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*Role Sources: Peru Cacao Alliance, Peru Coffee Alliance, CR3CE Alliance.*

# FINAL PERFORMANCE EVALUATION OF THREE GLOBAL DEVELOPMENT ALLIANCES (GDA) IN ALTERNATIVE DEVELOPMENT IN PERU

FINAL REPORT

March 2023

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# ABSTRACT

The objective of this study is to evaluate the performance and results of Peru Coffee Alliance, Peru Cacao Alliance, and CR3CE Alliance, with emphasis on the capacity of each intervention to involve the private sector in achieving their objectives. The evaluation uses the Appreciative Inquiry approach, which prioritizes the identification of what served well to establish recommendations. To achieve this purpose, in addition to the documentary review, qualitative and quantitative information-gathering techniques were used to collect information from participants, strategic partners, and implementing partners, among other stakeholders. As a result, the evaluation revealed that the Alliances' intervention has allowed the private sector to become more involved in promoting legal activities. For instance, coffee and cacao producers improved their production processes and marketing of their products so they can access new markets, better prices, and obtain higher revenues. The Alliances also contributed to improving the population's access to connectivity services and financial products. Additionally, the Alliances contributed to women's empowerment and greater participation in economic activity. In terms of sustainability, the study found that these results mentioned above depend on the maturity and size of the producers since these factors facilitate access to technical assistance and the establishment of commercial links. Moreover, the private sector's ability to continue providing services without support from the Alliances depends on future business growth and producers' associativity. Finally, the study provides recommendations to ensure that the benefits achieved strengthen and remain sustainable regardless of the Alliances' support.

# RESUMEN

El objetivo del estudio es evaluar el desempeño y los resultados de Alianza CAFÉ, Alianza Cacao Perú y Alianza CR3CE, con énfasis en la capacidad de cada intervención para involucrar al sector privado en el logro de sus objetivos. Para la evaluación se utilizó el enfoque de Indagación Appreciativa, el cual prioriza la identificación de lo que funcionó bien para luego establecer recomendaciones. Para ello, además de la revisión documental, se aplicaron técnicas de recolección de información cualitativa y cuantitativa que involucraron a los participantes de las Alianzas, socios estratégicos, implementadores, entre otros actores. Como resultado, la evaluación reveló que la intervención de las Alianzas ha permitido que el sector privado se involucre en promover las actividades lícitas. En concreto, se logró que los productores de café y cacao mejoraran sus procesos productivos y la comercialización de sus productos, de manera que accedan a nuevos mercados, mejores precios y a partir de ello, consigan mayores ingresos. Las Alianzas también contribuyeron a mejorar el acceso de la población a servicios de conectividad y productos financieros. Adicionalmente, las Alianzas consiguieron contribuir con el empoderamiento femenino y una mayor participación económica de las mujeres. En términos de sostenibilidad, se identificó que los resultados dependen de la madurez y tamaño de los productores, factores que permiten el acceso a asistencia técnica y establecimiento de vínculos comerciales. Asimismo, la capacidad del sector privado de seguir brindando los servicios sin el apoyo de las Alianzas depende del crecimiento de los negocios a futuro y la asociatividad de los productores. Finalmente, se plantearon recomendaciones que permitirán potenciar los beneficios logrados y que perduren en el tiempo independientemente de las Alianzas.

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# ACRONYMS

CEDRO	Information and Education Center for the Prevention of Drug Abuse
DEVIDA	National Commission for Development and Life without Drugs
DO	Development Objective
ENA	National Agricultural Survey
GORE	Regional Government
ICT	Information and Communications Technology
NGO	Non-Governmental Organization
OPD	Peruvian Observatory on Drugs
PSE	Private Sector Engagement
SCM	Supply Chain Manager
ToC	Theory of Change
USAID	US Agency for International Development

# EXECUTIVE SUMMARY

The three alternative development projects—Peru Coffee Alliance, Peru Cacao Alliance, and CR3CE Alliance—are public-private initiatives supported by USAID to promote economic and social development in post-coca eradication regions through an engagement approach with the private sector. On the one hand, the Peru Coffee and Peru Cacao Alliances helped farmers increase their income through alternative crops. To achieve this purpose, both Alliances provided technical assistance, training, and support throughout the crop value chain to improve their productivity, quality, and profitability. At the same time, the CR3CE Alliance supported development in intervention areas by promoting access to connectivity and financial services for the beneficiary population.

The Peru Coffee and CR3CE Alliances began operations in 2017. The former concluded in October 2022, and the latter is expected to end in December 2022. As for the Peru Cacao Alliance, this evaluation focuses on its second phase, implemented between 2016 and 2022. The Alliances were financed by USAID with US\$11 million (Peru Coffee Alliance), US\$29 million (Peru Cacao Alliance), and US\$21 million (CR3CE Alliance). The regions where they were developed were Huánuco, San Martín, Ucayali, and Pasco; and they positively impacted the agricultural incomes of more than 8,380 and 24,000 coffee and cacao farming families, respectively, as well as access to connectivity and financial services for countless individuals in these areas.

## PURPOSE AND EVALUATION QUESTIONS

The central purpose of the final evaluation was to assess the performance and results of the three Alliances, emphasizing each intervention's ability to involve the private sector in achieving their goals. Likewise, lessons learned and recommendations that USAID can incorporate into the design and implementation of future projects were identified. The evaluation covers the development period of the Alliances from their start to November 2022 and includes the analysis of four objectives regarding (i) relevance of design; (ii) effectiveness in implementation; and (iii) sustainability of the Private Sector Engagement (PSE) strategy.

## METHODOLOGY

The evaluation used a mixed methodology comprising qualitative and quantitative techniques. Regarding the qualitative approach, in total, 50 semi-structured in-depth interviews were conducted. Of these, 39 interviews were carried out virtually, and 11 were in-person during field visits in the Huánuco and San Martín regions. Also, a participatory workshop for co-creating recommendations was conducted with the implementing partners of the three Alliances, members of the USAID team, USAID-MELS, and the consulting team. As for the quantitative approach, 280 surveys were applied to farmer families of the Peru Coffee Alliance and 285 surveys to participating families of the Peru Cacao Alliance in the intervention regions of the projects.

## FINDINGS

### WHAT CONDITIONS MAKE PSE MORE EFFECTIVE IN PROMOTING LICIT ECONOMIES?

The PSE is most effective in establishing licit economies by promoting value chain profitable and allowing the Alliances to provide services that generated value for the involved agents. The strategy of making the value chain profitable is (i.e., making coffee and cacao activities economically attractive) via a business approach at each stage of the chain. This was possible thanks to the influence of key private sector actors at every stage of the crop value chain and in support activities— access to connectivity and financial services.

The Alliances' work made contributions and stimulated investments under the PSE approach by providing technical assistance and advice throughout the value chain. In turn, this maintained and implemented a business plan perspective to improve the income of participating farmers. In addition, the involvement of private partners was encouraged by the promotion of profitable licit economies, as they perceived their engagement with the interventions as favorable, both socially and economically. In this way, the PSE strategy was key in positioning licit crops as an attractive source of income in the intervention zones.

Specifically, thanks to (i) the alignment of objectives between the Alliances and the private sector; (ii) the support of the Alliances in the entry and expansion of private partners; (iii) the support at the marketing stage; and (iv) the interest of private sector actors in participating in an intervention that would help them generate more value than they would have achieved without the support of the Alliances, it was possible to coordinate efforts with the private sector to facilitate participants' access to inputs, equipment, financing, and connectivity; consolidation of trade agreements; women's; and associativity. Therefore, PSE was key to positioning licit crops as an attractive source of income in the intervention zones.

### HOW DOES PSE BRING ABOUT A CHANGE IN VALUE CHAINS AND THE DISTRIBUTION OF CONNECTIVITY AND FINANCIAL SERVICES?

The intervention across value chain stages and support activities (connectivity and financing) achieved a systematic change in the development of coffee/cacao activities and the economic activity of the population in the intervention zones. On the one hand, the Peru Coffee and Peru Cacao Alliances executed similar actions to influence farmers' know-how, generate lasting commercial ties, strengthen associations and cooperatives, and facilitate farmers' access to sources of financing. At the same time, the CR3CE Alliance contributed to the development of the intervention zone by increasing the supply of financial services and connectivity.

The PSE strategy translated into actions to ensure access to inputs, equipment, and financing; improve production; and enhance initial processing and marketing. The technical assistance, training, and advice provided by the Alliances under the PSE approach allowed to: (i) increase crop yields; (ii) improve the quality of production; (iii) improve the price of products; and (iv) enable access to connectivity and financing. These changes were instrumental to increase licit crop income for producers, as well as integrate people into digital services and the financial system.

### TO WHAT EXTENT WAS WOMEN'S EMPOWERMENT ACHIEVED IN THE THREE PROJECTS?

The Alliances' achievements in gender matters include women's involvement in agricultural activities—specifically in the growing, harvesting, and marketing of crops—; the promotion of

women's leadership in the relevant institutions; women's participation in decision-making; the improvement in women's income and access to financing; and increased awareness of the importance of shared roles.

Within this framework, the private sector played a role in favor of women's empowerment, as companies and private institutions incorporated the gender approach into their guidelines, promoted specific financing schemes for women, and encouraged their participation in crop value chains. The latter was also driven by the requirements of international crop certifications regarding greater female involvement. In addition, coordination with the Alliances, awareness discussions were held for families on other relevant topics related to gender equality.

Women's access to productive assets—loans, technological tools, the internet, and accounts in the financial system, among others—, allowed them to generate new sources of income both related to agricultural activity and in other business sectors. Women's increased access to productive assets enabled them to become the target customers of some financial institutions. In turn, training women as technology agents and community trainers further promoted empowerment within their communities. Participants in these initiatives became the direct link between production input companies and the farmers in their areas, as well as technical-productive trainers.

### **TO WHAT EXTENT CAN THE PRIVATE SECTOR SUSTAIN THE WORK CARRIED OUT BY THE ALLIANCES IN THE COMING YEARS?**

The private sector can sustain the work of the Alliances to a certain extent in the coming years. The sustainability of the outcomes depends on the heterogeneity of the businesses in terms of their maturity. This maturity refers to the management capabilities of the businesses and/or producer associations, and their ability to carry out successful commercial efforts and provide economic benefits to their partners.

The level of business maturity is crucial as it has resulted in positive outcomes from working with the Alliances. Specifically, the capacity to (i) access technical assistance; (ii) establish commercial ties, and (iii) continue meeting the quality standards demanded by clients, are key factors for the sustainability of the interventions. Moreover, the associativity of the producers represents another important factor, as independent producers are more distant from potential chaining to private companies or entities that allow them access to the capital and productive assets necessary to improve their crop management after the interventions have ended.

## **RECOMMENDATIONS**

### **MARKET, PRODUCTIVITY, INCOME, AND ADDED VALUE**

The first set of recommendations focuses on improving producers' market conditions, productivity, and income, as well as enhancing added value.

- **Stimulate domestic consumption** by promoting crops to boost domestic demand for coffee and cacao, thereby expanding the market for these products. Additionally, the study recommends promoting the sale of value-added products to strengthen local value chains.
- **Evaluate implementing the next phase** of the Alliances focused on marketing and building leadership and management skills within producer associations.
- **Promote economic diversification**, especially among small producers who could participate in other economic activities relevant to their regions, thereby achieving income diversification.

- **Promote agricultural professionalization**, specifically in cacao and coffee farming, which involves: (i) promoting university and technical careers that contribute to professionalizing the agricultural workforce; and (ii) encouraging the adoption of technology and innovation in agricultural processes.

## STAKEHOLDER COORDINATION

This set of recommendations aims at facilitating the articulation of key actors within the value chain:

- **Promote associativity among producers** as a strategy to expand the benefits of collaborative work and better channel the Alliances' interventions. This recommendation implies disseminating the benefits of associativity in terms of improving market access, promoting formalization, and enhancing management capacities.
- **Promote the creation of a service platform** aimed at collecting, updating, connecting, and socializing information, to bring associations and unorganized producers together with private companies providing services in a collaborative work relationship.
- **Create discussion spaces in effective working groups at the regional level** for relevant actors within the value chain. It is necessary that: (i) the working groups are recognized by regional governments (GOREs) so that they can take enforceable actions, and (ii) members are trained in management skills.

## FINANCING

The recommendation on financing access aims to increase credit access and improve producers' knowledge of financial matters:

- **Strengthen the development of the credit market** by (i) increasing available funds and (ii) leveraging the synergies of associations and cooperatives as a credit control mechanism.

## CONNECTIVITY

The connectivity recommendation aims to increase the participating population's access to value-chain support services through digital platforms:

- **Promote digital education** of the population in the intervention area, as it facilitates their access to support services for the value chain that are mostly provided digitally. Towards this end, the study recommends joint work between USAID and strategic partners from the telecommunications sector.

## GENDER

The last set of recommendations focuses on increasing women's involvement in the value chain, promoting women's empowerment, prioritizing a results-based approach, and training all stakeholders working with USAID:

- **Incorporate governance guidelines** establishing institutional spaces to promote women's involvement within farmers' associations and cooperatives.
- **Expand the scope of interventions** to extend the results regarding gender issues and women's empowerment to non-intervened households and in various contexts such as families, communities, and organizations.
- **Include a combating gender-based violence component** in activities carried out by USAID, given its relevance in the intervened areas.

- **Implement a results-oriented approach** in USAID activities seeking to (i) ensure women’s active role in economic decision-making through women's financial inclusion; and (ii) promote women’s involvement within the value chain through positions on the managing board of associations and participation in marketing activities, price negotiation, and purchase of supplies and equipment.
- **Implement gender capacity building** across all stakeholders working in USAID-led interventions to align the efforts of all actors towards the same objective.

# BACKGROUND

Peru is greatly affected by the illegal cultivation of coca leaves to produce cocaine. According to the Peruvian Observatory on Drugs (OPD, 2021), the estimated production of illegal coca leaf, at a national level, has followed an increasing trend from 2015 - 2020. This situation not only generates an illegal industry that promotes crime and harms rural communities, but it also encourages corruption, fosters violence, and perpetuates poverty in isolated areas of the Peruvian Amazon.

In this context, the Peruvian Government seeks to eradicate coca crops and/or negotiate with communities about the conditions for abandoning the illicit cultivation of coca and integrating into an economy governed by the rule of law. USAID supports the Government's National Drug Control Policy and offers alternatives to illicit coca cultivation. This aid aligns with the first development objective (DO) of USAID's Country Development Cooperation Strategy for Peru (CDCS Peru). This objective focuses on expanding economic and social development in regions where coca cultivation has been eradicated to sustain the reduction of cultivation.

In this regard, USAID aims to support residents of communities affected by illegal coca cultivation by providing funding for three specific initiatives: the Peru Coffee Alliance, the Peru Cacao Alliance, and the CR3CE Alliance. More information on these initiatives is available in the Project Description section, where they are described in three distinct lines of action:

## **NEW PRODUCTION ALTERNATIVES**

The first line of action is to promote sustainable agroforestry in areas where illegal coca is usually grown, to transition to legal income sources through the cultivation of legal products such as cacao, coffee, bananas, etc.<sup>1</sup> The Peru Coffee and Peru Cacao Alliances contribute to this line of action by creating opportunities for former coca farmers. In 2021, thanks to training in modern farming techniques and access to investment capital, USAID assisted 77,109 families in transitioning to legal livelihoods in more than 98,000 hectares of cacao, coffee, and other crops.

## **DIGITAL AND FINANCIAL INCLUSION**

In general, illegal coca is produced in remote rural areas with little access to the internet and financial services. In this context, USAID proposes a line of action that promotes digital and financial inclusion to stimulate local economies. The CR3CE Alliance contributes to this line of action by bringing internet connectivity to former coca-producing communities; providing training in digital and financial education; and promoting access to, and use of, loans, savings accounts, and other financial services.

To date, together with the private sector, the project has provided internet connectivity to 100 communities located in Huánuco, San Martín, and Ucayali. Additionally, in 2021, families in these areas were assisted in receiving more than \$36.5 million in micro and small loans tailored to participants' needs.

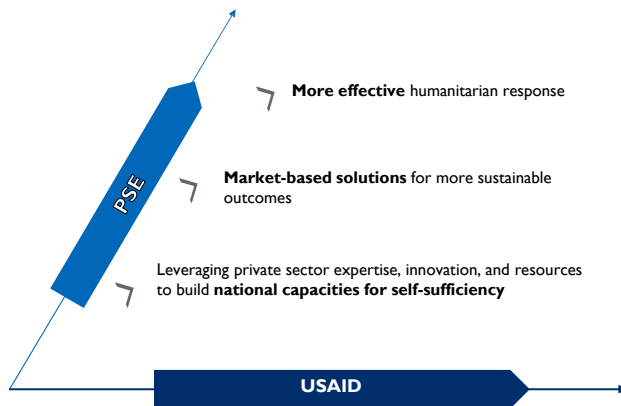
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<sup>1</sup> Sustainable agroforestry is a system that integrates permanent crops (coffee and cacao) and fast-growing temporary crops (e.g., bananas) that enhance land productivity while being ecologically sustainable.

## PRIVATE SECTOR ENGAGEMENT

The strategy of establishing partnerships with the private sector (PSE) has been incorporated across all three alliances to promote sustainable development of licit economies in the multiple contexts where they operate. Under USAID’s PSE strategic approach, strategies are developed, aligned, and implemented in collaboration with the private sector to scale up production, reinforce sustainability, and improve effectiveness. In this way, USAID enhances its potential for providing a more effective humanitarian response, mobilizing market-based solutions, and leveraging private sector resources for self-sufficiency (Figure 1).

Figure 1. Means through which USAID works with the private sector.



Source: PSE Policy – USAID. Prepared by: APOYO Consultoria

Additionally, the PSE approach is a win-win strategy for USAID and the private sector, as it facilitates leveraging each party's comparative advantages to provide more effective and sustainable results (Table 1). Achieving self-sufficiency requires support from the governments, local communities, civil society, academia, the private sector, and USAID, in coordination with donors and other US government agencies.

Table 1. Benefits of USAID and the private sector for countries' self-reliance

USAID	Private Sector
Strong intra-country relationships and networking	Scale, sustainability, and reach
Support to strengthen conducive environments	Ability to influence policy
Sectoral experience and knowledge	Innovation, experience, and capabilities
Risk mitigation and flexible authorities	Flexibility and pace
Reputation and credible convening power	Efficiency and effectiveness

Source: PSE Policy – USAID. Prepared by: APOYO Consultoria

USAID's PSE strategy is governed by four principles:

Figure 2. PSE Policy Principles

#### Principle 1

##### Engage

This contact allows USAID to: (i) consult and exchange information for a holistic understanding of a country's development challenges<sup>11</sup> and (ii) build relationships and align efforts to understand the role of the private sector and its barriers to investment, as well as to achieve greater collaboration with local stakeholders

#### Principle 2

##### Promote and value PSE throughout planning and programming

PSE integration better positions USAID to identify market-based approaches, mobilize private sector investment and expertise, and make more catalytic use of USAID's resources

#### Principle 3

##### Expand the use of USAID approaches and tools to unlock the potential of the private sector for more effective and sustainable results

This policy requires a broader deployment of USAID's financial and non-financial resources and core competencies to engage and collaborate with the private sector for more sustainable results

#### Principle 4

##### Build and act upon evidence of what works best in PSE

The aim is to establish a knowledge base on the types of PSE that perform best under different circumstances. This process begins with defining objectives that are aligned with both USAID and the private sector, and establishing a set of indicators and basic goals to monitor the advancement of these common objectives

*11 Seeks to incorporate private sector stakeholders' perspective and knowledge.*

*Source: PSE Policy – USAID. Prepared by: APOYO Consultoría*

Under the PSE strategy, USAID worked jointly with 46 private actors in 2021, including private businesses and investors linked to the cacao, coffee, and technology sectors seeking to generate social and environmental impact. Through these collaborations, it was possible to raise \$13 million from the private sector to integrate farmers and communities into the legal economy. This helped farmers to improve yields and quality across 98,907 hectares of cacao and coffee agroforestry plantations.

In this context, the final evaluation for the alternative development of the three projects (Peru Coffee, Peru Cacao, and CR3CE) was carried out by USAID MELS via APOYO Consultoría. This evaluation aims to capture how each of the three partnerships may have impacted the lives of people within the target populations. It also seeks to identify lessons learned and offer recommendations for future projects. Specifically, the evaluation emphasizes the Alliances' capacity to actively engage with private sector entities and how the latter have contributed in each implementation context.

This document is the final report of the study and is divided into eight sections (in addition to the Background section). Section 2 presents the purpose and evaluation questions. Section 3 describes the Alliances' interventions. Section 4 introduces the evaluation methods. Section 5 outlines the preliminary findings. Section 6 focuses on the key lessons learned and best practices. Section 7 presents the conclusions. Section 8 provides a set of recommendations. Finally, Section 9 includes the annexes.

# PURPOSE AND EVALUATION QUESTIONS

## EVALUATION PURPOSE

The final evaluation aims to assess the performance and results of the three Alliances—Peru Coffee Alliance, Peru Cacao Alliance, and CR3CE Alliance—, including their ability to actively engage and garner contributions from the private sector to secure the success of their interventions. Additionally, the evaluation seeks to glean lessons learned and provide recommendations for designing and implementing future projects.

### Specific Objectives

- Identify the factors and conditions that facilitate the role of PSE in promoting the development of licit economies.
- Evaluate the contributions of the three projects to behavioral and systemic change, as well as to project sustainability.
- Determine the contribution of the three projects to women's empowerment in terms of roles, access to productive assets, and technical resources.
- Assess the private sector's ability to ensure sustainability and expand upon the results achieved by the projects.

## EVALUATION QUESTIONS

In line with the objectives of the final evaluation, four evaluation questions are proposed, along with sub-questions that will guide the evaluation design.

Table 2. Evaluation questions and sub-questions

QUESTIONS	Sub-QUESTIONS
What conditions make PSE more effective in promoting licit economies?	How and why did these conditions foster contributions and investments associated with PSE in the three projects?  What are the similarities and differences among the three implemented PSE approaches?  What are the characteristics of the collaborative relationships with the private sector in the three projects?  What types of small and medium-sized enterprises were promoted? Which were the most successful?

<p>How does PSE promote a systemic change in value chains and the distribution of connectivity and financial services?</p>	<p>How did the design of the collaborative relationships with the private sector support the projects in achieving their goals?</p> <p>Comparatively, how did the three PSE approaches support the achievement of sustainable results?</p> <p>What significant changes were achieved by each model? How did these changes contribute to strengthening licit economies? To what extent are the achieved changes sustainable?</p>
<p>To what extent was female empowerment achieved in the three projects?</p>	<p>What role did the private sector play in promoting women's empowerment? What results were obtained?</p> <p>How did women's access to productive assets contribute to performance under the PSE approach?</p> <p>What factors facilitated women's contribution to decision-making within families, communities, and businesses?</p>
<p>To what extent can the private sector sustain the work carried out by the Alliances in the coming years?</p>	<p>What are the enabling factors that make some interventions more sustainable than others?</p> <p>What are the geographical, socioeconomic, and cultural factors that explain the differences in sustainability across interventions?</p>

Source: Evaluation terms of reference. Prepared by: APOYO Consultoría.

# PROJECT DESCRIPTION

This evaluation involves three projects funded by USAID: (i) the Peru Coffee Alliance, (ii) the Peru Cacao Alliance, and (iii) the CR3CE Alliance. These three alliances fall under the first development objective (DOI) of USAID's Peru Country Development Cooperation Strategy (CDCS Peru). DOI focuses on expanding economic and social development in regions where coca cultivation has been eradicated, aiming to sustain the reduction of this crop.

Both the Peru Coffee Alliance and the Peru Cacao Alliance offer former coca farmers the opportunity to generate income through alternative crops, while the CR3CE Alliance supports development in these regions through access to connectivity and financial services. The following is a detailed description of the three projects to be evaluated.

## PERU COFFEE ALLIANCE (AWARD 72052718CA00001)

The Peru Coffee Alliance is a public-private partnership with the primary aim of enabling coffee-growing families to manage their operations more profitably. This improves family incomes through their integration into the licit economy via coffee cultivation. The project began operations in November 2017 and concluded in October 2022. This project was implemented by Technoserve—a company dedicated to managing poverty reduction programs—with funding from USAID. The funding exceeded US\$11 million.

The Peru Coffee Alliance had four specific objectives:

- I. Increase sustainable production practices among farmers.
- II. Strengthen access to new markets.
- III. Increase access to financing.
- IV. Diversify household income sources.

To achieve these outcomes, various activities needed to be implemented. For example, to increase sustainable production practices, as part of the activities for the first specific objective, Community Trainers underwent capacity building, farm visits, and Field Days were conducted, and training and technical assistance in pest and disease control and sustainable land use were provided. The activities planned for each of the objectives are summarized in Table 3.

