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## WHY DO WE PARTNER WITH THE PRIVATE SECTOR?

Private sources now represent nearly 90 percent of financial flows to developing countries. The private sector creates nine out of ten jobs in the developing world and provides an important pathway for partner countries to achieve self-reliance. It is also the driving force behind many new innovations that help solve development problems.

To foster greater collaboration between USAID and the private sector to advance development, USAID officially launched its new Private Sector Engagement (PSE) policy in December 2018.

In Peru, USAID has a long history of partnering with the private sector to implement enduring solutions that help address some of the most complex development challenges. The launch of the PSE policy helps USAID pivot closer to unleashing the power of the private sector to achieve shared development objectives. USAID/Peru endeavors to create new and build on existing partnerships that further common priorities across multiple sectors. Promoting sustainable forest management and green businesses that balance economic growth with biodiversity conservation is paramount for successful PSE.

In rural economies once dominated by coca cultivation, USAID's successful track record in harnessing private sector interests and resources in remote and underserved areas is bolstered by joint investment in improved governance. USAID/Peru will pursue other opportunities to partner with the private sector as it implements its new five-year strategy, 2020-2025.

## CURRENT ACTIVITIES

### I. DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE

*Strengthen good governance to reduce corruption*

#### **Companies That Transform Peru: Increasing The Competitiveness Of Companies With A Purpose**

This activity seeks to support IPAE Acción Empresarial to train executives so that they not only dedicate themselves to corporate philanthropy but also focus on social problems as core business opportunities. This approach produces benefits for society in the direct pursuit of benefits. Companies that pioneer new strategies and markets in addressing Peru's development challenges will be recognized annually on a list of companies transforming Peru. The media partners of IPAE Asociación Empresarial will communicate the principles of Shared Value and announce the awardees to raise awareness and expand the community of companies that drive social change.

**Implementer:** IPAE, supported by the Peruvian Frida & Manuel Delgado Parker Association (AFMDP)

**Total project investment:** USAID \$400,000 / Partners \$1.17 million

**Duration:** November 2020 - November 2024

**Location:** Nationwide

### II. ENVIRONMENT

*Improve sustainable resource management.*

#### **Amazon Business Alliance (ABA)**

The new ABA platform will accelerate future investment in sustainable development and conservation in the Peruvian Amazon. USAID provided \$10 million to launch a partnership joining Conservation International, Viridis Terra, CI Ventures, and the BHP Foundation in seeding a \$20 million investment facility. The facility will seek to crowd in an additional \$50 - \$100 million from the private sector. This platform has benefited from an additional donation of CAD \$10 million from the Canadian Cooperation. Over five years, ABA expects to create 100

“green” businesses that promote the sustainable use of natural ecosystems, limit deforestation and forest degradation, and restore degraded ecosystems, while improving local community livelihoods.

**Implementer:** Conservation International Foundation

**Total project investment:** USAID \$10 million / Partners \$10 million / Canada CAD \$10 million

**Duration:** September 2020 - August 2027

**Location:** Regions of Huanuco, Madre de Dios, San Martin, Ucayali, Amazonas, Pasco and Loreto.

### **Amazonia Connect**

Amazonia Connect will promote an end-to-end supply chain approach, reduction of habitat loss, and promotion of low-carbon agriculture in selected locations in Brazil, Colombia, and Peru. With its components of Scaling to Sustainable Agriculture, Monitoring supply chains, Incentives in green financing, and Disseminating research and information, it seeks to guarantee the production and verification of low-carbon and deforestation-free products in the Amazon.

**Implementer:** SOLIDARIDAD

**Partners:** Earth Innovation Institute, National Wildlife Federation, and the University of Wisconsin Madison

**Total project investment:** USAID \$16.3 million

**Duration:** March 2022 - March 2027

**Location:** Brazil (Pará and Mato Grosso), Colombia (Caqueta and Meta), and Peru (San Martin and Ucayali)

### **Amazon Indigenous Rights And Resources**

The Amazon Indigenous Rights and Resources (AIRR) activity seeks to empower indigenous peoples across multiple Amazon countries to better exercise their rights in the face of large-scale infrastructure development and extractive activities that may affect their livelihoods. The activity aims to incorporate the rights and interests of indigenous peoples into public and private sector development planning to balance human welfare and environmental conservation. In particular, AIRR invests in community enterprises defined by local entrepreneurs that empower access to quality jobs.

