

TO DO! 2008
Contest Socially Responsible Tourism

Award Winner

MOUNTAIN LODGES OF PERU

represented by:

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Cuzco / Lima

PERU

Rationale for the Award

by

Angela Giraldo

“We cannot set up lodges living ‘affluence’ without looking outside where there is so much poverty.”

Ricardo Hernández San Martín

1. INTRODUCTION

The contest application by MOUNTAIN LODGES OF PERU was checked from 2nd to 9th December, 2008, in the region of Cuzco, Peru, on behalf of the Institute for Tourism and Development (Studienkreis für Tourismus und Entwicklung e.V.). The statements on concept and objectives of the project could be verified without difficulty.

Conclusion: The expert in charge recommends awarding MOUNTAIN LODGES OF PERU with a TO DO! 2008 at ITB 2009.

2. BACKGROUND

Cuzco is the provincial capital and also gave its name to the region surrounding it. The province of the same name is situated in the central Andean mountain ranges of Peru. It covers an area of 72,104.41 km², which is about one fifth of the size of Germany. The region of Cuzco has a population of about 1.1 million, that is 16 inhabitants per km² (Germany has 230 inhabitants per km²). More than two thirds of them are indigenous people who speak Quechua. In the city of Cuzco, however, most of the people are mestizos (Indians/Whites) and Creoles (descendants of Spanish or European parents, born in Peru).

The Incas called their empire *Tahuantinsuyu* (“Land of the Four Regions“ – according to the four directions). The four regions of the earth were called *Chinchasuyu* (North), *Antisuyu* (East), *Cuntisuyu* (West) and *Collasuyu* (South) – with Cuzco at the centre. The city’s name therefore means “centre of the world“.

The city of Cuzco lies at 3,416 m altitude and has about 320.000 inhabitants. Its eventful history, the sights in its surroundings and the Andean landscape have made it a tourist attraction. Furthermore, Cuzco is the point of departure of excursions to the world-famous city of the Incas, Machu Picchu, 75 km from Cuzco. In Quechua, Machu Picchu means “old peak“. Machu Picchu is an ancient city of the Incas; its well-preserved ruins are situated at 2,360 m altitude on a mountain peak in the Andes, above the Urubamba Valley. Both Machu Picchu and the city of Cuzco were included in the UNESCO world heritage list in 1983.

It is thus not surprising that the city and province of Cuzco are the tourist centre of Peru, visited by both domestic and foreign tourists. In 2007, 1.4 million tourists came to Cuzco (among them almost 900,000 foreigners and 500,000 domestic visitors), and their number is increasing.

Unfortunately, only a few people benefit from the tourism income. According to official data by the National Institute of Statistics (as at 2004), 61.7% of the population of Cuzco are considered poor, with 34.8% living in extreme poverty. Cuzco is one of Peru’s poorest regions where the unequal distribution of income is particularly visible. An estimated 60% of the nation’s wealth is concentrated in the hands of 20% of the population, while 40% of the population share only 10 percent of the wealth. In the same year (2004), the minimum wage in Peru was 460 Soles (about 115 €) per month. The average income of the poor was about 180 Soles (about 45 €) per month. In 2008, the minimum wage in Peru was 550 Soles (about 138 €).

3. THE COMPANY “MOUNTAIN LODGES OF PERU (MLP)” Environmental and Social Projects as the Basis of a Tourism Business Model

3.1 History and Objectives

After their first successful experiences with a lodge called *Viñak Reichraming* in Yauyos, in the highlands of the Peruvian capital Lima, MOUNTAIN LODGES OF PERU took a chance and expanded their tourism activities to Cuzco, the tourism capital. The idea and concept of their first lodge had been to provide guests with opportunities for recreation in a remote, quiet area, so that they can relax and follow sports activities – without damaging the environment. It included, among other things, accommodation with all kinds of comfort, and a vast range of excursions: hiking, cycling or horseback-riding. The objective was (and still is) to contribute to sustainable development in the region. In a nutshell: the concept works, and it has been successful.