Table 3. Peru Coffee Alliance: objectives and activities

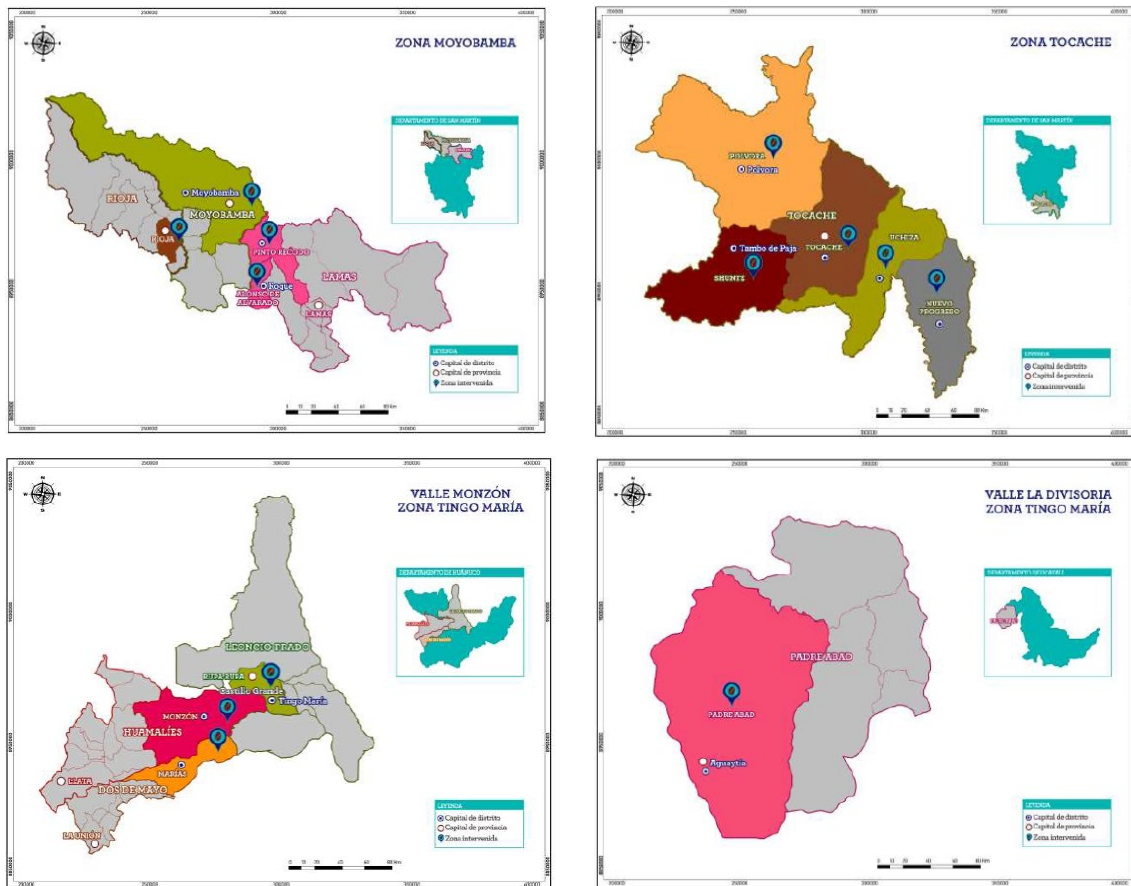
Specific Objectives	Activity
I. <b>Enhance sustainable production practices among farmers</b>	Incorporate and provide capacity building to Community Trainers.
	Make 3-4 visits to coffee farms and conduct Field Days.
	Provide training and technical assistance in pest and disease control.
	Provide training and technical assistance in sustainable land use and environmental issues.

Specific Objectives	Activity
II. <b>Strengthen access to new markets</b>	Establish producer committees (Producer Business Groups-PBGs).
	Recruit and train advisors for the PBGs.
	Train producer cooperatives in governance, finance, services, gender, and environmental issues, among others.
	Promote certification for cooperatives.
	Connect farmers with exclusive and specialized buyers.
Promote Peruvian coffee.	III. <b>Increase access to financing</b>
Enhance farmers' financial literacy.	
Promote the use of e-wallets.	
Recruit Loan Originators (LOs).	
Establish relationships between financial institutions and farmers in the operation areas.	IV. <b>Diversify household income sources</b>
Provide capacity building on entrepreneurship to men, women, and young people.	
Coordinate with CEDRO for the use of telecenters as hubs for Information and Communications Technology (ICT) capacity building.	
Train farmers in the cultivation of crops they consume the most.	
Identify high-value-added crops in local markets.	
Identify alternative crops for each producer cooperative.	

Source: Year 2 work plan (2019). Prepared by: APOYO Consultoría.

These activities were implemented by the Peru Coffee Alliance in the Huánuco, San Martín, and Ucayali regions. In Huánuco, the project operates within the Monzón Valley (Tingo María); and, in the San Martín region, within the Moyobamba and Tocache areas. Finally, in Ucayali, operations were carried out in La Divisoria (Tingo María)). Figure 3 shows the Peru Coffee Alliance's operation areas in each region.

Figure 3. Peru Coffee Alliance: intervention areas

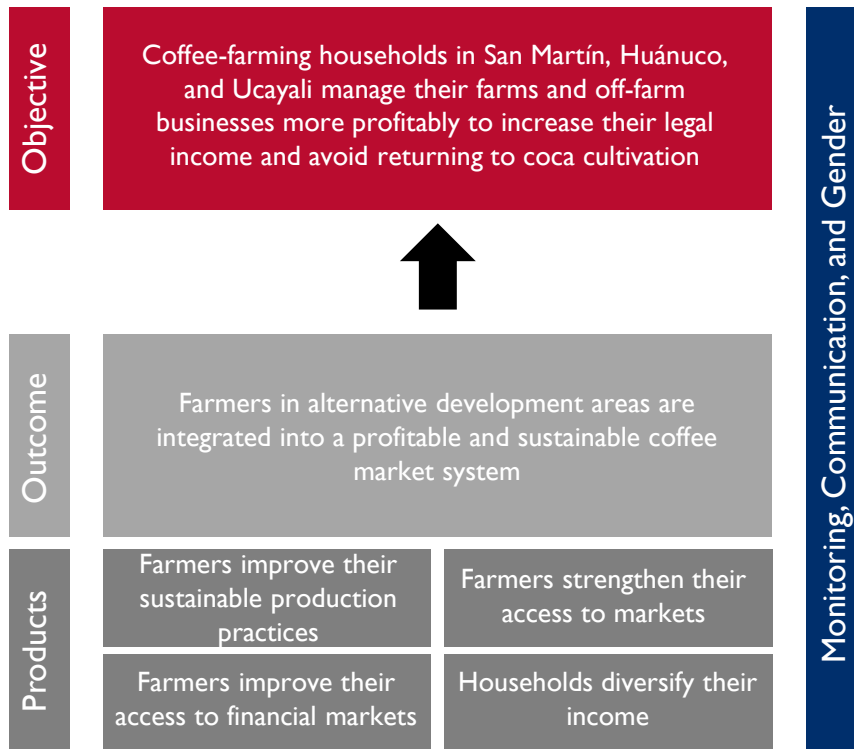


Source: Peru Coffee Alliance (2017).

The Peru Coffee Alliance was founded on a Theory of Change (ToC) that describes how to achieve the goal, i.e., growers in the intervened regions managing their farms and off-farm businesses more profitably to increase their licit incomes and avoid reverting to illicit coca cultivation. Thus, the ToC posits that farmers from the intervened areas must integrate into a profitable and sustainable coffee market.

Towards this end, the ToC establishes four outputs: (i) farmers enhance their sustainable production practices; (ii) farmers strengthen their access to markets; (iii) farmers improve their access to financial services, and (iv) households diversify their incomes. The ToC outputs are geared towards achieving the four specific objectives of the Peru Coffee Alliance, as well as contributing to closing gender gaps. Figure 4 summarizes the Peru Coffee Alliance's ToC.

Figure 4. Peru Coffee Alliance: Theory of Change



Source: Peru Coffee Alliance (s.f.). Prepared by: APOYO Consultoría.

## PERU CACAO ALLIANCE (AWARD AID-527-16-00002)

The Peru Cacao Alliance is a public-private partnership aiming primarily to improve household incomes by integrating growers into the legal economy through cacao cultivation. Phase I of the project took place between 2012 and 2016. Phase 2, which is the focus of this evaluation, developed from 2016 to August 2021. The project was implemented by Palladium International—an international company dedicated to managing programs and investments for social purposes—with funding from USAID, exceeding \$24 million.

In addition to the main objective, the project set four specific goals:

- I. Facilitate access to more sophisticated markets.
- II. Enhance producers' productivity.
- III. Increase access to financing.
- IV. Encourage private investment.

Multiple activities were implemented to achieve these goals. For the first objective (i.e., facilitate access to more sophisticated markets), the project proposed activities such as facilitating relationships between Supply Chain Managers (SCMs) and buyers, providing commercial support to SCMs, developing guidelines and action plans to manage cadmium levels, and developing and promoting differentiated products.

Table 4 below summarizes the activities proposed for each goal.

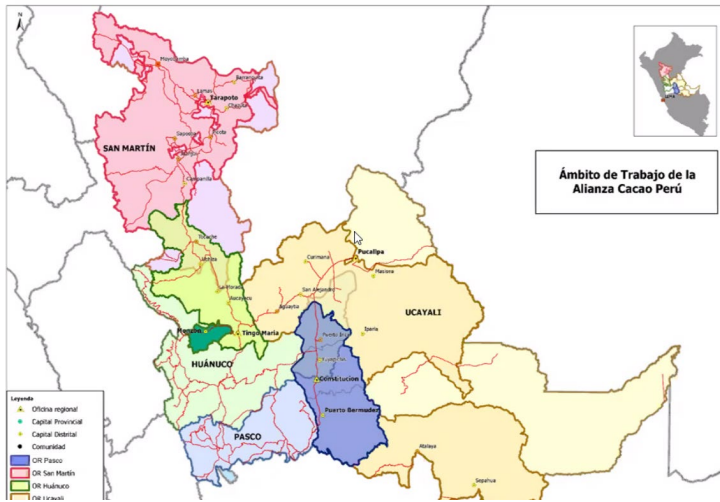
Table 4. Peru Cacao Alliance: objectives and Activities

I.	Facilitate access to more sophisticated markets	Activity
		Facilitate relationships between SCMs and buyers.
		Provide commercial support to SCMs to develop relationships with independent farming households.
		Develop guidelines and an action plan to manage cadmium levels in cacao.
		Support SCMs and end-buyers in developing and promoting differentiated products.
II.	Increase producers' productivity	Develop and implement a methodology to promote the adoption of new technologies for agroforestry systems among small farmers.
		Develop a strategy to expand the distribution network for inputs, fertilizers, equipment, and after-sales technical services.
		Develop and implement an online technical assistance system for crop management, pest and disease control, and other services.
III.	Increase access to financing	Increase associated farmers' access to financing.
		Develop three virtual programs for agro-analysts in cooperation with Cooperativa Prisma, Cooperativa Tocache, and Caja Rural Los Andes.
		Support producer organizations and member companies to develop financing agreements with financial institutions.
		Prioritize women's access to credit.
		Increase the use of e-wallets.
IV.	Encourage private investment	Identify and support the development of funds in intervention areas.
		Identify and sign agreements with funds focused on climate-smart and reforestation activities.

Source: Year 5 work plan (2021). Prepared by: APOYO Consultoría.

The scope of the Peru Cacao Alliance was 43,000 hectares, involving around 24,000 cacao-producing households. In terms of geographical reach, the Peru Cacao Alliance operated in four regions: San Martín, Huánuco, Ucayali, and Pasco. The intervention in the former region started in 2019. The following figure shows the Peru Cacao Alliance's operation areas.

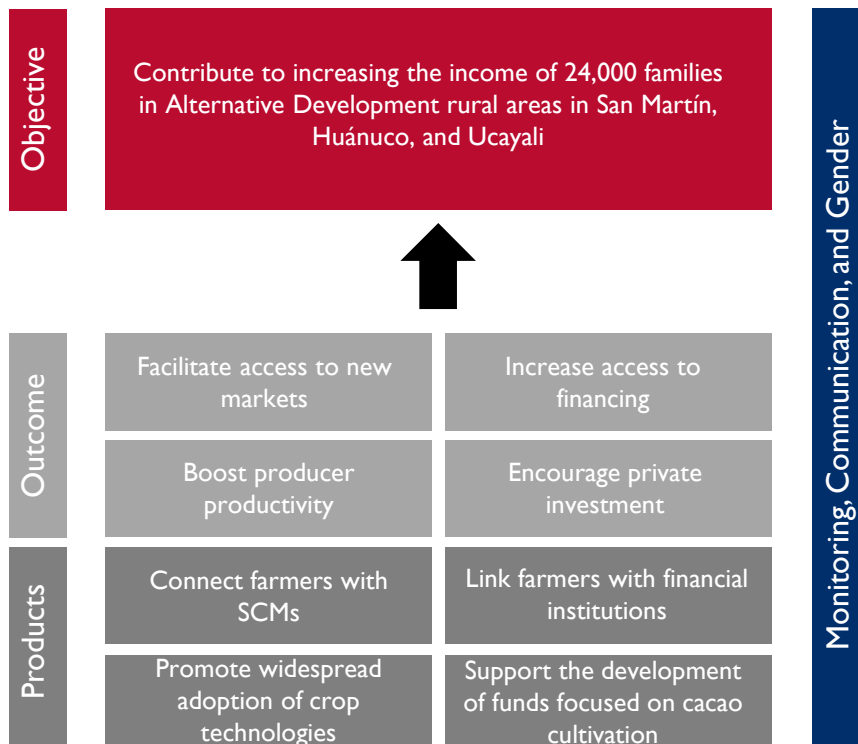
Figure 5. Peru Cacao Alliance: intervention areas



Source: Peru Cacao Alliance (2021).

The Peru Cacao Alliance was founded on a ToC aimed primarily at enhancing the incomes of coffee-growing households in San Martín, Huánuco, and Ucayali. To this end, in line with the specific goals of the Alliance, four results were pursued: (i) facilitate access to new markets, (ii) enhance farmers’ productivity, (iii) increase access to financing, and (iv) encourage private investment. In addition, the project proposed mainstream monitoring, communication, and gender objectives across all actions (Figure 6).

Figure 6. Peru Cacao Alliance: Theory of Change



Source: Peru Cacao Alliance (2021). Prepared by: APOYO Consultoría

## CR3CE ALLIANCE (AWARD 72052718CA00003)

The CR3CE Alliance is a public-private partnership aiming primarily at boosting licit economic development in Peru’s rural areas by expanding internet access and strengthening ICT skills, as well as promoting and expanding the supply and demand for financial products and services. The project began in December 2017 and is expected to end in January 2023. It is implemented by CEDRO—a Peruvian non-governmental organization (NGO) for promoting healthy lifestyles, community development, and a culture of legality—with funding from USAID exceeding US\$10 million.

In addition, the project has two specific objectives:

- I. Promote sustainable expansion of internet access in Alternative Development Areas.
- II. Stimulate rural financial investments and services in Alternative Development Areas.

Multiple activities need to be implemented to achieve these objectives. For the connectivity and digital tools component, direct work with participants is mainly done in telecenters. Other activities include expanding internet access, improving management and maintenance of telecenters, implementing internet services, and training in digital and technological tools. The key to the strategy is to generate demand for the use of connectivity through capacity building. Regarding the second component, capacity-building activities are developed to enhance financial literacy in rural communities to enable them to access financial products and services, such as loans and savings. Table 5 summarizes these activities.

Table 5. CR3CE Alliance: objectives and activities

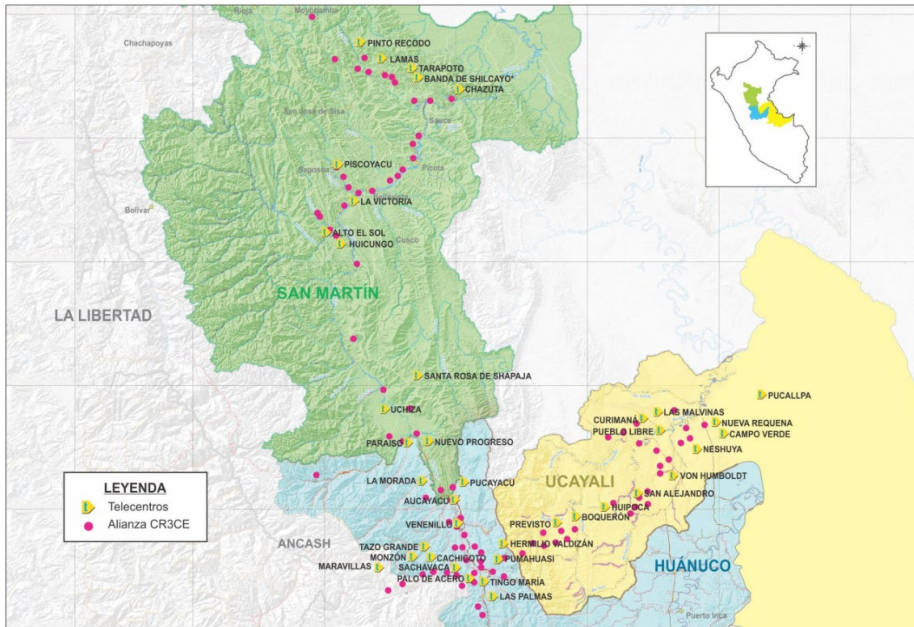
Objective	Activity
I. Promote sustainable expansion of Internet access in Alternative Development areas	Support for management and maintenance of telecenters.
	Implementation of internet services in prioritized locations.
	Training in digital and technological tools.
	Training for digital ventures in partnership with CISCO.
	Training in technological skills with international certification in partnership with CISCO.
	Teleconferences and/or digital events for local development.
	Digital community integration events (e.g., hackathons).
	Production of material for promoting digital services.
	Actions for disseminating digital services.
	Actions for promoting the Alliance at the regional and national levels.
	Incorporation of local educational institutions, e.g., CISCO Academies.
Activities under <i>Internet para Todos</i> geared to expand Internet services.	

Objective	Activity
II. Stimulated rural investments and financial services in Alternative Development areas	Opening of agencies and/or service points in prioritized areas.
	Design and launch innovative solutions for providing financial products and/or services (challenge funds).
	Capacity building on financial education (savings, debt, budget, financial services).
	Capacity building on business initiatives (business management, business idea, business plans).
	Conducting financial fairs.
	Design, development, validation, and printing of the basic course on financial education and business initiatives.
	Production of materials for disseminating information on the component, its contents, and its benefits.
	Dissemination of financial services and/or products.
	Preparation of studies on gender and communication strategies.
	Promote the use of e-wallets.
Activities for promoting rural financial services and financial education jointly with financial partners, such as Cooperativa PRISMA, Caja Los Andes, Banco de la Microempresa - MiBanco, Financiera Confianza, Banco de Crédito - BCP, Emprande UP, and Kaudal - Laboratoria.	

Source: USAID/CEDRO Cooperation Agreement– CR3CE, Year 2 Work Plan (2019). Prepared by: APOYO Consultoría.

The CR3CE Alliance operates in the Huánuco, San Martín, and Ucayali regions, where the project intervenes in more than 150 localities and has over 40 telecenters. Figure shows in detail the intervened localities and the location of the telecenters.

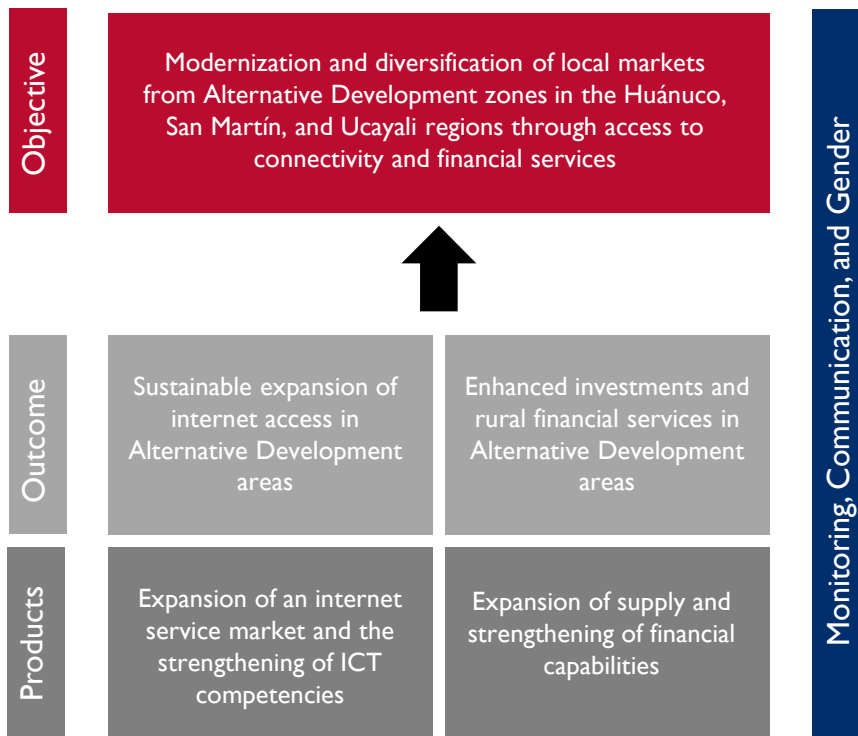
Figure 7. CR3CE Alliance: intervention areas



Source: CR3CE Alliance (2019)

The CR3CE Alliance is predicated on the premise that there is a significant unattended market for digital connectivity and financial inclusion. Thus, CR3CE Alliance’s ToC is based on the need to close these gaps, aiming to generate technological and financial change that promotes the development and dynamization of local economies. To this end, regional and national development objectives are aligned with those of the private sector to facilitate the installation of the necessary technological and physical infrastructure. This is achieved through agreements with strategic partners within the connectivity component, such as *Internet para Todos*—a mobile infrastructure company aiming to make internet access widely available to transform people’s lives—, to expand internet infrastructure; and financial institutions, within the financial component, to design and launch financial products and services that fit the needs of the rural population. Figure shows CR3CE Alliance’s ToC.

Figure 8. CR3CE Alliance: Theory of Change



Source: CR3CE Alliance (2019). Prepared by: APOYO Consultoría.

## STAKEHOLDERS

The development of the three alliances requires the participation of multiple actors, both private and public. Actors vary according to each project and can be classified into three categories: (i) implementing partners, (ii) strategic partners, and (iii) participants. For the evaluation's development, it is important to map out all the involved actors in each project to define the sample for data collection. Below is a summary of the actors involved in each project.

Table 6. Summary of stakeholders involved in each project.

<b>Alliance</b>	<b>Implementing partners</b>	<b>Strategic partners</b>	<b>Beneficiaries</b>
<b>Peru Coffee Alliance</b>	TechnoServe	<b>17 strategic partners</b> Types of associates - Commercial - Aggregator - Financial	Farming households from Huanuco, San Martin and Ucayali 7839 households
<b>Peru Cacao Alliance</b>	Palladium	<b>40 strategic partners</b> Types of associates - Commercial - Aggregator - Technological - Financial	Farming households from Huanuco, San Martin, Ucayali and Pasco 15,674 households
<b>CR3CE Alliance</b>	CEDRO	<b>9 strategic partners</b> Types of associates - Digital - Financial	Households from Huanuco, San Martin and Ucayali 150 localities

Sources: Peru Coffee, Peru Cacao, and CR3CE Alliances. Prepared by: APOYO Consultoría.

The implementing partners are the entities responsible for implementing the alliances using USAID funding. The Peru Coffee and Peru Cacao Alliances are implemented by Technoserve and Palladium, respectively; both companies specialize in managing programs and investments for social purposes. For its part, the CR3CE Alliance is implemented by CEDRO, a Peruvian NGO dedicated to promoting community development, and a licit lifestyle.

The Strategic partners are key players in the projects' performance. They are mostly private companies, which highly contribute to the current evaluation. Therefore, it is necessary to examine each alliance's strategic partners. The description of the types of partners identified from the review of each alliance's documentation is presented below:

- **Commercial partners:** companies that export and process coffee and cacao produced by farming households in the Peru Coffee and Peru Cacao Alliances' intervention areas. These companies participate in the value chain through their interaction with associations, cooperatives, and producers by purchasing their coffee and cacao crops.
- **Aggregator partners:** associations and cooperatives of coffee and cacao producers. These entities play the role of collecting the crops and facilitating market access for farming families in the intervention areas of the Peru Coffee and Peru Cacao Alliances.
- **Technological partners:** companies that provide technology, inputs, and equipment required by coffee- and cacao-producing households. These companies interact with

associations, cooperatives, and producers in the Peru Coffee and Peru Cacao Alliances' intervention areas.

- **Financial partners:** microfinance entities such as regional and municipal savings and loan cooperatives, and fintech, among others. These entities aim to meet the credit demand from associations, cooperatives, and producers of coffee and cacao crops, as well as from the population in CR3CE Alliance's intervention localities.
- **Digital partners:** CR3CE Alliance's strategic partners that contribute to the design and marketing of connectivity products and ICT services (*Internet para Todos*), as well as to the provision of capacity building on technological tools and skills to generate demand for internet services (Cisco Systems).

Finally, the participants are the households targeted by the alliances' interventions. In the case of the Peru Coffee Alliance, the participants are approximately 8,000 farming households mainly located in Huánuco, San Martín, and Ucayali. The Peru Cacao Alliance includes approximately 24,000 participating farming families in the Huánuco, San Martín, Ucayali, and Pasco regions. Lastly, the participants in the CR3CE Alliance are households from the more than 150 intervened localities in Huánuco, San Martín, and Ucayali.

# EVALUATION METHODS

This section outlines the methodological framework of the evaluation. It begins by detailing the Appreciative Inquiry Approach, which was used to guide the evaluation process. Next, it explores the techniques and tools employed in both qualitative and quantitative approaches. It also describes the samples used in each approach. Finally, it discusses the key strengths and limitations of the adopted methodology.<sup>2</sup>

## APPRECIATIVE INQUIRY APPROACH

This method operates under a proactive lens, highlighting successful elements rather than dwelling on challenges that may have impeded implementation. It concentrates on identifying effective strategies and subsequently formulates recommendations based on these insights. The crux of the proposed methodological framework aligns with this approach, emphasizing attaining Private Sector Engagement (PSE)—a crucial component underpinning the success and sustainability of the Alliances.

## DATA COLLECTION TECHNIQUES AND INSTRUMENTS

The evaluation required a thorough analysis of various types of information. Initially, a review of reports and materials produced by the implementing partners in the three Alliances was carried out. Additionally, the evaluation included qualitative and quantitative techniques for primary data collection. From a qualitative approach, in-depth interviews with key informants, as well as a co-creation workshop for recommendations, were implemented; from a quantitative approach, surveys were administered to participants.<sup>3</sup>

### QUALITATIVE APPROACH

The qualitative approach involves the application of in-depth interviews directed at the implementing and strategic partners of the three Alliances. This data collection technique uses face-to-face instruments based on the interaction between the interviewee and the interviewer. Along these lines, semi-structured interviews were conducted in which structured (closed-ended) questions were alternated with open-ended questions.

### QUANTITATIVE APPROACH

The quantitative approach enables the acquisition of measurable and generalizable results about the implementation of the Alliances. The indicators collected allowed specific conclusions to be drawn related to private sector involvement in the implementation of the Alliances. In line with this, a questionnaire was administered to participants based on previous questionnaires used by the Alliances. Furthermore, perception questions were added so that participants can evaluate private sector involvement.

