



Photo: Marlon del Aguila

OVERVIEW: USAID IN PERU

BACKGROUND

Peru's transformation over the first two decades of the century represents a remarkable **success story**, though significant challenges and risks remain. Peru gained the status of a stable force and reliable U.S. partner in a region with persistent foreign policy and development challenges. Poverty has fallen by over half nationally, to nearly 25 percent today. Trade with the United States more than doubled in the first 10 years of the U.S.-Peru Trade Promotion Agreement. Peru is a rising leader on regional and global issues, assuming significant roles in regional and international organizations.

However, unsolved development challenges have brought about economic deterioration, political instability, and social unrest in recent years, **creating the risk of Peru's backsliding from its hard-won progress**. Peru's economic growth has slowed down nearly to a half, impacted by the COVID-19 pandemic, internal political instability, and global economic volatility. Corruption has eroded citizens' confidence in democracy, and affected the country's political stability. Transnational criminal organizations jeopardize legal commerce and devastate communities through illegal trafficking of people and illicit goods, especially in the poor, rural, remote regions of the Amazon Basin. Besides, Peru is also affected by climate change, which impacts populations and increases natural disaster risks.

To help Peru consolidate its development trajectory and avoid backsliding, USAID will support Peru's capacity to address bilateral policy priorities shared between Peru and the United States.

PRIORITIES

After more than 60 years in Peru, USAID has evolved from providing assistance for basic service delivery and economic growth, to supporting a strategic partnership that advances shared U.S. and Peruvian interests. These efforts are aligned with U.S. national security and foreign policy goals to promote security and rule of law in the Americas and sustain strong economic growth and trade.

ECONOMIC AND SOCIAL DEVELOPMENT IN AREAS AFFECTED BY ILLICIT COCA PRODUCTION

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 to join the market, access public and financial services, and move away from illicit coca cultivation. In this way, thousands of families can reject illegal activities, pursue licit livelihoods, and contribute to sustainable development.

ENVIRONMENT AND CLIMATE RESILIENCE

Peru's Amazon forests, covering nearly 60% of the country, house extraordinarily rich biodiversity of global importance, and conservation of the Amazon is critical to limit climate change impacts globally.

Unfortunately, transnational criminal organizations have expanded in Peru into the multi-billion-dollar ventures of illegal gold mining, illegal logging, and wildlife trafficking. As a consequence, deforestation in the Amazon (legal and illegal) represents the country's largest source of greenhouse gas emissions. In addition, Peru also faces increasing water crises due to climate variability, melting tropical glaciers, and a lack of adequate infrastructure to regulate water supply, threatening the economic and water security of its population.

USAID is working with the GOP, civil society, other donors, and the private sector to achieve the country's climate goals through projects that strengthen forest management, increase water security through the rehabilitation of natural infrastructure, improve capacity to combat environmental crimes, and contribute to economic development, environmentally sustainable and inclusive.

As a regional mission, USAID/Peru also supports the Amazon Regional Environment Program (AREP) which responds to transboundary conservation threats across Brazil, Colombia, Ecuador, Guyana, Peru, and Suriname.

DEMOCRACY, HUMAN RIGHTS AND GOVERNANCE

Effective government institutions that represent the interests of all citizens are essential for peace and prosperity. Over the past decade, evidence of public-sector corruption in Peru has increased dramatically. This has eroded citizens' confidence in democracy, and affected the country's political stability. Peru's National Comptroller General reports that corruption generated a loss of more than \$6 billion dollars in 2022, which threatens Peru's socioeconomic gains and the stability of the region.

Responding to increasing citizen discontent and interest from the Government of Peru (GOP) to strengthen its institutions, USAID works with civil society organizations, public-sector institutions, and private-sector partners to strengthen the responsiveness, transparency, and accountability of national and subnational governments. This work increases public integrity, reduces corruption, and supports human rights.

SOCIO-ECONOMIC INTEGRATION OF VENEZUELAN MIGRANTS

Over six million Venezuelans have fled Venezuela, seeking stability, security, and economic opportunities throughout South America. This exodus represents one of the largest external displacement crises in the world, posing urgent challenges for the migrant communities and their host countries.

The rapid and continued influx of Venezuelan migrants has strained the host country's capacity to absorb such an unprecedented and large influx of people. Migrants and refugees need legal protections, social support, and economic opportunities to integrate and thrive in their host countries. Migrant women continue to face sexual exploitation and abuse, and are particularly vulnerable to human trafficking, gender-based violence (GBV), discrimination, and xenophobia.

To face these challenges, USAID is committed to supporting the socio-economic integration process as a long-term development goal.

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