The people behind MOUNTAIN LODGES OF PERU (MLP) are not “*Limeños*” (inhabitants of Lima, the capital). For centuries, it has been taken as a matter of fact that Peru is Lima and Lima is Peru. “*Limeños*” have considered themselves superior to “*Non-Limeños*”. People from the Andean region have been discriminated against – by “*Limeños*” and the government. People from the Andes have always been marginalized. It is generally ignored that they are descendents of a highly advanced civilisation.

MLP have set themselves ambitious goals. In line with the concept of the first lodge, *Viñak Reichraming*, four new lodges were set up in Cuzco in 2006 and 2007, connecting an old Inca route: the *Salkantay Route* from Cuzco to Machu Picchu. It is a route little frequented, leading through a marvellous landscape.

In accordance with the UN Millennium Development Goals the founders of MLP are planning — to reduce poverty along the *Salkantay Route* by 2015. They are idealists, but also good business people. The lodges provide the basis for the achievement of this ambitious goal.

3.2 Local Basis and Socio-Cultural Impacts

The lodges have created jobs for adjacent communities. Workers were first needed to construct the lodges, then to run them. MLP’s new employees are from a very poor background and have not worked in the hotel industry before. Every year, they are given training during the low season. All of them have at least a basic knowledge of the English language.

MLP’s objective is to combine an upmarket tourism product with corporate social and ecological responsibility. The local communities along the *Salkantay Route* are important partners. MLP want to implement measures that strengthen the cultural identity and self-esteem of local people and enhance the ways of living in an Andean cultural setting. Disadvantaged communities are to be given opportunities for development through education, health care, and new sources of financial income. Through the participation thus ensured, the communities involved get their first opportunity for self-determined development, and thus a chance to take care of their own social well-being.

As a matter of fact, the people along the *Salkantay Route* live in extreme poverty. Hardly any of them have a regular or predictable income. This has presented MOUNTAIN LODGES OF PERU – in accordance with the goals they defined for themselves – with major social challenges. The problems: a high rate of malnutrition in children, hardly any medical care, and children having to walk for two hours to reach the nearest school. In order to implement the social components of the tourism activities in a professional manner, MLP founded the non-profit organisation Yanapana Peru (see page 6).

3.3 The Lodges and the Salkantay Route

The lodges are properties that architecturally blend very well with the landscape. A well-known architect's office from Cuzco was entrusted with the plans and construction. These architects are well-known experts in landscape ecology and Inca-style architecture. They managed to realise a mix of modernity, comfort and Inca style, which perfectly fits into the landscape.

The lodges are situated in the buffer zone of Machu Picchu, between the protected area on one side and the historic sanctuary (holy city) on the other. In order to construct buildings in this area, strict environmental assessments were required. The construction was approved and supervised by the National Institute of Natural Resources (INRENA – Instituto Nacional de Recursos Naturales) and the Ministry of Foreign Trade and Tourism (MINCETUR – Ministerio de Comercio Exterior y Turismo).

To construct the four lodges, mainly local materials were used (stone, wood, straw for the roofs), so that they blend softly and aptly with the landscape. The sites where the lodges were constructed partly consist of large areas with primary forest, which is being preserved as such. Every lodge has a small nursery with “*queñuales*,” endemic trees growing at extreme altitudes in the Andean mountains. They are used for afforestation.

Electricity is generated by gas-powered state-of-the-art generators. Every lodge has a satellite dish for its telephone connection. TV sets are not available. Outside the lodge, there is a satellite telephone available to people living around the lodge and for other trekkers. The water comes from nearby sources. For the guests, this water is being filtered. Every lodge has its own sewage system that meets the most recent environmental standards. For more information on this, see additional question A (page 11).