**Implementer:** World Wide Fund for Nature (WWF)

**Partners:** All in for Development, NESsT, Derecho Ambiente y Recursos Naturales (DAR), Coordinator of the Indigenous Organizations of the Amazon Basin (COICA), Coordenação das Organizações Indígenas da Amazônia Brasileira (COIAB), Interethnic Association for the Development of the Peruvian Rainforest (AIDSEP), Operação Amazônia Nativa (OPAN), Organization of Indigenous Peoples from the Colombian Amazon (OPIAC), Indigenous Zonal Organization of Putumayo (OZIP), Instituto Centro de Vida (ICV), Instituto de Pesquisa Ambiental da Amazônia (IPAM), Operação Amazônia Nativa (OPAN).

**Total Project Investment:** USAID \$17.9 million

**Duration:** August 2019 – August 2024

**Location:** Brazil, Colombia, Ecuador, Peru, Guyana and Suriname

### **Association For Sustainable Fisheries Management**

This activity will support I) strengthening the capacities of the fishing industries and other authorized agencies to implement the operational requirements of the Agreement on Port State Measures (AMERP), II) conducting exhaustive fishing inspections of foreign-flagged fishing and support ships entering the country's ports III) improve the exchange of information within governments and throughout the region and contribute to the development and compliance with the required regulations.

Furthermore, this activity will strengthen the capacity of fisheries management agencies in each country to develop and implement fisheries management plans and relevant regulations that focus on approaches such as the ecosystem approach to fisheries management to improve the management of species or areas of environmental and economic importance.

**Implementer:** U. S. National Oceanic and Atmospheric Administration (NOAA)

**Total project investment:** \$5 million

**Duration:** June 2021 - June 2026

**Location:** Colombia, Ecuador, and Peru

### **Business Case For Collective Landscape Action**

The program will convene the private sector, governments, producers, and local organizations to address global environmental challenges associated with commodity-driven deforestation in

some of the world's most important tropical ecosystems and supply regions. Its main objective is to unlock international financing for sustainable production, channel it towards well-planned landscapes, and stabilize the most critical areas for deforestation.

A greater commitment of companies and investors will be sought in the supply, investment, and execution of the landscape strategy; strengthen capacities in main institutions; generate policies, standards, and tools so that those involved have regulatory conditions that allow them to take action for the development of their sustainable activities.

**Implementers:** Rainforest Alliance, CDP, Clarmondial AG, and Conservation International

**Total project investment:** USAID \$19.6 million

**Duration:** September 2021 - September 2026

**Location:** Global activity with pilots in the provinces of Sucumbios and Orellana (Ecuador), Sintang (West Kalimantan, Indonesia), Province of Lamas in San Martín (Peru); Pará, Maranhão, Acre, Amapá, and Mato Grosso (Brazil).

### **Center For Amazonian Scientific Innovation, Alliance For Science And Ecosystem Recovery (Cincia-Acierta)**

CINCIA-ACIERTA leverages alliances with U.S. and Peruvian academic and research institutions to develop transformative solutions that promote sustainable development, combat environmental destruction caused by alluvial gold mining, and improve human health in the Madre de Dios and Loreto, the most ecologically diverse and threatened regions in the world. CINCIA-ACIERTA collaborates with researchers from over 15 domestic and international institutions while leveraging support from private sector partners, including the geospatial mapping company Esri, Skytruth and Descartes Lab.

**Total project investment:** USAID \$8.8 million

**Duration:** June 2021 - May 2026

**Location:** Regions of Madre de Dios, Loreto and Lima

### **PRO-BOSQUES**

USAID's Pro-Bosques forestry technical assistance program seeks to improve private sector engagement in forest sector activities to build a legal, profitable and sustainable forestry market, while reducing deforestation rates and illegal logging in the Amazon regions of Loreto, Ucayali

and Madre de Dios. Assistance to forest title holders and forest sawmills helps increase sustainability, legality, inclusivity, and profitability of forest timber enterprises in priority regions. Pro-Bosques helps forestry companies to access services of Procompite, a Peruvian Government financing initiative, to expand their timber and other wood products business plans. The project also supports Peru's National Forest Service, the national network of Forestry CITE (Center of Technology Innovation), and the three target regional governments, to increase the local- and legally-sourced timber market.

