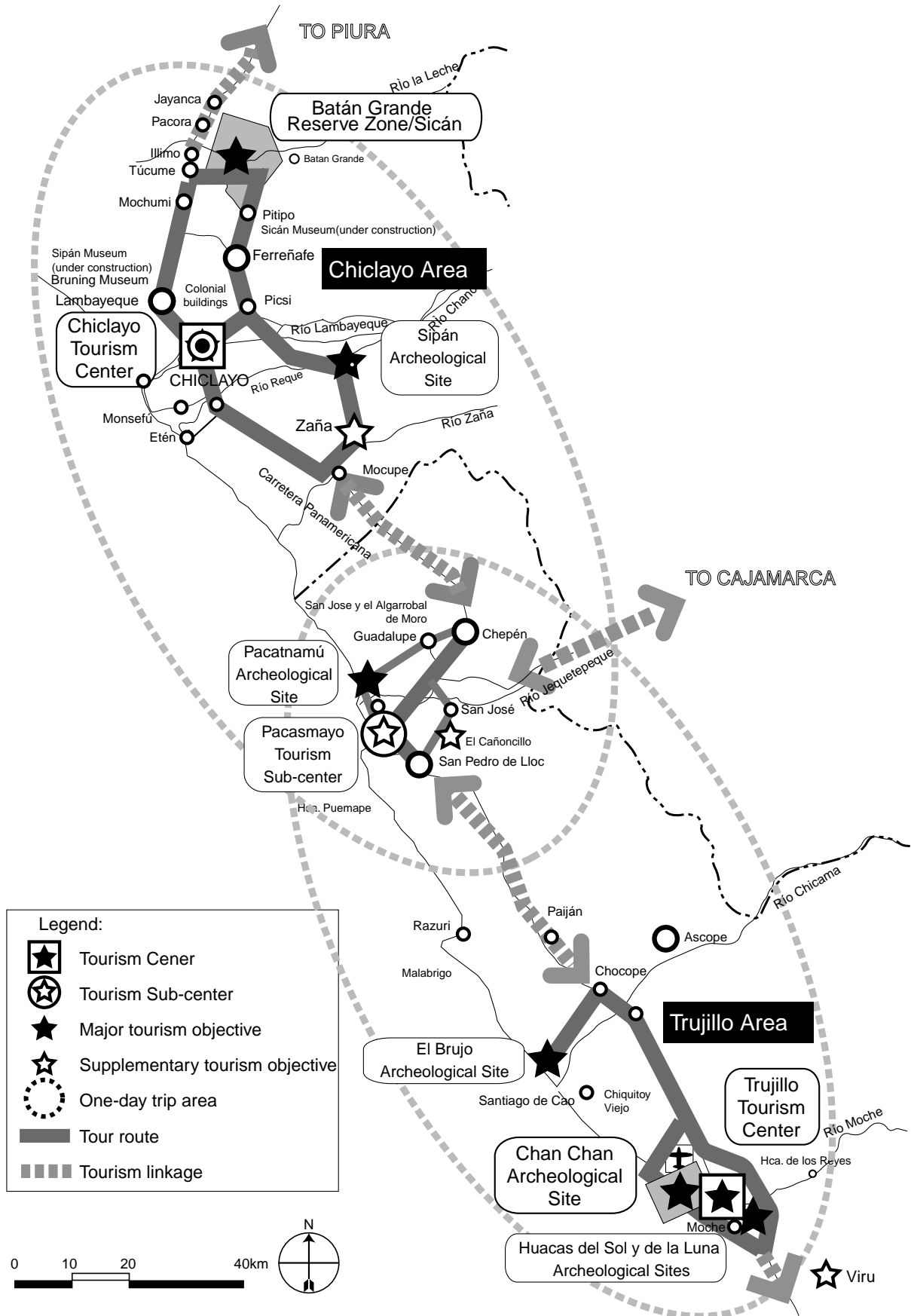
4.4.4. Spatial Development Strategy

The basic spatial structure of the Trujillo – Chiclayo Tourism Corridor is quite visible in that most of the tourists stay in Trujillo and/or Chiclayo Cities and visit attractions in the towns and their surrounding areas. The followings are the strategy for spatial development of the Tourism Corridor.

- Circular tour routes for one-day trip from the Tourism Centers of Trujillo and Chiclayo should be developed to improve the efficiency of sightseeing:
 - 1) Trujillo - Huaca del Sol y la Luna, Chan Chan, and El Brujo,
 - 2) Chiclayo - Túcume - Batán Grande – Ferreñafe – Sipan – Zaña - Monsefú.
- Pacasmayo, which is located in the middle of the Tourism Corridor and is close to a junction to Cajamarca, has to be developed strategically as a Tourism Sub-center to encourage the formulation of Tourism Corridor.

Figure 4.2 shows the spatial development structure of this corridor.

Figure 4.2 Tourism spatial structure in the Trujillo – Chiclayo Tourism Corridor



4.4.5. Tourism Demand Framework

Tourism development framework for the respective Tourism Corridors are set based on the national development framework that is proposed in the Phase 1 Study. The target number of bed-nights in the Tourism Corridor in 2005 is 5,003,000, of which 495,000 or 10% are occupied by international visitors. The target number of visitor bed-nights in 2015 is 8,844,000, of which 1,038,000 or 12% are international visitors.

It is noted that the figures are on the estimation basis as has been discussed in the Chapter 2. Therefore, the figures in 1997 do not agree with the figures in the hotel statistics except the number of hotel rooms.

Table 4.13 Demand framework for the Trujillo – Chiclayo Tourism Corridor

	1997	2005	2015
Int'l arrivals	115,000	285,000	509,000
Domestic arrivals	1,999,000	3,251,000	5,612,000
Total arrivals	2,115,000	3,536,000	6,121,000
Int'l bed-nights	195,000	495,000	1,038,000
Domestic bed-nights	2,830,000	4,507,000	7,806,000
Total bed-nights	3,024,000	5,003,000	8,844,000
Available/ required rooms	7,900	12,300	21,700

Source: JICA Study Team

4.5. Projects and Programs

4.5.1. Project Evaluation

Existing projects and project ideas proposed by a broad range of organizations and individuals in the Study Area as well as by JICA Study Team were evaluated based on the criteria as described in the Chapter 2, namely, conformity with the development strategy, urgency and impact, and project maturity. Each project was evaluated by calculating the total of points given in 3 grades to the respective evaluation criteria.

In the Trujillo - Chiclayo Tourism Corridor, tourism improvement of archaeological sites including site museum construction is given a relatively high point to comply with its development strategy. Availability of site management plan or, at least, concrete ideas to manage archaeological site were a criterion in choosing archaeological sites for improvement. Projects in Pacasmayo should be given a high priority due to its strategic location between the three of the most important Tourism Centers of the Northern Tourism Region, namely, Trujillo, Chiclayo, and Cajamarca.

The result of the evaluation is shown in Table 4.14.

Table 4.14 Result of project evaluation for the Trujillo - Chiclayo Tourism Corridor

No	Project name	Department/ Province/ District	Strategy	Urgency	Maturity	Total
	Priority sub-projects					
1	Construction of the New Trujillo Bypass Road	La Libertad/ Trujillo/ Trujillo/ Moche	3	3	3	9
2	Development of Chan Chan Archaeological Park	La Libertad/ / Huanchaco	3	3	3	9
3	Tourism Improvement of Huacas del Sol y la Luna	La Libertad/ / Moche	3	3	3	9
4	Development of Parque del Baluarte	La Libertad/ Trujillo/ Trujillo	3	3	2	8
5	El Brujo Tourism Improvement	La Libertad/ Ascope/ M. de Cao	3	3	2	8
6	Beautification of the Historical Center of Pacasmayo	La Libertad/ Pacas./ Pacasmayo	3	3	2	8
7	Circuit Road Improvement: Fereñafe - Huaca Rajada - Cayalti	Lambayeque/ Chiclayo/ Zana	3	3	2	8
8	Development of the Sipan Archaeological Park	Lambayeque/ Chiclayo/ Zana	3	3	2	8
9	Tourism Improvement of the Batan Grande Reserve Zone	Lambayeque/ Fereñafe/ Pitipo	3	3	2	8
10	Sign System Program	Whole Tourism Corridor	3	3	3	9
11	Participatory Tourism Support Program	Whole Tourism Corridor	3	3	3	9
	Long-term projects					
1	Improvement of terminal building of Trujillo airport	La Libertad/ Trujillo/ Huanchaco	1	1	1	3
2	Construction of the new international airport	La Libertad/ Trujillo/ Huanchaco	1	1	1	3
3	Beautification of Huanchaco coastal road	La Libertad/ Trujillo/ Huanchaco	2	2	2	6
4	Construction of Totora boat visitor center in Huanchaco	La Libertad/ Trujillo/ Huanchaco	3	2	1	6
5	Develop't of infra., site museum and landscaping in Galindo	La Libertad/ Trujillo/ Laredo	3	2	1	6
6	Conservation of Caballo Muerto complex (Huaca de los Reyes)	La Libertad/ Trujillo/ Laredo	3	2	1	6
7	Construction of eco-museum Moche	La Libertad/ Trujillo/ Moche	2	2	2	6
8	Development of handicrafts industry	La Libertad/ Trujillo/ Moche, others	3	2	2	7
9	Beautification of access road from city center to Chan Chan site	La Libertad/ Trujillo/ Trujillo	3	2	2	7
10	Improvement of infrastructure of Trujillo, Moche, Huanchaco	La Libertad/ Trujillo/ Trujillo, others	1	1	1	3
11	Cyolu Angang Atin Sam archeological & ethnographic museum	La Libertad/ Trujillo/ Trujillo	3	2	2	7
12	Road development between Chan Chan and El Brujo	La Libertad/ Trujillo, Ascope	2	2	2	6
13	Improvement of historical building "San Agustin"	La Libertad/ Pacas./ Guadalupe	2	1	1	4
14	Improvement of Pacatnamu archeological site	La Libertad/ Pacas./ Guadalupe	3	3	1	7