The lodges are furnished in a comfortable manner, with high ceilings and visible wooden beams, and decorated with hand-made cloth produced by female artisans from the region. Before dinner, the guests can relax in the Jacuzzi. A fire place or gas heating ensures cosy evening hours after a long day's trekking tour.

The lodges cannot receive large groups. The size of the groups varies between four and a maximum of 14 persons. The lodges have a capacity of six to twelve rooms. They are beautifully and comfortably furnished with two or three big beds with warm eiderdown bed covers. All the rooms are provided with gas heating.

The typical weather in the highlands is characterised by sunshine and warm weather during the day, even at high altitudes. However, as soon as the sun sets, it gets very cold.

The lodges are marketed solely as part of the concept “*From lodge to lodge along the Salkantay Route*.” The *Salkantay Route* is an alternative route to the often congested and well-known “Inca Trail”. During the six days' Salkantay trekking tour along a narrow path, passing torrential rivers, water falls, bridges, different types of orchids, trees, plants, flowers, birds, impressive glaciers, tree-covered mountains, up and down and up again, different ecological zones are crossed – zones with their own climate, flora and fauna and different forms of land use for agriculture and forestry.

Four lodges are in operation along the *Salkantay Route*:

The starting point of a six days' trekking tour is the *Salkantay Lodge* in Soraypampa, at the feet of the Salkantay glacier, at 3,850 m altitude. The lodge has twelve double rooms. Through the large windows, one can see the Salkantay glacier (6,246 m). Salkantay was one of the most important Inca gods, influencing the weather and fertility in this region.

After about seven hours of walk, crossing the Salkantay Pass at 4,650 m, trekkers reach the *Wayra Lodge*. This lodge lies at 3,920 m in Wayracmachay. Here, six bed rooms for double or triple occupancy are available to the guests.

After a tour of another six hours, one slowly reaches the cloud forest to the next lodge: *Collpapampa* lies at 2,840 m on a mountain with lush vegetation. The lodge has six bed rooms for double or triple occupancy. The most special feature of this lodge is a natural orchid trail.

The next stage requires another seven hours on foot. Passing ferns, giant bamboo, water falls and improvised bridges, one reaches the last one of the lodges: *Lucma Lodge*. It lies at 2,150 m in Lucmabamba, amidst cloud forest and a mix of Andean and rain forest culture. The lodge is surrounded by banana, coffee, cocoa and palm trees. Lucma Lodge has six bed rooms for double or triple occupancy.

Now it is only another three to four hours to reach the highlight of the trekking tour – the arrival at Machu Picchu.

Tourists on the *Salkantay Route* are accompanied by experienced local guides from the region. These guides have completed at least three years training, also in first aid. They all speak Spanish and English, some of them also Quechua, the native language of the Andean population. The trek is also accompanied by muleteers with mules and horses carrying the luggage. More horses are available to the guests, in case they are needed by someone for part of the trek.

The charge for the *Salkantay Lodge to Lodge trek* is US\$ 2,500 (about 1,800 €) per person, including overnight stays in double rooms. The route takes seven days and six nights. The price includes: transfer from Cuzco city and back, six nights food and accommodation (full board), a bilingual tourist guide, transport of luggage, entrance fee and tourist guide at Machu Picchu. The guided groups are usually small, with an average size of ten persons per group.

The route is demanding, especially because of the high altitudes that need to be overcome. Reaching a lodge is experienced as a reward, so that the major physical strain is easily forgotten. The guests feel gratitude for the wonderful nature and breathtaking mountains which accompany, protect and time and again give strength to the trekkers as they move along the route.

3.4. The Ecoteam of MOUNTAIN LODGES OF PERU (MLP)

The Ecoteam already started their work when the environmental assessments (EIA) were done, which had to be submitted to the Peruvian governmental institutions before construction of the lodges was allowed to begin. Some projects were implemented after approval of the EIA, others emerged "along the way" as complementary projects. 2008 saw an expansion of the team, which has become very important to MLP. It is a multi-disciplinary team of six experts from Cuzco, in charge of preserving and protecting the environment as well as implementing environmental projects (see passage to criterion A). The Ecoteam's radius of action is along the *Salkantay Route*.

