

SECTION III

CHANGES IN THE BASELINE

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1.0 INTRODUCTION

This section identifies the changes made to the EIA Baseline information prepared in 2003 and approved in 2004, for the LNG Export Project located at Pampa Melchorita, Peru.

In the time since the EIA was prepared, some changes have occurred within the influence area of the Project, and this EIA update shall identify these changes.

In preparing the update, information was obtained from different sources including visits to the Project area, information collected by the Town Council of Cañete, surveys of authorities and inhabitants (see Table 3.1 List of People Interviewed in San Vicente de Cañete), as well as social and economic information of the EIA prepared in April 2005 by Walsh for the Quarry GNL-2 that includes information from Cañete and Chinchá.

The Pampa Melchorita Peru LNG Export Project, will be located on a 521 hectare site in the district of San Vicente de Cañete, Province of Cañete and the Department of Lima, between Km 167 and 170 of the Panamerican South highway, at coordinates UTM 8 535 250 N; 359 750 E, on National Map IGN N° 27K,. The territorial demarcation legislation remains pending in Congress.

Information about fishing harvests of the artisanal fishermen in the area adjacent to the project site of PERU LNG is included in Title 3.7 “Fish, Artisanal Fishing” of the Environmental Baseline Update Study (Appendix C).

As part of the citizen participation and consultation process and with the aim of providing information concerning the EIA Modification to authorities and the public, five meetings were held in coordination with the DGAAE of the Ministry of Energy and Mines. These meetings were announced by radio and written press, as well as letters sent to authorities. Additionally, two meetings were held with the fishermen of Cañete and Chinchá who were invited through letters and pamphlets delivered in the Pampa Melchorita area (see more details in Appendix D ‘Process of Consultation and Citizen Participation’).

Table 3.1 List of Persons Interviewed in San Vicente de Cañete – July 26, 2005

N°	AAHH	NAME	POSITION	ADDRESS	PHONE
1	San Vicente de Cañete	Iris Solano	Owner of Restaurante Plaza	Plaza de Armas San Vicente de Cañete	5812528
2	Town council of Cañete	Mariela Cama Clemente Rodríguez	Responsible of Social Project In charge of "Participación Vecinal" Office (Community Participation)	Plaza de Armas de San Vicente Cañete. Municipalidad II Piso	5811565
3	Committee of Producers of San Vicente de Cañete	Marcelina Diestra Vega	President of the Committee of Grape Producers of Cañete Valley and member of Asoc. Primavera		97848824
4	CP. Nuevo Ayacucho	Ángel Gálvez Pineda	Urbanización San José Mz J Lt 13	Reference: (office of Participación Vecinal, Municipality of Cañete)	
5	Brisas de Con Con	Duilio Florián Pachas	Executive Secretary of Settlement "Brisas de Con Con"	Mercado Chocos de Imperial, Puesto de electrodomésticos	
6	AAHH Nuevo Cañete	Calisto Meza Yayico Mario Huarcaya José Luis Rodríguez	President of Administration Committee of Nuevo Cañete President of labor union of CETEC Secretary of minutes and archives		97801761
7	AAHH Asociación de Vivienda (CETEC)	Giuliana Guevara	Secretary of economy of CETEC committee	AAHH Asociación de Vivienda trab. eventuales de Cañete (CETEC)	
8	Coordinator of Asociación Agroindustrial Concon Topara	Agustín Huamán	Km 179 President and Coordinator of Association "Concon Topara" formerly called "Nuevo Vitarte" (16 organizations)	Reference: AAHH Trébol el Pacífico	
9	Cinco Cruces	Elías Rodríguez	AAHH Cinco Cruces President of AAHH Cinco Cruces	Reference: Regional Government Tony Tovar	96483578
10	CP Nuevo Ayacucho	Ángel Gálvez Pineda	Mayor of "Centro Poblado Nuevo Ayacucho"	Urb. San José Mz J. Lote 13 Cañete	
11	Asociación de Vivienda Segundo Ayacucho	Martín Laura Limaco Joaquín Ayala Callañaupa	President of Asoc. Vivienda Segundo Ayacucho (Executive)	Located at the entrance of Centro Poblado Nuevo Ayacucho	
12	El Platanal Project	Pío Rossel	Project Manager of El Platanal	O'Higgins N°.315	
13	Ángel Tovar	Regional Office	Responsible of the Regional Office of Cañete	Plaza de Armas de Cañete	