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15	Construction of visitor center for Pacatnamu archeological site	La Libertad/ Pacas./ Guadalupe	3	3	1	7
16	Construction of sanitary landfill site for Guadalupe/ Pacasmayo	La Libertad/ Pacas./ Guadalupe	1	1	1	3
17	Road improvement from Panamericana to Pacatnamu site	La Libertad/ Pacas/ Jequetepeque	3	2	1	6
18	Conservation of Huaca de Dos Cabezas	La Libertad/ Pacas./ Jequetepeque	3	2	2	7
19	Road improv't from Panamericana to Dos Cabezas	La Libertad/ Pacas./ Jequetepeque	3	2	2	7
20	Improvement of archeological site Huaca Dos Cabezas	La Libertad/ Pacas./ Jequetepeque	3	2	2	7
21	Construction of site museum for Dos Cabezas	La Libertad/ Pacas./ Jequetepeque	3	2	2	7
22	Restoration of "Casa Enafer" and historical district	La Libertad/ Pacas/ Pacasmayo	2	2	2	6
23	Development of convention/ exhibition center, and casino	La Libertad/ Pacas/ Pacasmayo	2	2	2	6
24	Dev. of promenade and integration of Casona Monument	La Libertad/ Pacas/ Pacasmayo	2	2	2	6
25	Restoration of historical pier	La Libertad/ Pacasmayo/ Pacasmayo	3	2	2	7
26	Beautification and conservation of historical center	La Libertad/ Pacasmayo/ Pacasmayo	3	2	2	7
27	Constrc'n of intersection and road improv't from Panamericana	La Libertad/ Pacasmayo/ Pacasmayo	2	1	2	5
28	Improvement of urban infrastructure of Pacasmayo	La Libertad/ Pacasmayo/ Pacasmayo	2	1	2	5
29	Protection and management of "El Canoncillo" forest	La Libertad/ Pacas/ S. P. de Lloc	3	2	2	7
30	Conservation of El Canoncillo complex (Tacape sector)	La Libertad/ Pacas/ S. P. de Lloc	2	2	2	6
31	Access road improvement from Panamericana to Puemape	La Libertad/ Pacas/ S. P. de Lloc	2	2	2	6
32	Development of Ascope tourism town	La Libertad/ Ascope/ Ascope	2	2	1	5
33	Protection and promotion of La Laguna archeological site	La Libertad/ Ascope/ Ascope	2	2	1	5
34	Program of tourism education for the community	La Libertad/ Ascope/ Ascope	2	2	1	5
35	Road improvement	La Libertad/ Ascope/ Ascope	2	2	1	5
36	Tourism development in Ascope	La Libertad/ Ascope/ Ascope	3	2	1	6
37	Archeological investigation and rehabilitation of Facala	La Libertad/ Ascope/ Ascope	2	2	1	5
38	Canal de La Cumbre recovery and promotion	La Libertad/ Ascope/ Chicama	2	2	2	6
39	Access road improvementÑ Huanchaco to Magdalena de Cao	La Libertad/ Ascope/ Chocope	2	2	2	6
40	Development of handicrafts industry	La Libertad/ Ascope/ M. de Cao	3	2	1	6
41	Development of museum	La Libertad/ Ascope/ M. de Cao	3	2	1	6
42	Development of tourist recreational center	La Libertad/ Ascope/ M. de Cao	3	2	1	6
43	Development of village tourism	La Libertad/ Ascope/ M. de Cao	3	2	1	6
44	Development of tourism complex	La Libertad/ Ascope/ M. de Cao	2	2	1	5
45	Game fishing as a tourism attraction	La Libertad/ Ascope/ M. de Cao	2	2	1	5
46	Preservation and promotion of tourist resources	La Libertad/ Ascope/ Razuri	3	2	1	6
47	Planning and development of sustainable tourism	La Libertad/ Ascope/ Razuri	3	2	1	6
48	Development of Guanape tourism islands	La Libertad/ Viru/ Viru	3	2	1	6
49	Restoration of Keneto Castle and monoliths	La Libertad/ Viru/ Viru	3	2	1	6
50	Road improv't : Panamericana - Castillo de Tomabal - Queneto	La Libertad/ Viru/ Viru	3	2	1	6
52	Development of new Chiclayo airport	Lambayeque/ Chiclayo/ Chiclayo	2	1	2	5
53	Beautification of historical center of Chiclayo (Plaza de Armas)	Lambayeque/ Chiclayo/ Chiclayo	2	2	2	6
54	Improvement of Chiclayo airport	Lambayeque/ Chiclayo/ Chiclayo	2	2	2	6
55	Improvement of urban infrastructure of Chiclayo	Lambayeque/ Chiclayo/ Chiclayo	1	1	2	4
56	Development of Eten seaport	Lambayeque/ Chiclayo/ Eten	1	1	2	4
57	Improvement of Monsefu handicrafts town	Lambayeque/ Chiclayo/ Monsefu	3	2	2	7
58	Conservation and development of Iglesia San Agustin church	Lambayeque/ Chiclayo/ Zana	2	2	2	6

Source: JICA Study Team

4.5.2. Priority Project

The Trujillo - Chiclayo Tourism Corridor Development Plan is a priority project for the Master Plan Study on National Tourism Development (Phase 2), which is to be implemented by year 2005. A total of 11 sub-projects are chosen for the priority project as already shown in Table 4.14. The followings outline respective priority sub-projects. Volume 3 of this report describes the sub-projects in details.

(1) Construction of the New Trujillo Bypass Roads

a. Background

Trujillo By-pass Roads or Avenida Villareal Norte and Avenida Villareal Sur , which were originally proposed in the Metropolitan Development Plan of Trujillo 2000, is highly recommendable from the view points of tourism development and heritage conservation since it is expected to solve the following three issues in Trujillo.

Conservation of Chan Chan

The Huanchaco Road traverses the Chan Chan archaeological complex striding over one of the ancient palaces, which hampers the integrity of the ancient city and is considered to be giving negative impacts to the archaeological site. The by-pass road will work as a new access road to the airport, which enable the abolition of the existing airport access road.

Access road to Huacas del Sol y la Luna

Since the by-pass road would run close to Huacas del Sol y la Luna, it would make it possible to build an access road to the archaeological sites. The new access road would reduce the travel time to the archaeological site and formulate a tourism circuit to the Moche village, which is believed to be inhabited by descendants who built the archaeological site.

Conservation of the historic center of Trujillo

The by-pass road will deviate the traffic from the Panamerican Highway, thus reducing the traffic in the historic center. Hence, it would enable to extend vehicle-free promenade in the historic center, and increase the attractiveness of the historic center of Trujillo.

The traffic volume is expected to reach about 10,000 cars per day for both the bypass traffic of the Panamerican Highway and urban traffic of Trujillo. In this context, construction of the bypass roads is urgently needed.

b. Objectives

The objectives of the sub-project is to solve the following three issues for tourism development in the Trujillo City like killing three birds with one stone:

- Relocation of the access road to the Trujillo airport for better site protection of the Chan Chan archaeological complex.
- Construction of a new access road to Huacas del Sol y de la Luna, and formulation of a circular travel route for Trujillo, and
- Conservation of the historic center of Trujillo by decreasing the traffic volume that passes through the typical colonial city.

Additionally, the construction of the road is necessary from the viewpoint of urban planning of the Trujillo City as follows:

- Development of new urban centers, industrial and residential areas to distribute its urban functions to reduce congestion in the historic center, and
- Provision of a maintenance road for a water supply trunk line.

c. Site and location

Figure 4. 5 shows the location of the proposed sub-project sites.

d. Components

Components of the sub-projects as shown in Table 4.15:

e. Costs

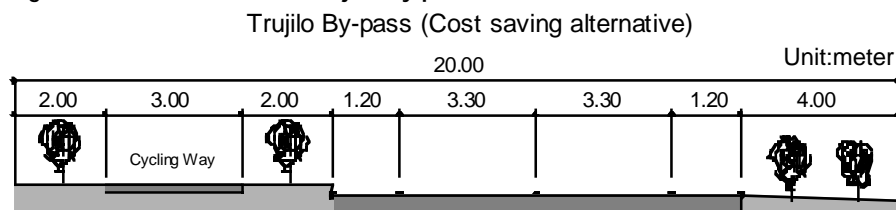
The sub-project cost is estimated at US\$ 12.84 million, which accounts for 28.1% of the whole costs of the Trujillo – Chiclayo Tourism Corridor.