The Ecoteam closely cooperates with the faculty of biology at the University of Cuzco and with the Cuzco branch of the non-profit organisation "Zoological Society of Frankfurt.

3.5. Yanapana Peru

The non-profit organisation was founded by MLP in late 2007, with the task of implementing social activities with communities along the *Salkantay Route* and around the lodges (see below). The

Quechua word “Yanapana“ means “help“. Yanapana wants to contribute to poverty alleviation in the region, and to improving the quality of life and the development opportunities of local communities. Through social projects and by creating sustainable sources of income, people are expected to become agents of their own development. Yanapana therefore has two fields of activity. With regard to social aspects: interventions in health, education and nutrition. With regard to production and enterprise: consultancy and training in administration, improvement of production and marketing. Yanapana currently has six permanent employees. One of the owners of MLP is chairman of the board.

90% of Yanapana is financed by MOUNTAIN LODGES OF PERU. Other sources of finance are donations in cash and kind by individuals and institutions.

4. ASSESSMENT

The comparison of the activities conducted by MOUNTAIN LODGES OF PERU with the **six TO DO! contest criteria and three additional questions** leads to the following assessment:

Evaluation against the TODO! contest criteria
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1. Taking into account the different interests and needs of the local people through participation

Thanks to the job opportunities created, communities around the lodges and along the *Salkantay Route* directly participate in the respective projects. As mentioned earlier, when the lodges were built, men and women were employed for various tasks (as bricklayers, carpenters, muleteers, gardeners, etc.)

Before the four lodges were opened in August 2007, MOUNTAIN LODGES OF PERU invited about 300 young people from the surrounding villages and communities to a training programme in Cuzco city. For two weeks, the potential employees were being trained by MLP. Out of the candidates, 55 were selected and employed by the lodges. All of the employees at the lodges are thus from the adjacent communities. Here, CAPACITY BUILDING is written in capital letters. The employees' individual capabilities are strongly taken into account, and they are provided with opportunities to develop their skills. Various training programmes are conducted during the low season (service, housekeeping, administration, security, and environment). Participation is compulsory for *all* the employees.

To have groups accompanied the services of local guides as well as muleteers and some catering services are used, so that the tourism activities by MLP have a positive effect in the respective local communities. Details on this will be provided in the sections on the other criteria.

As one representative example, the career of Pilar may be described here: Previously a farmer, Pilar hails from a very poor background. She came out of the first selection round and started with simple tasks at *Wayra Lodge*. She then worked her way up and is now in charge of reception and housekeeping. Reception is what she seems to have been born for. She welcomes guests in a very natural and sincere way.

In the communities along the *Salkanty Route*, people live in extreme poverty. Infrastructure of any kind is completely lacking (health care, roads, electricity, food, job opportunities). The lodges and the

Salkantay trekking tour have created well-paid jobs for service providers such as muleteers, caterers and female artisans (*artesananas*) who are selling their products and services to the lodges. MLP supports organic gardens (that grow vegetables and herbs). The excess production from the gardens is to be sold to the lodges in the future.

Social projects by Yanapana Peru and environmental projects by the Ecoteam are to ensure that the interests and needs of the people who are not part of the tourism activities are taken care of. Facilitators support the communities in conducting research and assessments to devise development plans. They accompany the participatory processes from which projects evolve.

Many MLP projects are addressing women and children, e.g. by creating income opportunities through productive projects (see criterion 3, page 8). Many women walk long distances, children on their backs, to show their products. They are proud that the guests admire their handicraft items and also buy them.