2.0 SOCIAL AND ECONOMIC INFORMATION

2.1 Human Settlements around the Project

Various sub-standard human settlements have been established on lands adjacent to the north and south boundaries of the project site. These settlements have resulted from population invasions on properties owned by the State, specifically of the Ministry of Agriculture. The invaders are migrants from different regions of the country intent on settling and living in the area.

Since 2002 the number of people invading and settling on lands adjacent to the Project site has been increasing. Although a high percentage of the shelters constructed are not yet inhabited, they have been installed on property owned by the Ministry of Agriculture and the Ministry has filed a suit against the settlements in an effort to obtain an evacuation order and evict them from its property. This information was provided by the Ministry of Agriculture during preparation of the EIA for the project and during the preparation of the EIA for the Quarry GNL-2 exploitation project, as is shown in Appendix E: Legal Status of Sub-Standard Settlements in the Area – Ministry of Agriculture.

It is important to mention that PLNG has been present in the area since 2002 and that various activities related to development of the Project have been underway on the project site since July of this year.

The housing associations (settlements) identified are located between Km 158 and 179 of the Panamerican highway. These associations are increasing quickly, both in terms of the number of associations and the number of lots per association.

According to the data registered in the Social Baseline of the Environmental and Social Impact Study of the Pampa Melchorita Peru LNG Export Project, in 2002 there were two settlements in the vicinity of the project while at present there are approximately 6 settlements in the area. However, as indicated below, a high percentage of them are uninhabited. These settlements have been registered during the EIA Modification Study for the Pampa Melchorita Peru LNG Export Project, and a description of each settlement is provided below.

2.1.1 “Eliane Karp” Campesino Association

This Association founded in 2005 is located east of the Panamerican highway, between Km 158 and 163 on land owned by the Ministry of Agriculture. 30 huts have been installed parallel to the main highway. No permanent residents have been registered as it seems the residents are occasional and coming from Lima. 10 to 20 abandoned huts were observed without sanitation or other services. According to local residents this settlement was founded for political purposes but did not proceed due to the many denouncements presented against the land speculators. The town council of Cañete is not aware of this Association.

2.1.2 Agricultural Association ‘Las Brisas del Concón’

This settlement is located west of the Panamerican highway at approximately Km. 164.5 on Ministry of Agriculture land. It has 240 lots distributed in 8 blocks covering an area of 40 Ha with about 20 permanent residents. The settlement does not have basic services such as water, sewage, electricity, schools and health centers. Residents are attempting to secure formal title to the land through local government and the State. Most of the inhabitants come from Imperial and San Vicente de Cañete, and invaded the site as an organization of landless workers and peasants. Local inhabitants report, they plan to develop agro-industrial, farming and stockbreeding activities. One of its most influential authorities is the Executive Secretary Duilio Florán.

2.1.3 Agro-Industrial Producer’s Association ‘El Trébol del Pacífico’

This Association invaded and settled on Ministry of Agriculture land located east of Panamerican highway at Km. 164.5. In 2004 the number of members was 400 but only 15 to 20 persons are permanent inhabitants of the area at this time.

The settlement is composed of a total of 100 lots, located north of the site where the PERU LNG Liquefaction Plant is to be constructed. Its inhabitants come from Nuevo Cañete (CETEC). The settlement lacks basic services such as water, sewage, electricity, health centers or schools. According to local residents interviewed, this association would have a difficult relation with the Town Council of Cañete as some of its inhabitants are considered land speculators. Use of the land is intended for beach, resorts and land sales, although it is located far from Auque beach and separated from it by a

large cliff. In this area there is a pedestrian path along the beach which is often used by the artisanal fishermen of Chincha and Cañete.