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<sup>2</sup> [Annex C](#) presents the details of the evaluation methodology.

<sup>3</sup> [Annex D](#) presents the details of the data collection tools.

## SAMPLE

The following sections present the sample used in both the qualitative and quantitative approaches.

### IN-DEPTH INTERVIEWS

The study gathered information from (i) the implementing partners of the Alliances and (ii) the strategic partners from the private sector. A total of 50 interviews were conducted, involving approximately 83 key players associated with the implementation of the Alliances. These interviews consisted of 39 virtually and 11 in-person.<sup>4</sup>

### PARTICIPATORY CO-CREATION WORKSHOP FOR OF RECOMMENDATIONS

The workshop focused on validating the findings and conclusions of the evaluation, as well as co-creating recommendations. It involved participants from the implementing entities of the three Alliances. Members of the USAID team, USAID-MELS, and the consulting team also participated. The workshop had a total of 21 participants.<sup>5</sup>

### QUANTITATIVE APPROACH

For the collection of quantitative data, a probabilistic sampling technique was employed to ensure that the results were representative of the population under study and could be generalized without bias. Since the Alliances' intervention framework spans different regions, a proportional stratified sampling method was applied. It included a total of 280 surveys from farming families associated with the Peru Coffee Alliance and 285 surveys from the Peru Cacao Alliance.

## STRENGTHS AND LIMITATIONS

The main strengths of the evaluation's methodology include:

- **Diversity of interviewees:** The sample design considers a variety of actors, as well as their diverse geographical locations.
- **Field visits:** The evaluation design incorporated field visits by the consulting team to conduct direct interviews with local actors.
- **Representativeness of the sample:** The sample for the quantitative fieldwork was designed to make statistical inferences for the intervened population.

The main limitations of the evaluation's methodology include:

- **Virtual contact for fieldwork:** The virtual format of fieldwork may reduce the willingness to share sensitive information.
- **Access for conducting surveys due to geography and the rural nature of intervention areas:** The geography and rural nature of the intervention areas limited the application of surveys in the selected sample. These limitations were overcome through joint work with the zonal coordinators of the Alliances.

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<sup>4</sup> Table 15 in [Annex C](#) shows the sample of participants from the Peru Coffee and Peru Cacao Alliances and their characterization.

<sup>5</sup> [Annex E](#) lists the participants in the co-creation workshop for recommendations.

# FINDINGS

The findings of the evaluation are presented for the four evaluation questions. They are backed up by the analysis of the documentation, reports of indicators and progress in Alliance implementation, as well as the qualitative and quantitative information gathered during fieldwork.

## WHAT ARE THE CONDITIONS THAT MAKE PSE MORE EFFECTIVE IN PROMOTING LICIT ECONOMIES?

Summary of findings:

- **Finding 1:** The PSE approach implemented by the Alliances was effective in promoting licit economies. The primary condition for this to occur was the profitability of the entire value chain, which means promoting a business plan approach throughout the productive chain to encourage cacao/coffee activity.
- **Finding 2:** All three Alliances fostered commercial links with the private sector to meet participants' demands for technical services, connectivity, and financial services. On one hand, the Peru Cacao and Peru Coffee Alliances coordinated activities with their private partners from production improvements to commercialization; meanwhile, the CR3CE Alliance focused on developing technological and digital skills and access to financing.
- **Finding 3:** The Alliances sought to promote associations, cooperatives, medium and small commercial enterprises, as well as serve non-associated producers. The greatest success was evident in the more consolidated entities, as they were able to incorporate the Alliances' recommendations into their productive processes due to their greater financial solvency and technical-productive capacity.

In more detail, the findings related to the relevance analysis are presented below.

**FINDING 1:** The PSE approach implemented by the Alliances was effective in promoting legitimate economies, with the main condition being the profit-making across the entire value chain. This means promoting a business plan approach throughout the entire production chain to encourage cacao/coffee farming activity.

To achieve "profit-making across the value chain", the Alliances maintained a business plan approach throughout their entire production chain. This means that at each stage of the chain, from input acquisition to the final sale, they sought to provide technical assistance, advice, and other services to generate value and profitability at each stage. Attention throughout the value chain distinguishes the intervention of the Alliances from other programs that mainly focus on the initial stages, such as input acquisition or productivity increase or those that work in a limited way on the commercial side.

The Alliances' comprehensive intervention in the production and commercialization phase was important, as it involved promoting the articulation of demand with producers and improving the productive processes within the chain to ensure that production meets demand. Thus, they sought to enhance the appeal of legitimate crops and achieve their sale, in such a way that these products became profitable and safe income-generating options. Through these efforts, they have successfully positioned the crops from the intervention areas as competitive and high-quality products in the market and in the eyes of consumers.

On the other hand, by maximizing the value chain, the intervention was able to encourage beneficial agreements between different actors in the value chain, as they saw a significant profitability opportunity for their businesses. These agreements facilitated integration and the formation of productive connections between partners and producers. The optimization of the value chain and its supportive activities was achieved across its multiple stages:

- **Access to inputs, production, and processing:** The Alliances facilitated improvements in the productivity of producers' plots and the quality of their harvests by providing support in accessing inputs, technical assistance, and training. In the case of coffee, productivity (kg/ha) increased by 41% between 2018 and 2021.<sup>6</sup> Meanwhile, in the case of cacao, productivity rose by 74% from 2016 to 2021.<sup>7</sup> This was reflected in production levels: coffee producers experienced an average annual growth of 19% in coffee production (2018-2021). In the case of cacao, an average annual growth of 4% was also observed in cacao production (2016-2020).<sup>8</sup> Furthermore, according to the interviews conducted, the Alliances enhanced participants' agricultural knowledge and formalized cacao and coffee cultivation.

*“The technical support from the Alliance has been of great help to me. This is true assistance for farmers. It allowed me to deliver an excellent cacao production [...]” – Independent producer.*

- **Marketing:** The increased production volumes and their improvement in terms of quality, along with the fostering of closer relationships among the value chain actors supported by the Alliances, facilitated the establishment of commercial agreements and the development of loyal customers for the sustained purchase of farmers' production. In this respect, the following two success cases were identified during the interviews:
  - **Chocolates Curimaná (Peru Cacao Alliance):** The Alliance contributed to the improvement of the technical production process by facilitating training for technical personnel. As a result, the chocolate company Curimaná managed to connect with ICAM Chocolates—an Italian chocolate company serving the European market with organic cacao products and derivatives—and finalized a contract for 50 tons exclusively for that partner.
  - **Productores Alianza CAFÉ:** The Peru Coffee Alliance contributed to the formation of small groups of producers linked with private companies. The Alliance's contribution to the supervision of compliance with export standards and criteria improved product quality for international marketing. Building on this

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<sup>6</sup> Estimated based on the information gathered by the Peru Coffee Alliance during the program's implementation.

<sup>7</sup> Estimated based on the information gathered by the Peru Cacao Alliance during the program's implementation. The total production is calculated over the total hectares planted.

<sup>8</sup> Estimated based on the historical information gathered by both the Peru Coffee and Peru Cacao Alliances.

progress, the Alliance created working groups between export companies and producers.

*“The development of training and the provision of technical assistance to producers improves productivity, quality, and professionalism; and as they are part of our ranks, we [the company] also benefit.” – Business partner*

- **Financing:** The Alliances facilitated the creation of financial product markets in the intervention areas. The Alliances' efforts made it easier for participants in the intervention to access forms of financing for their economic activities, be they agricultural or otherwise. In 2022, 85% of surveyed producers reported having received the credit they had requested. Importantly, ongoing support and financial management training helped establish trust between financial actors and producers.

*“The main benefit of working with the Alliances is to make contacts and establish more direct relationships with the farmers in the area.” – Financial partner*

- **Connectivity and digital education:** The CR3CE Alliance orchestrated and supported the creation of spaces for teaching digital and technological skills to the beneficiary population. This is important, as it facilitates farmers' immediate access to information, connects the most remote producers to economic centers, and increases their access to more services, among other benefits of connectivity.

*“Thanks to the CR3CE Alliance we reached the jungle. Without it would not have been possible [...], but we did not focus only on connectivity, as closing gaps includes improving the digital capabilities of these communities” – Technological partner.*

In summary, the Alliances contributed to making licit crops profitable and secure options for income generation for families, thanks to their positive influence along the value chain and its supporting activities. The professionalization of the producers, the improvement in productivity and quality of coffee and cacao, as well as connectivity and access to financing, generated value for both producers and private-sector partners. Thanks to the intervention, commercial partners could meet the quality and volume required for their economic activities, while financial partners could tap into a new and significant customer base, which in turn, enhanced their profitability. This facilitated a comprehensive integration of all actors within the value chains.

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**FINDING 2:** The three Alliances fostered commercial links with the private sector to address participants' demands for technical services, connectivity, and financial services. On one hand, the Peru Cacao and Peru Coffee Alliances coordinated activities with their private partners from production enhancement to marketing, while the CR3CE Alliance focused on developing technological skills, digital literacy, and access to financing.

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In connection with the previous finding, a key element in maximizing the value chain's profitability was establishing collaborative partnerships with private actors. The Peru Coffee and Peru Cacao Alliances coordinated activities with their private partners, ranging from improving productivity in terms of quality, quantity, and crop professionalization, to supporting the creation or strengthening of commercial links. Simultaneously, the CR3CE Alliance enabled the digital, technological, and financial inclusion of individuals in the intervention areas. This achievement was facilitated by community connectivity, the training provided in telecenters on financial digital skills, as well as the introduction and expansion of financial, technological, and digital partners.

Three factors facilitated PSE:

- i. Alignment between the objectives of the private sector and the Alliances: Private partners were distinguished by two types of visions:

- o **Social Focus Objectives:** Private partners in this category prioritized enhancing the quality of life for the beneficiary population and providing producers with the necessary tools to transition to legal crops (such as Innova Funding and *Financiera Confianza*, and others).

*"We're driven by a strong social purpose. That's our distinguishing feature compared to others [companies], as we aim to reach rural areas and make a positive impact on people's lives." – Financial partner*

*"The Alliance facilitated our reach to a larger audience through the program... to more vulnerable communities where internet access is more challenging." – Digital partner*

- o **Commercial Focus Objectives:** These private partners focused on the business profitability generated from higher productivity of cacao and coffee plots (like *Exportadora Romex*, *HVC Exportaciones*, and others).

*"The support in technical assistance through field technicians, who helped producers in coffee cultivation, harvesting, and post-harvest, directly benefited our company due to increased income and cost reduction." – Aggregator partner*

These two visions created a synergistic relationship between the technical and productive support offered by the Alliances and the services rendered by the private partners (financial and commercial) involved in the intervention. The improvement in quality and productivity of farmers' plots, brought about by the training and technical assistance, meant producers could deliver larger volumes of superior products. This, in turn, facilitated economic growth for partners buying the production of Alliance participants (exporters, processed-product distributors, and others). It also resulted in income enhancements that made it easier to include producers in the financial system, as they became more creditworthy.

*"The improvement in the productivity, quality, and professionalization of the producers we work with, thanks to the Alliance, benefits us directly despite us not being direct partners of the intervention" - Commercial partner.*

*"The Alliance gives us the possibility of reaching more customers in remote areas, more quickly, and with a more manageable risk due to the productivity improvements they support. Thanks to this, we can offset the costs of infrastructure, telecommunications, and moreover, our business advisors know where to find customers" - Financial partner.*

- ii. **Facilitating the entry and expansion of financial, digital, and technological partners in the intervention areas:** The Alliances supported the entry and stay of their private partners by providing initial economic support<sup>9</sup> that facilitated investment in the intervention areas, where previously unmet demands existed. This neglect was a consequence of the fragmentation of the producers, which made it very costly for private companies to establish a profitable customer portfolio.

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<sup>9</sup> Based on information gathered in the interviews.

*"Access to credit for these people would be much more complex without CR3CE, as the Alliance improves their production capacity and therefore also reduces their default rates, thereby also reducing the default risk." - Financial partner*

Along these lines, the Alliances provided support to their financial, digital, and technological partners in securing the necessary critical mass of customers—whom they trained and advised in financial and technological matters—to ensure profitability and maintain their presence in the intervention areas.

*"Thanks to the Alliance [CR3CE] we have access to the jungle. Because of the geographical complexity and the higher costs that entering these areas imply, without their support, we couldn't have [entered]" - Digital partner.*

*"For us, it has always been a limitation to see that the producers were very uninformed and disconnected from the technological and financial reality. How could we give credit to people without financial education and who produce mostly with ancestral techniques? The Alliance helped customers who were better educated on these topics" - Financial partner.*

- iii. **Support in the Marketing Stage:** The Alliances helped promote companies, associations, and cooperatives at national and international fairs. In addition, they provided valuable market information to exporting companies and entities that required such data and updates.

*"The Alliance has always included us in events [...] they started to introduce and promote us because being remote and reaching the public is not easy" – Commercial partner.*

*"The Alliance has up-to-date statistics on export and trends, which allowed us to design annual strategies and operational plans [...] The Alliance has been a support in making investment and sales decisions. Moreover, at forums or meetings of international organizations, Peru was always well-informed thanks to the data provided by the Alliance" – Commercial partner.*

Additionally, some differences were identified in the activities implemented by the Alliances within the framework of their relations with the private sector:

### **Particularities of the Peru Cacao Alliance**

- **Alliances with private fertilizer companies:** The Peru Cacao Alliance worked on agreements with private companies like Netafim so that producers could access irrigation fertilization systems. Similarly, agreements were established to provide fertilizers in the intervention areas through technological agents.
- **Technological agents:** The Peru Cacao Alliance trained leading producers as technological agents in Schools of Excellence, with the support and participation of entities and private partners.<sup>10</sup> These technological agents provided training and continuous technical assistance to cacao farming activities in the field. This assured the quality of the crops so that companies can confidently purchase participant farmers' harvests. Furthermore, they facilitated access to supplies in remote areas through the resale of these products in their outlets, in agreement with fertilizer companies. Even

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<sup>10</sup> The Schools of Excellence were made possible with the support of Promperú, APPCACAO, CITE Agroindustrial Huallaga, the Tocache Savings and Credit Cooperative, Agrobanco, and companies like Yara, Husqvarna, and AMT.

near the close of the Alliance, some companies hired technological agents, thereby ensuring the sustainability of the results obtained under the PSE.

- **Innovation in genetic material:** The Peru Cacao Alliance introduced CCN95 and other fine-aroma cacao varieties in the intervention areas where they focused their training and field technical assistance. This facilitated greater international competitiveness of the raw material distributors, as well as a higher quality of derived cacao products.

*“The Peru Cacao Alliance promoted the shift from traditional seeds to fine-aroma cacao varieties and CCN95.” - Commercial partner.*

- **Value generation in the last stage of the value chain:** The production stage extended towards transforming cacao into chocolate or derivative products with the support of the Peru Cacao Alliance. This strategy bolstered the PSE driven by the Peru Cacao Alliance, incorporating both private chocolate companies selling in domestic and foreign markets and raw material exporters.

### Particularities of the Peru Coffee Alliance

- **Organic certification:** The Peru Coffee Alliance focused on acquiring organic certification to enhance the product's value and meet international market requirements.

*“The Peru Coffee Alliance’s approach is more conventional, focusing on organic coffee production [...] The Peru Coffee Alliance didn't assist us in developing coffee specialties” – Commercial partner.*

- **Community trainers:** The Peru Coffee Alliance’s community trainer model mirrored that of the Peru Cacao Alliance's technological agents. Community trainers received monthly training on the upcoming month's field topics through workshops. They were given a quota of 180 to 200 producers to visit during that month. Trainers grouped the assigned producers by areas and provided both group and individual training, where necessary.
- **Baristas and coffee tasters:** Furthermore, the Peru Coffee Alliance trained young baristas and coffee tasters to engage young people in the value chain and create new services, thereby generating new income for producers.

### Particularities of the CR3CE Alliance

- **Reach of intervention:** The primary distinction of CR3CE from the other Alliances is its focus on serving the entire population of the intervened areas beyond cacao and coffee producers. This broad approach enabled the intervention to support various entrepreneurial ventures not necessarily tied to agricultural production (such as craft, jewelry, or grocery store businesses).

*“The company provides the CR3CE Alliance with a platform so we can provide training to the rural population of the Amazon (Ucayali, San Martin, and the Huánuco Jungle).” - Digital partner*

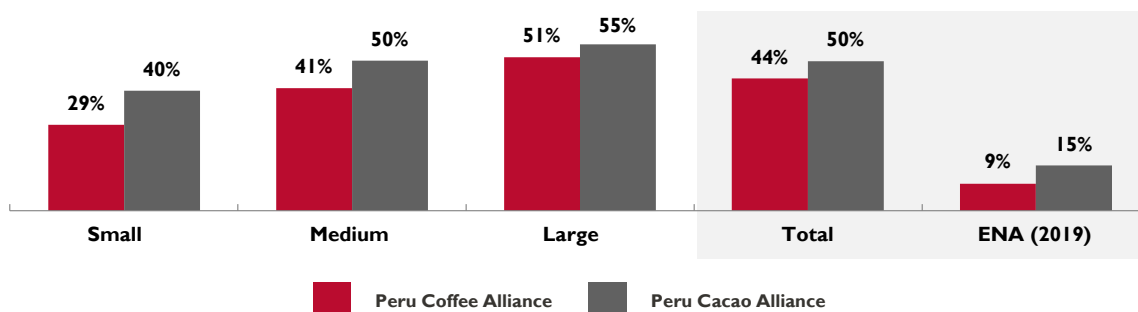
In summary, the focus of the Alliances' business plans was based on coordination with other private actors. This was made possible due to the alignment of goals and the potential profitability to be obtained. On one hand, the Peru Coffee and Peru Cacao Alliances coordinated activities with their private partners in the field and at the commercial stage in favor of the producers and private companies involved. At the same time, the CR3CE Alliance promoted digital, technological, and financial inclusion in the intervention areas.

**FINDING 3:** The Alliances sought to promote associations, cooperatives, medium and small commercial businesses, and to serve unassociated producers. The greatest success was seen in the most consolidated entities, as they were able to incorporate the Alliances' recommendations into their production processes due to their greater solvency and technical-productive capacity.

By 2022, on average, 47% of the farmers surveyed as part of the study belong to an association, cooperative, or producers' committee. 44% of Peru Coffee Alliance producers belong to an association, cooperative, or producers' committee; while in the Peru Cacao Alliance, this proportion rises to 50% of those surveyed (Figure 9). Of the associated farmers, 31% report that their participation in an association, cooperative, or producers' committee was promoted by the Alliance. This associative approach is higher than the average reported among coffee and cacao farmers in the San Martin, Huánuco, Ucayali, and Pasco regions.<sup>11</sup> In both the coffee and cacao industries, the associativity reported by respondents is above 9% and 15% on average for coffee and cacao growers, respectively, in the Alliances' operation areas. (ENA, 2019).

Moreover, there are differences in producers' participation in associations depending on their size. For example, 51% and 55% of large producers of the Peru Coffee and Peru Cacao Alliances, respectively, report participating in some type of association, in contrast with just 29% and 40% for small producers.<sup>12</sup>

Figure 9. Participation in an association, cooperative, or producers' committee, according to Alliance affiliation and producer size<sup>1/</sup>



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). The average reported in the latter considers the regions covered in the fieldwork, by crop, i.e., San Martin and Huánuco for the Peru Coffee Alliance, and San Martin, Huánuco, Ucayali, and Pasco for the Peru Cacao Alliance. <sup>1/</sup> Question 12. Do you belong to any association, cooperative, and/or agricultural producers' committee?

Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances, ENA (2019). Prepared by: APOYO Consultoría.

According to participating farmers, joining an association has provided multiple benefits, notably, easier access to technical assistance and training. Among the total associated producers surveyed, 38% stated that membership significantly improves access to technical assistance, and 43% pointed out the contribution of association to training opportunities.<sup>13</sup>

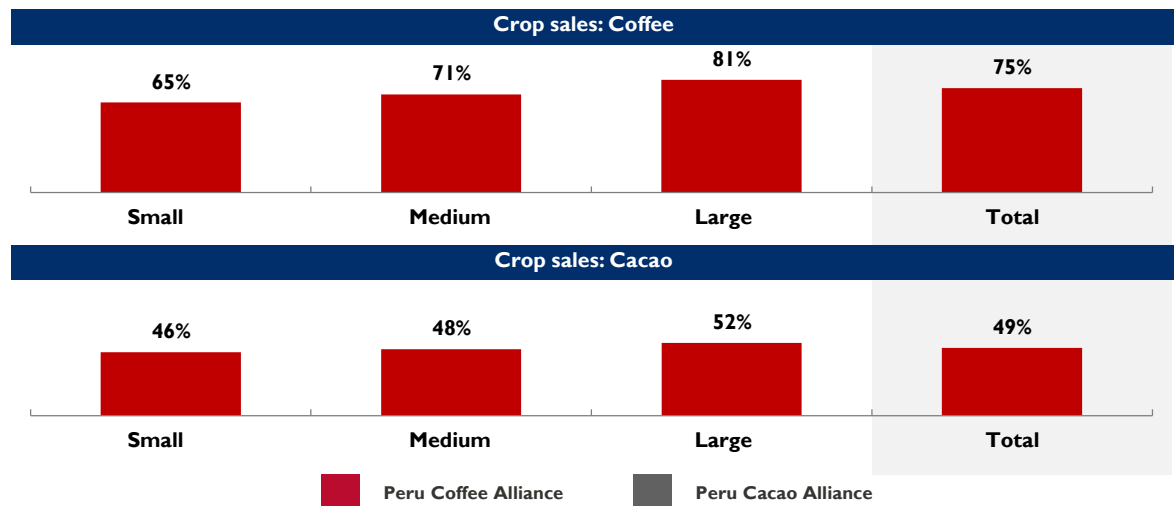
<sup>11</sup> Based on fieldwork information.

<sup>12</sup> Based on fieldwork information.

<sup>13</sup> In the last year, 27% of associates, compared to 10% of non-associates, accessed one of these services.

Regarding producer size, the interviews revealed that over time, companies that most effectively adopted the technology package or adhered to recommendations about their production processes saw the most success. Generally, this pattern was observed among larger entities, which consistently demonstrated good results. These larger or more established producers are better equipped to maintain advancements initiated by the Alliances' intervention, given their business approach. Figure 10 shows that a greater share of larger producers perceived higher or steady income relative to the previous campaign (Oct. 2020 – Sept. 2021), in contrast with smaller coffee and cacao producers. The difference is more pronounced within coffee cultivation.

Figure 10. Households believing their income from the last campaign (Oct. 2021 – Sept. 2022) grew or remained steady compared to the previous campaign (Oct. 2020 – Sept. 2021) (%), by producer size and crop



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). // Question 9.2. Regarding your income from coffee/cacao production, do you consider that your income from Oct. 2021 – Sept. 2022, compared to your income from Oct. 2020 – Sept. 2021, has grown, remained the same, or decreased? Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoria.

While some small or independent producers also achieved a degree of success by following the Alliance's guidance, they did not reach the level of sustainability seen in larger entities. This is because smaller producers struggle to sustain the costs associated with technical assistance and training. Consequently, it is anticipated that they will still require support from an external public or private entity in the future.

*“Without the Alliance, we would no longer be able to offer training to those who are not associated. [We would like to grow] but that growth requires resources, and the operating cost is extremely high.” - Aggregator partner.*

*"The farmers are small producers; you teach them something and in 2-3 months they have already forgotten, or they don't want to do it. There will always be this bottleneck because of the need for technical assistance.” - Aggregator partner.*

In summary, a variety of entities were promoted as part of the PSE, including associations, cooperatives, independent producers, medium-sized and small commercial enterprises. However, the larger (associated or consolidated) producers, due to their business approach, are better equipped to sustain the advancements implemented. Indeed, smaller producers face challenges in maintaining the costs of technical assistance and training, thus they will still require external support.

### Box I. Why do producers not associate?

Despite the proven benefits of association, most producers (53%) do not belong to any association, cooperative, or producers' committee. Therefore, it is important to understand the reasons why producers choose not to associate. Below are the main reasons they reported:

- **Preference for working independently:** In general, 62% of the surveyed participants mention that they do not belong to an association, cooperative, or producers' committee because they prefer to work independently. However, this result is higher for the group of small producers in both Alliances. Up to 76% and 73% of the non-associated small producers from the Peru Coffee and Peru Cacao Alliances, respectively, mention this as one of the main reasons.
- **Distrust:** 39% of the surveyed participants mention that they do not belong to an association, cooperative, or producers' committee because they do not trust them. On this point, the proportion of non-associated producers mentioning distrust as a reason remains between 33% to 40% regardless of the production size and the Alliance.<sup>14</sup>
- **Lack of time:** In all, 34% of the surveyed participants mention that they do not belong to an association, cooperative, or producers' committee because they do not have available time. Specifically, 52% of the small producers of the Peru Cacao Alliance consider this as a reason for not participating in organizations.
- **Failure to identify the benefits of belonging to an association:** 27% indicate that they do not recognize the benefits of working in an association. It is worth noting that the larger producers from the Peru Coffee and Peru Cacao Alliances are the ones who mostly report this reason (31% and 36%, respectively).
- **Not considered necessary:** 26% of the surveyed participants mention that they do not consider it necessary to belong to an association, cooperative, or producers' committee. Especially, small producers of the Peru Coffee Alliance mention this reason most frequently (52%).

*Source: Surveys applied to participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría.*

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<sup>14</sup> Except for the 55% of large, non-associated producers from the Peru Cacao Alliance who mention this reason.

# HOW DOES THE PSE APPROACH EFFECT CHANGE IN VALUE CHAINS AND THE DISTRIBUTION OF CONNECTIVITY AND FINANCIAL SERVICES?

## Summary of findings:

- **Finding 4:** The PSE approach enabled access to inputs and equipment, the strengthening of technical knowledge for coffee and cacao producers, the generation of business relationships, and increased access to credit for producers of all sizes.
- **Finding 5:** The Peru Coffee and Peru Cacao Alliances influenced the know-how and business links of the producers, as well as the formation of a market for technical assistance and training in the operation areas through technological agents and community trainers. Alianza CR3CE facilitated a greater supply of financial products for households and contributed to bringing the population into the technological and digital age.
- **Finding 6:** The training and technical assistance had an impact on improving the production process and the quality of the product, thereby contributing to the perception of cacao and coffee crops as profitable and secure options for generating income for households. Additionally, access to formal financing sources and connectivity helped improve business performance and household incomes.