Table 4.15 Project components

Construction of Trujillo by-pass (2 sections)			
Construction of Av. Villarreal Norte	5.5	km	W=20m (pavement W=12m, cycling way W=3m, planting)
Construction of Av. Villarreal Sur	10	km	W=20m (pavement W=12m, cycling way W=3m, planting) including a bridge over Moche river

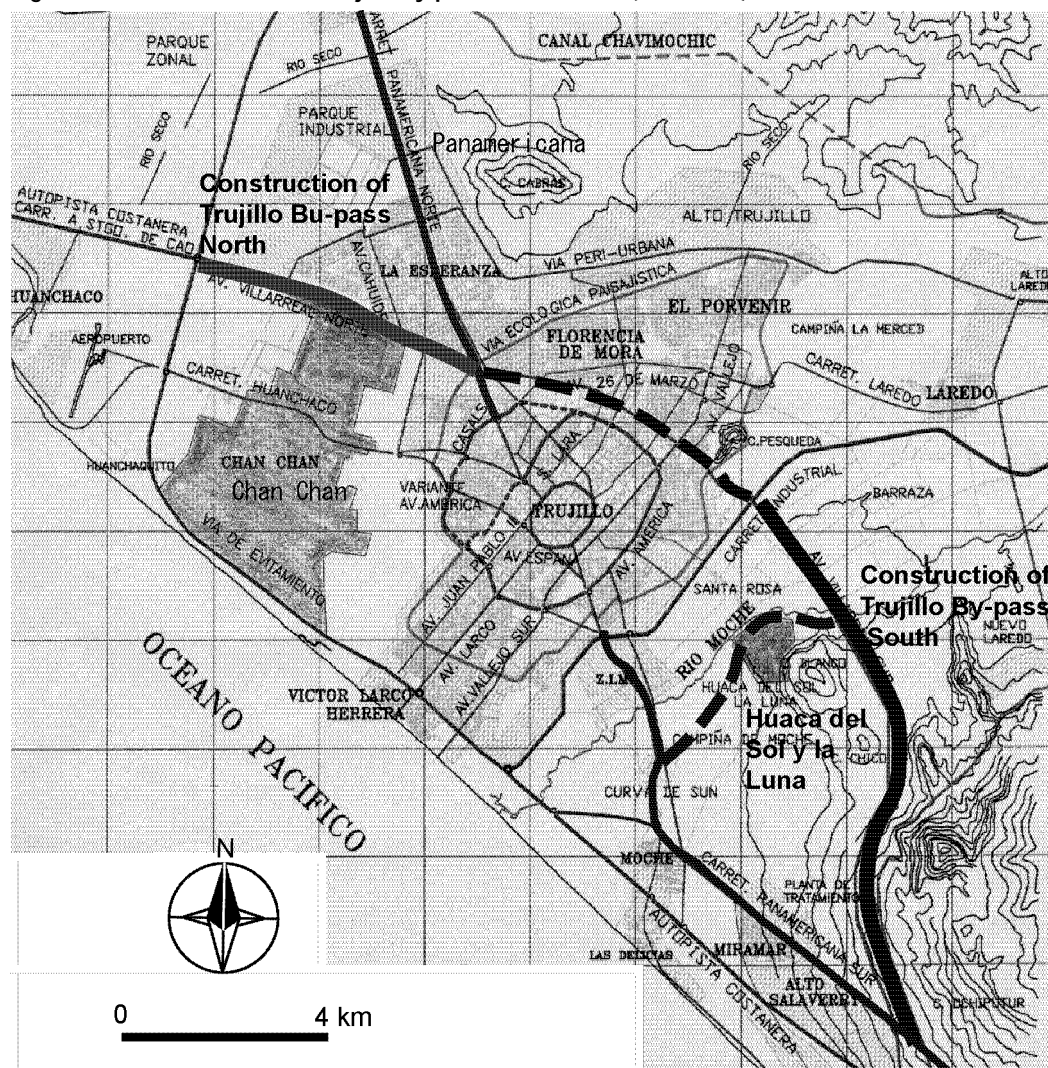
Source: JICA Study Team

Figure 4.3 Section of the Trujillo By-pass



Source: JICA Study Team

Figure 4.4 Location of the Trujillo By-pass Construction (2 sections)



Source: Plan de Desarrollo Metropolitano de Trujillo. 2010, Trujillo-1995, JICA Study Team

f. Sub-project Implementation

Responsible implementation body

CTAR – La Libertad would implement the sub-project and takes the charge of its operation and maintenance.

Other stakeholders

Trujillo Province, residents along the by-pass road, MITINCI

g. Local Participation

Construction works would generate local employment. Adequate considerations should be paid to communities located close to the proposed road construction site.

(2) Development of the Chan Chan Archeological Park

a. Background

The Chan Chan Archaeological Complex used to be a capital of the Chimu Empire that lasted from about 1000AD to 1470AD when it was conquered by the Incas. The complex was the largest city in the prehispanic Americas with an estimated population of 60,000. Recognizing the significance of the archaeological complex in the human history, UNESCO nominated the complex as World Cultural Heritage in 1988. The complex is evaluated to be one of the most important tourism resources of Peru.

The pre-Inca city had an area of 20 km², of which 14km² is protected at present. It is still large enough for INC to have difficulty to manage and maintain the complex. The complex has been under threats from damages caused by urbanization because it is located in the periphery of Trujillo City. The archaeological sites still have many sites that have not been fully researched. In this context, tourism has come to be regarded as a measure to earn income that would supplement the huge cost for the research and management. It is also regarded as a measure to involve and motivate local people for conservation through its income.

The INC - La Libertad has prepared the “Master Plan for the Conservation and Management of the Chan Chan Archaeological Complex/1999” in cooperation with UNESCO. JICA Study Team analyzed the contents of the plan, and selected components of the highest priority with the following criteria:

- Urgency,
- Contribution to increase the attractiveness of the ancient city,
- Spatial integrity for tourism use.

It is noted that the construction of the new Trujillo Bypass Road also serves for the conservation of the archaeological complex.

b. Objectives

The sub-project is designed with the following objectives:

- To promote and encourage tourism activities;
- To improve security environment for conservation of archeological sites; and
- To improve and add to tourist attractiveness and convenience.

c. Site and location

The Chan Chan archaeological site is located in the Huanchaco District, Trujillo Province in La Libertad Department. The site is on the fringe of a Trujillo urbanization area close to the Pacific Ocean.

d. Components

Components of the sub-project are as follows:

- General cleaning of the complex
- Construction of a security station
- Perimeter security system
- Construction of a first-aid station
- Perimeter wall around the complex
- Sign and information system in the Chan Chan Archeological Site
- Alternative excursion route: site museum – Toledo lagoon -Huachaques Area
- Recovery of traditional techniques and production center (for handicraft)
- Drainage system at Tschudi Palace
- Access road improvement to the northern annex of the Tschudi Palace
- Improvement of the information center in the Tschudi Palace
- Rehabilitation of the Tschudi Palace as a real on-site museum
- Portable audio guide service in the Tschudi Palace
- First-aid station at the Tschudi Palace
- Archaeological investigation of the Toledo Lagoon
- Archaeological investigation of Huaca Toledo
- Conservation of the Huaca Toledo and its surrounding Area
- Recovery and conservation of the Toledo Lagoon
- Recovery and care of the Totora Reeds Vegetation
- Traffic information and signs for the complex
- Demolition of the existing airport road
- Utility services

e. Costs

The combined costs for a total of 22 components are estimated at US\$ 2.79 million, which accounts for 6.1% of the whole project costs of the Trujillo-Chiclayo tourism corridor.

f. Sub-project implementation

Responsible implementation body

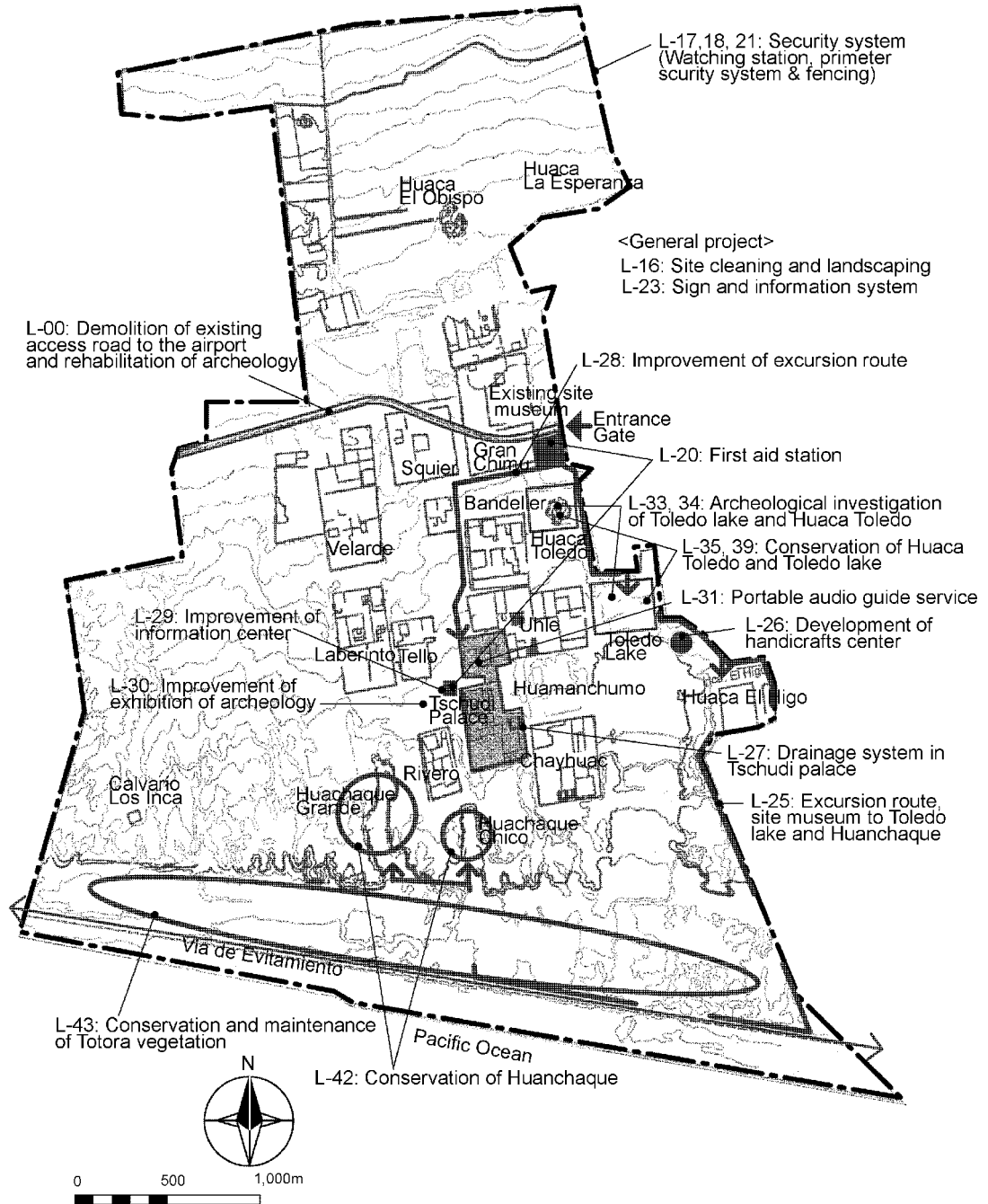
INC would implement the sub-project and take the charge of its operation and maintenance.

