

 Early Warning System

WB-P117318

Cusco Regional Development



## Quick Facts

<b>Countries</b>	Peru
<b>Specific Location</b>	Calca, Urubamba, and Cusco
<b>Financial Institutions</b>	World Bank (WB)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	A
<b>Voting Date</b>	2013-11-22
<b>Borrower</b>	GOVERNMENT OF PERU
<b>Sectors</b>	Industry and Trade
<b>Potential Rights Impacts</b>	Cultural Rights, Healthy Environment, Housing & Property, Indigenous Peoples, Right to Health, Right to Water
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 35.00 million
<b>Project Cost (USD)</b>	\$ 52.10 million



## Project Description

The Cusco Regional Development Project is located in the Cusco Region in Peru, specifically in the provinces of Calca, Urubamba, and Cusco. The project under consideration for financing by the World Bank consists of four components:

*Component 1: Development and Consolidation of Tourism Services.* The objective of this component is to improve the quality and coverage of tourism services in the Sacred Valley and surrounding areas. The component will achieve this through consolidating "classic" tourist attractions by expanding and improving infrastructure, providing improved access to sites, internal walkways and signage, and by providing technical assistance and knowledge to position small and microenterprises in the market.

*Component 2: Integrated Solid Waste Management.* The objective of this component is to improve local capacity for cleaning of public spaces and to efficiently collect, transport and dispose of solid waste in the provinces of Cusco, Calca and Urubamba. The component includes investments in provincial municipal solid waste services to improve solid waste disposal and composting; investments in District level solid waste services to improve collection, recycling, and cleaning of streets and public spaces; technical assistance and capacity building for improved solid waste services; and communication on the implementation of project works and promoting adequate waste management practices in communities.

*Component 3: Disaster Risk Management and Disaster Preparedness.* The objective of this component is to increase the resilience of the local population, tourists, and infrastructure in touristic areas with high vulnerability to natural disasters. The component will achieve this through designing and implementing early warning systems for selected locations; designing and implementing an integrated approach to the reduction of geological and climactic risks, and integrated approach to mitigate external geodynamic risks in selected micro-basins; and development of an updated Disaster Risk Management Plan for the Sacred Valley.

*Component 4: Institutional Strengthening, Management and Monitoring and Evaluation.* This component will support the capacity building of the Project Coordination Unit within COPESCO and other principal institutions involved in the operation of tourism activities in the Sacred Valley. Activities will include commercialization and positioning of tourism products and services in the domestic and international markets; collection of baseline data for later evaluations and follow up analyses; and enhanced capacity for project management, project audits, and monitoring and evaluation of project results.



## Early Warning System Project Analysis

### **RISK CATEGORIZATION: Category A**

The project is classified as Category A under OP/BP 4.0 I based upon the one proposed moderate sized landfill in Cusco (part of Component 2). According to the World Bank, Most of the activities and investments of the Project are relatively small in nature and do not cause any anticipated significant impact, the only exception being the Cusco landfill. It is for this investment alone that the Project has been categorized as A. This level of categorization was given in relation to the irreversible nature of land use at the landfill site, as well as potential risks for water and soil contamination if technology, operational or infrastructure were to be inadequate."

According to The Bank, "The construction technique, by itself, will allow for the minimization of these risks, and for the re-utilization into non-habitational uses of the land once the facility is properly closed.

### **APPLICABLE SOCIAL AND ENVIRONMENTAL STANDARDS:**

- Environmental Assessment OP/BP 4.01
- Natural Habitats OP/BP 4.04
- Physical Cultural Resources OP/BP 4.11
- Indigenous Peoples OP/BP 4.10
- Involuntary Resettlement OP/BP 4.12
- Safety of Dams OP/BP 4.37



## People Affected By This Project

### ENVIRONMENTAL AND HUMAN RIGHTS ASSESSMENT

#### Right to Culture

The Cusco region is world famous for its rich historic and cultural heritage. Although none of the landfill sites considered for the project are thought to be within close proximity to a known archaeological site, the project triggered the Bank's Physical Cultural Resources safeguard due to the cultural importance of the area. The Bank has stated that "Components 1 and 3 may take place directly within the limits or in the surrounding areas of archaeological sites such as Ollantaytambo (which was declared National Cultural Patrimony in 2002)." The Bank's Integrated Safeguards Data Sheet continues by adding that construction work related to Component 1 would be "within or near existing archaeological sites." It should also be mentioned that, due to the importance of the region's historic and cultural heritage, the Bank notes the importance of Peru's strict regulatory procedures and oversight related to projects near or within archaeological sites and that any work must be monitored and reported to the Ministry of Culture.