2. Enhancing the awareness of the local people with regard to the chances and risks of tourism development in their everyday economic, social and cultural life

As outlined above, Cuzco is the “tourist capital” of Peru and mentioned as a “historical city“ in the Peruvian constitution (1993). That tourism so far has not come up to the expectations in alleviating the extreme poverty in the areas is a contradiction to the hypothesis that tourism (automatically) reduces poverty.

Lower prices are usually at the cost of people working in tourism. In Cuzco, this is known particularly by those who have had no alternative so far but to submit to the prices dictated by their employers. The degree of exploitation in tourism is very high. How much local people in the remote areas of Cuzco have to endure so that tourists will buy a bottle of water or Coca Cola of them! In order to buy drinks for sale to the tourists, they have to walk for several days. The tourists may set up their tents on local people’s compounds free of charge and may, of course, also leave their waste behind.

Through the example of MOUNTAIN LODGES OF PERU, the local population has now learned that humane working conditions in tourism are possible indeed.

3. Participation of broad local population strata in the positive economic, social and cultural effects of tourism

Only the hotel operations and additional activities in tourism have made jobs opportunities possible.

Apart from direct jobs in the lodges, the cooperation with some of the most important service providers in the tourism package, the **muleteers**, needs to be stressed. Don Leonardo is the president of the regional muleteers association. He recounts: *“We used to get 10 to 15 Soles (about 2.50 to 3.75 €) per day. For that money, we had to accompany the groups for several days and had to carry their luggage with our emaciated horses and mules. We also had to cook for the groups and wash the dishes. At night it was particularly bad. We often did not even have a safe place to spend the night. We mostly slept outside without a roof over our heads. We tried to protect ourselves from the cold or rain with thin plastic sheets.”*

Since they started to work with MLP, they have been getting 30 Soles (about 7.50 €) per muleteer per day, and additionally another 30 Soldes per mule and horse. They now spend the night in the lodges’ staff quarters, get warm water for their showers, and receive meals. MLP supported them in organising themselves, in setting up an office from where they can organise their reservations, also

for other customers, as MLP cannot guarantee them full-time employment. From that moment, the muleteers were no longer ready to work for low, exploitative wages. New standards for their wages were thus introduced – which did not exactly contribute to making MLP very popular among incoming agencies and local tour operators in Cuzco.

MLP support several **productive projects** as pilot enterprises:

Mollepata, a little town half way towards the first lodge, Salkantay Lodge, is situated about two hours from Cuzco. Several social projects by MLP have started from here. Mollepata lies at 2,900 m altitude and enjoys a microclimate in which a lot of different types of fruits can grow. Here, the production of **organic jam** is being supported. Several women in the village benefit from it. Yanapana and MLP support them in their marketing activities. Part of the produce is sent to Lima, part of it is bought by the lodges.

The **artisans' handicraft workshops** (*taller de artesanías*) are also supported in the production of woven handicraft. In Mollepata, the association "*Apu Salkantay*" (mountain deity Salkantay) was founded. The group consists of ten women and one man. The group attended classes to improve the quality and to develop new designs and dyes. They use only herbal dyes.

In another settlement, at two days' walking distance, another group has been founded: The "**knitters of Salkantay**". This area does not have village structures, only isolated small communities. For generations, these communities have no longer practised the art of spinning, weaving or knitting. How should they sell their products after all? Now they participated in workshops. After ten days they (again) knew how to do it. They spin, weave and knit as if they had never discontinued the practice in the first place. An old woman, the most senior in the community, still knew what patterns they used to weave. So they were able to draw upon the know-how of this lady. MLP also provides marketing support. There are shops at the lodges selling the wonderful products made by the artisans. This not only provides the women with income opportunities, but also strengthens their cultural identity.

