



14
Department of State TELEGRAM
DECLASSIFIED

LIMITED OFFICIAL USE

AN: DB30238-0748

LIMITED OFFICIAL USE

PAGE 01 LIMA 04242 01 OF 05 2716222
ACTION ARA-16

INFO OCT-00 COPY-01 ADS-00 AID-07 INR-10 CIAE-00 EG-08
DODE-00 EXIM-06 NSAE-00 SY-06 TRSE-00 PA-01 MCT-02
OMB-01 JSIE-00 SP-02 PRS-01 /061 W
-----220477 2807102 /10

R 271521Z APR 83
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 8394

DEPARTMENT OF STATE A/CDG/MR OCT 3 1988

REVIEWED by Pugh DATE _____
 RELEASE DECLASSIFY
 EXCISE DECLASSIFY in PART
 DENY Non-responsive info.
FOI, EO or PA exemptions _____

LIMITED OFFICIAL USE SECTION 01 OF 05 LIMA 4242

E.O. 12356: N/A
TAGS: EAID, PINS, PTER, PE, KPRP
SUBJ: (U) SOUTH-CENTRAL SIERRA EMERGENCY PLAN

TS authority to: _____
 CLASSIFY as _____, OADR
 DOWNGRADE TS to () S or () C, OADR

REF: 82 LIMA 11940 N

1. SUMMARY: THE SOUTH-CENTRAL SIERRA OF PERU, WHICH INCLUDES THE DEPARTMENTS OF AYACUCHO, APURIMAC, HUANCAMELICA AND CUZCO, IS HISTORICALLY THE COUNTRY'S POOREST REGION AND NOW FORMS THE PRINCIPAL OPERATIONAL BASE OF THE SENDERO LUMINOSO (SL) TERRORIST MOVEMENT. RECENT POLICE AND MILITARY EFFORTS IN COMBATING THE SL APPEAR SUCCESSFUL, BUT TO FURTHER ISOLATE THE SL, THE BELAUNDE ADMINISTRATION WILL SOON BEGIN IMPLEMENTING A DEVELOPMENT ORIENTED "SOUTH-CENTRAL SIERRA EMERGENCY PLAN" TO IMPROVE THE AREA'S SOCIO-ECONOMIC INFRASTRUCTURE. THE GOP APPEARS SERIOUSLY COMMITTED TO THIS EFFORT BUT A NUMBER OF SERIOUS CONSTRAINTS WILL BE ENCOUNTERED IN IMPLEMENTING THE PLAN. GIVEN PERU'S BUDGET DIFFICULTIES, ONLY LIMITED FINANCIAL RESOURCES WILL BE AVAILABLE FOR INVESTMENT. EQUALLY SERIOUS IS A SHORTAGE IN QUALIFIED PERSONNEL THAT ARE WILLING TO WORK IN THE AREA GIVEN POOR WORKING CONDITIONS AND PHYSICAL DANGERS. FACED WITH THESE CONSTRAINTS, AND THE MAGNITUDE OF SOCIO-ECONOMIC PROBLEMS, THE EMERGENCY PLAN WILL HAVE ONLY A LIMITED DEVELOPMENT IMPACT OVER THE SHORT-AND MEDIUM-RUN. BUT GIVEN

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 LIMA 04242 01 OF 05 2716222

THE APPARENT COMMITMENT OF THE GOP TO THE PROGRAM, AND BLTH SOME

DECLASSIFIED

LIMITED OFFICIAL USE

DECLASSIFIED

LIMITED OFFICIAL USE

LUCK AND CONTINUED MARTIAL SUCCESS AGAINST THE SL. THE PLAN SHOULD MEET ITRT-RUN OBJECTIVE OF ESTABLISHING A POSITIVE, NON-MILITARY GOVERNMENT PRESENCE IN THE AREA AND OF FURTHER ISOLATING SL. AID HAS SUPPORTED ONLY A FEW PROJECTS IN THE AREA SINCE THE REGION IS NOT AN AID PRIORITY AREA DUE TO ITS LOW DEVELOPMENT POTENTIAL. ONE WAY TO EXPAND USG ASSISTANCE TO THE AREA IS TO USE ECONOMIC SUPPORT FUNDS (ESF). END SUMMARY.

2. THE SOUTH-CENTRAL SIERRA OF PERU IS HISTORICALLY THE COUNTRY'S POOREST REGION. THE AREA IS PART OF THE "MANCHA INDIA"--LITERALLY, THE "INDIAN BLOT"--A REFLECTION OF THE LARGELY INDIAN MAKE-UP OF ITS POPULATION. FOR MANY OF ITS RURAL RESIDENTS SPANISH IS ONLY A SECOND LANGUAGE, IF INDEED IT IS KNOWN AT ALL.