**FINDING 4:** The PSE approach enabled access to inputs and equipment, the strengthening of coffee and cacao producers' technical knowledge, the generation of business relationships, and increased access to credit for producers of all sizes.

As mentioned, the incidence across the entire value chain and the support activities (financing and connectivity) generated systematic changes. The achievements reached by the Alliances at each stage are described below:

- **Access to inputs and equipment, production, and processing:** The interventions of the Peru Cacao and Peru Coffee Alliances aim to improve the yield and quality of production to enable better pricing and income for the producers. The Alliances promoted and supported: (i) the articulation of producers with fertilizer and manure companies to facilitate access to organic inputs; (ii) assistance to producers for the acquisition of machinery (pulpers, dryers); and (iii) the introduction of new grains: fine-roma cacao and CCN95.

*“The Alliance helped to strengthen the technical team [...]. With the Alliance, we have reached more producers, facilitated input provision [...], and followed-up on compliance with input use.” – Business partner*

*“The pests affected us, but not too much because we trained and replicated knowledge from the Alliance; but the investment in the field and the organic certification required to achieve this end are costly.” – Business partner*

Additionally, the Alliances accompanied and assisted producers in the field to improve management of the plots; promoted the organization and alignment of production (associativity and formalization); and implemented improvements and assistance in the governance of the cooperatives and producer associations to increase the scale and quality of production.

*“[Among the benefits obtained from the relationship with the Alliance], we have technical support from the [Peru Coffee] Alliance in the field, which is a plus. [...] We also receive training to form partnerships.” - Aggregator partner*

- **Marketing:** The Peru Cacao and Peru Coffee Alliances encouraged the approach and creation of commercial links between producers and buyers to increase sales, which is reflected in the producers' access to markets. Thus, 45% of coffee and cacao producers had access to other markets (i.e., the regional, Lima, and foreign markets), compared to 35% of the producers of these crops in the same regions (ENA 2019). However, as previously mentioned, these results were greater for the larger and more consolidated companies.

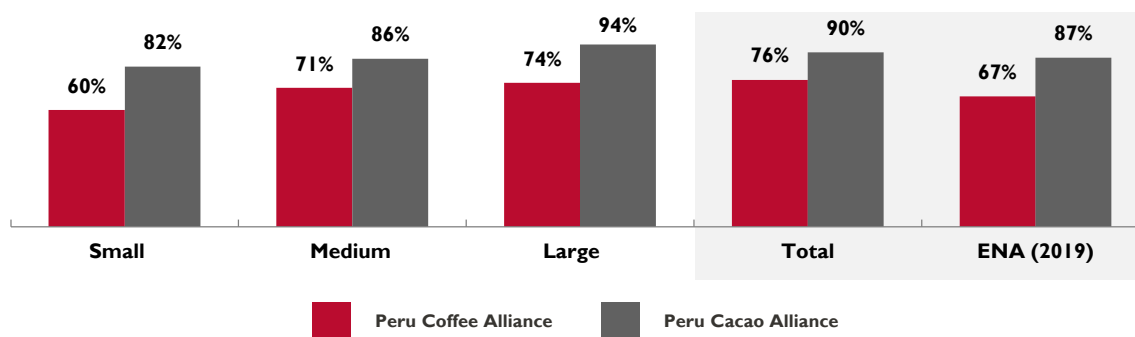
*“With the Peru Cacao Alliance, when it started in 2017, we signed the first contract with a client, and that's when they began to talk about exports, because they hadn't done it before. [...] In the process, they have been increasing the number of partners.” - Commercial partner*

*“The most important benefit [from the Alliances was] promoting improvements in product quality, which implies building trust with customers and, therefore, securing more contracts. [...] in addition to customer loyalty.” - Aggregator partner*

- **Financing:** The Alliances contributed to enhancing the loan portfolio thanks to financial education and the entry of financial partners into the intervened areas. The results obtained were successful for producers of all sizes thanks to the introduction of different financing models, such as fintech, factoring, and social banking, among others (Figure 11).

It is worth mentioning that it was the large producers, mainly from the Peru Cacao Alliance, who had the highest number of loan approvals, compared with small producers— especially from the Peru Coffee Alliance, who still have a lower approval rate. At the same time, in general, participants in the Peru Coffee and Peru Cacao Alliances report a higher loan approval rate than coffee and cacao growers in the San Martín, Huánuco, Ucayali, and Pasco regions (ENA, 2019).

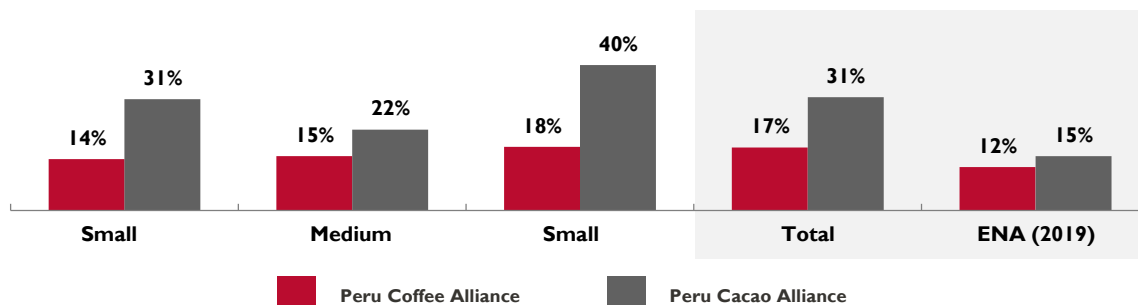
Figure 11. Loan approval rate, according to producer size /



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). The average reported in the latter considers the regions covered in the fieldwork, by crop, i.e., San Martín and Huánuco for the Peru Coffee Alliance, and San Martín, Huánuco, Ucayali, and Pasco for the Peru Cacao Alliance. // Question 31. Did you obtain the loan you applied for? Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances, ENA (2019). Prepared by: APOYO Consultoría

It is important to highlight that, while the loan approval rate is above 60% in all cases, the producers who apply for these loans are still few—17% and 31% of producers from the Peru Coffee and Peru Cacao Alliances, respectively. However, in general, the share of surveyed producers and participants of the Alliances who have applied for a loan in the last year remains higher than the average share reported among coffee and cacao growers in the San Martín, Huánuco, Ucayali, and Pasco regions, i.e., above 12% and 15%, respectively (ENA, 2019).

Figure 12. Loan applications, according to producer size<sup>1/</sup>



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). The average reported in the latter considers the regions covered in the field work, by crop, i.e., San Martín and Huánuco for the Peru Coffee Alliance; and San Martín, Huánuco, Ucayali, and Pasco for the Peru Cacao Alliance. <sup>1/</sup> Question 29. In the last year, have you applied for a loan? Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances, ENA (2019). Prepared by: APOYO Consultoría

In addition, as reported during the interviews, the Alliances' work with financial institutions was instrumental in fostering growth in markets that might have otherwise been neglected, or where the intensity of engagement would have been lower or slower. The Alliances played a key role in reshaping public perceptions about financial institutions, emphasizing the significance of loan repayments.

*“Without the Alliance, the expansion into this market segment on a national level would have been delayed for years. The acceleration of the business model in an area where it was required was largely due to the Alliance.” – Financial partner.*

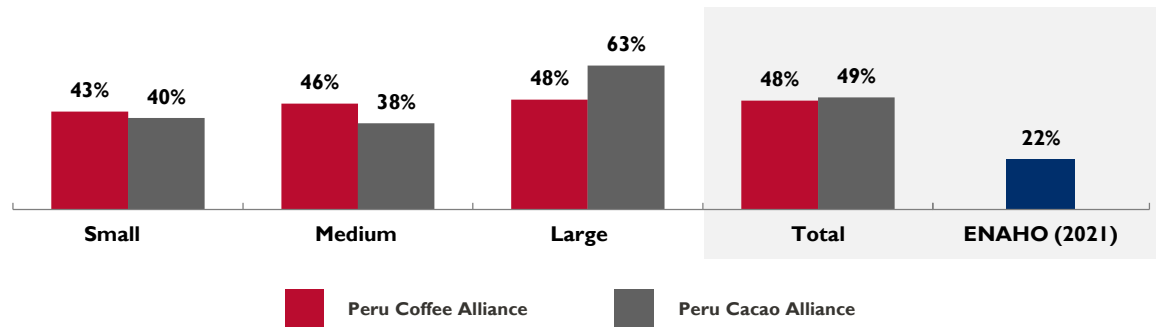
- **Connectivity and digital education:** The work developed by the CR3CE Alliance, along with the design of business plans by private partners aligned with social objectives,<sup>15</sup> and the co-participation of the population to ensure the operation and maintenance of the telecenters, helped generate digital knowledge through the training of the population in the intervened areas (Figure 13). Moreover, respondents report a higher use of the internet than reported in the ENAHO 2021 by rural households<sup>16</sup> in the surveyed districts, in which, on average, 22% have an internet connection.

*“[Thanks to the Alliance], we were able to reach more people and more vulnerable communities where internet access is more complicated. [...] We seek to reduce the digital gap at the national level to provide better employment opportunities.” - Digital partner*

<sup>15</sup> *Internet para Todos* implemented a charge for internet connection, enabling higher income and profitability through enhanced connectivity.

<sup>16</sup> Only rural households were considered for comparison, as “they exhibited completely rural characteristics with medium and large dispersion between dwellings,” according to the field report.

Figure 13. Internet use, according to producer size<sup>1/2/</sup>



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). The average reported in the latter considers the rural districts covered in the fieldwork. This is because, according to the field report, "participants' houses have thoroughly rural characteristics, with medium and large dispersion between houses." 1/ Question 43. Do you use the internet? 2/ Question 114 ENAHO (2021) - Module 100: Does your house have internet connection? Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

In summary, the collaborative relationships established by the Alliances involved key actors at all stages of the value chain, achieving positive results for all of them. A highlight is the field presence of the Alliances, which allowed reaching more communities and adapting to the needs of each one. However, in most cases, the results obtained depend on companies/producers' level of consolidation and associativity.

**FINDING 5:** The Peru Coffee and Peru Cacao Alliances have influenced producers' know-how and trade connections, as well as the establishment of a market for technical assistance and training in the regions through technological agents and community trainers. For the CR3CE Alliance, a wider range of financial products has been made available to families, and there has been an impact on connecting the population to the digital age.

Firstly, both Alliances focused on productive development aimed to positively influence the know-how of the producers to make a lasting impact on the appropriate management of their plots. This was achieved through training, field technical assistance, workshops, demonstration plots, and other activities that collectively taught farmers how to achieve improvements in productivity and quality. Furthermore, the Peru Coffee and Peru Cacao Alliances trained producers on how to meet international quality standards and certifications, thereby enabling and contributing to ensuring the commercialization of crops at competitive prices. Consequently, producers have generated a demand for these services related to technical assistance and productive training.

*"[The Alliance] has been providing field technical assistance, training, and support throughout the production process, from planting to harvest and post-harvest, to the cooperative's members." - Aggregator partner*

Secondly, improvements in productivity, quality, and knowledge to meet certification requirements contributed to strengthening and establishing trade connections, as well as to completing more contracts, between producers (whether independent or organized) with collectors and/or companies trading or exporting coffee, cacao, or derivative products. Thanks to the Alliances, the fulfillment of requested production volumes and good quality standards that met international requirements (certifications) were assured. In these activities, the private sector played the role of product demander, encouraged by the trust in the production promoted by the Alliances.

Consequently, there was an improvement in farmers' incomes and their preference for alternative crops, given the profitability of coffee and cacao as income sources and the demand from private sector customers.

*"Producers are better trained and thanks to this, they now deliver cleaner products" - Commercial partner.*

Thirdly, the Alliance promoted a technical assistance scheme based on local leading producers. While the Peru Cacao Alliance created a model of field extension agents termed technological agents; the Peru Coffee Alliance trained leading producers, young engineers, or agricultural technicians as community trainers. The training offered to the extension agents was based on good practices in fertilization, pruning, pest management, harvesting, post-harvest, and other topics related to cultivation, so they can transfer their knowledge to the producers in their communities. After the conclusion of the Alliances, these agents will remain in their regions and can continue to provide services for knowledge and technology transfer to other farmers or companies upon request.

For its part, the CR3CE Alliance enabled a supply for an unattended demand for financial products by supporting the entry and permanence of financial institutions in the intervened areas. Thanks to private sector involvement, as well as to the assistance and training in financial topics provided by the three Alliances and partner financial entities, the beneficiary population now has knowledge of, and access to, financial instruments. This allows participants to have sources from which to request external leverage to finance their productive activity or other economic resource needs.

*"Regarding financial assistance, they supported us in accessing financing with social banking obtaining credits for our producers and accessing financing via factoring [...] we managed to obtain financing for more than a million for our partners." - Aggregator partner*

*"[We provide training] to engaged clients. Customer engagement is hard in rural areas [...] We are looking for new allies, like radio training, alliances with CR3CE telecenters [...]" - Financial partner.*

*"We have always tried to provide training so that our agents grow with us and learn new tools for their businesses." - Financial partner.*

Moreover, the CR3CE Alliance connected the population from the intervention areas to the digital age. This was made possible thanks to the support for the entry of internet connectivity companies into the intervention zones, as well as the implementation of workshops on technological and digital skills at the CR3CE telecenters in collaboration with digital partners. These actions ensured the population understood the importance of connectivity and digital education, thus fostering demand for these services even without the Alliance's presence.

*"Bringing and spreading NetAcad in hard-to-reach areas is possible thanks to CEDRO's CR3CE Alliance through academies and telecenters." – Digital partner.*

*"The Alliance allows us to reach [the intervention zones] [...] the company not only focuses on connectivity, but also seeks to close gaps and improve the digital capabilities of these communities." – Digital partner.*

*"Within the framework of this project, we have trained 11,854 people, 73% of which have successfully completed the courses." – Digital partner.*

In summary, the Peru Coffee and Peru Cacao Alliances improved the know-how and commercial links of the producers with marketing/export companies. This led to the formation of a market for

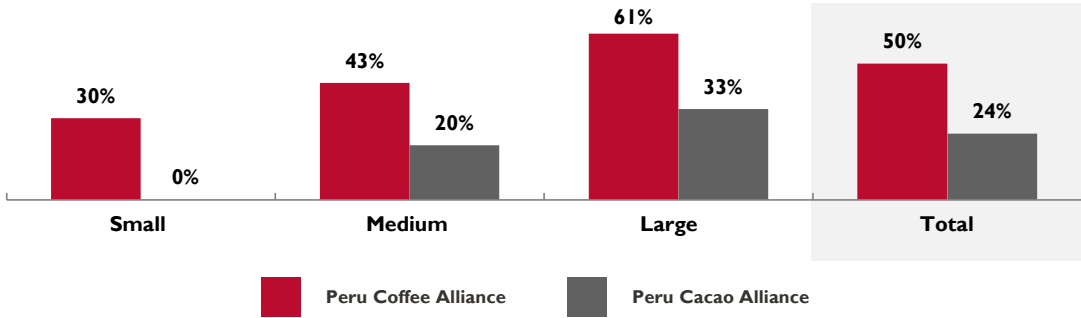
technical assistance and training—community coaches in the case of coffee, and technology agents in the case of cacao. Consequently, this supply of services enabled the generation of demand from participants and other producers. In the case of the CR3CE Alliance, it helped bring a range of financial products to the families from the intervention zones whose demand was previously unattended. Moreover, in collaboration with the other two Alliances, training was provided on financial topics. Lastly, the intervened population was introduced to the use of digital media through the support for the entry of internet provision companies and partners who provided training on technological and digital skills.

**FINDING 6:** Training and technical assistance contributed to improving the production process and product quality, which helped to position cacao and coffee crops as profitable and safe options to generate income for households. Additionally, access to formal financing sources and connectivity contributed to improving business performance and household economy.

The PSE approach implemented by the Alliances generated significant changes that are valued by farmers and households:

- Product quality:** On the one hand, the Peru Coffee Alliance, via training workshops and technical assistance in the production stage, managed to improve the quality of the crop (Figure 14).<sup>17</sup> Similar to previous cases, the more established producers achieved better results: while 61% of large producers in the Peru Cacao Alliance report a positive contribution from training and technical assistance in improving product quality, this percentage rises to 30% among small producers.

Figure 14. Contribution of training and technical assistance to improving the quality of coffee/cacao, by producer size/ 2/



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). // Question 25.1. To what extent do you believe that the training and technical assistance you received contributed to: Improving the quality of your product? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

On the other hand, the Peru Cacao Alliance also promoted special grains—such as CCN95 and fine aroma beans—improved agricultural practices and promoted the commercialization of derivative products.

*“[We contribute to sustainability] by focusing on pest control and switching to other clones: the CCN95 is not very inbred, and neither is the fine-aroma variety. In addition, we are about to start a cacao-to-chocolate transformation project.” – Aggregator partner*

<sup>17</sup> Improvement was seen not only in the coffee bean but also in the cup.

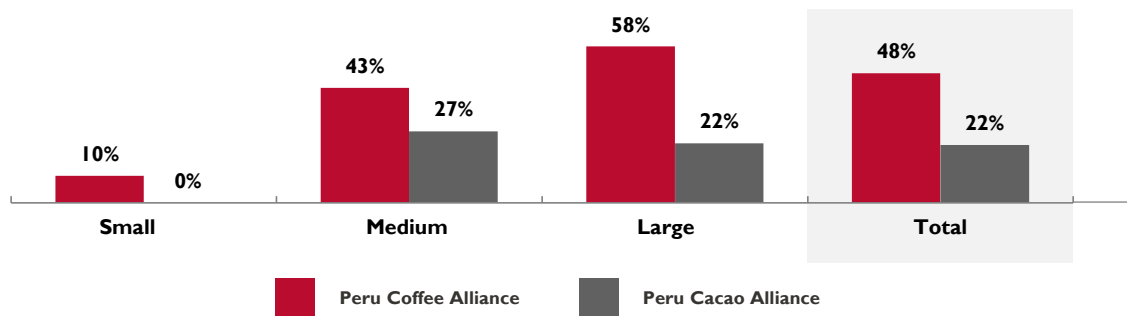
“The quality has improved in cacao, before their production was a challenge, now the producer has improved.” – Aggregator partner

“[...] the quality improved, but pests began to be a problem. In the areas where the pests stopped, the Alliance helped [...] with two workshops.” – Commercial partner

- **Product Price:** The Peru Coffee Alliance’s work—along with the achievement of international certifications—promoted a better valuation of coffee—not only in grain but also in cup—delivered by participating producers. This translated into better product prices for farmers, especially for larger and more consolidated producers. According to the survey, 58% of large producers in the Peru Coffee Alliance perceive receiving a better price thanks to the training and technical assistance, compared to 10% among small producers within the Alliance (Figure 15).

“[Now] we know what works and what needs to be done to get a better price” – Aggregator partner.

Figure 15. Contribution of training and technical assistance to improving the price of coffee/cacao products, by producer size<sup>1, 2/</sup>



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). 1/ Question 25.2. To what extent do you believe that the training and technical assistance you received contributed to: Improving the selling price of your product? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

In the case of the Peru Cacao Alliance, the price was favored by the product’s better quality, the new aromatic varieties, and the achievement of international certifications. For instance, in 2021, the average price of conventional coffee was \$2.07 per kg, certified coffee was \$2.63 per kg, and special coffee was \$3.07 per kg.<sup>18</sup> Although the price of these products (coffee and cacao) largely depends on the international price, the technical assistance, guidance, and monitoring provided by the Alliances helped mitigate this factor and position them internationally.

“There is always the risk that cacao [/coffee] prices will fall, and farmers will not be happy with that.” – Commercial partner

“Many of the results have been due to the rise in the stock price of coffee, one year with another can be very different in a commodity like coffee [and cacao].” – Commercial partner

“The Alliance has up-to-date statistics on exports, trends, organic regulations, annual strategies, and operational plans. [...] It has provided support in making investment and sales decisions. [...] In meetings of international organizations, Peru attended with information provided by the Alliance.” – Commercial partner

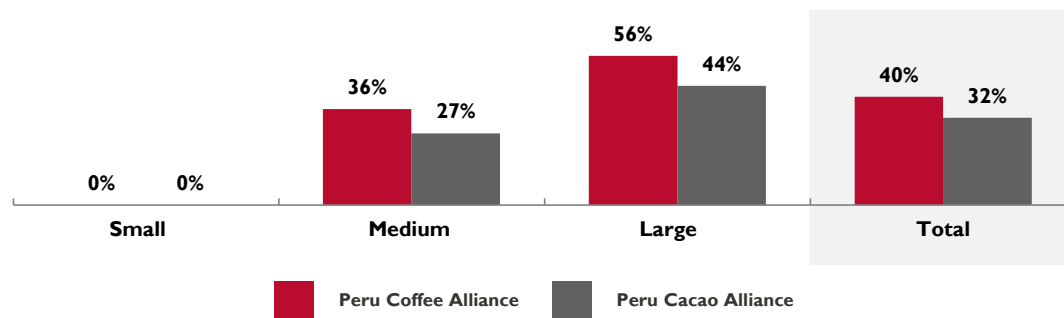
<sup>18</sup> Data provided by the Peru Coffee and Peru Cacao Alliances.

- Increase in production:** Both the Peru Coffee and Peru Cacao Alliances encourage producers to increase the productivity of their plots, with significant results among the larger producers—56% of large producers within the Peru Coffee Alliance and 44% of large producers within the Peru Cacao Alliance perceive that their production increased thanks to the training and technical assistance received (Figure 16). This is due to the best practices adopted from the training and technical assistance provided by the Alliances.

*“The productivity per hectare has increased. Previously they harvested 400 kg, but there are producers who have reached up to 3,000 kg per hectare. [...] However, there are producers who lower productivity.” – Aggregator partner.*

*“Now we have more confidence because the producers know production improvement techniques and have greater financial knowledge” – Financial partner.*

Figure 16. Contribution of training and technical assistance to improving coffee/cacao production, by producer size 1/ 2/



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). 1/ Question 25.3. To what extent do you believe that the training and technical assistance you received contributed to: Increasing the production of your product? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

- Creation of trust in the financial market:** The CR3CE Alliance, jointly with the Peru Coffee and Peru Cacao Alliances, promoted financial education and the establishment of a market for financial products in the intervention areas—which were previously considered to not represent a significant demand.

*“The challenge was considerable due to the lack of financial education of the population and their lack of trust in financial institutions.” – Implementing partner*

*“We provide microcredits to farmers. [...] The CR3CE Alliance provides financial education activities.” – Financial partner*

In this way, the perception of the population towards financial institutions was changed, as well as the perception of financial institutions about the convenience of meeting that demand. Now, from the experience with the Alliances, the beneficiary coffee and cacao households not only know about credits, but also know the new financial models that best suit their needs and payment capacity. In addition, financial institutions have the backing of the Alliance, which gives them greater confidence to enter new markets.

*“[...] There have been different alternatives: when we started the process, we began to make individual loans involving financial advisors and formal associations. We began to form credit models to close the [financing] gap.” – Implementing partner*

*“The Alliances have [allowed us to] identify that there are producers of good quality. This assures us that the credit will be repaid.” – Financial partner*

*“For us it has always been a limitation to see that the producers were very misinformed and far from technological reality. How could we give credit to people without financial education and who almost always produce with ancestral techniques?” – Financial partner*

- **Creation of knowledge about the importance of digitization:** The CR3CE Alliance contributed to understanding the need and usefulness of connectivity and digital skills in farmers’ daily life, as well as for the management of their agricultural businesses and the promotion of their ventures and businesses in the intervening areas.

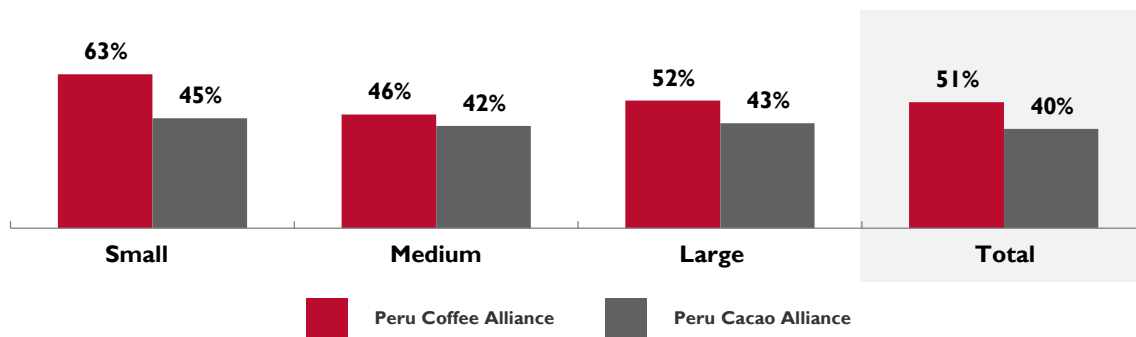
*“Previously, only 2G and voice service was provided, until we identified the opportunity to bring connectivity to 6 million people. However, there were significant challenges. [...] With the CR3CE Alliance we reached the jungle, which wouldn’t have been possible without them.” – Digital partner*

*“In phase 1, CR3CE helps and adds value to the populations. [...] In phase 2, [...] the population itself takes care of the infrastructure.” – Digital partner*

Altogether, these changes together contributed to strengthening licit economies. On the one hand, the improvement in the production process, the quality, and the price of the product, made the cacao and coffee crops perceived as profitable and safe options to generate income by the producers (Figure 17)—although in times of lower production, risks persist.