The big problem of malnutrition and undernutrition is to be addressed by introducing **organic gardens**. This also includes the production of traditional crops. Thanks to the Andean types of grain, the diet of the "old Peruvians" used to be rich in proteins. Today's food habits are mainly based on carbohydrates. The original food habits are now to be revived. Along the *Salkantay Route*, MLP supported one organic pilot garden per village. Other members of the community were invited to participate in the training courses. They got seeds for their own gardens to put into practice what they have learned. The multiplier effect has started to bear fruit; more organic gardens are emerging. Firstly, this helps to ensure the nutritional requirements of the families. Secondly, the families get a source of income. The lodges buy the surplus to cater to their guests and staff.

In the **schools**, the model of organic gardens shall also be adopted. Teachers complain that about 75 percent of the children suffer from malnutrition. Some of the children have to walk for up to two hours to reach the school. They are poorly fed, cannot concentrate and are always tired. In many cases, even the breakfast programme introduced by the government does not reach these schools. Part of the solution is seen in these organic gardens. There is no lack of water here. The children can be involved in the tending of the gardens. "*They will get at least one good, warm meal per day,*" says the director of Manchayhuayco. They should also help keep small livestock (fowls, etc.).

In cooperation with teachers and governmental educational institutions, efforts are made to improve the infrastructure and the learning methods. Book donations help in setting up libraries in the schools.

In the whole area of activity around the *Lodge to Lodge Salkantay Route*, a **health campaign** was conducted. It was implemented in three stages, in cooperation with a military division that provided tents and a health organisation from Cuzco.

The respective schools served as venues. Doctors of various disciplines were employed for screenings and dental treatments. The data of all the patients were recorded for the first time, so that in case of further check-ups it is ensured that doctors can track the patients' medical history. **The use of medicinal herbs** for the production of medicinal creams and juices ensures initial medical care as well as prevention in the remote communities, and also strengthens cultural identity by revaluing old cultural practices.

Last but not least: During the next couple of years, there are plans to support suitable families along the *Salkantay Route* in constructing one or two guest rooms on their compounds. By renting these out to tourists, the families shall get another source of income.

4. Guarantee of the attractiveness of jobs in tourism for the local people by improving working conditions relative to payment, social security, working hours as well as education and training

The lowest wage paid by MOUNTAIN LODGES OF PERU is 2,500 Soles (about 625 €) per month. This is more than four times the minimum wage stipulated by the government. All the employees have social security (health insurance and pension). The employees of the lodges get food and accommodation. In acute cases of illness, employees and their family members get special support. A total of 77 people are employed by MLP. 70 employees work in the region of Cuzco, seven in the offices in Lima. In the hotel business (at the lodges), 55 persons are employed on a permanent basis all year round. The peak season lasts from April to October. During the months without guests, in-house training programmes are offered. During these months, workers also take their days off and use up the overtime accumulated during the peak season.

As mentioned at the beginning, MOUNTAIN LODGES OF PERU continue to provide training for their staff every year. So far, 10,000 US\$ per year have been invested in training programmes.

The attractiveness of jobs is not only guaranteed for permanent employees, but also for external service providers. (The situation of the muleteers has already been described in detail). The same goes for the tourist guides. MLP also pays them better fees. For the route and depending on the size of the group, an MLP tourist guide earns 60 to 90 US\$ (about 43 to 65 €) per day. Other companies pay 50 US\$ (about 36 €) per day for a tourist guide.

It is evident that the employees at the lodges and the service providers are content with their respective jobs and remuneration. They show it by the way they deal with each other and towards the guests. The supervisors and the staff have a very friendly, respectful and warm way of dealing with each other.

5. Strengthening the local culture and the cultural identity of people living in tourism destination areas

The tourism activities of MOUNTAIN LODGES OF PERU and the environmental and social projects contribute to strengthening cultural identity. MLP are very much concerned to help people regain their self-esteem and pride of their Andean culture. The Andean people have been marginalised for centuries and have been treated like second-class citizens. Topics such as the appreciation of Inca culture, the Quechua language, agricultural products and respect for the customs and traditions are the basis of any MLP project.