There are two leaders or representatives of this association: Mr. Juan Remusco, who is also leader of the organization Federación Bancaria of San Vicente, and Mr. Agustín Huamán who is also president of the coordination of 16 organizations of Concon-Topará.

2.1.4 Workers Housing Association of Cañete (CETEC)

This Association is located east of the Panamerican Highway at Km 170, on Ministry of Agriculture land and has approximately 4,200 lots of 1,000 m² each.

Although it includes 1,000 - 1,500 members, the number of permanent inhabitants is approximately 120 people. Its inhabitants come from multiple locations including the Departments of Ayacucho, Huancaavelica, Cusco and Lima.

The male emigrants generally work on small farms in Cañete and Chincha. This sub-standard settlement does not have access to basic services including water, sewage, electricity, health center etc. It does have a communal kitchen, a kindergarten school and an elementary school and also a PRONEI (Non-Traditional Kindergarten School Program). It has also been recognized and supported by the town council with regards to the elementary school. Additionally, the settlement has a large population of children and low-income women.

According to information obtained in the interviews, the settlers established this place with the aim of developing an agricultural project that consists of constructing small “home-farms” for raising and selling snails and exporting them mainly to France and the USA through a private company.

The settlers claim this is a self-sustainable project that creates jobs for the inhabitants of the Association. They also plan to develop an industrial zone for carpentry works complemented with the breeding of guinea pigs.

The president of this association is Mr. Mario Huarcaya. The secretary is Mr. José Luís Gutiérrez. The leaders of the association are: Giuliana Guevara, Calisto Meza Yayico and Walter Sánchez.

2.1.5 Agricultural-Industrial Project “Concón Asociación Agropecuaria Primavera”

This Association was initially part of Jahuay, Cinco Cruces and subsequently became independent as a result of internal conflicts. A governing board was established on March 20, 2003. The Association is located on Ministry of Agriculture land between Km 174 and 175 of the Panamerican Highway and has 50 members and 48 lots distributed in the area with 35 permanent residents. The inhabitants come mainly from Cañete and Lima. Many of them are retired members of the Navy and Army looking to establish agricultural and farming activities outside of Lima. The settlement lacks basic services such as water, electricity, sewage or health care services. They are inscribed as an Association in the Public Registry Office under file number 11583898.

The Association is planning to initiate the “Primavera” agro-industrial project for which they’ve started constructing sheds for raising chicken and duck. The project also intends to produce and sell “algarrobina” (a syrup made from the carob tree) and sow fruit trees such as “lúcuma”(a variety of eggfruit), peach, guava and olives. However, the zone lacks suitable water supply.

The Association president is Mr. Víctor Segovia, the vice-president Mr. Ascencio Huarcaya, and Mr. Marco Sandoval. Is registered as the Association’s former leader.

2.1.6 Jahuay Cinco Cruces

This association was founded between 1998 and 2003. It occupies 18, 000 Ha of property and is requesting permission of the State to initiate its project.

Located at Km 174 of the Panamerican highway on Ministry of Agriculture land, this association has 3,000 lots and at present is composed of 600 – 800 members, of which 48 live permanently on the site. Most of its members are from Lima. The settlement lacks basic services including water, electricity, sewage, and health services. The Association plans to develop their “Jahuay Cinco Cruces Multi Integral Project” which interviewed residents report, has the support of the Ministry of Agriculture and PETT (Special Land Titling Project). They currently have an eco-housing project underway. The president of the Association is Mr. Elías Rodríguez.

2.1.7 Nuevo Ayacucho Population Center

This settlement is located between Kms 175 and 179 on the east side of the Panamerican highway. This Association is the oldest in the area. In 2002 1,500 families arrived from Ayacucho to settle here however because of unfavorable conditions, most of them left. The settlement has 2,500 lots and about 2,000 members with 400 families being permanent residents according to one of the leaders. This is the largest settlement in the project area.

The origin of the association, according to people interviewed, dates from 1984, when the association founders used the land for grazing their livestock. They did not live there but often stayed overnight pasturing their animals until they returned to Lima to sell them, according to the Mayor Mr. Ángel Gálvez Pineda.