The following questions may be relevant for community members and local NGOs:

- Do you have reasons to believe the planned investment project could affect the cultural resources of your community?
- Do you have reasons to believe that your ability to participate in cultural life could change as a result of the planned investment project?
- Does this project have a procedure in the event that archaeological sites or other cultural artifacts are discovered or encountered during operations?

#### Right to a Healthy Environment

As part of Component 2, the project would consist of the development of three landfills in the provinces of Cusco, Calca, and Urubamba. Although the Bank states that these landfills would improve the environmental health and sustainability of the region, there could still be impacts to local communities in terms of truck traffic and increased noise due to waste transportation, contamination of waters caused by leachate, slope erosion due to cuts in the terrain, release of waste and worker exposure in closing or relocating existing landfill sites, and security risks such as gas accumulation in the new landfills. Furthermore, there is potential that pesticides may be used during the operation of the landfills, which would require additional practices and procedures for pesticide use and storage. The Bank also noted that, during the June/July 2013 consultation process, "principal comments from the consultations included: not to repeat the history of the current management of waste in landfills (i.e., relatively poor management), concerns about the potential risks of water pollution and health risks for persons living near the new landfills, operation/effectiveness of landfill geomembranes as a barrier to protect/prevent contamination, employment opportunities in the construction and operational phases of the project, suggestions for expanding descriptive information about fauna, flora, social aspects, and application of other benefits to surrounding communities."

The Bank also states that streams and river banks could be impacted as part of construction works for components 1 and 3 (see project summary for a description of project components).

The following questions may be relevant for community members and local NGOs:

- What means do you have to seek redress if the public health and/or environmental impact of the proposed operations become a problem for local communities and/or the local ecosystem?
- Is your water quality likely to be affected by processing operations?
- Do those implementing the project have a plan in place for preventing increases in disease or for providing health care should diseases proliferate?



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## Investment Description

- World Bank (WB)

The total cost of the project is expected to be \$52.10 million USD. Of this amount, the International Bank for Reconstruction and Development (an institution of the World Bank Group) will finance \$35 million USD with the remaining \$17.10 financed by the Regional Government of Cusco. PLAN PER COPESCO will be responsible for project implementation.



## Private Actors Description

Although the borrower for this project is the Cusco Regional Government, specifically the provincial municipality of Cusco (SEDACUSCO) implementation has been given to Plan COPESCO.

Plan COPESCO is a development plan that was created in 1969 as part of the Cusco Regional Government to improve the standard of living in potential tourist areas in the Cusco region, which is the main tourist destination in Peru (according to the World Bank it accommodates 88% of Peru's international tourist). The mission of Plan COPESCO is to create and expand tourism and economic infrastructure in areas of cultural and natural heritage.

The World Bank's project description states that COPESCO has previous experience with World Bank financing and has chosen an experienced project coordination unit for this regional development plan "with both environmental and social experts knowledgeable of Peru's and the Bank's requirements". Additionally, the project description states, "COPESCO has also agreed to strengthen its environmental and social team to ensure adequate capacity during project implementation."

COPESCO is also acting as the implementing agency for the Cusco Transport Improvement Project, which was approved by the World Bank on February 28th, 2014.

## PAST HUMAN RIGHTS ABUSES

COPESCO has not been cited for any past human rights abuses. However, potential human rights abuses have been reported in the Cusco region. Particularly, the United States Department of State, Bureau of Democracy, Human Rights and Labor cited that between May 28th and July 4th, 2013 security forces allegedly killed six people in regards to protests against the Conga mining project, an extractive project based in the Cusco region. Please see the final section of project analysis ("Right to Freedom of Expression, Assembly, and Association") below for further details and documentation.