Other stakeholders

UNESCO, CTAR – La Libertad, Huanchaco District, the private sector, residents in and around the archaeological complex, MITINCI

MITINCI should provide commercial know-how of operating commercial establishments (cafes, restaurants, and souvenir shops), proposed horse-drawn carriage tours, and selling of handicraft and agro-products through the Participatory Tourism Support Program.

Figure 4.5 Development Plan of Chan Chan Archeological Complex



Source: Chan Chan Plan Maestro Para la Conservación y Manejo del Complejo Arqueológico - INC – La Libertad 1999, JICA Study Team

g. Local participation

- Sub-project Implementation Committee should be set up for coordination among the above-mentioned stakeholders.
- After the completion of the sub-project, the committee should be transformed into a Local Tourism Organization, which would be in charge of tourism destination management and tourism promotion.
- INC should seek for cooperation from MITINCI in the aspects of management and operation of tourism-related services such as restaurants, souvenir shops, and tours of the complex by carriage with guiding service.
- Part of existing agricultural land should be cultivated by local people, in particular, those who had lived in the area, with the same manner as the Chimu time. The agricultural products, which are inevitably organic, would be sold at the proposed handicraft center probably with much higher prices than markets.
- Similarly, “Totora” reeds vegetation would be rehabilitated with the help from local residents, and it would be used as materials for roofing the ancient city and also for handicraft.
- Proposed Handicraft Center provides local people with opportunities to produce handicrafts using the same technology as the Chimu and Moche times.
- Local people would participate in tourist events as casts that enact the mythical arrivals of Tacaynamo who founded Chan Chan.
- Site cleaning would be made involving local community members.

(3) Tourism Improvement of Huacas del Sol y la Luna Archeological Sites

a. Background

Huacas del Sol y la Luna, which is located in the suburb of the Trujillo City, is one of the most stunning archaeological sites in Peru. Huaca de la Luna is well-known for its relieves, while Huaca del Sol is the largest prehispanic structure in Peru built during the Moche Period.

The road improvement is necessary not only for easier access to the tourism site, but also for the development of the local community. Further, the access road would formulate a circulation route for visiting tourism sites in and around the Trujillo City. Equipment for “sound and light show” and site museums, as well as basic infrastructure that support the operation of the visitor facilities are proposed to be built. Further excavation, restoration, and consolidation of the archaeological site will be necessary to increase its attractiveness.

b. Objectives

A general objective of the sub-project is for visitor facilitation such as better accessibility, better condition of exhibition, and better tourist attractions. In this context, it is necessary to construct a site museum, and to install devices for “sound and light show” as a new tourist attraction.

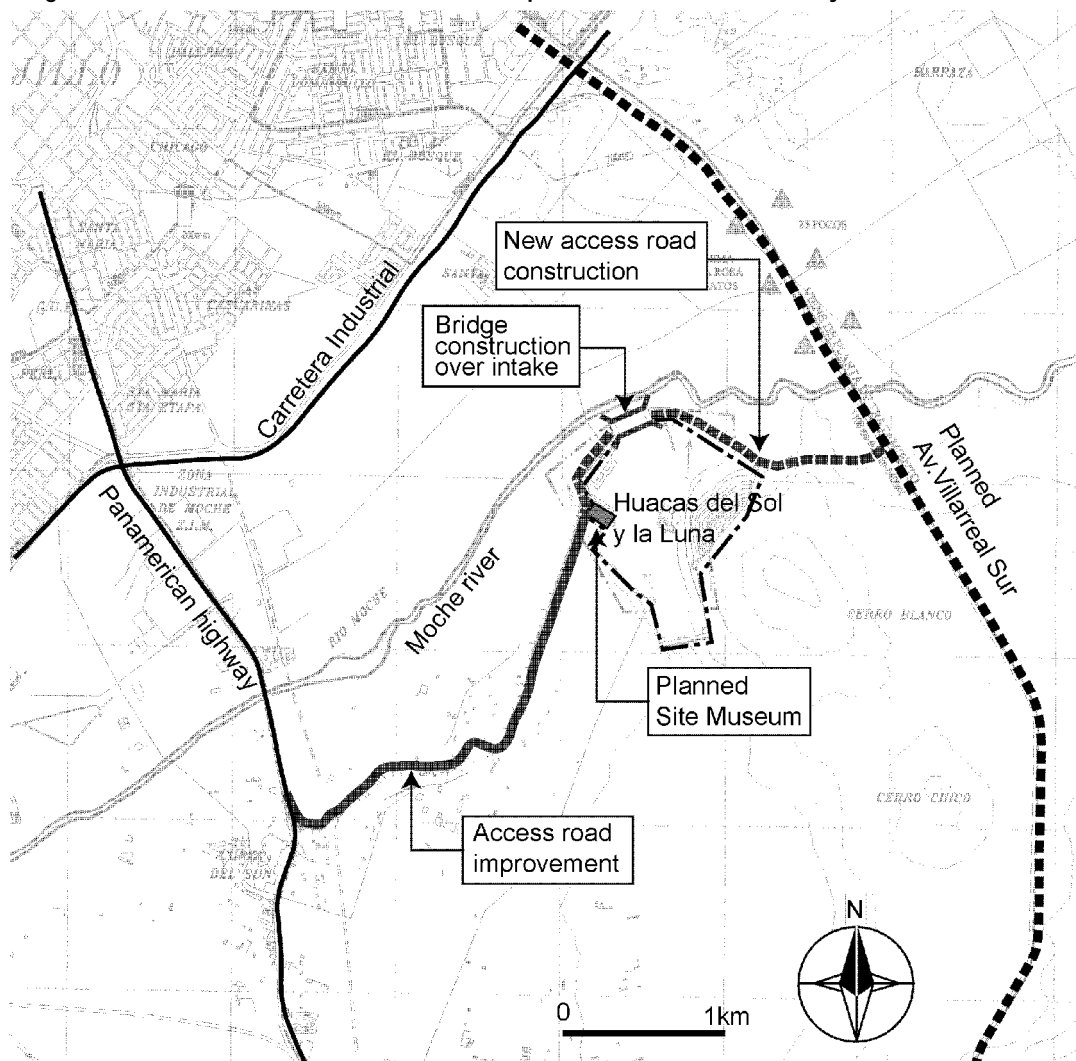
The objectives of the sub-project are as follows:

- To construct a site museum,
- To construct and install devices for sound and light show,
- To provide a comfortable and easier access to Huacas del Sol y la Luna,
- To built a circular route: Panamerican highway – Huacas del Sol y de la Luna – New Trujillo by-pass – Trujillo City (north and south),
- To improve access to the Trujillo City for residents in the Moche District,
- To provide residents with opportunities to participate in tourism-related businesses such as restaurants and souvenir shops, and
- To provide water supply and electricity along the road.

c. Site and location

The sub-project site is located in the Moche District, Trujillo Province, La Libertad Department. The site is on the opposite side of the Trujillo City across the Moche River.

Figure 4.6 Access Road Construction and Improvement to Huacas del Sol y la Luna



Source: Carta Nacional 1:100,000 – Instituto Geográfico Nacional, JICA Study Team

d. Components

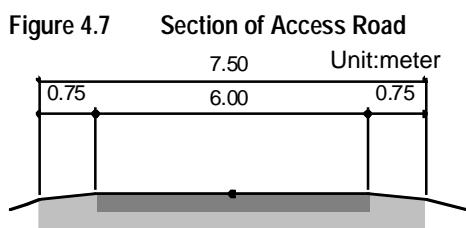
Components of the sub-project are as follows:

- Site Museum
- Sound and Light Show (Son et Lumiere)
- Construction/improvement of the access road
- Water Supply
- Sewerage
- Electricity

Table 4.16 Specification of access road

Improvement of access road (south)	3.1	km	W=7.5m (pavement W=6m, shoulder 0.75m x 2)
Construction of new access road with bridge over intake from proposed Av. Villarreal Sur from the north	2.5	km	W=7.5m (pavement W=6m, shoulder 0.75m x 2)

Source: JICA Study Team



Source: JICA Study Team

e. Costs

Sub-project costs are estimated at US\$ 3.92 million, which accounts for 8.6% of the whole project costs of the Trujillo-Chiclayo tourism corridor.

f. Sub-project Implementation

Responsible implementation body

INC would be responsible for the implementation of the sub-project, and take the charge of implementation, operation, and maintenance of the sub-project components within the archaeological complex.