Apart from the first families that came from Ayacucho (a percentage of them still live in the area), nearly 20% are emigrants displaced by terrorism from the departments of Huancavelica, Apurímac, Cuzco and Arequipa who invaded and settled in the Pampas de Con Con sector which is also Ministry of Agriculture land.. These settlers requested recognition as a population center from the Town Council of Cañete but failed to obtain the approval . The population subsequently sought recognition as a population center from the Town Council of Chinchá, which did recognize them as such. Later, in 2004, they obtained similar recognition from the Town Council of Cañete.

The Mayor of Nuevo Ayacucho Population Center, Mr. Ángel Gálvez Pineda, reported in an interview conducted during the baseline studies that there is a great number of land speculators in the area and that: "... there rest are associations of invaders for land speculation that generally come from Cañete, Ayacucho and Lima, who realize this is a great deal..."

The Town Council of Chinchá recognized this settlement as a Population Center under the name of ASTEC (Asociación de Colonizadores de Tierras Eriazas) and the Town Council of Cañete recognize it as "Centro Poblado Nuevo Ayacucho". The person interviewed considers that the origin of the boundary dispute between the authorities of Chinchá and Lima starts with the issue of their settlement.

On October 10, 2003 a group of inhabitants left the association accusing the leaders of misappropriation of funds setting up a new association called "Asociación de Vivienda de Moradores

en Defensa de Nuevo Ayacucho”, a sort of a second “Nuevo Ayacucho”. The local governments of Chinchá and Cañete recognize indiscriminately both associations.

At first, the inhabitants worked there as herders grazing their animals but at present most of them work on small farms and informal trade in Cañete, Chinchá, Lima and Ica occasionally going to the settlement on weekends to “put in an appearance” and look after their lot.

The settlement lacks basic services including water, and electricity. There is a well 12 Km away however this is too far for inhabitants to use thus they buy water from water trucks. All inhabitants have septic tanks for sewage disposal. There is a school with shared infrastructure for kindergarten, elementary and high school levels. There are no health care centers or first aid stations.

Residents have long term plans to develop livestock breeding and other agricultural projects and to establish an industrial zone.

“Centro Poblado Nuevo Ayacucho” contains various associations the most notable being:

- Asociación de Colonizadores de Tierras Eriazas de la Costa –ACTEC
Founded in 2002 by the original population. They are affiliated with the province of Chinchá, which causes problems with the people of Cañete. It is composed of 30 members and its president is Julio Gonzáles Aguado (president recognized by ACTEC) and Ulises Orrego Bergman is the secretary.
- “Asociación de Vivienda de Moradores en Defensa de Nuevo Ayacucho”. This group separated from ACTEC on October 10, 2003 to form another association, is located at Km 176.5 of the Panamerican highway. It has 10 members and its president is Mr. Walter Calle Vivanco. They are registered as an Association in the Public Registry under T.00003013 and Entry N° 21018860.
- “Asociación de Productores Agropecuarios y Agroindustriales Nuevo Ayacucho” (APAANA).
Founded as an association in 2003, it has links with ASTEC. This association is the most linked to Chinchá and has 300 members. Its president is Mr. Joaquín Ayala Cañañupa, and its former president is Mr. Yhosbel García Brasbek.

- “Asociación de Vivienda Segundo Ayacucho” (2004). This association separated from ACTEC in 2004 and has approx. 300 to 400 members that live permanently in the area on 400 separate lots. It is registered as an Association in the Public Registry under entry # 21024898 T 2004. Its president is Mr. Martín Laura Limaco.

It is important to mention that the company Cementos Lima was evaluating the possibility of irrigating the lands occupied by the aforementioned settlements and associations, with water from the Cañete River under the El Platanal Project. However the company decided not to proceed with the Project because of the invasion and illegal settlement issues in this area.

2.2 Social and Economic Characteristics of the Population of the Sub-standard Settlements of the District of San Vicente de Cañete.

According the information gathered by the Social Management Team from Walsh Peru Consultants for the EIA of the Quarry LNG-2 Exploitation Project, the inhabitants established around the project area come mostly from the departments of Ayacucho (75%) and the province of Lima (5%). The high percentage from Ayacucho is influenced mainly by the population of the Nuevo Ayacucho Population Center. In the case of Nuevo Cañete, more than 60% of its population is from the province of Lima.

