



Photo: A. Ruffner / USAID

# SUSTAINABLE DEVELOPMENT

## OVERVIEW

Cocaine production in Peru sustains an illegal industry that promotes crime, damages the social fabric, threatens governance, degrades the environment, and harms the economy of local communities. This industry is mainly concentrated in rural areas of the country's Amazon, particularly those with little state presence and high poverty rates, taking advantage of these conditions to generate clusters of illegal activities.

In this context, USAID supports Peru in the design and implementation of a sustainable development model which, through comprehensive interventions (multi-sectoral and intergovernmental), contributes to generating new opportunities for populations at risk. In this way, thousands of families can reject illegal activities, pursue licit livelihoods, and contribute to sustainable development.

## GOALS

Based on a solid relationship of mutual trust built over the years with the Peruvian government, USAID seeks to **continue strengthening the institutional capacities of public entities** (national and subnational) involved in the implementation of the National Anti-Drug Policy. In particular, it seeks to consolidate spaces and instruments for coordination both at the political-strategic and operational level, in order to achieve greater levels of effectiveness in the fight against drugs.

Likewise, USAID contributes to the **consolidation of the private sector in Peru as the fundamental actor for developing** value chains of different products (including cacao, coffee, banana, and timber, among others). Thus, in coordination with actions of the State (coordination of social services, development of infrastructure, local governance), economic opportunities are generated for the population and spaces for legal activities are consolidated, especially in territories with high levels of poverty that are at risk of being affected by illegal activities.

In addition, USAID directly supports the **generation of economic and development opportunities**. This is achieved through interventions that promote sustainable agroforestry, local governance, capacity building, infrastructure development, digitization, and digital and financial inclusion; these elements, as a whole, establish the bases for sustainable development.

## KEY RESULTS

Where the sustainable development model has been implemented in the Peruvian Amazon in conjunction with the Government of Peru's interdiction and coca eradication efforts, on average over 90 percent of the hectares on which coca had been produced remain coca-free, and economic and social development in these areas has flourished. This is reflected in the average increase in the incomes of USAID-assisted smallholder farmers of 97.5 percent between the years 2018-2022. Some important milestones reached in these 5 years are:

- In coordination with the Government of Peru, USAID helped local governments in areas affected by drug trafficking to obtain additional resources of US \$72 million (above their regular allocations from the central government).
- USAID has supported approximately 87,200 families in rural areas to improve their living conditions.
- USAID has facilitated the access of 36,722 families to US \$92,132,183 in financing to invest in the improvement of their productive units.

- Additionally, USAID has worked directly with smallholder farmers to improve productivity in a sustainable way on coffee farms totaling 33,619 hectares and on cacao farms totaling 80,986 hectares.
- Peru stands out as the leading producer of organic coffee and is among the top ten producers of conventional coffee in the world.
- USAID has fueled the boom in the cacao and chocolate industry in Peru over the course of the past 15 years. As part of these efforts, different promotional events have been developed, such as the Cacao and Chocolate Show, which has been held annually since 2010.
- With the support of USAID, Peru became the first cacao-producing country invited to be part of the "Salon du Chocolat" of France.
- Peru is the second largest producer of organic cacao in the world and is among the top 10 producers of conventional cacao.
- USAID has promoted and facilitated commercial exchanges at various expositions and fairs: Expoamazónica, Expoalimentaria, the International Fair of Special Coffees, and the Cup of Excellence, among others.
- Finally, USAID has contributed to mobilizing more than five million dollars in private investment for the expansion of Internet services in the Amazon. This investment has served to connect 117 localities to the 4G fixed and/or mobile Internet service. More than 15,000 people were trained in digital skills and more than 20,000 people in financial education; in addition, more than 50 enterprises in those locations have been strengthened by the "Rural Innovation Program" managed with the University del Pacífico.

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