Supplementary implementation body

- Road projects: CTAR – La Libertad
- Water supply and sewerage: SEDALIB, and
- Electricity: HIDRANDINA
- Sound and light show: INC may need to consider sub-contracting the operation of the show to a private company.

Other stakeholders

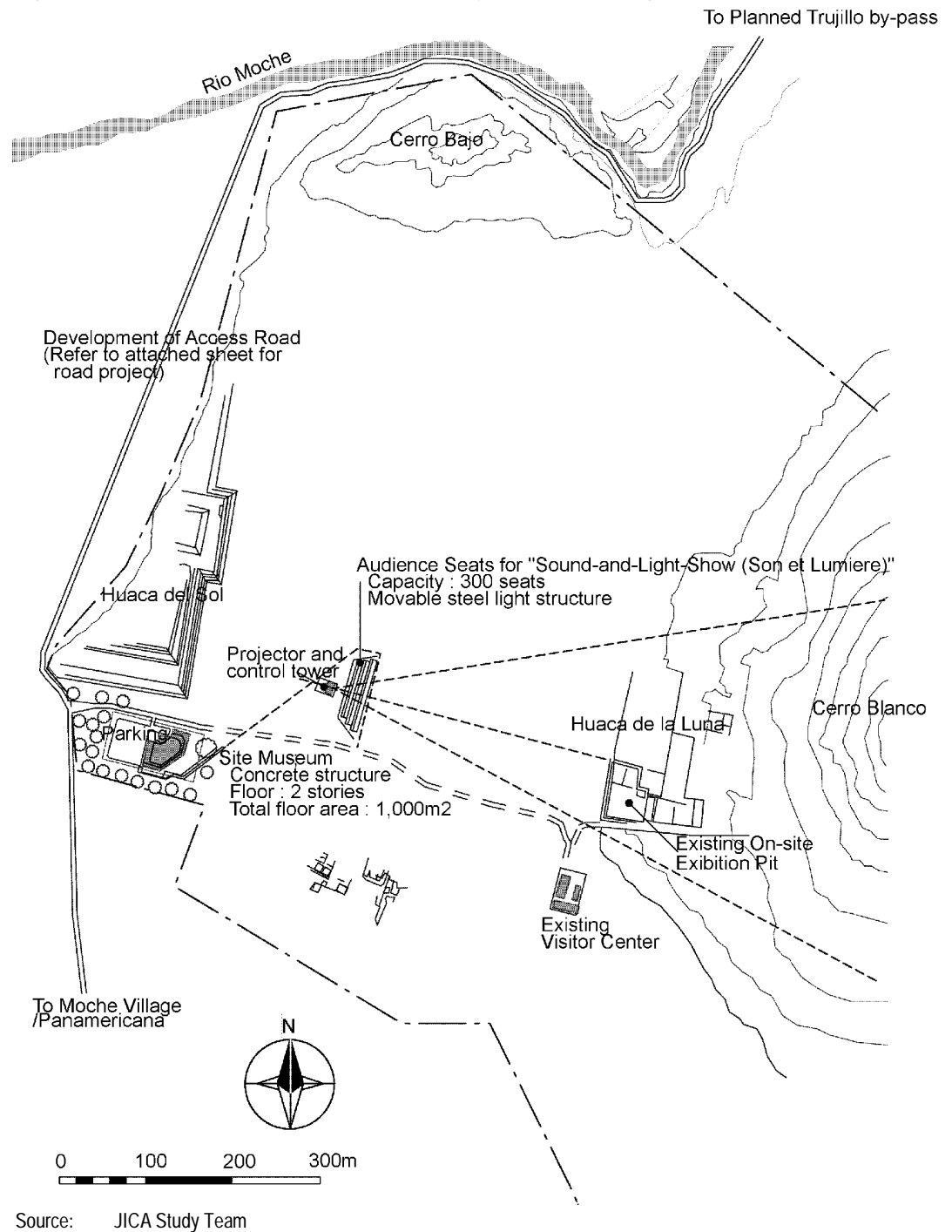
Trujillo University, Moche District, the private sector, residents living around the archaeological site, MITINCI

g. Local participation

- Sub-project Implementation Committee comprised of the above-mentioned entities and stakeholders should be formed for smooth implementation of the sub-project and for coordination among the stakeholders.
- It is proposed to involve local community members as staff for the operation of the proposed site museum including cooperative shops that sells locally produced handicraft.
- “Casts” for the proposed sound and light show may be recruited from the local community. They would be ideal to play the roles of Moche nobles and warriors.
- The Committee should be transformed to a Local Tourism Organization after the completion of the construction works. The initiative of the organization should be gradually handed over to the Moche District. The organization should make efforts to

increase visitor spending in the village by encouraging establishment of shops and restaurants along the access road.

Figure 4.8 Development Plan of Huacas del Sol y la Luna Archeological Sites



(4) Development of “Parque del Baluarte (Fortress Park)”

a. Background

The candidate land is located in the periphery of the historic center of Trujillo facing the Avenida España, which used to be the city’s fortification during the colonial time. Trujillo municipality hopes to convert the site for a public park taking into account the city’s insufficient green area and the necessity to create a buffer zone between the historic center and new urban areas. On the contrary, CTAR - La Libertad has an intention to use the land for purposes that would boost the local economy.

Promoting handicraft production is considered to be an effective tool to reduce social inequality as discussed in the Chapter 3. There is a need to build a training center combined with market where visitors could purchase handicraft directly from producers.

Considering the above, a public park is conceived which contains an existing bullring, a handicraft center, tourism-related facilities, and a parking building to reduce traffic congestion in the historic center. The construction of the park is needed from the following reasons:

- Increase of the tourism competitiveness of the Trujillo – Chiclayo Tourism Corridor,
- Strengthening of the relationship with tourism and local economic sectors, in particular, with handicraft and folkloric arts.
- Reduction of traffic in the historic center of Trujillo for the conservation of the colonial city,
- Achievement of controlled urban development and improvement of the living conditions for the residents in the Trujillo City.

b. Objectives

The general objective of the sub-project is to build the Parque del Baluarte as a new tourist attraction for visitors, and to secure a public space with green area for the Trujillo residents. Specific objectives of the sub-project are as follows:

- Construction of a handicraft production/promotion center,
- Renovation of a bullring,
- Construction of a convention hall for conferences and folkloric performance like “marinera” (middle to long-term),
- Construction of a parking building, and
- Restoration of the “baluarte” and fortification.

c. Site and location

The site is located in the Trujillo District, Trujillo Province in La Libertad Department. It is located on the eastern fringe of the historical center of Trujillo City.

d. Components

The components of the sub-project are as follows:

- Handicraft Center, Showcase and Local Cuisine Restaurant
- Renovation of Bullfighting Stadium
- Car Parking Building

In the long-term, construction of convention and exhibition facilities should be considered.

e. Costs

Sub-project costs for the construction of the Parque del Baluarte are estimated at US\$ 4.51 million, which accounts for 9.9% of the whole project costs of the Trujillo-Chiclayo tourism corridor.

f. Sub-project implementationResponsible implementation body

CTAR – La Libertad would be responsible for the implementation of the sub-project, and take the charge of operation and maintenance of the site.

Supplementary implementation body

Northern Tourism Region Development Authority would operate the handicraft center. Shops, restaurants, the car parking building would be leased to the private sector.