**Implementer:** Tetra Tech ARD

**Partner:** Norwegian Agency for Development Cooperation (NORAD)

**Duration:** September 2018 - September 2023

**Location:** Regions of Lima, Loreto, Madre de Dios and Ucayali

### **Sustainable Management Of Forest Concessions**

USAID is partnering with Green Gold Forestry to transition their business model from low-impact timber harvesting to a carbon sequestration and carbon credit sales model across 206,000 hectares of Amazonian rainforest. This partnership promotes improved forest management, climate change mitigation, and development of multiple sustainable products in partnership with private companies such as Frutama and local communities through NGO partners such as Derecho, Ambiente, y Recursos Naturales (DAR) and Centro para el Desarrollo del Indígena Amazónica (CEDIA). More broadly, it represents a new business model for the Amazon, which could demonstrate a profitable alternative approach for timber companies managing forest concessions in areas that are difficult to access or that lack large quantities of high-value timber stocks.

**Implementer:** Green Gold Forestry

**Total project investment:** USAID \$3.70 million / Partner \$1.39 million

**Duration:** March 2021 - March 2024

**Location:** Zones of Tascha Curaray and Napo in Maynas, Loreto

### **The Forest Alliance**

Every year 150,000 hectares of forest is destroyed in the Peruvian Amazon from agriculture, infrastructure construction and cattle ranching. Peru's indigenous communities are one of the

largest Amazonian land holders and manage a significant portion of the Amazon forests. The Forest Alliance supports indigenous communities in the Ucayali region to conserve and manage their forested lands under an innovative model with the private sector. The model generates revenues for indigenous peoples through a REDD+ mechanism and a diversity of sustainable economic activities based on forest products. In partnership with a social impact investor, the Forest Alliance is poised to put forth a sustainable business structure with far reaching benefits for indigenous and native communities.

**Implementer:** Association for Research and Integral Development (AIDER)

**Partner:** Mirova Natural Capital Fund (MNC)

**Total project investment:** USAID \$3.5 million / Partners \$3.5 million

**Duration:** March 2019 - March 2024

**Location:** Ucayali Region

### **The Prevent Project**

PREVENT works with the Government of Peru and civil society to improve the enabling conditions to deter and combat environmental crimes, thereby reducing their negative impact within and around protected areas, especially forests and indigenous lands. PREVENT promotes active participation from civil society, media, activists and the business sector to strengthen advocacy and information dissemination. Private sector partners will be engaged to reduce demand in illegal commodity exploitation and help incentivize legally sourced gold with social and environmental safeguards, including with support from grants provided through PREVENT's Innovation Fund.

**Implementer:** DAI (Development Associates International)

**Partners:** Asociación para la Conservación de la Cuenca Amazónica (ACCA), Derecho, Ambiente y Recursos Naturales (DAR), and the Environmental Law Institute (ELI)

**Total Project Investment:** USAID \$24.68 million

**Duration:** September 2019 – September 2024

**Location:** Regions of Lima, Loreto, Madre de Dios and Ucayali

### III. MIGRATION AND HEALTH

#### **Improving Livelihoods For Venezuelans In Peru**

This program provides training on various topics; connects entrepreneurs with mentors; assists with licensing and other bureaucratic/administrative matters; and, in some cases, it provides seed capital to promising companies.

**Implementer:** Information and Education Center for the Prevention of Drug Abuse (CEDRO)

**Total project investment:** \$2.3 million

**Duration:** February 2021 - January 2024

**Location:** Peru (Lima, Arequipa, Trujillo, and the Andes Regional Commonwealth)

#### **Economic Inclusion Project**

The activity helps migrants, refugees, and communities improve their general economic well-being. This is achieved through intensive training programs in business and small business development, including access to seed capital; support for insertion in the labor market through training and the development of skills, job adaptation, and dissemination of the private sector; and increased access to financial services, including savings, credit, and insurance products, through partnerships with financial institutions, particularly credit unions.

**Implementer:** World Council of Credit Unions (WOCCU)

**Total project investment:** USAID \$28 million / Partner \$1.8 million

**Duration:** June 2020 - May 2026

**Location:** Ecuador (Quito and Guayaquil) and Peru (Lima)

#### **Economic Integration of Vulnerable Nationals from Venezuela in Brazil**

The activity, hereinafter called Opportunities Project, aims to contribute to the economic integration of vulnerable nationals from Venezuela and other neighboring countries in Brazil by ensuring access to sustainable livelihoods and employment opportunities. The activity also supports the Government of Brazil's broader "interiorization" program, which relocates willing Venezuelans from the remote border region of Roraima to larger population centers, by



supporting those vulnerable migrants on a trajectory towards long-term integration and self-reliance to be productive actors of their host community.

