



USAID
FROM THE AMERICAN PEOPLE



ALTERNATIVE DEVELOPMENT

Peru is a leading producer of cocaine, an illegal industry that fuels criminality and damages rural communities. USAID supports the Government of Peru's National Strategy for Combating Drugs by providing alternatives to coca cultivation and strengthening Peruvian capacity to confront drug mafias. This enormously successful model has lifted thousands of rural Peruvian families out of poverty by shifting them away from coca cultivation.

The narcotics trade in Peru feeds corruption and violence. It also perpetuates poverty in isolated areas of Peru's Amazon. The Government of Peru negotiates with communities to give up coca and join the licit economy. USAID then helps farmers from these communities to plant cacao, coffee and other crops and connects them to producer associations. USAID programs also help local governments increase public investment and improve basic services to meet citizens' needs. While these efforts have made a significant impact, there are still many coca-growing regions that need support.

OUR WORK

DEVELOPING ALTERNATIVE LIVELIHOODS

USAID supports sustainable agroforestry in former coca-producing regions to produce legal sources of income through licit crops, such as cacao, coffee, banana, and local timber trees. USAID provides hands-

on technical assistance to farmers, including training in modern farming techniques and access to capital to invest in equipment. In 2017 alone, USAID helped 25,339 families transition to licit livelihoods on over 49,108 hectares of crops, including cacao and coffee. In communities where alternative development has followed eradication, coca cultivation has been reduced by 90 percent.

PARTNERING WITH THE PRIVATE SECTOR

Buyers need quality assurance and efficient supply chains to move products such as cacao and coffee to market. To facilitate this process, USAID linked growers to buyers through 79 cooperatives and associations, helping 6,500 farmers organize themselves to meet buyers' volume and quality standards. In FY 2017, USAID assisted 20,000 cacao growers, who sold product valued at \$33 million, including high quality "fine and aromatic" cacao. Peru's national production of high quality, exportable cacao is expected to more than double by 2021, helping to feed the growing demand for dark chocolate and supply the \$34 billion U.S. confectionery industry that employs 70,000 workers. In 2015, USAID leveraged \$10.9 million from the private sector to generate \$48.2 million in total sales of legal crops. USAID also offers a \$54 million credit guarantee to banks to encourage lending to farmers and small businesses in target communities.

FACILITATING LOCAL GOVERNANCE

Even when a community successfully transitions from coca production, the pressures to regress to coca persist. To help sustain progress, USAID strengthens local governance by organizing community development committees that create participatory long-term economic development plans. USAID also trains municipal leaders and technicians to improve their budget and project management skills. This training helps communities effectively advocate and request funding for development initiatives. To date, USAID has helped 330 communities to secure municipal and national-level support and funding for schools, health services, water, roads and economic opportunities. Most importantly, community members and officials have begun to cooperate to achieve common goals and sustain the shared commitment necessary to reject illicit coca cultivation.

BUILDING CAPACITY

While USAID has improved the livelihoods of thousands of rural families, there are thousands more that need assistance. Through the National Commission for Development and Life without Drugs (DEVIDA), the Government of Peru increasingly leads Peru's alternative development. Since 2013, USAID has provided direct government-to-government assistance to support DEVIDA's programs in planting, land titling, and community development. USAID is also working closely with DEVIDA to strengthen monitoring, financial management, and environmental compliance capabilities. DEVIDA's budget grew from \$15 million in 2011 to \$45.7 million in 2017. According to farmers who have received DEVIDA assistance, these programs work: 85 percent of beneficiaries surveyed (2016) in post-eradicated communities say that "DEVIDA's interventions will contribute to their community's development."

DIGITAL INCLUSION

Coca is generally produced in remote rural regions with the lowest internet penetrations rates in Peru. USAID supports online connectivity to help facilitate a transition from illicit crops to the formal economy. To date, USAID has helped to construct 38 "telecenters" in San Martin, Huánuco and Ucayali.

These centers, now fully managed and staffed by local governments, provide internet connectivity to local residents and offer training in digital and financial literacy. In 2017, the centers trained 930 people in digital literacy (i.e. learning to use computers) and 3,675 people received basic personal finance training, with support from private sector banking institutions. With the guidance of telecenter personnel, 7,211 people accessed the internet for the first time and 863 farmers participated in distance education classes, which taught coffee and cacao crop management techniques and how to access market pricing information for crops online. In a 2017 survey of users, 96 percent of users were satisfied with the quality of services provided by the telecenters.

CONTACTS

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