Other stakeholders

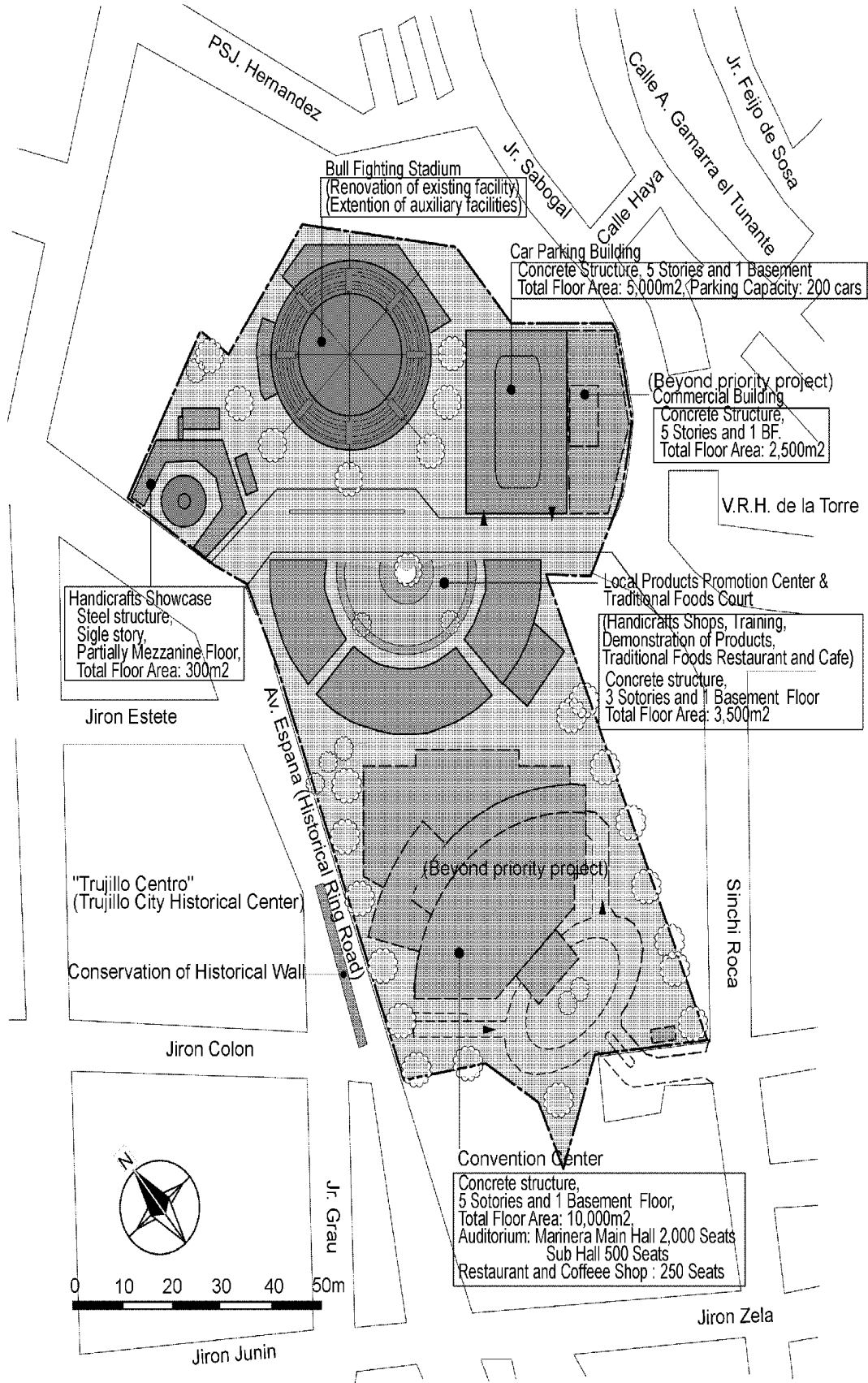
INC, the private sector, Trujillo Province, MITINCI

Participation of INC is necessary since part of Trujillo's fortification remains in the sub-project site.

g. Local Participation

- Sub-project Implementation Committee comprised of the above-mentioned entities and stakeholders should be formed for smooth implementation of the sub-project and for coordination among the stakeholders.
- Proposed handicraft center is expected to be a base to widen local opportunities for obtaining income from tourism.
- The park would be used for performance of folkloric arts. Local participation is widely expected for the performance.

Figure 4.9 Development Plan of "Parque del Baluarte"



Source: JICA Study Team

(5) El Brujo Tourism Improvement

a. Background

El Brujo is a Moche archaeological site famous for its well-preserved painted relieves and a spectacular seaside setting. The archaeological site is evaluated to have great tourism potential. Improvement of visitor facilitation in the archaeological site is also necessary from the view point of tourism corridor formulation since the archaeological site is located between Trujillo and Chiclayo, and has strategic importance to lure out visitors in Trujillo to explore tourism sites in the further north.

An access road from the Panamerican highway (at Chocope) to the El Brujo site, passes through Magdalena de Cao. It is generally narrow and bumpy. Therefore, it is necessary to upgrade the road to facilitate visitation to the archaeological site.

b. Objectives

The objectives of the sub-project are as follows:

- To improve the facility for visitors,
- To provide a comfortable and quick access to the El Brujo archeological site,
- To facilitate and improve access for residents along the road, particularly for those in Magdalena de Cao, and
- To provide opportunities for local people to participate in tourism-related businesses such as guiding, restaurants, and souvenir shops.

c. Site and location

The El Brujo archaeological site is located in the Magdalena de Cao District, Ascope Province, La Libertad Department. Facing the Pacific Ocean, it commands a spectacular view.

d. Components

Components of the sub-projects are as follows:

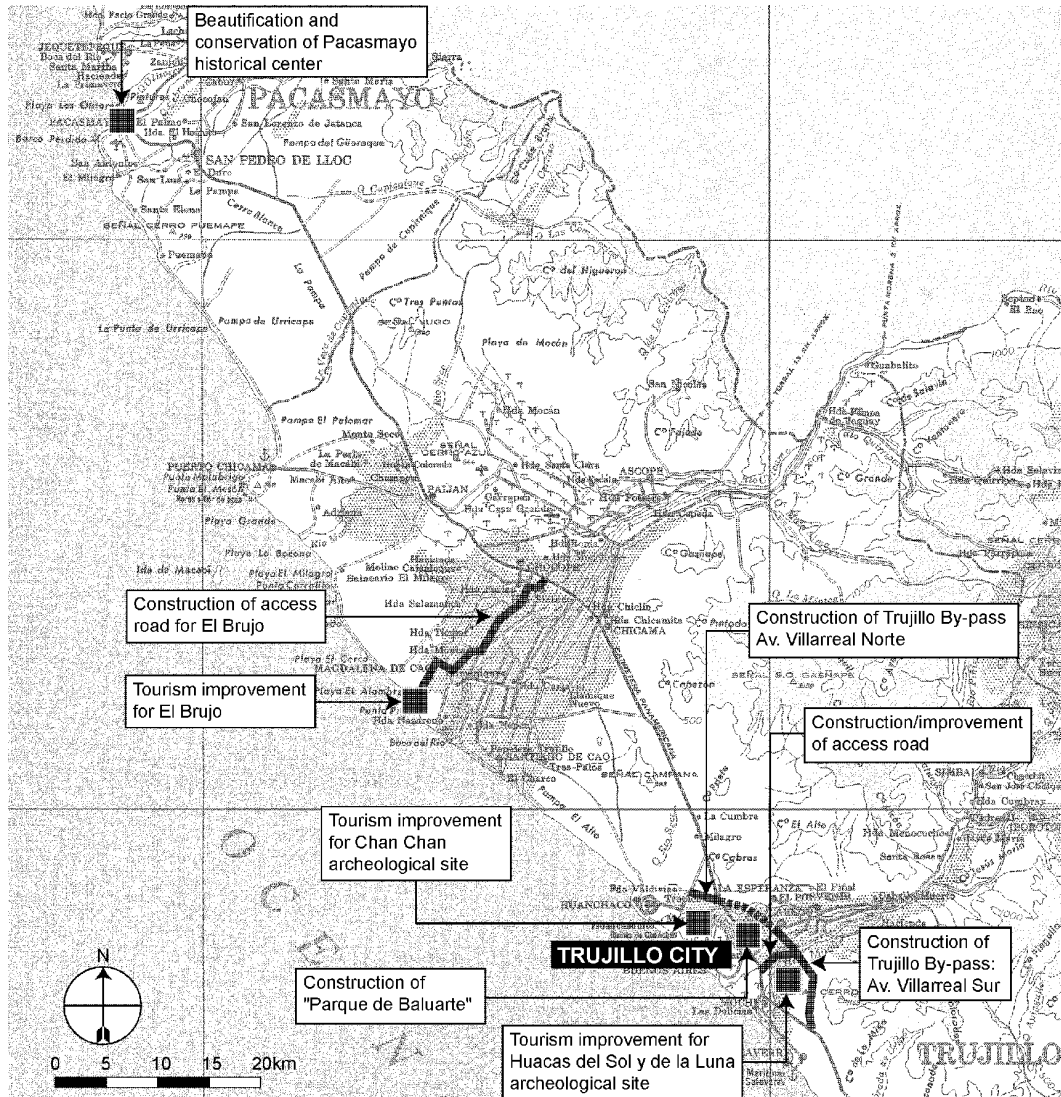
- Visitor center with car parking, excursion route, and restaurant area,
- Access road development,
- Water supply and sewerage, and
- Electricity.

Future Development

A road between Magdalena de Cao and Santiago de Cao (15 km) should be improved, while a road should be constructed between Santiago de Cao and Huanchaco (25 km). It is also necessary to improve a bridge over the Chicama River.

The road system would provide a faster access from Huanchaco and the southern part of Trujillo City. It would constitute a circuit route—Huanchaco-El Brujo-Pacasmayo.

