

# Peru Mining Company Funds Antipoverty Center

**HUANCAVELICA, Peru**—Peru's largest mining company will invest up to \$1.1 million to create jobs and opportunities for some of the country's poorest people through a support center founded by USAID in Huancavelica, Peru's poorest province.

Already, two dozen women have been contracted to produce 12,000 hand-knit sweaters after the Peruvian firm TQM saw the high quality of their products. The new support center brokered the \$30,000 deal.

Under the agreement, Buenaventura Mining—which has already invested \$430,000 in community development and assistance activities in the area—will provide up to \$1.1 million for the establishment and operation of the new center. USAID will contribute \$140,000, much of it in the form of technical assistance.

Since 1999, USAID/Peru has focused on poverty alleviation in the economic corridors of Peru's highlands and jungle areas. Projects at the 10 economic service centers founded earlier stimulate employment and trade. The centers provide market information and access to financial and transport services, facilitate commercial contacts between buyers and local producers, and identify companies willing to invest capital in local enterprises.

Buenaventura General Manager Roque Benavides, former president of the National Association of Peruvian Private Enterprises, helped USAID launch the economic support centers in 1999.

After Benavides left the business association, he proposed that Buenaventura “purchase an economic service center franchise” and create an 11th center in Huancavelica, a hub for the mining company and Peru's most underdeveloped province.

The center is operated by a consortium formed by Lima-based Universidad del Pacifico and the PIRKA Center for Technological Innovation. A local NGO, San Javier, with strong roots in the area will strengthen the center's outreach to the community.

Buenaventura and USAID expect that the new center will help diversify Huancavelica's economy and increase employment and incomes.

Juan Robles, an economic growth officer at USAID/Peru, helped develop the alliance. Robles said the alliance was a creative approach to local economic development needs in rural areas. “Buenaventura, one of Peru's most important national companies, has taken a market-oriented approach to reduce poverty,” he said. ★

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*A Peruvian enterprise, TQM, SA, recently ordered 12,000 sweaters for export after seeing the quality of sweaters knit by local women-owned businesses. The arrangement was brokered by a USAID-supported economic support center.*