*“Everything depends on the accompaniment of producers, so that they see profitability [in alternative products]; but the price of the grain also matters a lot. [...] In the worst times of coffee prices, they have noticed that producers revert to coca cultivation.” – Aggregator partner*

Figure 17. Perception of lower earnings from coca cultivation compared to coffee/cacao, by producer size<sup>1/,2/</sup>



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). 1/ Question 11.2. How much do you agree or disagree with the following statements: The profit from growing coca surpasses that from coffee/cacao? 2/ Top two box: responded “strongly disagree” or “disagree.” Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

*On the other hand, the creation of trust in financial institutions and the digital connectivity generated by the Alliances enabled families to access formal sources of financing—with better rates and credit conditions—and contributed to making visible the reality around the illicit coca business, even in more remote areas. In addition, access to information, facilitated by connectivity, allows the beneficiary population to access greater knowledge of sources for the generation of legal income.*

*“One of the greatest contributions of the Alliances is having helped to reduce the cultivation of coca. Through the Alliances, we ensure that we are not financing illicit crops. [...] The risk is greatly reduced” – Financial partner.*

Finally, connectivity helped to expand the reach of the ventures and businesses in the intervening areas, from local markets to regional or even national-level markets, thanks to the digital platforms and links that can be created virtually.

*“Another two things that helped are road development and connectivity, both telephony and internet, which allow farmers to be more connected to development.” – Financial partner*

In summary, based on the teachings and technical assistance promoted by the Peru Coffee and Peru Cacao Alliances along the value chain, the PSE approach helped to improve the quality, price, and yield of coffee and cacao products—although the results were more favorable for larger producers. Likewise, the CR3CE Alliance contributed to changing households’ perception of financial institutions and encouraging them to adopt new financial products. These developments, in turn, influenced the perception of alternative crops as a more profitable source of financing than illicit coca cultivation; and promoted ventures and businesses in the intervening areas.

## TO WHAT EXTENT WAS WOMEN’S EMPOWERMENT ACHIEVED IN THE THREE PROJECTS?

Summary of findings:

- **Finding 7:** The Alliances contributed to improving female empowerment in terms of their leadership in institutions, access to financing, and involvement in farming, harvesting, and marketing activities. Additionally, the role of the Alliances in promoting gender equality within households is highlighted.
- **Finding 8:** The private sector assumed a sensitizing role, leading to various activities in support of promoting female empowerment. These efforts helped enhance women's involvement in decision-making processes and promote their leadership in multiple areas.
- **Finding 9:** Factors that facilitated women's contribution to decision-making within families, communities, and businesses included the implementation of training programs with a focus on closing gender gaps, the development of financing schemes targeted at women, the implementation of strategies to institutionalize gender perspectives in associations and cooperatives, and the recognition of female participation by market demand.

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**FINDING 7:** The Alliances contributed to improving female empowerment in terms of their leadership in institutions, access to financing, and involvement in farming, harvesting, and marketing activities. Additionally, the role of the Alliances in promoting a culture of gender equality between women and men within households is highlighted.

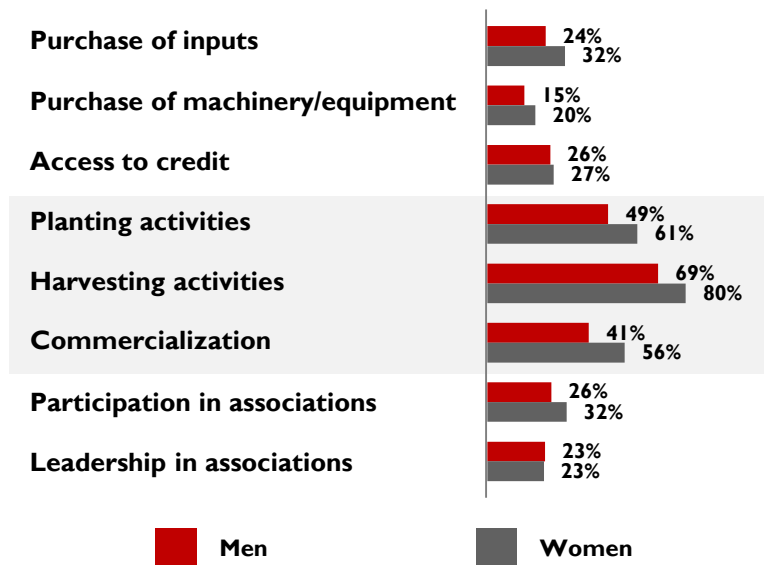
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The Alliances have contributed to improving female empowerment in various aspects, including women's leadership in institutions, access to financing, and management of their plots of land.

Additionally, the Alliances have promoted gender equality within households in the intervention areas.

In particular, the Peru Cacao and Peru Coffee Alliances provided support to increase women's involvement in the farming, harvesting, and marketing activities of the coffee and cacao value chains. Regarding the planting stage, Figure 18 shows that 49% of male producers and 61% of female producers interviewed from both Alliances consider that women are quite or very involved in the activity. In terms of harvesting, 69% of men and 80% of women believe that female participation in this activity is significantly high. Meanwhile, 41% of men and 56% of women perceive that women's involvement in the marketing stage is high. These results can be attributed to the productive and marketing training and technical assistance received, as they were targeted to the entire farming family and emphasized the importance of women's involvement in cacao and coffee activities.

Figure 18. Women's participation in coffee/cocoa value chain activities (top two box)<sup>1/, 2/</sup>



Notes: 1/ Question 45. What is the level of women's participation in the following activities related to coffee/cacao? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoria

In line with women's participation in various activities across the productive chain, gender advisory services provided by the Alliances have contributed to increasing women's involvement in credit access and marketing activities. For example, according to a report from the Peru Coffee Alliance (2021), among families that received gender advisory services, 60% reported identifying women's participation in coffee marketing. In contrast, among families not receiving gender-related advice, this percentage was only 9%.

*"Previously, women producers accounted for only 5%, now it is perceived that they represent 20%." - Commercial partner*

*"At the small business level [chocolates], the majority are women. The share of women has been growing. [Thanks to the Peru Cacao Alliance's intervention] women are no longer subject to the income of their spouses/partners." - Commercial partner*

*"In 2016, women had an 8-9% access in the cooperative, and now it's around 29% (many of them take out their own loans)." - Financial partner*

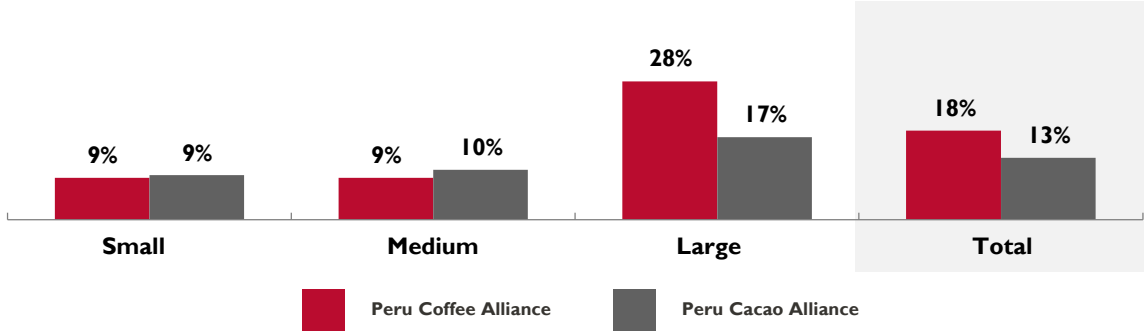
Another evidence is the participation of women as technological agents trained by the Peru Cacao Alliance in Peru. This training served to empower women in their communities. The role they played as agents involved facilitating access to fertilizers and inputs for producers in their areas through the Alliance's links with input supply companies, providing technical assistance to independent producers, associates, and partners of private companies, acting as a link between cooperatives/associations and financial institutions for credit provision, and contributing to the formation of an entrepreneurial vision among producers in their communities. These activities strengthened their relationships with the private sector as well as with producers in their areas.

As a result of women's increased knowledge of, and participation in, agricultural activities promoted by the Alliances, more women were involved in decision-making regarding the management of their plots of land and associated expenses. Around 83% of the households receiving advice indicated that decisions are made jointly, in contrast with 15% in non-advised households.

*“The technicians told the farmers that the whole family should participate in agricultural activities and that decisions should be made as a family [...] Previously, the partners did not involve their spouses, but now they do, in the purchase of fertilizers, sale of the product, and the cultivation activities.” - Aggregator partner*

However, while more women are now participating in decision-making, the perception of their involvement in this aspect is still low. Of the total interviewed producers from the Peru Coffee Alliance, only 18% believe that the interventions contributed to women actively participating in economic decision-making, while in the case of the Peru Cacao Alliance, this figure rises to 13%. However, it is worth noting that among large-scale producers, the perception of the Alliances' actions contributing to women's involvement in decision-making improves significantly, especially for the Peru Coffee Alliance (Figure 19).

Figure 19. Women's participation in economic decision-making (top two box)<sup>1/, 2/</sup>



Notes: 1/ Question 48. To what extent do you believe that the activities carried out by the Peru Coffee/Peru Cacao Alliance have contributed to: \_\_\_\_? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

Regarding the promotion of leadership in communities, the training of female technological agents and community trainers by the Peru Cacao and Peru Coffee Alliances contributed to their empowerment. The trained women played a key role in transmitting knowledge about best agricultural practices to producers in their areas, thereby strengthening their role as female leaders in cacao/coffee production in their communities.

However, it is important to highlight that the perception of women's participation in leadership spaces is not high among the interviewed participants. Figure 18 reflects the low perception of female leadership in associations, as only 23% of both men and women consider female participation in leadership positions in cooperatives, associations, and other entities to be high.

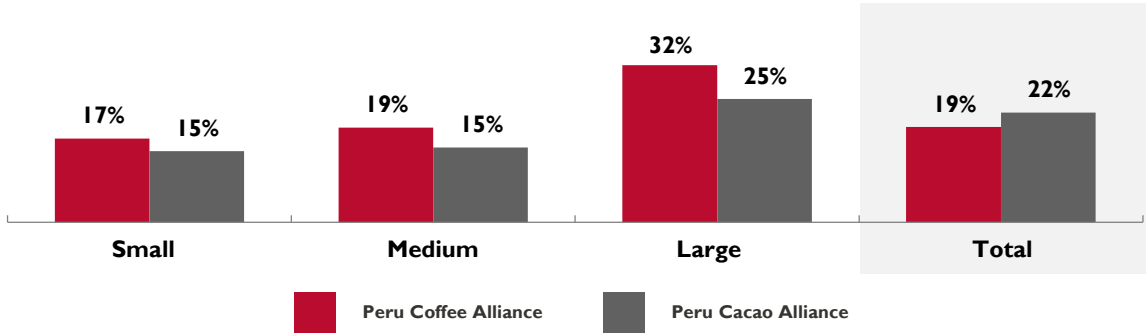
With increased participation in cacao or coffee activities, women achieved greater economic independence and improved their incomes. In the case of coffee, gender income inequality decreased from 48% to 7% in 2021, compared to the baseline.<sup>19</sup> Additionally, it is important to highlight the trend, promoted by the Peru Cacao Alliance in Peru, of women in cacao-producing areas getting involved in cacao-to-chocolate transformation activities as well as in its commercialization. The involvement of women in these activities allowed for the consolidation of a new source of income for some female producers in the intervention areas.

Furthermore, throughout the interventions, the Alliances contributed to promoting a culture of gender equality via workshops and training sessions on gender equality in the household, field, and institutions (associations, cooperatives, companies). These workshops and capacity-building activities were conducted in the telecenters of the CR3CE Alliance and led by a gender specialist.

*"In 2018-2020, the Alliance worked extensively on gender. Previously, there was not much women's participation, but now there are women in all the councils, and the leader of the supervisory council is a woman... The field trainings were beneficial in this regard."*  
 – Aggregator partner

However, it is recognized that the changes achieved by the activities carried out by the Peru Coffee and Peru Cacao Alliances in promoting equality in the intervention areas are still perceived as low. Among the total number of producers, only 19% and 22% of those interviewed from the Peru Coffee and Peru Cacao Alliances believe that the actions undertaken did contribute to a significant extent to promoting a culture of equality. While this perception improves among large-scale producers in both Alliances, most medium- and small-scale producers, who represent most participants, believe that the intervention activities did not bring about significant change in promoting gender equality (Figure 20).

Figure 20. Promotion of an egalitarian culture between men and women (top two box)<sup>1/ 2/</sup>



Notes: 1/ Question 48. To what extent do you believe that the activities carried out by the Peru Coffee/Peru Cacao Alliance have contributed to: \_\_\_\_\_? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoria

In summary, the aforementioned actions demonstrate the promotion of women's access to productive assets (participation in the value chain, access to credit, training and technical assistance, among others), which allowed for a move towards equal conditions in various aspects of women's lives in the intervention areas. It also promoted their leadership and decision-making in the household, field, and community. However, there is still a significant need to work on women's empowerment and equality in the intervention areas.

<sup>19</sup> Data provided by the Peru Coffee Alliance.

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**FINDING 8:** The private sector assumed a sensitizing role under which various activities were carried out to promote women's empowerment, thereby contributing to improve women's involvement in decision-making and promoting their leadership role in multiple fields.

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While the Alliances contributed to promoting women's empowerment in various aspects of the beneficiaries' lives, the private sector entities that collaborated with the Alliances also played a sensitizing role with households. The motivation of these private sector companies is related to new market trends and certifications<sup>20</sup> that recognize gender equity in the workplace, which encourages women's participation in productive activities. These trends allow companies to improve their public relations, access financing, or other types of support, while also contributing to women's empowerment. In this role, the private sector partners carried out multiple activities to promote women's empowerment, enabling greater involvement of women in decision-making processes and leadership spaces.

On one hand, the private sector partners—from associations to marketers—helped promote gender equality through workshops and training sessions. These spaces, promoted by the Alliances but made possible by the motivation and participation of the private sector, addressed various topics such as financial education for women, zero tolerance for domestic violence, equal opportunities in the workplace, and women's participation in agricultural activities and entrepreneurship.

*“We implemented workshops on handicrafts, a small revolving investment fund for a group of 20 women, household care workshops [addressing domestic violence], and labor workshops [highlighting the importance of equal work and pay].” – Commercial partner*

*“We conducted financial education workshops in the CR3CE Alliance’s telecenters to train women in the area.” – Financial partner*

Additionally, with the entry of financial institutions and the improved income and increased involvement of women in economic activities, demand for financial products among women has increased. This was further reinforced by the emergence of new ventures, which simultaneously drove the growth of female clients in the financial system and increased women's interest in developing digital skills. Some financial partners even introduced specific products for women to facilitate their inclusion in the financial system.

*“CEDRO is an academy and support center that assists educational institutions in the jungle in becoming academies and delivering courses in digital and technological skills.” – Digital partner*

*“We provide financial education in the CR3CE Alliance’s telecenters to train female members” – Financial partner.*

*“We have a group package focused on women entrepreneurs, which facilitates their access to credit.” – Financial partner.*

The increased involvement of women in the agricultural plots, as evidenced in the previous finding, was also facilitated by the greater awareness of association managers regarding equal opportunities for men and women to be part of productive activities. The managers, directors, or individuals

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<sup>20</sup> Rainforest Certificate and Organic Seal, as reported during the interviews.

responsible for overseeing these entities supported the integration of women as members with access to the same benefits as their spouses, in the case of associated producers. This increased involvement in the production stage, as well as in the marketing phase, helped women become incorporated as members of these institutions, voice their opinions, make decisions in associations and cooperatives, and participate in determining how to manage household crops.<sup>21</sup>

*“The women who worked on the farm are now members; they give their opinion, and all of them have a say... Previously, women didn't participate, but now they sell coffee and express their opinions.” – Aggregator partner*

*“Currently, we have a 13% female participation, and by 2024, we aim to increase it to 23% through field workshops and other initiatives [...] It is also a requirement from our financing partners.” – Aggregator partner*

*“We managed to sell three containers to an important client concerned about female production, and this was accomplished by women producers from the organization we work with [...] This created as an opportunity from the demand side.” – Commercial partner*

*“Our Rainforest certification requires us to invest a percentage of the award in women's empowerment plans, subject to auditors' verification.” – Commercial partner*

Additionally, some cooperatives and associations formally incorporated women's empowerment through gender action plans. These guidelines helped promote female participation and leadership in committees and management positions within cooperatives, associations, and companies.

*“We have worked on women's empowerment in the organization; it has always been discussed in our meetings [...] In the cooperative, we have women involved in cacao cultivation, and there are women serving as board members, including one as secretary. This work started before the Alliance's arrival.” – Aggregator partner*

*“We have approved a gender committee [...] In July, the Association celebrated its third anniversary. A new board was elected, with the chair of the gender committee taking charge.” – Aggregator partner*

In summary, the private sector carried out activities that promoted women's empowerment and gender equality in various areas. Private partners conducted workshops, talks, and training sessions to raise awareness about equal opportunities for men and women. They also promoted female participation across the value chains for crops. Moreover, private sector partners institutionalized objectives related to women's empowerment. All the above shows that women's access to productive assets enabled their involvement in decision-making regarding their crops, financing, and entities, as well as in leadership spaces within cooperatives, associations, and companies.

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**FINDING 9:** Among the factors that facilitated women's contribution to decision-making within households, communities, and companies, the implementation of training programs with a gender equality focus, the development of financing schemes

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<sup>21</sup> The interviews conducted by the Peru Coffee Alliance suggest a shift in roles, with women beginning to assist in cacao activities such as drying and harvesting. Moreover, women started to take part in decisions related to expenditures, family resources, and farm management. Commercial partners also reported that women now occupy board positions in associations, convene workshops and activities, and are becoming producers themselves.

targeted at women, the implementation of strategies to institutionalize a gender perspective in associations and cooperatives, and the recognition of women's participation by the demand side were key.

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So far, it has been evident that the Alliances and private partners have contributed to improving women's empowerment in terms of their leadership role in institutions (communities and companies) and promoting a culture of gender equality in households. The following are the main factors that facilitated women's contribution to decision-making within households, communities, and companies:

- **Financing schemes targeted at women:** Financial partners offered specific financial products to increase women's participation in the financial system—beyond promoting female participation, financial partners also mentioned that women have better repayment behavior. The aim was to provide women with greater economic independence, allowing them to allocate resources to their productive activities or the creation of entrepreneurial ventures as alternative sources of income.

*“We created ‘Credimujer’ to empower women, that’s our focus. The Alliances contribute to pressing forward in that direction.” – Financial partner*

*“We are participating in a project [...] aimed at increasing the micro-entrepreneurial capacities of women farmers under an environmental commitment.” – Financial partner*

*“We have a group package focused on women entrepreneurs. This allows women to access credit more easily.” – Financial partner*

*“Among our agents, women are the owners of most small businesses and represent a majority within the institution's network.” – Financial partner*

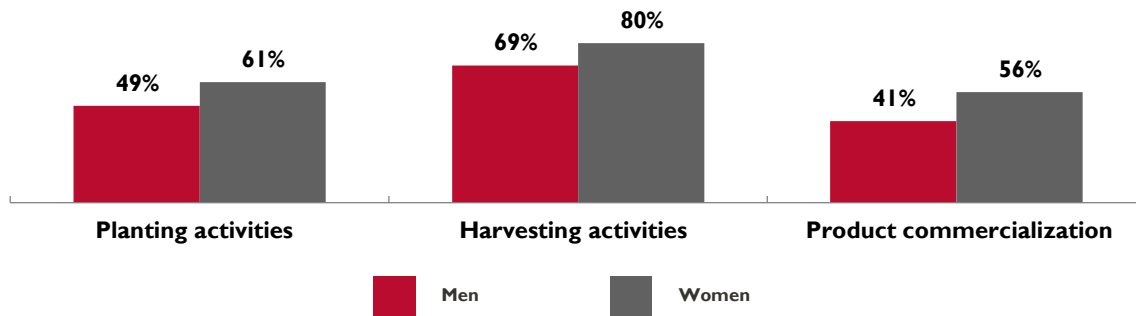
*“The financial institutions have programs focused on the female population to contribute to their development and empowerment. For example, the ‘Palabra de Mujer’ program.” – Implementing partner*

- **Women's participation in the coffee/cacao value chain:** Women's participation in the value chain allows them to be involved in the household and company economy, empowering them in decision-making. The evaluation found that women's participation is concentrated in certain stages of the value chain, such as planting, harvesting, and commercialization. Respondents mentioned that women are more involved in harvesting because the smaller size of the trees allows them to pick the grain without significant effort (Figure 21). It is worth noting that this participation was partly promoted by the activities carried out by the Alliances.

*“Gender advice covered three topics: shared roles, decision-making, and women's involvement in productive activities. It was indirectly coordinated with the exporting [partner] companies.” – Implementing partner*

*“Cacao is impossible to produce without women's participation; they play a crucial role in harvesting.” – Aggregator partner*

Figure 21. Women's participation in coffee/cocoa value chain activities—planting, harvesting, and product commercialization (top two box)<sup>1, 2/</sup>



Notes: 1/ Question 45. What is the level of women's participation in the following activities related to coffee/cacao: \_\_\_\_\_? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

- Establishment of strategies in associations and cooperatives:** This led to (i) the institutionalization of a gender perspective to train staff and instill commitments to gender policies; (ii) a balanced participation of women and men at the organizational level; and (iii) women's participation in leadership spaces (in the field, as well as in associations and cooperatives).

*"The cooperatives were professionalized through Gender Action Plans implemented across organizations. [This involved developing activities such as:] promoting entrepreneurship, access to financing, and fair-trade committees." – Implementing partner*

*"Women leaders were recognized by all organization partners." – Implementing partner*

*"We have worked on women's empowerment in the organizations. When work is done jointly, growth is achieved. In the cooperative, there are women involved in cacao cultivation and in positions such as board members and a secretary." – Aggregator partner*

- Valuing women's participation:** The current market demand—certification bodies, foreign markets, among others—recognizes and rewards cacao/coffee production with women's involvement in the pricing process.

*"Our certification [...] requires us to invest a percentage of the award in women's empowerment plans. Auditors verify this [indicators of training, handicraft workshops, small revolving investment fund for a group of 20 women, workshops on household care, workshops on labor work]." – Commercial partner*

- Implementation of educational programs and digital and technological skills:** According to interviews, there is increasing interest in women's participation in digital careers globally. The implementation of these programs, and their promotion among women, helped bridge the gap between men and women and enable women's integration into productive economic activities for their financial independence.

*"[Out of] 73% [of students who] completed their studies, 51% are women. Normally, this indicator is much lower. [...] We contribute to the integration of women in the country." – Digital partner*

- Training of technological agents—The Peru Cacao Alliance:** A group of women from the Peru Cacao Alliance were trained as technological agents. As part of their

training, technological agents were trained as service agents, fulfilling the role of technical extension workers in the field—contributing to access to inputs in remote areas and continuous monitoring of the implementation of Alliance teachings. Thanks to the knowledge they acquired, the perspective of technological agents was crucial in guiding cacao agricultural activities towards productivity, aiding their involvement in decision-making regarding production matters within entities (companies, associations, cooperatives, and their own plots).

*“The [Peru Cacao] Alliance introduced the ‘technological agent.’ They created benefits to incentivize these individuals. These agents were those who had good plots, were capable of providing services, and possessed leadership and communication skills. The Schools of Excellence were established to train these technological agents.” – Implementing partner*

In summary, the factors that contributed to improving women's empowerment—through leadership roles in institutions and promoting a culture of gender equality in households—were: more equal participation in training programs—such as technological agents and digital and technological skills; access to financial resources for productive activities and entrepreneurship; the establishment of commitments to promote women's participation in leadership spaces; and the recognition of a gender perspective as part of the standards required in product quality certifications.

## TO WHAT EXTENT CAN THE PRIVATE SECTOR SUSTAIN THE WORK DONE BY THE ALLIANCES IN THE COMING YEARS?

Summary of findings:

- **Finding 10:** Private sector involvement in providing services to producers without the intermediation of the Alliances is linked to the growth and maturity achieved by the producers in their businesses.
- **Finding 11:** There are external factors that influence the sustainability of the Alliances' intervention, such as international prices and regulations for coffee and cacao beans, the price of inputs, global demand for cocaine, the geographical accessibility of plots, and public sector involvement in the intervened areas.

**FINDING 10:** Private sector involvement in providing services to producers without the intermediation of the Alliances is linked to the growth and maturity achieved by the producers in their businesses.

The sustainability of the benefits achieved through the involvement of private sector partners depends on the size of the producers and their level of association. It is evident that large associated producers will continue to access the benefits derived from the private sector to a greater extent. This is because large producers have greater financial capacity, access to wholesale purchases, solvency, technical knowledge, and other factors that make them more likely to continue benefiting from the PSE approach. The sustainability evaluation of the benefits from the

relationship with the private sector is detailed below, considering each stage of the value chain and its supporting activities.

- **Access to inputs and equipment:** The Alliances established commercial partnerships with input companies to promote the adoption of good agricultural practices and ensure the availability of biofertilizers and fertilizers in the communities. In the case of the Peru Cacao Alliance, the technological agents facilitated access to inputs in remote areas through the resale of these products in their stores in collaboration with fertilizer companies. Additionally, links were established with service providers such as Netafim to facilitate access to irrigation systems for cacao/coffee communities.

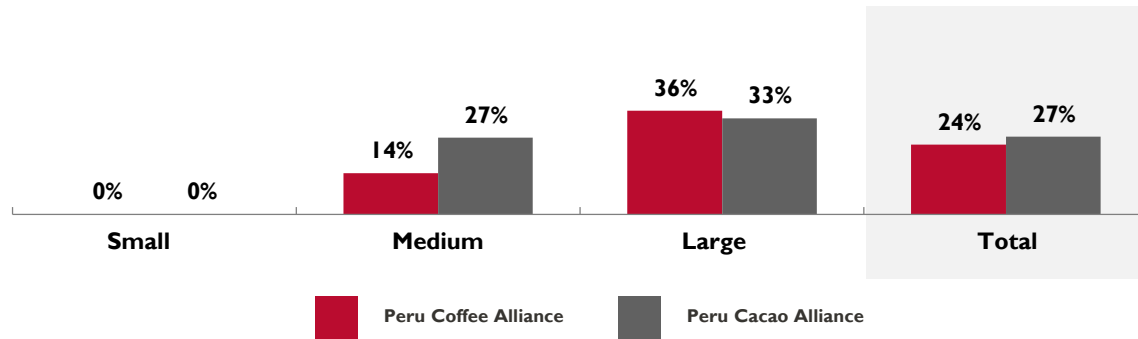
However, once the Alliances end, only **medium- and large-scale producers** will continue to have easy access to wholesale prices for inputs due to their large-volume purchases. On the other hand, small-scale producers may incur potential higher production costs to continue using inputs associated with good practices taught by the Alliances, as they will face greater challenges in accessing inputs without the program's intervention. In this regard, the role played by technological agents and private sector partners, if they continue to maintain commercial links with input companies, becomes crucial to ensure the continuity of the supply of biofertilizers and other inputs in the communities.

