

UNITED NATIONS



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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR



TO: Mr. Gilbert Bernard, Planning and Evaluation Officer DATE: 27 April 1973
A: ELAIP/OTC

THROUGH: Mr. Simos G. Vassiliou, Assistant Director-in-Charge
S/C DE: Development Planning Advisory Services, CDPFP

FROM: Augusto Silvany, Economic Affairs Officer
DE: DPAS, CDPFP

SUBJECT: PERU: New Project in Regional Economic Development
OBJET: in Peru, "Development of the Chimbote-Trujillo Axis"

REFERENCE: TE 311/1 PERU

Augusto Silvany

1. Our first reaction to this request is to agree with Mr. J. Labbens' suggestion for a short term mission to better ascertain the scope of the project and perhaps to incorporate a broader perspective to it. We find that Mr. Hilhorst is an excellent choice to be a member of this mission. But his participation will have to be discussed with the Peruvian government, which is presently utilizing his assistance in the study of the effects of the Latin American integration programmes in the spatial development of Peru. Notwithstanding, this suggestion we have some comments on the request. These comments however are mainly intended to underline the importance of considering a broader perspective for this project.

2. The background information in the proposal indicates that the Peruvian government in defining its national development strategy clearly identified a role to the Northern Region where the Axis Chimbote Trujillo Chiclayo is located. The favourable endowments of natural resources in the region should support an intensive programme of development based on industrialization using raw materials of the region. Furthermore, the cities of Chimbote, Trujillo and Chiclayo were identified by the government as "The potential Axis of Development". The development of this Axis ought to be pursued to reduce the concentration of population and economic activities on the Metropolitan Area of Lima. As a natural corollary the development of the Northern Region has great importance in the national development strategy and within the Northern Region the development of Axis Chimbote-Trujillo Chiclayo has priority. We noticed however that the proposal is restricted to Chimbote and Trujillo. We do not understand why Chiclayo was left out. Our suggestion is to give a broader perspective to the present project of assistance. By this we mean that the project should include: (i) assistance in revising its Regional Development Plan to the Northern Region, in order to be sure about the

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priorities for development in terms of its micro-regions; (ii) studying the socio-economic role of each micro-region (and in particular of the Axis Chimbote-Trujillo-Chiclayo) within the Northern Region and in relation to the other Regions of the country and; (iii) preparing a special development programme for the priority micro-region which seems to be the "Axis Chimbote-Trujillo-Chiclayo."

3. The second point has to do with the national institutional set-up suggested as counterpart of this project. The request proposal is to have CRYRZA (Comisión para Reconstrucción y Rehabilitación de la Zona Afectada - created after the 1970 earthquake) as the national counterpart. This agency worked in Chimbote and in the micro-region surrounding it. CRYRZA was planning, projecting and executing those projects as well as coordinating all national programmes and international assistance for reconstructing the area stricken by the Earthquake. After two years of work CRYRZA was able to establish a sound planning machinery and prepared a biannual investment budget for the Chimbote micro-region. It was felt that from a merely emergency work group CRYRZA should be transformed into an agency for medium-term development planning. As a natural consequence, there is the project to transform CRYRZA into another agency - ORDEZA (Organización para el Desarrollo de la Zona Afectada). We do not have the final information on this change nor on the jurisdiction of the new organization. In this proposal, however, the national counterpart indicated is still CRYRZA. In this particular case, we still do not understand which will be the role of the NORTE-ORDEN (the regional office for the Northern Region of the INP). As we are suggesting the broader perspective should be to establish a close coordination with NORTE-ORDEN. Obviously, CRYRZA is still very restricted to Chimbote. This is another point to be clarified by the mission.

4. We do not find it necessary to go into detailed comments on the specific elements of the project (particularly, expert inputs and schedule for implementation of the project as defined in the request) because the mission will have to re-examine it from a better position. But, we would like to indicate our general impression on this too. It seems that the main preoccupation in the proposal is to repeat what was done in Chimbote on a larger scale. Although the project in Chimbote was successful, we strongly recommend that less emphasis be placed on physical planning, urban development and reconstruction at least at the initial stages of the new project. We agree that the three key cities, Chimbote, Trujillo and Chiclayo should be considered as regional growth poles and their mutual relationships and harmonious spatial development should be carefully studied. But, it also seems very important to identify new potential areas in the Northern Region in which the endowment of natural resources can support a development effort. Consequently, the problems of new population settlements should

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be considered not really in the existing urban centers but in new areas pre-selected. Finally, we consider the dealing with employment policies of crucial importance. This has to be closely related to the study of the migration flows toward Lima and of the implementation of "industrialization programmes" of the Northern Region.

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Mr. G. Bernard, Planning and Evaluation Officer
Europe, Latin America and Interregion 1 Projects
Branch, Office of Technical Co-operation

23 March 1973

TE 311/1 PERU

Lyner Ergun, Chief
Technical Co-operation Section (Africa and the Americas)
Centre for Housing, Building and Planning

PERU: New Project in Regional Economic Development
in Peru - Development of the Chimbote-Trujillo Axis

Please refer to your memorandum of 20 March 1973 on the above subject. As you may know a staff member of the Centre, Mr. John Miller, is at present in Peru in connexion with the Experimental Housing Project. Mr. Miller will also be discussing with the Resident Representative and the Project Manager of the Chimbote Planning and Reconstruction and Development Project the prospects of this project which is very closely related to the new project in the field of regional economic development.

We think it would be extremely useful if we can benefit from Mr. Miller's recent contacts in commenting on the new project proposal. Therefore, we would like to postpone our comments until his arrival which is expected to be on the first half of April.

ORIGINAL TEXT
Mr. J. Van Heerden, Chief
Section for Europe, Latin America and Interregional
Projects, OTC

EF/db

21 March 1973

E. Fano, Associate Chief
Water Resources Section, RTD

PERU: Visit of Water Desalination Adviser

I refer to the cable of 25 January 1973 received from the UNDP Resident Representative in Peru confirming that the Government is agreeable to accepting a combined water desalination mission including the economic implications thereof. Your letter of 8 December 1972 to the UNDP Resident Representative refers.

/by You will recall that originally we had suggested that the mission of a desalination adviser should be combined with that of a geothermal energy specialist. More specifically, Mr. Robson on the occasion of one of his visits to Chile. We understand that Mr. Robson will be visiting Chile again in the not too distant future and it may also be noted that a new Headquarters water desalination adviser will be taking up his duties on or around 17 April next. The economic implications could, on the other hand, be covered by one of the water resources economists at Headquarters.

We had already indicated to you that there will be no charge to the IPF since the UN still holds a residual of a UK funds-in-trust desalination fund which may be used by the UN for desalination missions, subject to the approval of the UK authorities in each case. It is therefore correct that, in principle, there should be no charge to the IPF in this case.

In Mr. Labbens' cable, he indicates that "other indications requested will follow". We have not seen any other correspondence stemming from this cable and if such correspondence has been received, we would like to receive it as soon as possible with a view to trying to set up the proposed mission within the next two or three months.

cc: Mr. P. Najlis
Mr. G. Robson
Mr. A. Sirbu, OTC
Mr. K. Szesztay
Mr. E. Wegelin