**Implementer:** International Organization for Migration (IOM, Brazil)

**Total project investment:** USAID \$ 12 million

**Duration:** December 2019 - December 2026

**Location:** Brazil (Alagoas, Bahia, Ceará, Federal District, Goiás, Mato Grosso, Minas Gerais, Paraná, Pernambuco, Piauí, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, and São Paulo)

## IV. SUSTAINABLE DEVELOPMENT

*Promotes licit livelihoods in coca-growing regions.*

### **Coffee Alliance For Excellence**

The Coffee Alliance for Excellence (CAFE) is a public-private partnership that seeks to increase the income of smallholder coffee farmers so that they need not resort to drug cultivation for economic survival. Between 2017 and 2023, CAFE facilitated \$127.6 million in gross sales, brokered the sale of 47,189,064 tons of coffee, with 8,380 families participating in the Alliance activities.

**Implementer:** TechnoServe, Inc.

**Partners:** Jacob Douwe Egberts (JDE), Perales Huancaruna S.A.C (Perhusa), Olam, World Coffee Research (WCR), International Potato Center (CIP), Peet's Coffee, Starbucks Coffee (STB)

**Total project investment:** USAID \$11.22 million / Partners \$1.70 million

**Duration:** November, 2017 – November, 2024

**Location:** Regions of Huanuco, San Martin, and Ucayali

### **Specialty Coffee Community**

The Specialty Coffee Community activity seeks to increase coffee farmers income and profitability through an inclusive approach with buyers, reducing/eliminating inefficiencies and improving quality in their production and processing chains, while increasing access to international certified and specialty coffee markets.

### **Expected results:**

- By the end of the project, 3,200 producers registered a profitability of 33% in the production of certified and specialty coffee.
- During the same period, profits from coffee sales will increase from the current 33% loss to 33% profit.
- 12,500 Has of coffee under agroforestry systems.
- Coffee production has increased from 129,400 to 279,800 QQ

**Implementer:** Central de Organizaciones Productoras de Café y Cacao del Perú – CAFÉ PERU

**Duration:** September 15, 2021 – September 15, 2026

**Total project investment:** US\$5,700,000 - Leverage: US\$5,732,935.00

**Private partners:** Los Andes/FOGAL, Atlas Coffee, Original Coffee Lab, Red Fox, Cup of Excellence, FICAFE, Coffee Cooperatives

**Location:** Lima, Junín, Cusco, and Puno

### **Development Of Peruvian Coffee And Quinoa Value Chains**

In early January 2022, USAID/Peru signed a five-year, \$5 million cooperation agreement with OLAM Agro Peru S.A.C. This activity will improve agricultural extension services and access to digital technologies for 1,350 Peruvian quinoa and coffee producers. It will help families of small farmers in the Junin, Ayacucho, and Apurimac regions to increase productivity and improve product quality so that they can remain competitive despite the volatility of international prices, thus increasing their income and motivating them to continue seeking legal livelihoods in coca-producing areas.

**Implementer:** OLAM Agro Peru S.A.C

**Total project investment:** USAID \$5 million

**Duration:** January 2022 - January 2027

**Location:** Junin, Ayacucho and Apurimac

### **Transforming the VRAEM: The Land of Fine Flavor Cacao**

The activity is initiating a lasting transformation of the VRAEM zone, turning it from an area known for coca production into one distinguished by high-quality cacao and other highly sought-after legal crops. This will contribute to the national objective of eliminating illegal coca

crop production. Through the introduction of context- and climate-smart agricultural practices that have an overall positive impact on the landscape, the project ensures that the expansion and improvement of cacao production in the VRAEM will have minimal environmental and land-use impacts. It will incorporate traceability technology with a robust tracking system to closely monitor crop expansion activities and prevent deforestation. The activity collaborates with three cooperatives (El Quinacho, Cacao VRAE, and Qori Warmi) along with 1,200 producers, ensuring that they are not involved in illicit activities.

**Implementer:** Lutheran World Relief (LWR)

**Partners:** Silva Cacao, Asociación de Productores Cacao VRAE, CPX Peru, Cooperativa Agraria Cafetalera “El Quinacho”, Pronatec, Cooperativa Agraria Agroindustrial Qori Warmi Ltda.

**Total project investment:** USAID \$2.3 million / Partners \$7 million

**Duration:** April 2023 - April 2026

**Location:** Regions of Ayacucho, Cusco and Junin

## CONTACT

Amy Paro, Mission Director  
USAID/Peru  
Av. La Encalada, Cdra. 17  
Surco, Lima, Peru  
Telephone number: +51 1-618-1200  
Email: [wusaidperu@usaid.gov](mailto:wusaidperu@usaid.gov)  
Website: [www.usaid.gov](http://www.usaid.gov)