Furthermore, the cultivation of CCN95 and fine-aroma cacao varieties will be sustainable over time, as both large-, small-, and medium-scale producers have identified these seeds as better options compared to the varieties used prior to the Alliances. This is due to their lower pest susceptibility, better yields, and higher quality in the final derived products.

*“We will follow the Alliance's recommendations regarding organic practices, sustainability, reforestation, CCN95, and fine-aroma cacao. We want to continue working in this sector, building upon the Alliance's efforts.” - Aggregator partner*

- **Production and Processing: Medium- and large-scale producers** are generally in a better position to seek out and continue providing technical assistance and training to their partners due to their stronger financial standing. They typically have access to a team that is knowledgeable in current agricultural and processing best practices, in contrast with small or independent producers, whose resources are more limited. For instance, the survey suggests that 36% and 33% of large-scale producers from the Peru Coffee and Peru Cacao Alliances, respectively, believe that the benefits gained from the training and technical assistance will be sustainable without further intervention from the Peru Coffee/Peru Cacao Alliance. However, none of the small-scale producers surveyed share this perception (Figure 22).

Figure 22. Sustainability of benefits from training and technical assistance without Peru Coffee/Peru Cacao Alliance intervention, by producer size<sup>1/</sup>, <sup>2/</sup>



Notes: 1/ Question 28. To what extent do you believe that the benefits obtained from the training and technical assistance received will be sustained in the future without the intervention of the Peru Coffee/Peru Cacao Alliance? 2/ Top two box: responded "a lot" or "quite a bit." Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances. Prepared by: APOYO Consultoría

On the other hand, **small and independent producers**, aside from lacking the margins to afford technical assistance on their own, rely on their empirical knowledge for their crops —often not the best practices in most cases.<sup>22</sup> Furthermore, it has been observed that they do not implement the technological package and teachings from the Alliances, as evidenced by lower productivity in their plots. Geographic dispersion also poses an issue for this group of producers, as their remote and poorly connected locations (both physically and digitally) hinder their access to services.

*“Farmers need a coach; crops are susceptible to pests and diseases. If farmers don’t receive advice, they won’t maintain crops properly and will just apply chemicals.” – Aggregator partner*

*“If the producers are associated or are members of an organization, I think there will be [sustainability]; but if not, there are limitations because technical assistance needs to be constant.” – Aggregator partner*

- **Commercialization:** The contracts and relationships established by producers with trading/exporting companies contribute to the sustainability of results. While commercialization is the stage of the value chain where the sustainability of results is most feasible, private companies will face greater challenges in maintaining and generating new commercial links with producers without the intervention and support of the Alliances. Therefore, they will need to implement strategies to compensate for and manage the difficulties of not having the Alliance's support. Although these strategies are not yet defined, the motivation is clear, given that business opportunities and profitability are present.

The supply component is also a crucial factor for sustainability. Private sector actors have expressed their intention and interest in continuing to work with the population in the intervention area. This is because they have identified business opportunities in these regions and, specifically, in the agricultural sector.

*"Last year we traded 2000 tons of coffee, and we will continue to work this way with our farmers; the business is profitable" - Aggregator partner.*

<sup>22</sup> The survey indicates that 33% of associated respondents believe that the benefits of training and technical assistance will persist without the Peru Coffee/Peru Cacao Alliances’ intervention, compared to 7% of non-associates.

- **Connectivity:** The population in the intervention areas demands connectivity services. In fact, there is still an unmet demand, as internet usage remains low (48% of surveyed producers use the internet). On the other hand, service provision by the private sector is mainly sustainable due to a shift in the business model from the one initially proposed. The new business plan, where ITP replaced Yachay, aligned private company incentives with social objectives by implementing a charge for enabled connections. This strategy allowed for greater connectivity, translating into higher revenue and profitability for the company. As such, the provision of service became sustainable and scalable to meet the unmet demand.

In the case of telecenters, the CR3CE Alliance, along with CEDRO and CISCO, disseminates and applies educational platforms to hard-to-reach areas through this service. This supports educational institutions in the jungle to become academies and offer courses in digital and technological skills. The sustainability of telecenters is ensured by internal demand for technological infrastructure, which the CR3CE Alliance provides through this service.

*“Without the Alliance, the tower will not stop being turned on [...] We make [the business] profitable by offering connectivity services to people.” - Digital partner.*

- **Financing:** The financial education provided has contributed to a shift in the population's perception of institutions and financial products. The demand for credit will continue, as it allows the population to invest in their agricultural and non-agricultural businesses to increase their income and opportunities. From the perspective of financial entities, especially those with a social financing component, they have found a new market with potential for scaling up the amount of credit placed in projects developed by the intervened population.

*"The mere fact of staying in this market, continuing, strengthening it, and having made this support [from the Alliance] successful, allows this model to be scalable and profitable" - Financial partner.*

In summary, while the Alliances have achieved considerable results, these would only be partially sustainable over time due to the heterogeneity of producers in terms of business maturity and size. While medium and large producers are better equipped to maintain the improvements implemented thanks to the Alliances' intervention, small and independent producers will still require support from an external public or private agent for their continuity or future growth. Likewise, private actors are key to the model's ongoing success, and while the intention to continue working with the community is clear, the strategies they will implement to overcome the difficulties of not having the Alliances' support are not yet defined.

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**FINDING II:** There are external factors that influence the sustainability of the Alliances' intervention, such as international prices and regulations for coffee and cacao beans, the price of inputs, global demand for cocaine, the geographical accessibility of plots, and public sector involvement in the intervention areas.

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Beyond the results achieved by the Alliances, there are external factors—such as geographical, socioeconomic, and cultural elements—that impact the sustainability of the intervention (either favoring or hindering these results). The factors that explain the differences in the sustainability of the interventions include:

- **Commodity Prices:** Commodities are goods usually destined for sale on the market at a price designed to cover their production costs. Like for other commodities, coffee and cacao prices respond to international demand, making them highly variable.

*“[...] one year can be very different from the previous when it comes to commodities like coffee [and cacao]. The risk is that the price will return to very low levels, while living and production costs have risen.” - Commercial partner.*

Higher prices on the international market generate profitability and incentivize producers' preference for alternative crops, as they can generate enough income to cover their living costs in a legitimate and safe manner. However, this depends on maintaining the current positive trend.

*“Coca and coffee prices are at the lowest and highest, respectively. Now they don't even cultivate coca. [...] But the price of coffee will not always remain high. It will go down, and labor is already expensive; and if coca prices rise, there will be more problems” - Aggregator partner.*

- **International Regulations:** New regulations in destination markets make participation difficult for some producers, as they represent high costs or investments in their crop management. For example, adopting technologies for environmental protection and sustainability implies higher costs for producers, and are required to obtain organic certification. The adoption of these practices implies that pesticides and herbicides should not be used for pest and disease management; and instead, biofertilizers or other options (more expensive than traditional inputs) are promoted. Thus, these requirements present challenges, especially to small and medium producers, for exporting their products and certifying their crops.

*“Sustainability will continue [...]. However, on the commercial and collection side, there are smaller scale producers who need to address specific issues for exporting to the EU (documentation, organic certifications, FDA).” - Commercial partner*

*“The EU hurdles are also difficult [...]. In addition, the octagons put us in the same category as candy.” - Commercial partner*

*“I think that, from this year, along with the new EU restrictions, the export volume of all cooperatives has decreased, but the available volume has increased. There used to be less supply, fewer producers, now [...] the quality has improved.” - Aggregator partner*

- **Geographical distance:** The geographical location of some producers in more remote and difficult-to-access areas hinders access to inputs, equipment, and financing. The geographical dispersion of producers generates high transaction costs that, in some cases, do not cover the price of the commodities. As a result, margins are reduced due to the market structure.

*“We do not reach the most remote areas because neither DEVIDA nor the Alliance gets there. Producers are indifferent, especially in COFFEE.” - Other partners*

*“The Alliance was thinking of generating the need to use inputs and equipment, but the problem was more complicated. [...] The producers still had to go to the regional capitals to buy inputs. Without a close link, there would be no sustainability.” - Implementing partner*

*“In rural areas, engaging clients is hard; they don't know about factoring, VAN, etc. Having an ally in the area is key, as there are no databases to call people.” - Financial partner.*

Additionally, a more isolated location facilitates the cultivation of illicit plantations due to less supervision and control.

*"Yes, legitimate economies have been consolidated, but there are remote areas that need support" - Commercial partner.*

*"The return to coca in the face of falling coffee prices is imminent in remote or inaccessible areas. It's a latent and elastic issue." - Commercial partner*

*"In remote areas, it is known that producers are returning to coca. The problem with cacao compared to coca is that it's easier to work with." - Commercial partner.*

In this regard, associations and cooperatives are presented as support and possible solutions to this problem, especially the most mature ones—gradual approach. Producer organizations prove to be a means to scale up the entire coffee and cacao sector and reduce transaction costs through collaborative forms among actors in the value chain.

- **Lack of involvement of institutions:** In the immediate future, there is a lack of institutions that can assume the role of coordinating Alliances between producers, companies, and production assistance. This will make it difficult to continue providing training activities and technical assistance in the field in a coordinated manner. At this point, the need to promote more training and presence of guilds, chambers, and dialogue roundtables that encourage the participation of private actors is highlighted.

*"There are no other projects or institutions that can do the same or have done the same as the Alliance. Regarding DEVIDA, I don't know if they have been so focused on the productive issue." - Commercial partner*

*"The Alliance was looking for a partner in this field [sustainability]. [For this] they have presented the availability of resources." - Financial partner*

In addition, interviewees mention the importance of state involvement once the Alliances cease to operate, and the little presence it has had so far. Thus, government presence is required as support to solve market failures and facilitate access to new markets—public investment in road connection, connectivity, etc.

*"[Sustainability] is an issue beyond the Alliance, it involves sensitivity and support from the State." - Commercial partner*

*"The State does not come, thanks to NGOs agriculture has been reinforced in the region. The regional government has joined a little." - Aggregator partner*

*"It will be timely to turn to them [the State] and now more likely." - Financial partner*

- **Higher input prices:** The higher costs of inputs narrow the profit margins for producers. This results in lower profitability of alternative crops and discourages farmers from continuing to produce these crops.

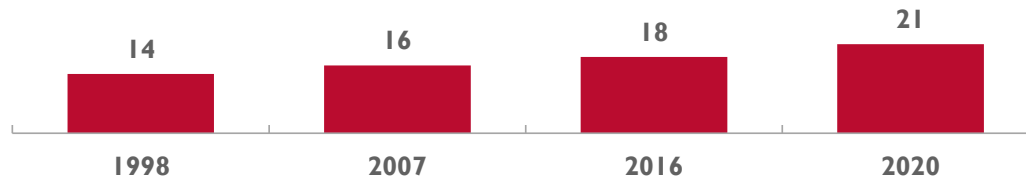
*"There are options for refloating cacao; the fields are still there, but the issue is that the costs are higher than the earnings." - Independent producer*

*"Living and production costs have risen. People will stop cultivating high-cost coffee earning a low price, because it would not provide sustenance for them and their families." - Commercial partner*

*"Producing coffee and cacao is much more expensive. Cooperatives need to have access to fertilizers, nurseries, etc.; but we're working on it." - Financial partner*

- **Growth of the illicit global cocaine market:** The country is affected by the external pressure caused by the global demand for cocaine. During the period 1998 – 2020, the number of consumers worldwide went from 14 MM to 21 MM (DEVIDA, 2022). This results in growing demand for coca crops.

Figure 23. Evolution of the number of cocaine consumers worldwide (in millions)



Source: 2021 Report on the Situation of Illicit Drug Trafficking – Peru (DEVIDA, 2022). Prepared by: APOYO Consultoría

As of 2021, according to DEVIDA, there are 80,681 ha of monitored coca cultivation area in 19 zones,<sup>23</sup> which implies a 97% increase in the monitored coca cultivation area in 2017.<sup>24</sup> Furthermore, the zones that reported the greatest growth in cultivated area between the period 2021 – 2017 were Contamana (Loreto) with 145%, Callería (Ucayali), and Pichis-Palcazu-Pachitea (Huánuco) with 86%.

As mentioned above, the variability of commodity prices, added to long geographical distances and growing coca demand, makes it difficult to incentivize the production of alternative crops—even more so when these require more care during production. This point is especially severe for small and independent producers, whose access to training, inputs, equipment, etc. is more limited. In fact, according to the surveys conducted, it is the small producers who report higher income from coca (S/ 4 thousand in both Alliances), while medium-sized producers also report coca income (but to a lesser extent) and large producers do not report this type of income.

In summary, the sustainability of the results achieved by the Alliance will depend in part on external factors such as: (i) international coffee/cacao grain prices and regulations, input prices, and geographical accessibility of the plots, insofar as they imply a high cost for producers and a reduction of profit margins; (ii) the global demand for cocaine, to the extent that it fuels production, especially in the most isolated areas where monitoring is difficult; and (iii) public sector involvement in the intervened areas, by serving as support in resolving market failures and potentially facilitating access to new markets.

<sup>23</sup> Amazonas, Bajo Huallaga, Bajo Ucayali, Camanti, Madre de Dios, Contamana, Callería, Pichis-Palcazú, Aguaytía, Bajo Amazonas, Putumayo, Inambari-Tambopata, Vraem, Kosñipata, Huallaga, Marañón, Alto Chicama, San Gabán, La Convención-Lares.

<sup>24</sup> The monitored areas had 49,900 hectares under cultivation in 2017.

# LESSONS LEARNED AND BEST PRACTICES

From the findings presented, lessons learned, and best practices derived from the development of the Alliances are identified. The lessons learned address what was done well and what was not so well, what would have improved the work of the Alliances, and why. In turn, best practices consist of techniques applied by the Alliances that work in specific circumstances to meet the needs of the context in which they are developed.

Lessons learned and best practices are grouped according to the following themes:

- Market, productivity, income, and added value.
- Stakeholder coordination.
- Financing and connectivity.
- Gender.

The lessons learned and best practices for each of these subjects are detailed below.

## LESSONS LEARNED

### MARKET, PRODUCTIVITY, INCOME, AND ADDED VALUE

- **Tailored technical assistance:** The technical assistance and training provided by the Alliances were effective in enhancing producers' field skills and knowledge. However, the need for customizing this support according to the type of producer became evident. This requires more specialized and experienced field trainers to continue assisting the more advanced producers.
- **Grain quality and certification:** Both the Peru Coffee and Peru Cacao Alliances had an impact on the certification of organic grains and the quality of specific grains (CCN95 and other fine-aroma cacao varieties), respectively. However, it became clear that organic certification and grain quality are complementary strategies, which should be equally promoted.

### STAKEHOLDER COORDINATION

- **Alignment of approaches:** Aligning the Alliances' objectives with those of private stakeholders allows the latter to envision and obtain benefits, leading them to become involved in the program's activities. The intervention has shown that the PSE approach is effective in achieving desired social results.
- **Business model approach:** Promoting a business model approach among producers, associations, and across the entire value chain, makes the coffee/cacao sectors more appealing; and expedites the provision of financial services and connectivity. The lesson learned from the Alliances' intervention is that making these sectors profitable is key to incentivizing private sector involvement, allowing the PSE approach to work effectively.

## FINANCING AND CONNECTIVITY

- **Private sector-involved training:** Including the private sector in conducting training enhances the community's knowledge on access to credit, personal finance, connectivity, and digital tools. In the financial component, it also enables a connection between the supply (financial entities) and demand (producers requiring credit). The lesson learned is that, although financial entities often cannot dedicate monetary resources to provide training in technical-productive topics, they can contribute to households' financial literacy.

## GENDER

- **Women's inclusion in the value chain:** The intervention highlighted that promoting the inclusion of women in the value chain as a mechanism to foster female empowerment and increase their participation in decision-making is effective. This was achieved through counseling and gender workshops, promoting women's involvement in planting, conducting harvesting procedures, and marketing coffee/cacao to include leadership positions within associations.
- **Combating gender-based violence:** The Alliances did not directly implement a combat gender-based violence component. This left a lesson that in areas where the prevalence of violence is high, an approach focusing only on women's economic empowerment is insufficient. Therefore, it is necessary to establish a specific component aimed at combating gender-based violence.

## BEST PRACTICES

### MARKET, PRODUCTIVITY, INCOME, AND VALUE-ADDED

- **Crop diversification:** Encouraging crop diversification, even when promoting a main product—like cacao or coffee in the case of the Alliances—is a good practice that helps reduce risks associated with external factors, such as international crop price fluctuations.
- **Strategic alliances with suppliers:** Forming strategic alliances with suppliers of critical inputs is a good practice undertaken by the Alliances to ensure input availability, even in the most remote areas; e.g., the alliances formed with fertilizer providers.
- **School of Excellence:** The Peru Cacao Alliance established a School of Excellence to train technological agents, which was a good practice for providing better technical assistance and reaching the most remote areas. Furthermore, having certified technological agents helped create a sustainable technical assistance market.
- **Baristas and coffee tasters:** The Peru Coffee Alliance trained young baristas and coffee tasters, a good practice that (i) involved youth in the value chain, (ii) generated new services, (iii) improved the quality and increased the value-added of the products, and (iv) diversified income.

### STAKEHOLDER COORDINATION

- **Synergies with the CR3CE Alliance:** The interventions of the Peru Coffee/Peru Cacao Alliances were complemented by the CR3CE Alliance, which exclusively focused on credit and

digital connectivity support components. The synergies contributed to the development of producers and the population in the intervened areas.

## FINANCING AND CONNECTIVITY

- **Association backing in financing:** Connecting financial institutions with farmers through associations was a good practice that allowed reaching more growers and providing greater confidence and security to financial institutions about the use of credits for economic activities.

## GENDER

- **Female technological agents:** The training of technological agents at the Peru Cacao Alliance's School of Excellence promoted women's participation, which was a good practice for giving them a significant role in the value chain and a status as leading trainers in production topics.
- **Household training:** Including all household members in gender training was a good practice to achieve a shift in behaviors across the population, not just among women.

# CONCLUSIONS

## **Conclusion 1**

With the goal of promoting legitimate economies, the Alliances implemented a PSE approach that proved effective in optimizing the value chain via a business-oriented focus and by strengthening trusting relationships and beneficial agreements among participants. To achieve this, the Alliances worked at each stage of the value chain,<sup>25</sup> as well as on support activities such as connectivity and access to financing.

The Alliances facilitated connections between producers and suppliers of equipment and inputs, introduced new grains, provided technical assistance and field training, and held workshops and demonstration plots to influence producers' know-how. They strengthened trade links, promoted compliance with quality standards, encouraged association, and improved the governance of producer organizations. Regarding support activities, the Alliances promoted financial and digital education and inclusion, facilitated the entry of financial partners into the intervention areas—some of which would not have been possible without the Alliances—and ensured the operation and maintenance of telecenters.

The Alliances had a significant impact on fostering collaborative relationships among various strategic private-sector partners, ensuring all actors involved in the value chain benefited economically. In this context, the Alliances played a crucial role in aligning private sector objectives with the development goals of the areas, supporting the entry and expansion of the private sector into these areas, and aiding in the marketing stage to connect producers with the private sector, thus establishing commercial links and addressing their demands.

Finally, the improvements in the production process and quality promoted by the Alliances contributed to the perception of cacao and coffee crops as profitable and secure options for households' income generation. Additionally, access to formal financing sources and connectivity further enhanced business performance and household finances.

## **Associated findings**

- *Finding 1*
- *Finding 2*
- *Finding 4*
- *Finding 5*
- *Finding 6*

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<sup>25</sup> Access to inputs and equipment, production, processing, and commercialization.

<p><b>Conclusion 2</b></p> <p>The Alliances actively encouraged and supported associations, cooperatives, independent farmers, and medium and small commercial enterprises. The most successful were those who adopted the technological package or followed the recommendations provided for their production processes—typically the larger, more consolidated, or associated entities. While some small or independent producers also experienced success, it was not to the degree of the larger entities, primarily due to difficulties in sustaining the costs of technical assistance and training.</p> <p>As a result, producer associations and cooperatives grew in membership, allowing them to work with larger volumes and integrate more farmers.<sup>26</sup> Participants and survey respondents emphasized access to technical assistance and training as key benefits of being part of an association, cooperative, or producer committee. However, there is heterogeneity in results, as the larger entities more commonly report this participation.</p> <p>These factors have implications for the sustainability of the interventions. On one hand, associated or larger producers have a greater capacity to access ongoing technical assistance, purchase equipment, establish commercial ties, and meet quality standards. On the other hand, small or independent producers have more limited resources and smaller margins, are scattered, and have less technical knowledge about their crops. Therefore, these types of producers will still require the support of a public or private external agent for the continuity of their businesses in the future.</p>	<p><b>Associated findings</b></p> <ul style="list-style-type: none"> <li>• Finding 3</li> <li>• Finding 4</li> <li>• Finding 5</li> <li>• Finding 6</li> <li>• Finding 11</li> </ul>
<p><b>Conclusion 3</b></p> <p>The Alliances contributed to improving women’s empowerment regarding leadership in institutions, access to financing, and planting, harvesting, and marketing activities. Additionally, the contribution of the Alliances in promoting an egalitarian culture between men and women within households was emphasized by both farmers and interviewed actors.</p> <p>In their role of sensitizing households, private sector partners conducted a variety of activities to enhance women's empowerment. These included promoting gender equality workshops, women’s integration as co-producers of farming plots, financial services tailored for women, and gender action plans in several organizations to institutionalize empowerment.</p> <p>This facilitated the establishment of woman-led businesses and ventures in the intervention areas, creating new streams of income. This development not only expanded the customer base in the financial system but also sparked interest in enhancing digital skills for business management. Particularly notable is the role of women as clients and coordinators in various financial</p>	<p><b>Associated findings</b></p> <ul style="list-style-type: none"> <li>• Finding 7</li> <li>• Finding 8</li> <li>• Finding 9</li> <li>• Finding 10</li> </ul>

<sup>26</sup> As of 2022, 47% of surveyed farmers are part of an association, cooperative, or producer's committee, with the Alliance promoting participation for 31% of these individuals.

services. Their responsible financial behavior, particularly in repayment, has bolstered the business models of financial entities.

Finally, the training of women as technological agents and community trainers helped women feel more empowered in their communities. This type of training and education promoted women's participation in the PSE strategy due to their role as agents—facilitating access to fertilizers and manure through links with production input companies, connecting markets, and providing training to producers.

#### **Conclusion 4**

The outcomes achieved by the Alliances in promoting legitimate economies are sustainable to a certain extent. As previously described, the diversity of producers in terms of business maturity is crucial. For more mature producers and cooperatives, the goal of securing consistent technical assistance, establishing commercial relationships, and maintaining quality standards has been attained.

Additionally, enabling factors influencing the sustainability of the interventions were identified. Among these, the associative nature of producers stands out, as it facilitates access to better input prices, sales, clients, and funding necessary for productive activity, compared to independent producers. Internal knowledge and managerial capacity within the organization also play a key role in determining the extent of technical package application and the development of commercial ties. Moreover, the possibility of establishing a market for assistance and training, or employing technological agents, is another enabling factor, as it allows for knowledge to be installed in the intervention areas.

Conversely, external factors affecting sustainability were recognized. On one hand, international prices of crops (coffee and cacao) and production inputs impact the profitability of farmers and their ability to generate sufficient income to support their cost of living in a legitimate and safe manner. In turn, certain international regulations may hinder small and medium producers from obtaining quality certifications for their products. Geographic distance and producer fragmentation add to this challenge, complicating access to inputs, equipment, and financing.

The global growth of the illicit cocaine market is another relevant factor in terms of sustainability of outcomes. During the period 1998 – 2020, the number of cocaine consumers worldwide increased from 14 million to 21 million, in turn boosting the demand for coca crops. The commodity price fluctuations, coupled with long geographic distances and increasing demand for coca, weakens the incentive to produce alternative crops—especially when these require more care during production.

Lastly, the government's failure to assume the Alliance's role in bringing together producers, businesses, and productive assistance will make it difficult to continue with the field training and technical assistance activities that were being carried out in a coordinated manner. The evaluation

#### **Associated findings**

- *Finding 11*
- *Finding 12*

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highlights the government’s minimal presence up to this point. Its support and involvement are necessary to resolve market failures and facilitate access to new markets—public investment in road connectivity, internet access, and more.

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# RECOMMENDATIONS

The recommendations were developed based on an analysis of the study's findings, carried out by the consulting team in collaboration with Alliance members and the USAID and USAID-MELS teams. A co-creation workshop was held on December 7, 2022,<sup>27</sup> where the study's main findings were discussed. The consulting team proposed initial guidelines for recommendations, which were further refined into more specific suggestions. Ultimately, the consulting team consolidated and organized the resulting recommendations, supplemented by additional recommendations derived from the team's analysis.

The recommendations aim to effect systematic and sustainable changes in the promotion of lawful economies, as well as cross-cutting themes such as gender. The recommendations are designed to leverage strengths and address areas for improvement as identified in the findings. Similar to the lessons learned and best practices, the recommendations are grouped into the following topics:

- Market, productivity, income, and added value.
- Stakeholder coordination
- Financing and connectivity
- Gender

The recommendations for each topic are detailed below.