As described earlier, this is also reflected in the architecture of the lodges, the decoration, the agricultural practices, the revival of artistic expressions that were "almost" lost, the production of woven handicraft and the revival of natural medicines by processing plants of medicinal value.

The workshops always make use of bilingual (Spanish and Quechua speaking) "cultural interpreters". As all the employees in the lodges are from communities in the vicinity, the Andean culture is strongly present. The products made by the female artisans (*artesanias*) are displayed and sold at the lodges.

In the lodges, local cooks prepare mainly regional dishes. They serve for instance various types of wild Andean potatoes. One highlight of Andean local cuisine is the "Pachamanca" feast. Its preparation alone is a celebration. A big hole is dug in the soil, where different types of meat, potato, yucca, etc. are then stacked up. Big stones heated in a fire are placed on top and everything is being covered. After a few hours, the food is ready.

6. Avoiding and minimising any social and cultural damage caused by tourism in tourism destination areas

Through measures to strengthen cultural identity, appreciation for the Andean culture and the intercultural exchange between employees at the lodges and tourists, a kind of tourism based on mutual respect and appreciation is practised, which is important to avoid negative side effects.

As described above, the *Salkantay Tour* is an alternative route to the congested Inca Trail. The packages offered by MOUNTAIN LODGES OF PERU do not have negative impacts on the local communities. Furthermore, the lodge-to-lodge programme envisages only small groups of four to 14 persons.

All the guests get information about MLP's environmental and social activities. During the briefing they get a flyer explaining the linkages between the lodges and the people in the adjacent communities. This flyer also describes that MLP, through the non-profit organisation Yanapana Peru, contributes to sustainable development in the communities. It shows that all efforts are being made to satisfy the basic needs of the population, to support the people in the fields of health and education, and to help them create sources of income for their families.

Evaluation against the TODO! additional questions

A) Could you give some examples which document that your project/measure is in line with environmental compatibility?

Independent **Environmental Impact Assessments** (EIA) were the first step before the lodges were built. These are systematic assessments required by law, in which the direct and indirect environmental impacts of a project are described and assessed. The results serve as a basis for the decision on whether the project is to be authorized or not.

As mentioned, the lodges are located in an area without electricity connection or running water, let alone a sewage system. Given the lack of infrastructure, MLP has set an example. The lodges are the only ones in this area that can produce electricity by using gas generators and have also tackled the problem of sewage.

The system of **sewage** treatment of the lodges, which is a particularly sensitive issue, meets the highest environmental standards. The sewage system segregates black water (toilets) and grey water (kitchen). The black water will first go to a concrete chamber to separate liquid and solid waste. The solid matter will be deposited along with certain bacteria for decomposition and decontamination. Later, this will be used as compost. The liquid waste goes to another sedimentation basin, and then through a chlorination process in order to remove any pollution or contamination whatsoever. There are plans to introduce a biological process in order to avoid chlorination. The use of plants is currently being tested to find out which plants can adapt to the high altitude and climatic conditions.

The sewage will go through a natural filtering process ('percolation') before being discharged into the groundwater without contaminating it. This process is being supervised by the health authority, the Institute of Natural Resources and the tourism ministry.

The lodges use biodegradable products. Organic kitchen waste is composted. The grey water first goes through degreasing in a primary sedimentation basin before reaching the sewage system. This water is suitable for watering plants. That will be one of the next steps.

In order to avoid plastic waste, drinking water packaged in plastic bottles is not included in the price, neither at the lodges nor along the route. Aluminium water bottles can be bought at the lodges, so that the guests do not have to bring them from home. At the lodges and during the trek, water is provided for refilling. Guests who still want to buy water in plastic bottles have to pay a high price. The extra charge is invested in environmental and social projects in the communities.

Organic waste is composted in each of the lodges. Workshops on this subject are held with the staff of the lodges.