Figure 4.10 Location of the Sub-project Site



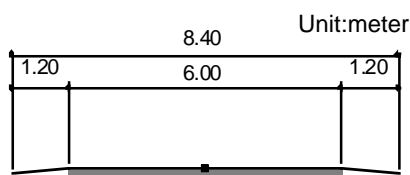
Source: Departamento La Libertad – Mapa Físico Político – Instituto Geográfico Nacional, JICA Study Team

Table 4.17 Specification of access road

Improvement of access road	18.3	km	W=8.4m (pavement W=6m, shoulder 1.2m x 2)
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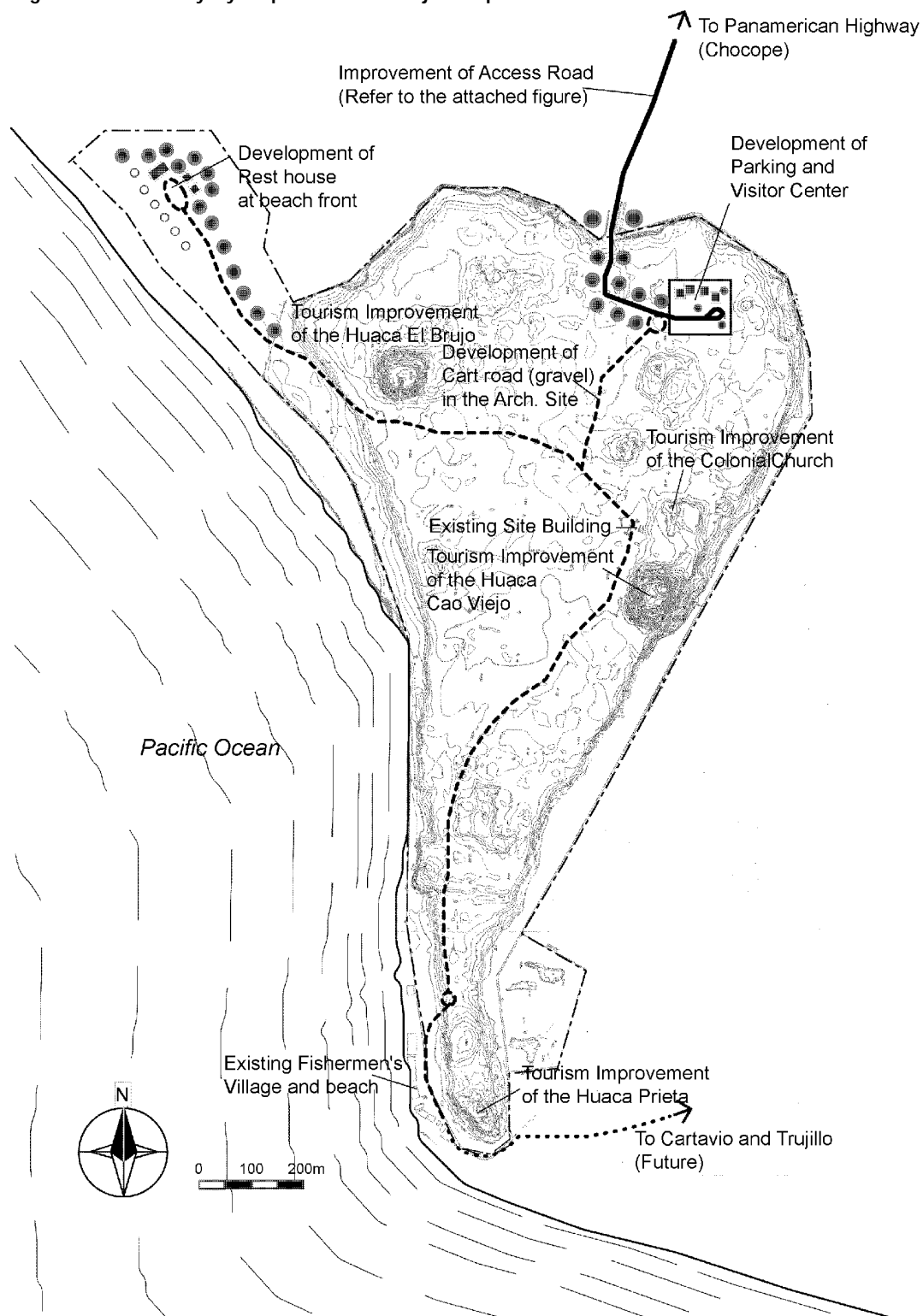
Source: JICA Study Team

Figure 4.11 Typical of Access Road



Source: JICA Study Team

Figure 4.12 Facility layout plan of the El Brujo Complex



Source: Proyecto Arqueologico Complejo E1 Brujo Levantamiento Topografico General, JICA Study Team

e. Costs

Construction costs are estimated at US\$ 2.64 million for an access road, US\$ 70,900 for a visitor center, US\$ 0.16 million for an excursion route and related utility works and, US\$ 0.33 million for restoration works. The total sub-project cost for the improvement of

the El Brujo archeological complex is estimated at US\$ 3.73 million, which accounts for 8.1% of the whole project costs of the Trujillo-Chiclayo tourism corridor.

f. Sub-project implementation

Responsible implementation body

INC would implement, operate and maintain tourism improvements in the archaeological sites, and be responsible for the sub-project implementation.

Supplementary implementation body

CTAR – La Libertad would build, operate and maintain the access road.

Other stakeholders

Wiese Bank, Ascope Province, Chocope District, Magdalena de Cao District, MITINCI

g. Local participation

- Sub-project Implementation Committee comprised of the above-mentioned entities and stakeholders should be formed for smooth implementation of the sub-project and for coordination among the stakeholders.
- After the completion of the sub-project, the Committee should be restructured to a Local Tourism Organization.
- INC should consider involving local community members to operate proposed site museum.
- Proposed site for restaurants at the seaside should be operated by local community members.
- If the archaeological site introduces a program that recruits volunteers who participate in excavation works, the local community would have an economic opportunity to provide home stay. In that case, basic training courses should be provided through the Participatory Tourism Support Program.
- The Local Tourism Organization should make efforts to introduce a village tourism package combined with visit to the archaeological site.

(6) Beautification and Conservation of Historical Center of Pacasmayo

a. Background

The city of Pacasmayo is well known for its beautiful seaside promenade and a 500-meter long old jetty designated as a historic site. The Pacasmayo municipality has a plan to extend the promenade toward an ex-railway station, and restore the building to convert it to a local museum.

Currently, visitors come to the city mainly to enjoy beaches in summer. However, the city is considered important also as a stopover and a place for lunch break for visitors who travel between Trujillo and Chiclayo. Therefore the city has to be developed strategically from the viewpoint of tourism corridor formulation. In the long-term perspective, Pacasmayo could be a base to explore archaeological sites in the Jequetepeque river valley such as Pacatnamu and Dos Cabezas.

In this context, visitor facilities should be developed to improve its attractiveness.

b. Objectives

The general objective of the sub-project is to increase Pacasmayo's attractiveness through the development of the following tourism-related facilities.

- Restoration of the old railway station for conversion to a museum with steam locomotives displayed in the garden,
- Development of a restaurant complex at the foot of the jetty, and
- Extension of the promenade from the old jetty, toward the ex-railway station.

The tourism development of Pacasmayo is necessary to facilitate the travel between Trujillo and Chiclayo, and substantiate the Trujillo – Chiclayo Tourism Corridor.

c. Site and location

Pacasmayo City is located in the Pacasmayo District, Pacasmayo Province, La Libertad Department as shown in Figure 4.10. Situated between Trujillo, Chiclayo and Cajamarca, Pacasmayo may function as a node for tourists visiting the northern part of Peru.

d. Components

Extension of Promenade

The local government has constructed a beachfront promenade. It now plans to extend the promenade toward inland, which would form a new axis that connects to the existing promenade at the jetty. This sub-project would help realize this plan.

Facility Construction

The existing culture center (ex-railway station), located close to the jetty, should be restored and utilized as a historical and cultural museum with sufficient landscaping and exhibition of old steam locomotives.

A complex of seafood restaurants and cafes would be built for tourists to enjoy local cuisine, thus distributing tourism income to a wider range of people.

e. Costs

Construction costs are estimated at US\$ 0.87 million for extension of a promenade and US\$ 1.28 million for construction of facilities. The total sub-project cost for the beautification and conservation of historical center of Pacasmayo is estimated at US\$ 2.41 million, which accounts for 5.3% of the whole project costs of the Trujillo-Chiclayo tourism corridor.