## MARKET, PRODUCTIVITY, INCOME, AND ADDED VALUE

The first set of recommendations is focused on ensuring the sustainable development of the value chain and supporting businesses. The following recommendations target these aspects:

- **Promote domestic consumption:** Promoting domestic consumption of products prioritized by the Alliances could boost domestic demand, leading to increased sales and incomes for farmers. Therefore, we suggest implementing strategies to encourage domestic demand for coffee and cacao, thereby supporting efforts to improve supply (producers). We also recommend promoting the commercialization of value-added products to strengthen local value chains. USAID could implement this recommendation in future similar interventions.
- **Assess the feasibility of a subsequent phase:** While the Alliances' intervention primarily targeted the productive stage of the value chain, the importance of providing additional support to farmers and cooperatives in the commercial stage and enhancing local leadership capabilities in producer associations was evident. Therefore, we recommend evaluating the implementation of a USAID-led activity or program, in collaboration with private trade associations and the producers themselves, to continue the intervention. This could involve activities such as commercial training, the creation of commercial spaces, capacity building, and leadership development. This would aim to foster empowerment and local development in producer associations, potentially enabling them to assume the Alliances' role in the future.
- **Foster economic diversification:** Currently, farmers maintain a degree of crop diversification, even while focusing on an "anchor" product like coffee or cacao. The next step is income diversification. This implies that smaller producers, in particular, should participate in other economic activities relevant to their region. To facilitate this, USAID, in collaboration

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<sup>27</sup> [Annex E](#) details the workshop participants.

with technical institutes, should encourage and facilitate producer and youth training in alternative economic activities.

- **Promote the professionalization of agricultural activity:** To ensure the continuity of agricultural activity in these areas, it is necessary to professionalize the sector to make it more attractive and thus draw in high-quality human talent and investment. In the long term, it will be crucial to promote technical careers related to the value chain and university degrees in agricultural business management. Meanwhile, in the medium term, there should be a focus on developing training programs to encourage the adoption of new technologies and innovation in agricultural processes. Additionally, professionalizing the agricultural value chain will enable the scaling of agricultural businesses. This recommendation could be implemented by USAID in coordination with technical institutes and universities.

Table 7 summarizes the recommendations on market, production, incomes, and value-added:

Table 7. Recommendations for the market, productivity, income, and value-added component

Recommendation	Stakeholders	Term
<b>Promote domestic consumption</b> through the promotion of crops and higher value-added derivative products to expand the market.	Government Cooperatives	Short term
<b>Assess the need to implement a subsequent phase</b> of the Alliances, focusing on support during the commercialization stage and building leadership and management skills within associations.	USAID (initially) Private commercial support companies Exporter associations	Short term
<b>Foster economic diversification</b> , particularly among small producers who could engage in other economic activities in sectors relevant to their region.	USAID Technical institutes	Medium term
<b>Promote the professionalization of agricultural activity</b> , which includes (i) endorsing university/technical careers that help professionalize the workforce in agricultural businesses and (ii) advocating for the adoption of technology and process innovation in the agricultural chain.	USAID Cooperatives	Medium / Long term

Source: Co-creation Workshop. Prepared by: APOYO Consultoría.

## STAKEHOLDER COORDINATION

The second set of recommendations focuses on coordinating stakeholders across the value chain to (i) leverage the synergies of farmer association, (ii) disseminate relevant information, and (iii) generate discussion spaces to continue achieving systematic changes. The recommendations focused on these aspects are described below:

- **Promote farmer association:** The collected evidence has shown the benefits of collaborative work within associations, cooperatives, and producer committees. Therefore, the study recommends promoting the formalization of these types of groups and the

expansion of their scope.<sup>28</sup> Disseminating the benefits of association is key, since, according to the surveys conducted, the main reason for producers' reluctance is that they are unaware of such benefits or believe they do not need to associate. Moreover, improving associations' management skills is critical to manage and coordinate members' efforts. USAID could channel future efforts through the associations to reach more farmers. As a result, this joint work would allow expanding USAID's impact to more populations and investing in local and permanent solutions. Likewise, as non-associated farmers represent more than half of the producers, the evaluation recommends implementing strategies to reach non-associated producers in future interventions.

- **Promote the creation of a service platform:** The evaluation recommends working with the private sector in other collaborative forms to improve the sector's competitiveness by implementing a platform run by a public or private entity that connects services offered by the private sector (supply) and the producers (demand). The role of this platform would be to collect, update, connect, and disseminate information, aiming to bring both associations and non-organized producers together with private companies providing services. For instance, the platform could consolidate information from leading producers and technological agents. This should initially be implemented by USAID, but with the goal of transferring functions to a public or private company interested in providing this service.
- **Generate effective discussion spaces in working groups:** The evaluation recommends enhancing and increasing discussion spaces among relevant actors in the value chain, such as regional working tables. The current experience has shown the characteristics that make working tables more effective. In this regard, working tables need to be officially recognized by the GOREs so that they have the capacity to implement significant changes. Additionally, members of the working groups should be trained in management topics and know the necessary processes to generate changes.

Table 8 summarizes the recommendations on shareholder coordination.

Table 8. Recommendations for the stakeholder coordination component

Recommendation	Stakeholders	Term
<b>Promote producer association</b> to further expand the benefits of collaborative work and better channel the Alliances' interventions.	Cooperatives	Short term
<b>Promote the creation of a service platform</b> that connects producers to services offered by the private sector.	USAID (initially) Private companies - Agro-export companies - Large companies	Medium term
<b>Generate effective discussion spaces in working groups at the regional level</b> , which requires that (i) they be recognized by the GOREs so that they can take valid actions and (ii) their members be trained in management skills.	GORE Associations Private companies Cooperatives	Medium term

Source: Co-creation Workshop. Prepared by: APOYO Consultoría.

<sup>28</sup> As of 2022, only 47% of coffee and cacao producers who are members of the Alliances are associated, so efforts are still needed to improve producer association.

## FINANCING

This recommendation is targeted at financing accessibility activities that were developed by the Alliances. It is crucial to continue developing the financing market for the socio-economic growth of the populations served. The following recommendation relates to this issue:

- **Enhance credit market development:** It is crucial to increase credit access for the target population, as financing enables them to develop agricultural projects. This requires: (i) expanding funds available for rural agricultural activities; and (ii) leveraging the synergies of associations and cooperatives as a credit control mechanism. Financial institutions can work alongside cooperatives to reach farmers who need credit and have certainty about its use in agricultural activities.

Table 9 below summarizes the recommendation for financing:

Table 9. Recommendations for the financing component

Recommendation	Stakeholders	Term
<b>Develop the credit market</b> by (i) increasing funds available for agricultural activities and (ii) leveraging the benefits of farmer association as a credit control mechanism.	USAID Financial institutions	Medium term

Source: Co-creation Workshop. Prepared by: APOYO Consultoría.

## CONNECTIVITY

The following recommendation is targeted at connectivity access activities developed by the Alliances.

- **Promote digital education:** The Alliances should continue strengthening digital education among the populations served. Proficiency in digital tools is crucial to increasing access to value chain support services. For instance, farmers with connectivity and digital skills could access training and technical assistance virtually. Private companies like *Internet para Todos* should continue their mission to expand internet reach, but it is also necessary to continue educating the population on using digital tools. USAID could get involved in digital education activities through other strategic partners in the telecommunications sector.

Table 10 summarizes the recommendation for financing and connectivity.

Table 10. Recommendations for the financing and connectivity component

Recommendation	Stakeholders	Term
<b>Promote digital education</b> among the population in the intervention area, as it enhances their access to services that are primarily provided digitally.	USAID <i>Internet para Todos</i> Telecommunications companies	Short / Medium term

Source: Co-creation Workshop. Prepared by: APOYO Consultoría.

## GENDER

The last set of recommendations is targeted at gender issues, a crucial component of USAID's interventions aimed to promote women's empowerment and gender equity. The following recommendations address the gender component in USAID interventions:

- **Incorporate governance guidelines:** The evaluation recommends that producer cooperatives incorporate a gender component into their governance guidelines. This would formalize institutional spaces for promoting women's empowerment within associations and communities. Although this recommendation's implementation falls on the cooperatives, they could receive advice from USAID to correctly design these guidelines.
- **Expand intervention scope:** The Alliances' gender intervention had positive results but only on the served population. In this regard, USAID is advised to persist in its efforts on gender issues, either by continuing these interventions or introducing new ones to continue promoting women's empowerment within households, communities, and organizations.
- **Include a combating gender-based violence component:** The intervention's focus was solely on women's economic empowerment. While it is expected that empowerment and economic independence may indirectly reduce gender-based violence, the evaluation recommends addressing the fight against gender-based violence directly. This is especially important in rural areas, where the prevalence of gender-based violence is high. USAID must assess the need to include the fight against gender-based violence as a pillar of the gender component in future interventions or programs.
- **Implement a results-based approach:** Future USAID interventions that address the gender component should adopt a results-based, rather than a merely process-based, approach. The desired result is to involve women in decision-making, primarily economic decisions. The process for achieving the result should be determined by the implementing partner and the stakeholders of the intervention, based on the population and program characteristics. Building on the evaluation of the Alliances' intervention, the study provides the following recommendations:
  - **Enhance women's financial inclusion:** The evaluation recommends continuing efforts to increase women's access to credit, such as financial products specifically for women. In line with the recommendation to adapt requirements to increase access to credit, women's characteristics necessitate flexibility in requirements, such as demanding property titles. USAID, in coordination with financial institutions, should drive this change to increase women's access to credit.
  - **Promote women's involvement in decision-making:** The evaluation recommends continuing to promote women's inclusion in roles or activities that involve decision-making, beyond leadership positions in associations, e.g., encourage women's participation in marketing activities, price negotiation, and purchasing inputs and equipment. Associations and cooperatives, together with USAID, should strive to integrate women into these activities.
- **Implement capacity-building activities on gender issues:** The level of understanding about gender issues varies across stakeholders. Therefore, USAID should aim to train all stakeholders involved in implementation activities. For instance, this would enable participants to understand the difference between gender equality and gender equity, to align all stakeholders' efforts towards the same goal. This recommendation is proposed for subsequent USAID-led interventions.

Table II summarizes the recommendations for gender:

Table II. Recommendations for the gender component

<b>Recommendation</b>	<b>Stakeholders</b>	<b>Term</b>
<b>Incorporate governance guidelines</b> that formalize institutional spaces to foster women’s involvement within associations.	Associations Cooperatives Committee	Short / Medium term
<b>Expand the scope of the intervention</b> to spread the results achieved in gender matters across households, communities, and organizations.	USAID	Short term
<b>Include a combating gender-based violence component</b> directly in USAID-led activities, given its relevance in the intervened contexts.	USAID	Short term
<b>Implement a results-based approach</b> in USAID-led activities aimed at women to play an active role in: (i) economic decision-making through women’s financial inclusion; and (ii) the production value chain.	USAID	Short / Medium term
<b>Mainstream capacity-building activities on gender issues</b> across stakeholders involved in USAID-led interventions.	USAID	Short / Medium term

Source: Co-creation Workshop. Prepared by: APOYO Consultoría.

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# ANNEXES

## ANNEX A. RESUMEN EJECUTIVO

Los tres proyectos de desarrollo alternativo –Alianza CAFÉ, Alianza Cacao Perú, y Alianza CR3CE— son iniciativas público-privadas apoyadas por USAID para promover el desarrollo económico y social en regiones de post erradicación del cultivo de coca bajo un enfoque de relacionamiento con el sector privado. Por un lado, Alianza CAFÉ y Alianza Cacao ayudaron a agricultores a incrementar sus ingresos a través de cultivos alternativos. Para lograr este propósito, ambas Alianzas brindaron asistencia técnica, capacitaciones, y apoyo a lo largo de la cadena de valor de los cultivos para mejorar su productividad, calidad y rentabilidad. Al mismo tiempo, la Alianza CR3CE apoyó el desarrollo de las zonas intervenidas a través de la promoción del acceso a conectividad y servicios financieros de la población beneficiaria.

Las Alianzas CAFÉ y CR3CE iniciaron operaciones en 2017, la primera concluyó en octubre de 2022 y la segunda está prevista a finalizar en diciembre de 2022. En cuanto a Alianza Cacao, la presente evaluación se enfoca en su segunda fase, la cual se desarrolló entre 2016 y 2022. Las Alianzas contaron con financiamiento de USAID por US\$11 millones (CAFÉ), US\$29 millones (CACAO) y US\$21 millones (CR3CE). Las regiones donde se desarrollaron fueron Huánuco, San Martín, Ucayali y Pasco; e impactaron positivamente en los ingresos provenientes de la agricultura de más de 8,380 familias caficultoras y 24,000 familias cacaoteras, así como en el acceso a la conectividad y servicios financieros de un sin número de personas de las zonas.

## PROPÓSITO Y PREGUNTAS DE EVALUACIÓN

El propósito central de la evaluación final fue evaluar el desempeño y los resultados de las tres Alianzas, con énfasis en la capacidad de cada intervención para involucrar al sector privado en el logro de sus objetivos. Así también, se identificaron lecciones aprendidas y recomendaciones que puede incorporar USAID para el diseño e implementación de futuros proyectos. La evaluación abarca el periodo de desarrollo de las Alianzas desde su inicio a noviembre del 2022 e incluye el análisis de cuatro objetivos enmarcados en (i) la pertinencia en el diseño; (ii) la eficacia en la implementación; y (iii) la sostenibilidad de la estrategia del *Involucramiento del Sector Privado* (PSE por sus siglas en inglés).

## METODOLOGÍA

La evaluación utilizó una metodología mixta que comprende técnicas cualitativas y cuantitativas. En cuanto al enfoque cualitativo, en total, se realizaron 50 entrevistas semiestructuradas a profundidad. Del total, 39 entrevistas fueron llevadas a cabo de forma virtual y 11 de forma presencial en las visitas a campo en las regiones de Huánuco y San Martín. Asimismo, se realizó un taller participativo de co-creación de recomendaciones con los implementadores de las tres Alianzas, miembros del equipo de USAID, USAID-MELS, y el equipo consultor. Por otro lado, en relación con el enfoque cuantitativo, se aplicaron 280 encuestas a familias agricultoras de Alianza CAFÉ y 285 encuestas a familias participantes de la Alianza Cacao Perú en las regiones de intervención de los proyectos.

## HALLAZGOS

### **¿CUÁLES SON LAS CONDICIONES QUE HACEN MÁS EFECTIVO EL PSE PARA PROMOVER ECONOMÍAS LÍCITAS?**

Las condiciones para que el PSE fuera efectivo en la promoción de economías lícitas fueron el rentabilizar la cadena de valor y que las Alianzas proporcionarán servicios que generarán valor para los agentes involucrados. La estrategia de rentabilizar la cadena de valor, es decir, volver atractiva económicamente a la actividad cafetalera y cacaotera a través de un enfoque de negocio en cada etapa de la cadena, fue posible gracias a la incidencia de los actores clave del sector privado en las diferentes etapas de la cadena de valor de los cultivos y en las actividades de apoyo —acceso a conectividad y servicios financieros—.

El trabajo de las Alianzas promovió contribuciones e inversiones del enfoque PSE debido a que, al brindar asistencia técnica y asesoramiento a lo largo de la cadena de valor, mantuvo y promovió una perspectiva de plan de negocios para mejorar los ingresos de los agricultores participantes. Además, el involucramiento de socios privados fue incentivado por la promoción de economías lícitas rentables pues percibieron como favorable, de forma social y económica, su relacionamiento con las intervenciones. De esta manera, el relacionamiento con el sector privado fue clave para el posicionamiento de los cultivos lícitos como una fuente de ingresos atractiva en las zonas de intervención.

En específico, gracias a (i) la alineación de objetivos entre las Alianzas y el sector privado; (ii) el apoyo de las Alianzas para la entrada y expansión de socios privados; (iii) el apoyo en la etapa de comercialización; y (iv) el interés del sector privado por participar de una intervención que lo ayudara a generar más valor que el que hubiera conseguido sin apoyo de las Alianzas, se pudieron articular esfuerzos con el sector privado para facilitar el acceso de los participantes a insumos, equipos, financiamiento y conectividad; a la consolidación de acuerdos comerciales; al empoderamiento femenino; y a la promoción de la asociatividad. De esta manera, el relacionamiento con el sector privado fue clave para el posicionamiento de los cultivos lícitos como una fuente de ingresos atractiva en las zonas de intervención.

### **¿CÓMO EL PSE PRODUCE UN CAMBIO EN LAS CADENAS DE VALOR Y LA DISTRIBUCIÓN DE CONECTIVIDAD Y SERVICIOS FINANCIEROS?**

La intervención transversal en las etapas de la cadena de valor y actividades de apoyo (conectividad y financiamiento) permitieron lograr un cambio sistemático en el desarrollo de la actividad cafetalera / cacaotera y la actividad económica de la población en las zonas de intervención. Por un lado, las Alianzas CAFÉ y CACAO ejecutaron acciones similares para incidir en el *know-how* de los agricultores, generar vínculos comerciales duraderos, fortalecer las asociaciones y cooperativas y facilitar el acceso de los agricultores a fuentes de financiamiento. Al mismo tiempo, la Alianza CR3CE contribuyó con el desarrollo de la zona de intervención mediante el incremento de la oferta de servicios financieros y de conectividad.

El relacionamiento con el sector privado se tradujo en acciones para asegurar el acceso a insumos, equipos y financiamiento; mejorar la producción; y potenciar el procesamiento inicial y comercialización. A partir de la asistencia técnica, capacitaciones y asesoramiento brindado por las Alianzas, el enfoque PSE permitió: (i) incrementar el rendimiento de los cultivos; (ii) mejorar la calidad de la producción; (iii) mejorar el precio de los productos; y (iv) habilitar el acceso a conectividad y financiamiento. Estos cambios alcanzados lograron incrementar los ingresos por

cultivos lícitos de los productores, insertar a las personas en la era digital y en el sistema financiero.

### **¿EN QUÉ MEDIDA SE ALCANZÓ EL EMPODERAMIENTO FEMENINO EN LOS TRES PROYECTOS?**

Los logros alcanzados por las Alianzas en materia de género incluyen el involucramiento de la mujer en la actividad agrícola —específicamente en la siembra, cosecha y comercialización de los cultivos—; la promoción del liderazgo femenino en instituciones; la participación de las mujeres en toma de decisiones; la mejora en los ingresos de las mujeres; el acceso a financiamiento; y una mayor conciencia sobre la importancia de los roles compartidos.

En este esquema, el sector privado asumió un rol de aliado a favor del empoderamiento femenino, bajo el cual empresas e instituciones privadas incorporaron el enfoque de género en sus lineamientos, promovieron esquemas de financiamiento específicos para mujeres, e incentivaron la participación femenina en las cadenas de valor de los cultivos. Este último punto también se vio impulsado por los requerimientos de las certificaciones internacionales de los cultivos en cuanto a un mayor involucramiento femenino. Además, en articulación con las Alianzas, se realizaron charlas sensibilizadoras para las familias sobre temas relacionados a la igualdad de género.

El acceso de mujeres a activos productivos —créditos, herramientas tecnológicas, internet, cuentas en el sistema financiero, entre otros—, les permitió generar nuevas fuentes de ingresos tanto relacionadas a la actividad agrícola como en otros sectores de negocios. Este mayor acceso de mujeres a activos productivos habilitó que se vuelvan el público objetivo de algunas instituciones financieras. A su vez, la formación de mujeres como agentes tecnológicos y entrenadoras comunitarias promovió el empoderamiento de estas mujeres en sus comunidades. Las participantes de estas iniciativas se convirtieron en el vínculo directo con empresas de insumos de producción y los agricultores de sus zonas, además de capacitadoras técnico-productivas.

### **¿HASTA QUÉ PUNTO EL SECTOR PRIVADO PUEDE SOSTENER EL TRABAJO REALIZADO POR LAS ALIANZAS EN LOS PRÓXIMOS AÑOS?**

El sector privado puede sostener el trabajo realizado por las Alianzas en cierta medida en los próximos años. La sostenibilidad de los resultados a cargo del sector privado depende de la heterogeneidad de los negocios en términos de su madurez. Esta madurez hace referencia a la capacidad de gestión que presentan los negocios y/o asociaciones de productores, su capacidad de realizar esfuerzos comerciales exitosos y proveer beneficios económicos a sus socios.

El grado de madurez de los negocios resulta relevante pues ha determinado buenos resultados obtenidos del trabajo con las Alianzas. En específico, la capacidad para (i) acceder a asistencia técnica; (ii) establecer vínculos comerciales y (iii) seguir cumpliendo con los estándares de calidad que demandan los clientes, son factores clave para la sostenibilidad de las intervenciones. Asimismo, la asociatividad de los productores representa otro factor importante, pues productores independientes están más alejados de un potencial encadenamiento a empresas o entidades privadas que les permitan acceder a capital y activos productivos necesarios para mejorar su productividad en el manejo de sus cultivos tras el fin de las intervenciones.

## RECOMENDACIONES

### MERCADO, PRODUCTIVIDAD, INGRESOS Y VALOR AGREGADO

El primer grupo de recomendaciones está enfocado en mejorar las condiciones de mercado, productividad e ingresos de los productores y el valor agregado del producto:

- **Promover el consumo interno** mediante la promoción de los cultivos para impulsar la demanda interna del café y cacao y, por ende, ampliar el mercado de los productos. Además, se recomienda promover la comercialización de productos con valor agregado para fortalecer las cadenas de valor localmente.
- **Evaluar la implementación de una siguiente fase** de las Alianzas que se enfoque en la etapa de comercialización y en la construcción de capacidades de liderazgo y gestión de las asociaciones de productores.
- **Promover la diversificación económica**, especialmente en pequeños productores que podrían participar en otras actividades económicas relevantes para sus regiones y de esta manera, logren la diversificación de ingresos.
- **Promover la profesionalización de la actividad agrícola**, específicamente en la actividad cacaotera y caficultora que implica (i) promover carreras universitarias y técnicas que contribuyan a profesionalizar la fuerza de trabajo dedicada a los negocios agrícolas y (ii) fomentar la adopción de tecnología e innovación de procesos en la cadena agrícola.

### ARTICULACIÓN DE ACTORES

Este grupo de recomendaciones están orientadas en facilitar la articulación de los actores clave de la cadena de valor:

- **Promover la asociatividad entre productores** como estrategia para expandir los beneficios del trabajo colaborativo y canalizar mejor las intervenciones de las Alianzas. Esta recomendación implica difundir los beneficios de la asociatividad en cuanto acceso a mercados, promover su formalización y la mejora en sus capacidades de gestión.
- **Promover la creación de una plataforma de servicios** orientada a recolectar, actualizar, conectar y socializar información, con el objetivo de reunir tanto a asociaciones como a productores no organizados con empresas privadas proveedoras de servicios en un trabajo de colaboración.
- **Generar espacios de discusión en mesas de trabajo efectivas a nivel regional** entre actores relevantes en la cadena de valor. Para ello, se requiere que (i) las mesas de trabajo sean reconocidas por el GORE para que puedan tomar acciones válidas y (ii) se capacite a los miembros en habilidades de gestión.

### FINANCIAMIENTO

La recomendación sobre el acceso a financiamiento tiene el objetivo de incrementar el acceso a crédito, así como mejorar los conocimientos de los productores en temas financieros:

- **Fortalecer el desarrollo del mercado de créditos** a través de (i) incrementar los fondos disponibles y (ii) aprovechar las sinergias de las asociaciones y cooperativas como mecanismo de control crediticio.

## CONECTIVIDAD

La recomendación sobre conectividad tiene el objetivo de incrementar el acceso de la población participante a servicios de soporte de la cadena de valor a través de plataformas digitales:

- **Fomentar la educación digital** de la población del área de intervención pues permite incrementar su acceso a servicios de soporte de la cadena de valor que, en su mayoría, se prestan de manera digital. Para ello, se recomienda el trabajo conjunto de USAID y socios estratégicos en el sector telecomunicaciones.

## GÉNERO

Finalmente, el último grupo de recomendaciones está enfocado en incrementar el involucramiento femenino en la cadena de valor, promover el empoderamiento femenino, priorizar un enfoque de resultados y capacitar a todos los *stakeholders* que trabajen con USAID:

- **Incorporar lineamientos de gobernanza** que formalicen los espacios institucionales para fomentar el involucramiento femenino dentro de las asociaciones y cooperativas de agricultores.
- **Ampliar el alcance de la intervención** para expandir los resultados logrados en materia de género y empoderamiento femenino a los hogares no intervenidos y en diversos ámbitos como en la familia, la comunidad y en las organizaciones.
- **Incluir el componente de lucha contra la violencia de género** en las actividades desarrolladas por USAID dada su relevancia en los contextos intervenidos.
- **Implementar un enfoque de resultados** en las actividades implementadas por USAID que busquen que las mujeres cumplan un rol activo en: (i) la toma de decisiones económicas a través de la inclusión financiera femenina y (ii) la cadena de valor a través de cargos en la directiva de las asociaciones y su participación en la comercialización de productos, la negociación de precios y la compra de insumo y equipos.
- **Implementar capacitaciones de género** transversales a todos los *stakeholders* que trabajan en las intervenciones lideradas por USAID, ello permitiría alinear los esfuerzos de todos los actores hacia un mismo objetivo.

## ANNEX B: EVALUATION TEAM

**Raúl Andrade**, team leader. Holds an Economics degree from Pontificia Universidad Católica del Perú and Master's and PhD degrees from Washington University (US). He also pursued graduate studies in Institutional Economic Analysis at the Center for the New Institutional Social Sciences. He has 18-plus years of experience leading and implementing evaluations (including impact, performance, intermediate, and final evaluations), baselines, monitoring systems, and projects related to public policy in Peru and abroad. He has carried out multiple studies for important public institutions and multilateral organizations. He is an expert in fieldwork design in complex contexts; and is experienced in the use of mixed (quantitative/qualitative) methods for assessing public policy programs.

**Geoffrey Cannock**, evaluation specialist. Holds a degree in Economics from Universidad del Pacífico and a Master's degree as well as a Ph.D. in Applied Agricultural Economics from Oklahoma State University (US). In addition, he has pursued special studies in Public Policy at Harvard University (US) and graduate studies in Business Economics at the University of Pennsylvania (US). He has over 30 years of professional experience leading and implementing evaluations (including impact, performance, midterm, and final evaluations), baselines, and monitoring and follow-up systems in agricultural, developmental, and environmental economics; value and logistics chains; and private sector social interventions (ESG programs). He has advised and led projects in multilateral organizations. His professional experience has made him an expert in qualitative, quantitative, and mixed evaluation techniques.