Along the *Salkantay Route*, **25 waste segregation units** have been set up. The waste is then carried back to Cuzco where it is processed.

Once a year, a **waste collection campaign** is organised. Local government, official institutions, people from all the communities along the *Salkantay Route* and muleteers are being involved in collecting the waste left behind by tourists. The logistics are organised by MLP and Yanapana.

At every lodge, a tree nursery with endemic trees has been set up for **afforestation**. This also ensures the protection of birds and other forest "inhabitants". It is accompanied by education among the population on the protection of flora and fauna.

In the gardens around the lodges, only **plants from this region** are being planted. On two partly very large plots (up to 20 hectares) where the lodges were built, MLP have started their own kind of protected areas which serve the conservation of biodiversity.

Simultaneously, the environmental projects refer back to the time of the Incas who lived in harmony with the environment. Terrace cultivation was their invention. The Ecoteam would like to recover many of these elements of Inca culture.

Besides, all the environmental projects are being coordinated with Yanapana Peru, the organisation in charge of the social aspects. This ensures the long-term effectiveness and sustainability of the measures.

B) Are there any examples in the framework of your project/measure which make clear that a just participation of women and men has been taken into account during the planning/implementation phase of your project/measure? Considering gender relation, can be found any improvement of the status/situation of women within your project/measure?

In none of the measures implemented by MOUNTAIN LODGES OF PERU, whether they are tourism activities or environmental and social projects, are men and women treated differently. The majority of the employees in the lodges are women. Equal opportunities for women and men are one of the principles.

However, the reality of Peruvian society is quite different. It is visibly dominated by men, especially in the mountain culture. In a region where poverty is prevalent, women and children are the weak members of society who are often exposed to violence.

C) Through which measures/mechanisms is the economic and institutional sustainability of the project guaranteed? In the context of safeguarding the future of the project, where do you see problems and risks?

The tourism activities of MOUNTAIN LODGES OF PERU are aimed at economic sustainability. The accommodation offered along the exceptional *Salkantay Route* has become a brand. With this product, MLP have a unique selling proposition. There is no other accommodation available along the route, even though other groups are also trekking here. These groups spend the nights in tents.

MOUNTAIN LODGES OF PERU have started their tourism operations in August 2007. In the first year, they received 500 guests, in 2008 more than 1,300 tourists, and for 2009 more than 1500 guests have booked so far.

The marketing is done by five offices in important tourist sending countries: United States, Germany, Austria, the UK and Brazil.

The model of accommodation combined with the special route is a brand developed by MLP. This successful model is to be replicated. Similar projects are planned in the region of Cuzco.

The social projects implemented by Yanapana in a professional manner have been conceptualized in such a way that they will be self-sustaining in the long run. The artisans produce their handicraft on a regular basis, and these products are slowly reaching the market. At the moment, some of the products are sold only at the lodges. It is too early to guarantee orders. As already mentioned, in this region the villages are remote and extremely poor. Therefore, there is a need to invest long-term in order to satisfy people's basic needs.

5. CONCLUSION

Along the alternative *Salkantay Route* from Cuzco to Machu Picchu, the tourism enterprise MOUNTAIN LODGES OF PERU (MLP) has created a high quality tourism product, comprising four beautiful Inca style lodges that blend well with the landscape. MLP offers unusual trekking tours that satisfy the highest expectations regarding comfort and quality.

The first one and a half years since the foundation have been successful and have shown the high potential for economic sustainability.

Furthermore, the company managed to fill all the 55 positions at the lodges with local people and to enhance local development by buying products and services and by supporting social and productive projects in a sustainable manner. Together with their partners Yanapana and Ecoteam, MLP have implemented environmental and social projects. They want to eliminate poverty in the region by 2015.

The company combines an economically promising strategy with comprehensive social and ecological responsibility in a plausible manner and helps to strengthen cultural identity.

English translation: Christina Kamp

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