## Contact Information

\*No contacts available at time of writing

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## CONSULTATION PROCESS:

The World Bank states project documentation, including an Environmental and Social Impact Assessments (ESIA) and Environmental and Social Management Plans (ESMP), are in the process of or have been previously disclosed to the public for consultation. The World Bank additionally states that, "COPESCO has undertaken constant dialogue and consultation with affected communities and stakeholders. As a result, the EIA'S and the Abbreviated Resettlement Plan include investments and other measures that respond to specific requests made by local communities. [The consultation process] has included briefings, participative diagnostic workshops, surveys, presentation and consultation meetings, meetings with focal groups, direct consultation through correspondence, and consultation through participation in public spaces."

Furthermore, the Bank describes that during the consultation process, "the communities in Calca and Urubamba support the project and have reached agreements with COPESCO. Most of the communities in Cusco also support the project and have done so in writing; however some members of a community in the District of Poroy have expressed concerns related to potential leachates that could pollute their waters, but have also reached initial agreements with the Cusco Regional Government in support of the project."

It should be noted that consultations with community members regarding the three proposed landfills occurred in June and July, 2013, six months after the initial draft ESIA's for the Cusco landfill was disclosed to the public. Furthermore, as the draft ESIA's for the Calca and Urubamba landfills are not yet finalized, additional consultation with stakeholders is necessary. According to The Bank, consultation for each landfill draft ESIA is currently being scheduled.

## ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing [ipanel@worldbank.org](mailto:ipanel@worldbank.org). You can learn more about the Inspection Panel and how to file a complaint at:

<http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx>.





## Bank Documents

- [Agreement for Grant TF096160 Conformed \(English\) \[Original Source\]](#)
- [Disbursement Letter for SFLAC Grant TF096160 Conformed \(English\) \[Original Source\]](#)
- [Executive summary of the environmental and social impact assessment of the Cusco Regional Development \[Original Source\]](#)
- [Integrated Safeguards Data Sheet \(Appraisal Stage\) - Cusco Regional Development - P117318 \(English\) \[Original Source\]](#)
- [Official Documents- Amendment to SFLAC Grant TF096160 \(English\) \[Original Source\]](#)
- [Official Documents- Disbursement Letter for Loan 8306-PE \(Closing Package\) \(English\) \[Original Source\]](#)
- [Official Documents- Loan Agreement for Loan 8306-PE \(Closing Package\) \(English\) \[Original Source\]](#)
- [Official Documents- Statutory Committee Report for Loan 8306-PE \(Closing Package\) \(English\) \[Original Source\]](#)
- [Official Documents- Supplemental Letter Ref. Financial Data for Loan 8306-PE \(Closing Package\) \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development : P117318 - Implementation Status Results Report : Sequence 01 \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development : P117318 - Implementation Status Results Report : Sequence 02 \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development : P117318 - Implementation Status Results Report : Sequence 03 \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development : P117318 - Implementation Status Results Report : Sequence 04 \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development : P117318 - Implementation Status Results Report : Sequence 05 \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development : P117318 - Implementation Status Results Report : Sequence 06 \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development Project \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development Project \(Spanish,English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : indigenous peoples plan \(Vol. 2\) : Marco de planificación \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : indigenous peoples plan \(Vol. 3\) : Plan de acción rural \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : indigenous peoples plan \(Vol. 4\) : Plan de acción rural \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : indigenous peoples plan : Adjetivo evaluación femenina \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : Peru - Proyecto de Desarrollo Regional de Cusco \(English\) \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : resettlement plan \(Vol. 2\) : Plan de compensación : relleno \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : resettlement plan \(Vol. 3\) : Plan de inclusión social \[Original Source\]](#)
- [Peru - Cusco Regional Development Project : resettlement plan : Marco de políticas de reasentamiento \[Original Source\]](#)
- [Peru - Second Vilcanota Valley Protection and Development Project \(English\) \[Original Source\]](#)
- [Peru - Second Vilcanota Valley Protection and Development Project \(English\) \[Original Source\]](#)
- [Peru - Second Vilcanota Valley Protection and Development Project \(English\) \[Original Source\]](#)
- [Peru - Second Vilcanota Valley Protection and Development Project : environmental assessment \(Spanish\) \[Original Source\]](#)
- [Peru - Second Vilcanota Valley Protection and Development Project : environmental assessment \(Vol. 1\) \[Original Source\]](#)