3. THE REGION HAS HISTORICALLY BEEN THE SITE OF NUMEROUS REBELLIONS AND INDIAN UPRISINGS, AND TODAY FORMS THE PRINCIPAL OPERATIONAL BASE OF THE SENDERO LUMINOSO (SL) TERRORIST MOVEMENT. BEGINNING LAST YEAR, THE BELAUNDE ADMINISTRATION TOOK SIGNIFICANT STEPS TO ERADICATE THE SL FROM THEIR SOUTHERN-SIERRA BASE, FROM LIMA, AND FROM OTHER AREAS OF THE COUNTRY. THESE STEPS AND RELATED EVENTS HAVE BEEN THE SUBJECT OF EMBASSY COMMUNICATIONS, SOME OF WHICH ARE REFERENCED ABOVE. IN GENERAL TERMS, GOVERNMENT ACTIONS CAN BE DIVIDED INTO VARIOUS OPERATIONS UNDERTAKEN AS PART OF THE STATE OF EMERGENCY ACTIONS FIRST ANNOUNCED IN 1981 AND THE OPERATIONS LAUNCHED IN JANUARY 1983 AS PART OF THE ARMED FORCES' DIRECT AND INDIRECT INTERVENTION IN THE STRUGGLE AGAINST THE SL. TO BALANCE THIS MARTIAL OFFENSIVE, THE BELAUNDE ADMINISTRATION WILL SOON BEGIN IMPLEMENTATION OF A DEVELOPMENT-ORIENTED PLAN IN THE SOUTHERN-SIERRA DEPARTMENTS OF AYACUCHO, HUANCAYELICA, CUZCO AND APURIMAC--AN AREA THAT COVERS NEARLY 2 MILLION PEOPLE TO IMPROVE THE AREA'S SOCIAL AND ECONOMIC INFRASTRUCTURE" AND, IN THE WORDS OF ONE OFFICIAL INVOLVED IN ADMINISTRATION OF THE PLAN, "ERADICATE THE BASE OF POVERTY THAT FOMENTS TERRORISM." THE PLAN IS DIVIDED INTO TWO STAGES, A SHORT-TERM EMERGENCY PLAN DESIGNED UNDER THE DIRECTION OF THE COUNCIL OF MINISTERS (PRIMER MINISTER'S OFFICE) AND A MEDIUM-TERM PLAN (1983-86) PREPARED BY THE NATIONAL PLANNING INSTITUTE (IMP) WHICH WILL BE READY IN LATE MAY. IMPLEMENTATION OF THE SHORT-TERM PLAN IS APPROXIMATELY 6 MONTHS BEHIND SCHEDULE AND WILL BEGIN SHORTLY. ALTHOUGH THERE HAS BEEN LITTLE TERRORIST ACTIVITY IN CUZCO, CUZCO HAS BEEN ADDED TO THE PLAN

LIMITED OFFICIAL USE

PAGE 03 LINA 04242 01 OF 05 271622Z

LIMITED OFFICIAL USE

DECLASSIFIED

LIMITED OFFICIAL USE

DUE TO THE SIMILARITY BETWEEN IT AND THE OTHER DEPARTMENTS AND DUE TO ITS "REGIONAL AND NATIONAL IMPORTANCE."

4. THE EMERGENCY PLAN. THE EMERGENCY PLAN'S OPERATING DOCUMENT IS A ONE HUNDRED PAGE REPORT, INCLUDING TABLES PREPARED BY THE COUNCIL OF MINISTERS AND COORDINATED WITH LINE MINISTRIES, PARTICULARLY THE MINISTERS OF AGRICULTURE, TRANSPORTATION AND COMMUNICATIONS, HEALTH, AND THE NATIONAL OFFICE OF NATURAL RESOURCE EVALUATION (ONERN). THE EMERGENCY PLAN PRESENTS SHORT-TERM OBJECTIVES, PROVIDES A SOCIO-ECONOMIC ANALYSIS OF THE FOUR DEPARTMENTS COVERED, AND PRESENTS A DESCRIPTIVE LIST OF THE TYPES OF PROJECTS THAT WILL BE IMPLEMENTED. THE LIST ALSO ASSIGNS THE RESPONSIBILITY FOR CARRYING OUT THESE PROJECTS TO LINE MINISTRIES AND OTHER GOVERNMENT ENTITIES. THE EMERGENCY PLAN HAS A BUDGET OF TWELVE THOUSAND MILLION SOLES (APPROXIMATELY TEN MILLION DOLLARS AT TODAY'S EXCHANGE RATE--5 MILLION DOLLARS OF WHICH WILL BE PROVIDED BY THE IDB) AND IS COMPLEMENTED BY THE BUDGET OF THE DEVELOPMENT CORPORATION OF EACH DEPARTMENT (DEVELOPMENT CORPORATIONS ARE SEMI-DECENTRALIZED GOVERNMENT ENTITIES RESPONSIBLE FOR ADMINISTERING DEVELOPMENT WORKS AT THE DEPARTMENTAL LEVEL). IN FACT, THE BUDGETS OF THE DEVELOPMENT CORPORATIONS OF APURIMAC, AYACUCHO, HUANCAYELICA AND CUZCO HAVE BEEN INCREASED CONSIDERABLY UNDER THE 1982 AND 1983 BUDGET EXERCISES. IN 1982 AND 1983 15 PERCENT OF COUNTRYWIDE CORPORATION RESOURCES HAVE BEEN ALLOTTED TO THESE DEPARTMENTS

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 LIMA 04242 01 OF 05 271622Z

DECLASSIFIED
LIMITED OFFICIAL USE

DECLASSIFIED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

DECLASSIFIED
LIMITED OFFICIAL USE