f. Sub-project implementation

Responsible implementation body

CTAR – La Libertad

Supplementary implementation body

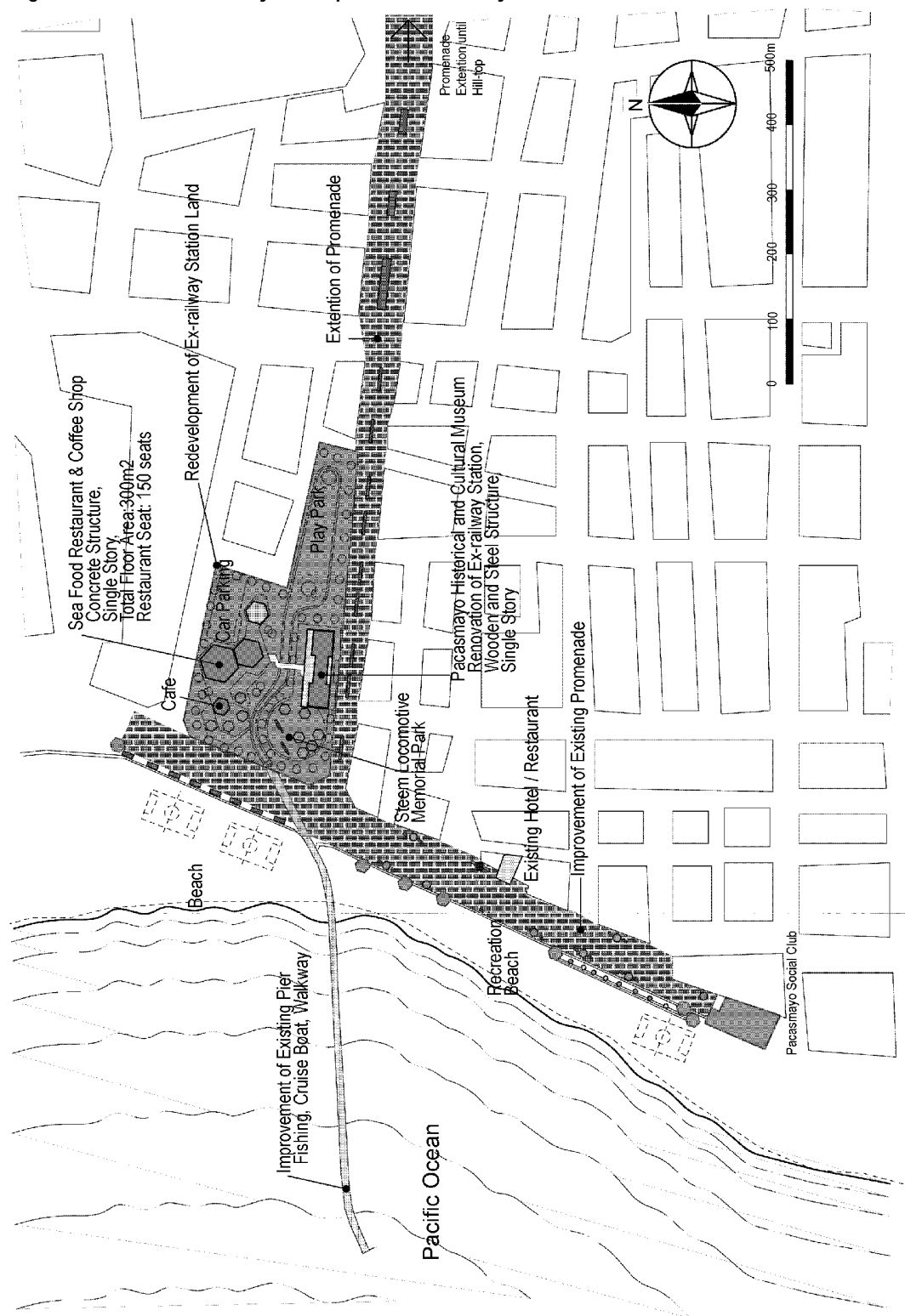
The Pacasmayo provincial government would take charge of operation and maintenance of the promenade, museum, and restaurant complex.

Other stakeholders

INC, MITINCI

Development and operation of the proposed museum needs advice from INC.

Figure 4.13 Tourist Facility Development of Pacasmayo



Source: JICA Study Team

g. Local participation

- Sub-project Implementation Committee comprised of the above-mentioned entities and stakeholders should be formed for smooth implementation of the sub-project and for coordination among the stakeholders.

- After the completion of the construction works, it should be reorganized to the Pacasmayo Tourism Organization.
- Restaurants and cafes in the proposed complex should be operated and maintained by the local private sector.
- Introducing truck carts on the historical jetty as a tourist attraction is recommendable to increase local employment.

(7) Circuit Road Improvement between Ferreñafe and Cayalti via Huaca Rajada

a. Background

There is a necessity to form a circular travel route visiting several important tourism sites in the suburb of Chiclayo in order to increase the competitiveness of the tourism destination. This sub-project is proposed after evaluating current road conditions hindering the circuit route formulation of Chiclayo - Lambayeque – Tucume - Batan Grande/Sican – Ferreñafe – Huaca Rajada - Zaña.

b. Objectives

The objectives of the sub-project are as follows:

- To provide a comfortable and quick access to the Sipán archeological site and Zaña,
- To built a circuit route: (Chiclayo) - Sican - Ferreñafe - Sipán archeological site – Zaña,
- To improve access to Chiclayo and other urban centers for residents in the area, and
- To provide opportunities to participate in tourism-related businesses, such as restaurants and souvenir shops for local people.

c. Site and location

A road subject to improvement between Ferreñafe and Pucala is about 28 km long. It runs near archaeological sites at the foot of Cerro de Luya.

A new road that is to be constructed to connect Huaca Rajada and Pucala with a bridge over the Reque River is some 3 km long.

A road subject to improvement between the Sipán archaeological site and Cayalti is about 15 km long.

d. Components

This sub-project improves the following three sections of road to formulate a circular tourism route.

e. Costs

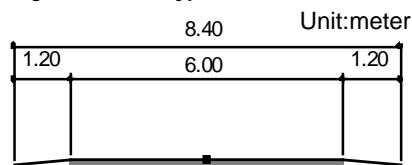
Sub-project costs are estimated at US\$ 7.94 million, which accounts for 17.4% of the whole sub-project costs of the Trujillo-Chiclayo tourism corridor.

Table 4.18 Sub-project Outline

Improvement of road (Ferrenafe - Pucala)	28	km	W=8.4m (pavement W=6m, shoulder 1.2m x 2)
Construction of road (Pucala - Huaca Rajada) with bridge	3	km	W=8.4m (pavement W=6m, shoulder 1.2m x 2)
Improvement of road (Sipán site - Cayalti)	15	km	W=8.4m (pavement W=6m, shoulder 1.2m x 2)

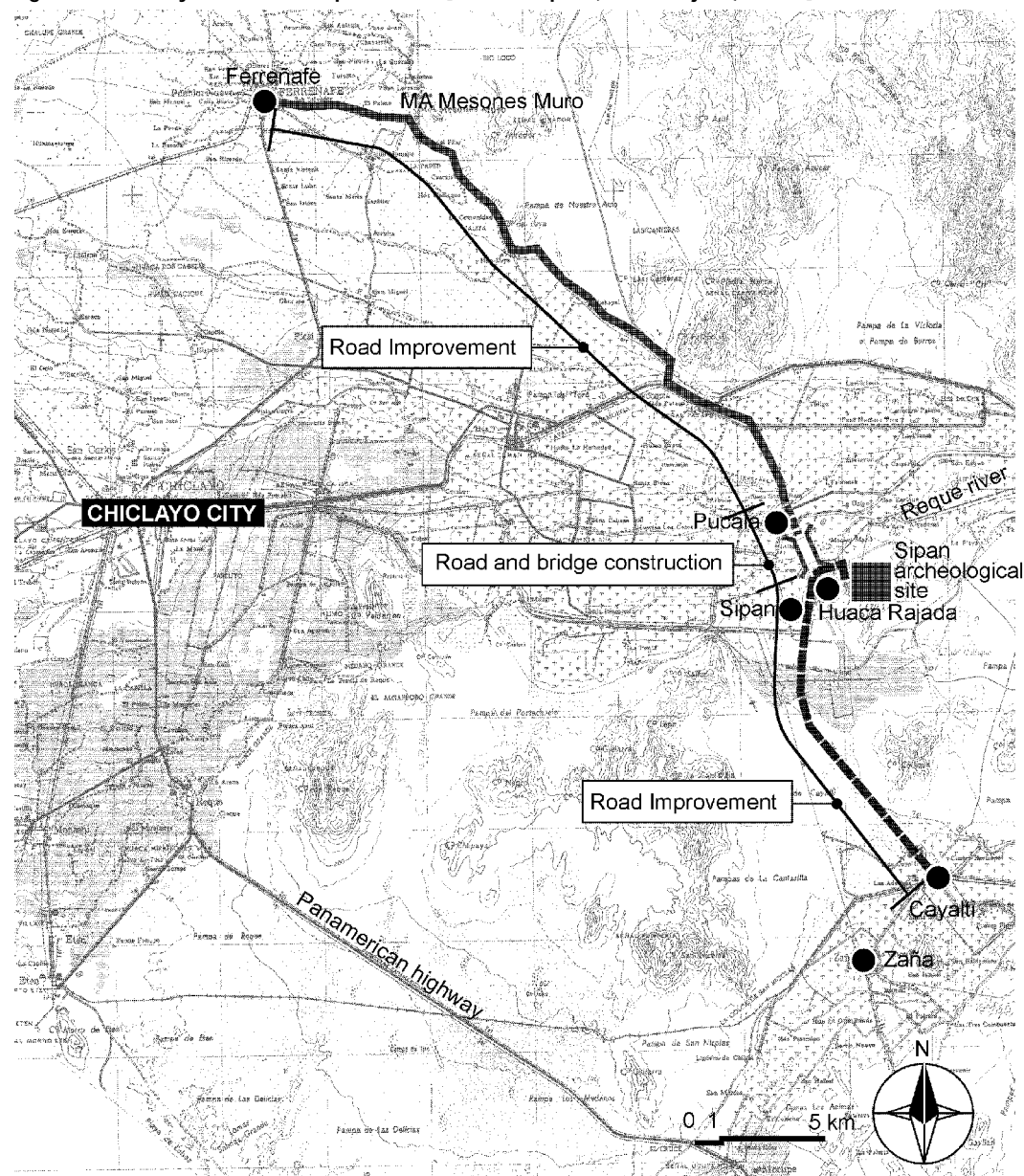
Source: JICA Study Team

Figure 4.14 Typical Section of Access Road



Source: JICA Study Team

Figure 4.15 Layout of Road Improvement [Sican – Sipán (Huaca Rajada)– Zaña]



Source: Carta Nacional 1:100,000 – Instituto Geográfico Nacional, JICA Study Team

f. Sub-project implementation

Responsible implementation body

CTAR – Lambayeque would build, operate, and maintain the circuit road and bridge.

Other stakeholders

Chiclayo Province, Ferreñafe Province, MITINCI

g. Local participation

Since this is a pure infrastructure project, there is not much to mention about local participation measures except the necessity to comply with the environmental and social requirements for construction/improvement of a road.