The “Nuevo Ayacucho Association” is the oldest in the area zone established (in 2002), while the El Trébol del Pacífico Association” is the newest (established in 2004).

According to information provided by Walsh Peru, the main reason that people migrate to this zone is the search for employment, the lack of home ownership, and the danger of terrorism related violence to their families (46%, 42 % y 30%, respectively), with the latter being the main reason for the population of Nuevo Ayacucho.

Ms. Giuliana Guevara Yaya, of the “Nuevo Cañete Association”, who was interviewed by Golder in July 2005, stated that the reasons they had for settling in the area were the search for employment, and the lack of housing in their place of origin, causing them to decide to create their own source of income from the creation of agricultural-industrial projects and simultaneously establish a home in the province of Cañete.

According to the information gathered by Walsh for the EIA/S of the Quarry LNG-2 Exploitation Project, with regard to education level, only 30% of the population has completed high school, almost 26% has completed elementary school and only 1% has a university degree, while 33% of the population has not concluded studies in either Elementary, High School or University. The illiteracy rate among the population of these settlements is 4%.

According to the information gathered by Walsh Peru on health profiles, it is concluded that one of the most common diseases among the population of these settlements is acute respiratory infections (ARIs) and gastrointestinal infections, with children aged 0 to 10 years being the most vulnerable and affected population. The main health centers are those of the Ministry of Health located in the district of San Vicente de Cañete. However, many residents take medicines without a prescription or use natural medicines based on cultural tradition.

Regarding the basic services of electricity, drinking water, public sewage and infrastructure the indicators show precarious levels of development.

According to the information gathered by Walsh Peru for the EIA/S of the Quarry LNG-2 Exploitation Project, none of the settlements evaluated have access to basic services. Appliances such as radio or television are used with batteries while inhabitants use candles for lightning.

Also according to Walsh, there is no potable water infrastructure in any of the settlements requiring all residents to purchase water from water trucks. Septic tanks are commonly used for sewage disposal.

The same study prepared by Walsh indicated that 68% of houses are made from straw mats, both the walls and roofs. These houses do not have divisions (living room, kitchen, bedrooms, etc.) but consist of one room in which the inhabitants perform all their everyday activities. The second most commonly used building material (24%) is adobe bricks which was more frequently observed in the Nuevo Ayacucho Association. These precarious living conditions could be the reasons for the increase of infectious diseases affecting the population as they have live in poor health and hygiene conditions.

The economic situation of the population evaluated by Walsh shows a low level of family income. 82% of the population in these settlements has a family income of less than 200 soles per month this

being the primary means of support provided by the head of household (38%) who are workers and independent laborers of diverse activities. However, residents declared that they expect to perform agricultural-industrial activities in the future as the main economic activity through the execution of their projects.

It is important to mention that the Associations evaluated by Walsh during the EIA for the Quarry LNG-2 Exploitation and by Golder during the sites visits in July 2005 indicate that most houses are not constructed for permanent residence but are simple huts assembled using straw mats that serve to identify and consolidate the settlers claim to the lots since each hut has the full name of the owner written on it. Thus the level of permanent residence in the settlements is very low.

The settlement with the greatest number of residents is New Ayacucho, with 400 families. In contrast in the “Eliane Karp Campesino Association” and other settlements, there were no residents observed in any of the houses.

3.0 ENVIRONMENTAL BASELINE – TERRESTRIAL AND MARINE COMPONENT

The update of the terrestrial and marine component environmental baseline information in Pampa Melchorita was prepared in July 2005.

The terrestrial component baseline update included an evaluation of air and soil quality and noise levels.

For the marine component, physical oceanographic aspects including physical-chemical water and sediment quality and the structure and composition of intertidal and subtidal biologic communities were evaluated, including bird, mammals and reptile sitings.

Repeat samples were collected in the same locations using the same sampling and analysis protocols as originally used in 2002.

The Environmental Baseline Update is included in Appendix C.