**Miguel Ordinola**, holds an MSc in Agricultural Economics from Universidad Agraria and a bachelor's degree in Economics from Universidad Nacional Mayor de San Marcos. Miguel has over 20 years of experience in coordinating and implementing projects related to improving the competitiveness and conditions of farming households in Peru. He is a five-time winner of the Business Creativity Award and has earned recognition for other private initiatives. Moreover, he has over 15 years of experience in the development of research projects and innovative agricultural products.

**Cristina Glave**, evaluation specialist. Holds a Master's degree in Development Studies from the University of Cambridge (UK) and an Economics degree from Pontificia Universidad Católica del Perú. Over 6 years of professional experience in consulting services and research projects on development issues. As an expert in social development, she has ample experience in performance evaluations of projects on education, inequality, poverty, and gender inequity; and in impact evaluations using mixed methods. She specializes in quantitative techniques for both primary data-gathering and analysis.

**María Fernanda Delgado**, research assistant. Holds an Economics degree from Universidad del Pacífico (Peru). Over three years of professional experience in public policy projects requiring intensive economic/social analysis based on sound knowledge of microeconomics and advanced quantitative/qualitative techniques. Associate in APOYO Consultoría's Economic Consulting area.

**Fernando López**, research assistant. Holds a bachelor's degree in Economics from Universidad de Lima. He has worked on public policy, regulation, and competition defense projects. Fernando is a senior consultant in the Economic Consultancy area of APOYO Consultoría.

## ANNEX C: EVALUATION METHODS

This annex outlines the evaluation's methodological framework, starting with the Appreciative Inquiry Approach used to answer the evaluation questions. It proceeds to detail the techniques and instruments applied for both qualitative and quantitative evaluations, followed by a discussion on the respective sample sizes. The annex concludes by listing the main strengths and limitations of the adopted methodology.

### APPRECIATIVE INQUIRY APPROACH

The Appreciative Inquiry Approach identifies and amplifies an organization's positive attributes to craft improvement recommendations.<sup>29</sup> Implementing AI involves five stages:<sup>30</sup> (i) defining, (ii) discovering, (iii) envisioning, (iv) designing, and (v) planning:

- **Defining** involves characterizing the interventions under evaluation, the value chain of a product, or the population of an influence area.
- **Discovering** is about identifying key stakeholders, measuring indicators, program strengths, and other crucial aspects.
- **Envisioning** refers to conceptualizing the maximum potential or optimal performance of the intervention or program.
- **Designing** the intervention, project, or policy to reach the maximum potential envisioned.
- **Planning** the action path to ensure the success of the intervention or project.

This methodology is characterized by its proactive stance in evaluating organizations or projects, focusing on strengths and future potentials rather than dwelling on the challenges encountered during implementation. Its focus on positive aspects promotes ownership of the results by the implementation managers. Instead of focusing on obstacles that hampered implementation, it concentrates on identifying what worked well, followed by establishing recommendations to improve these elements. Hence, the methodological framework set out below identifies these aspects for the three Alliances, focusing on the achievement of the PSE as a key element for their success and sustainability.

### DATA COLLECTION TECHNIQUES AND TOOLS

The evaluation required thorough analysis of various types of information. Initially, an exhaustive document review was conducted on reports and materials produced by the implementing partners in the three Alliances. This included work plans, annual reports, rosters of participants and strategic partners, questionnaires, and databases generated to collect information for tracking and monitoring, among other documents.

The evaluation incorporates both qualitative and quantitative techniques for the collection of primary data. From a qualitative perspective, in-depth interviews were conducted with key

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<sup>29</sup> Source: Appreciative Inquiry Approach ([betterevaluation.org](http://betterevaluation.org)).

<sup>30</sup> Some methodologies suggest only four stages, not including the "defining" stage. Source: Acosta & Douthwaite (2005), "Appreciative inquiry: An approach for learning and change based on our own best practices."

informants. Meanwhile, from a quantitative standpoint, surveys were administered to the participants of both the Peru Coffee and Peru Cacao Alliances.<sup>31</sup>

## QUALITATIVE APPROACH

The qualitative approach allows for a more comprehensive understanding of the Alliances' implementation. The gathered information helped identify the viewpoints of various key actors, linking them with contextual elements and supplementing them with the documental information analyzed for each Alliance. The technique for collecting qualitative data involved conducting in-depth interviews with the implementing and strategic partners of all three Alliances.

In-depth interviews are a data collection technique that utilizes face-to-face instruments based on the interaction between the interviewee and the interviewer. Due to their nature, interviews allow for a higher degree of flexibility in responses as there is the possibility to repeat and re-question, which aids in understanding perspectives, perceptions, experiences, etc.

In line with this, semi-structured individual or group interviews were applied where a mixed strategy was deployed, alternating close-ended questions with open-ended ones. With this type of interview, the researcher has the freedom to delve into specific characteristics of a particular topic or variable, achieving greater freedom and flexibility in obtaining information for specific cases of informants.

## QUANTITATIVE APPROACH

The quantitative approach enables the acquisition of measurable and generalizable results concerning the Alliances' implementation. The collected indicators not only informed on performance and the results achieved in line with the Alliances' proposed objectives, but also allowed for specific insights into private sector involvement in the Alliances' implementation, a critical aspect of the evaluation. The quantitative data collection technique consisted of administering a questionnaire to the participants of the three Alliances.

It is crucial to note that as part of their activities, the Alliances consider continuous monitoring and evaluation of their key indicators. Thus, annually, the Alliances have been gathering information on demographic characteristics, agricultural and forestry production, technological and financial adoption, among other areas. This ongoing effort tracks the evolution of indicators throughout each Alliance's implementation and provides conclusions about the results achieved.

Along these lines, the questionnaire proposed for this evaluation builds upon previous ones, thereby providing information that characterizes and identifies the results achieved. Additionally, the instrument incorporated perception-based questions to evaluate participants' view of private sector involvement in the Alliances.

## SAMPLE

In defining the study sample, we identified key actors involved in all three Alliances. As our proposed methodology combines both qualitative and quantitative techniques for primary data collection, the selected samples for each approach, along with the characteristics of the participant

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<sup>31</sup> Annex C details the data collection tools employed.

samples from the Peru Coffee and Peru Cacao Alliances gathered during fieldwork, are described below.

## IN-DEPTH INTERVIEWS

In-depth interviews were conducted, gathering insights from two main sources: (i) Alliance implementing partners and (ii) strategic private sector partners. The interviewees were selected by the evaluation team from contact lists provided by the Alliances, based on their respective roles and geographical locations. To ensure the anonymity of participants, all identities, positions, and affiliations will be kept confidential. This procedure resulted in 32 semi-structured, in-depth interviews.

In total, we conducted 50 interviews involving approximately 83 key actors associated with Alliance implementation across various entities. Out of these interviews, 39 were conducted virtually and 11 in-person during field visits to the Huánuco and San Martín regions between October 9 and 12. Table 12 below presents the sample and the results of the surveys conducted with participants from the Peru Coffee and Peru Cacao Alliances, focusing on the application of the interviews.

Table 12. Sample for in-depth interviews

<b>Alliance</b>	<b>Stakeholders</b>	<b>Sample</b>	<b>Applied</b>
<b>Peru Coffee</b>	Implementing partner (Technoserve)	1	2
	Commercial partners	2	3
	Aggregator partners	4	5
	Financial partners	3	3
<b>Peru Cacao</b>	Implementing partner (Palladium)	1	2
	Commercial partners	4	5
	Aggregator partners	6	15
	Technological partners	2	1
	Financial partners	3	3
<b>CR3CE</b>	Implementing partner (CEDRO)	1	2
	Digital partners	2	3
	Financial partners	3	4
<b>Government entities</b>		-	2
<b>Total</b>		32	50

Prepared by: APOYO Consultoría

## PARTICIPATORY CO-CREATION WORKSHOP

The Participatory Co-creation Workshop was designed to validate the evaluation's findings and conclusions and to collaboratively create recommendations. Participants included representatives from the Alliances' implementing entities: Technoserve (Peru Coffee Alliance), Palladium (Peru Cacao Alliance), and CEDRO (CR3CE Alliance). Additionally, members from the USAID team, USAID-MELS, and the consulting team participated in the workshop. The event, held on December 7, had a total of 21 participants ([Annex E](#) presents the list of participants).

## QUANTITATIVE APPROACH

The collection of quantitative data involved probabilistic sampling, a method adhering to scientific criteria. This ensured the results were representative of the study population, making the findings generalizable and unbiased. Probabilistic sampling allows for the calculation of the sampling error, performance of statistical inferences, and prevention of sample bias, thus avoiding a sample skewed towards certain results.

The sample size ( $n$ ) is calculated using the following formula:

$$n = \frac{Nx}{((N - 1) * \epsilon^2 + x)}$$
$$x = Z \left( \frac{c}{100} \right)^2 r(100 - r)$$

Where:

$n$ : Sample size

$N$ : Population size

$\epsilon$ : Margin of error

$Z \left( \frac{c}{100} \right)$ : Critical value

$c$ : Confidence interval

$r$ : Probability of being selected.

Assuming a margin of error of 5.75%, a confidence level of 95%, and a probability of being selected in the sample of 50%, we calculated a total sample size of 280 surveys for farming households related to the Peru Coffee Alliance and a total of 285 surveys for farming households associated with the Peru Cacao Alliance. Additionally, since the Alliances' intervention framework covers different regions, a proportional stratified sampling methodology was considered. Therefore, the size of each stratum is determined by its share in the population.

The study achieved 100% survey implementation for both Alliances in all regions. Table 13 details the results.

Table 13. Sample and surveys conducted: Peru Coffee Alliance

<b>Stratum</b>	<b>Universe</b>	<b>Sample</b>	<b>Applied</b>
<b>San Martín</b>	4,154	155	155
<b>Huánuco</b>	3,343	125	125
<b>Amazonas</b>	219	-	-
<b>Ucayali</b>	123	-	-
<b>Total</b>	<b>7,839</b>	<b>280</b>	<b>280</b>

Prepared by: APOYO Consultoría

Table 14. Sample and surveys conducted: Peru Cacao Alliance

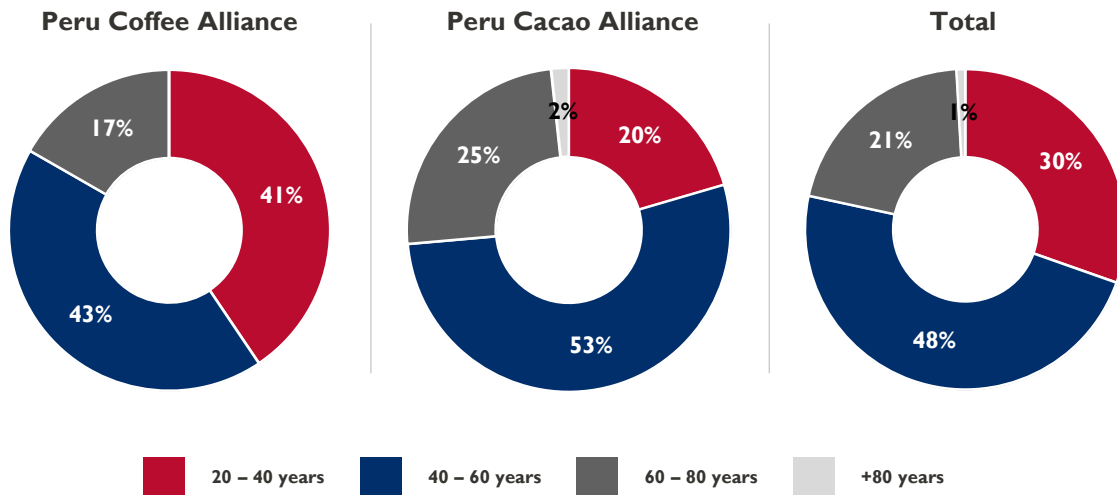
<b>Stratum</b>	<b>Universe</b>	<b>Sample</b>	<b>Applied</b>
<b>San Martín</b>	9,037	157	157
<b>Huánuco</b>	3,026	51	51
<b>Ucayali</b>	2,590	47	47
<b>Pasco</b>	1,021	30	30
<b>Total</b>	<b>15,674</b>	<b>285</b>	<b>285</b>

Prepared by: APOYO Consultoría

Next, the characteristics of the surveyed households are detailed based on the following variables: (i) age group, (ii) gender, (iii) educational level, (iv) time in the intervention, (v) farmer size, and (vi) level of diversification.

In terms of **age group**, those surveyed are primarily over 20 years of age. Figure 24 shows that among both Alliances, 30% of participating farmers are between 20 and 40 years old, 48% are between 40 and 60 years old, 21% are between 60 and 80 years old, and approximately 1% of the sample group are over 80 years old (Figure 24).

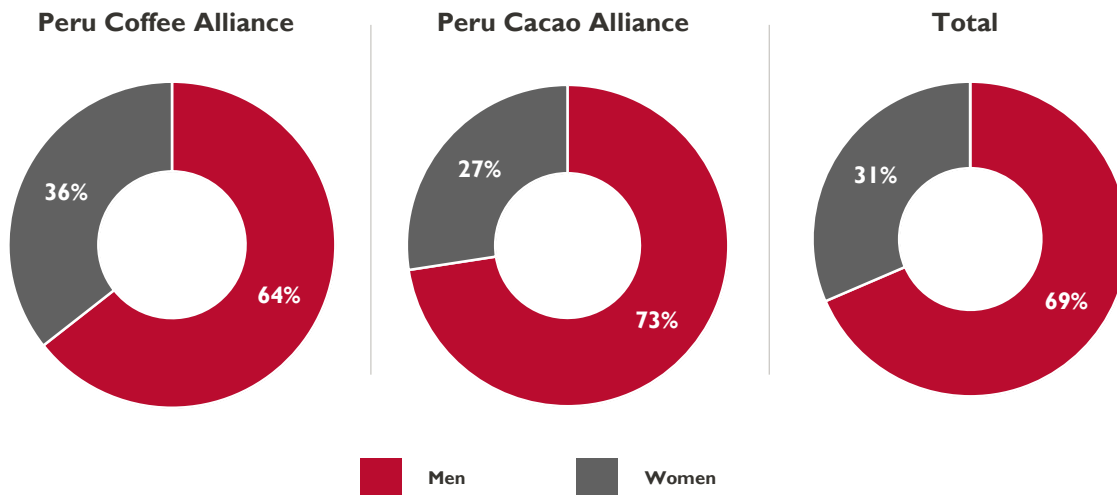
Figure 24. Characterization of respondents, by age group



Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances.  
Prepared by: APOYO Consultoría.

Concerning **gender**, Figure 25 shows that respondents are predominantly male across both Alliances, with women making up only 31% of the total sample.

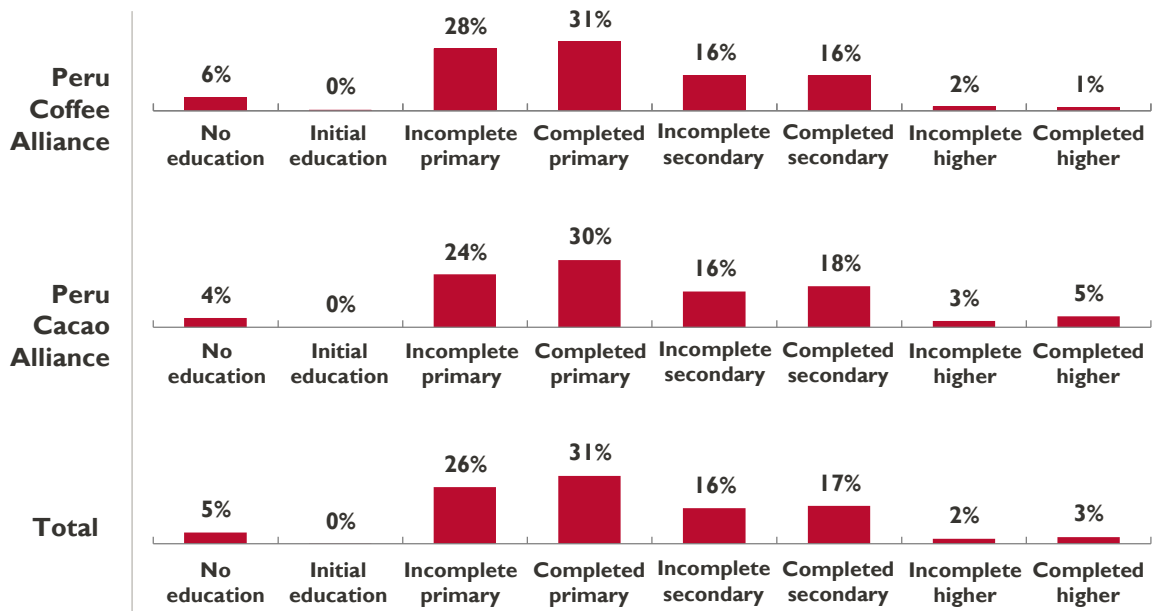
Figure 25. Characterization of respondents, by gender



Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances.  
Prepared by: APOYO Consultoría

Most respondents have a school-level **education**. Approximately 90% of both Alliances have an education level ranging from incomplete primary to complete secondary school. The proportion of respondents with complete or incomplete higher education is only 5%. Notably, 5% of respondents in both Alliances have no education (Figure 26).

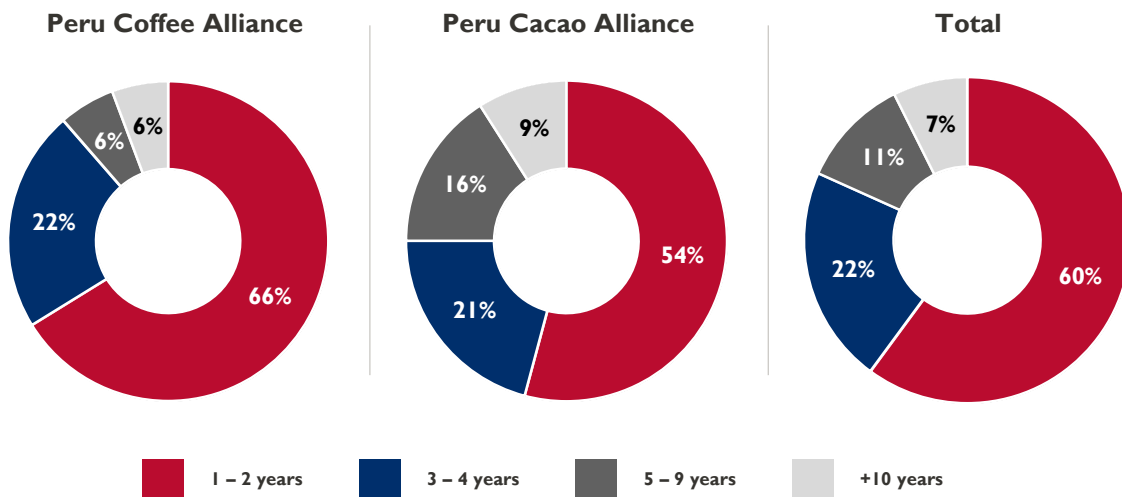
Figure 26. Characterization of respondents, by education level



Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances.  
Prepared by: APOYO Consultoría

In terms of the duration of respondents' **involvement in the intervention**, around 60% of the total sample from both Alliances have been a part of the intervention for 1 to 2 years. The remainder of respondents have been involved for 3 to 4 years (22%), followed by 5 to 9 years (11%), and finally, over 10 years (7%) (Figure 27).

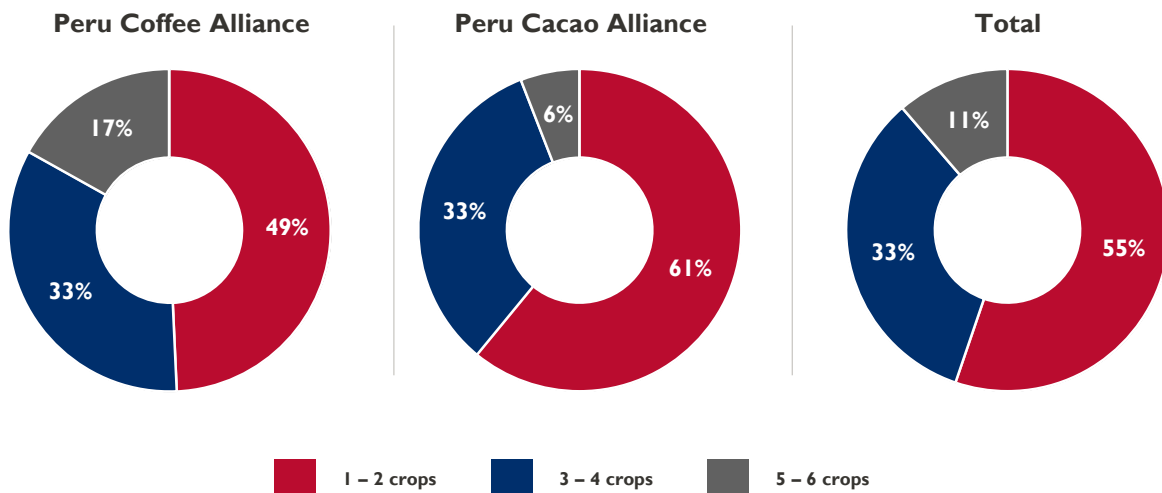
Figure 27. Characterization of respondents, by time of involvement in the intervention



Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances.  
Prepared by: APOYO Consultoría

When considering **product diversification**, 55% of surveyed participants, regardless of the Alliance to which they belong, produce at least 1 to 2 different crops besides coffee or cacao, while the remaining 33% and 11% grow between 3 to 4 different crops or 5 to 6 crops, respectively (Figure 28).

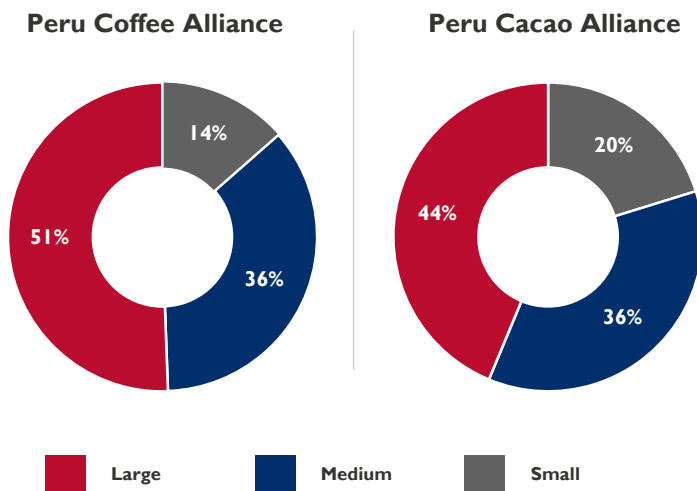
Figure 28. Characterization of respondents, by diversification level



Note: Other crops include: palm, cassava, corn, beans, rice, sugarcane, pineapple, papaya, banana, and cotton.  
 Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances.  
 Prepared by: APOYO Consultoría

Finally, **producer size** is defined according to the coffee and cacao production levels for farmers of each Alliance.<sup>32</sup> In the case of the Peru Coffee Alliance, 51% of coffee farmers are large producers, while the remaining 36% and 14% are medium and small producers, respectively (Figure 29).

Figure 29. Characterization of respondents, by producer size



Notes: The size categorization of producers is defined based on the production thresholds reported in the ENA (2019). Source: Surveys conducted on participants in the Peru Coffee and Peru Cacao Alliances.  
 Prepared by: APOYO Consultoría.

<sup>32</sup> The size categorization of producers is defined based on the production thresholds reported in the ENA (2019): (i) Large producers: for the Peru Coffee Alliance, those producing more than 600 kg of coffee; for the Peru Cacao Alliance, those producing more than 800 kg of cacao; (ii) Medium-sized producers: For the Peru Coffee Alliance, those producing between 200 kg and 600 kg of coffee; for the Peru Cacao Alliance, those producing between 250 kg and 800 kg of cacao; and (iii) Small producers: for the Peru Coffee Alliance, those producing less than 200 kg of coffee; for the Peru Cacao Alliance, those producing less than 250 kg of cacao.

## STRENGTHS AND LIMITATIONS

The evaluation methodology has strengths and limitations. Recognizing them is crucial for identifying any potential biases in the evaluation's findings, conclusions, or recommendations. The key strengths and limitations are outlined below.

### STRENGTHS

- **Interviewee Diversity:** The sample design considers a variety of actors and their geographical locations. Consequently, regional entities, as well as implementing, commercial, aggregator, financial, technological, and digital partners in the San Martín, Huánuco, Ucayali, and Pasco regions, were interviewed.
- **Field Visits:** The evaluation design includes field visits by the evaluation team to directly interview local actors, thus enriching the qualitative information gathered.
- **Sample Representativeness:** The sample for the quantitative fieldwork was designed to be representative, allowing for statistical inference for the intervened population. The sample has a margin of error of 5.75%, a confidence level of 95%, and a 50% probability of being selected in the sample.

### LIMITATIONS

- **Virtual Contact:** Most of the quantitative fieldwork is designed to be conducted virtually, which may reduce the willingness to share sensitive information, as the connection between the respondent and the interviewer is diminished.
- **Survey Application Access:** The geography and rural nature of the intervention areas limit access for applying the surveys to the selected sample. These limitations were overcome through collaborative work with the Alliances' regional coordinators.

# ANNEX D: DATA COLLECTION INSTRUMENTS

## INTERVIEW GUIDE – IMPLEMENTERS

(Technoserve, Palladium International, and CEDRO)

Estimated duration: 1.5 hours

### TARGET POPULATION AND APPLICATION METHODOLOGY

This interview guide is aimed at the strategic partners of the Peru Coffee, Peru Cacao, or CR3CE Alliances, as appropriate. The purpose of this interview is to collect information about the intervention of the three alliances, focusing on their ability to engage the active participation of the private sector. In this regard, this tool seeks to gather the perceptions, opinions, and experiences of key actors about their relationship with the private sector, the implementation process, and the results of the Alliances.

This tool is a guide and, as such, it is dynamic and flexible, as it can be adapted to the context and the profile of the participants. The interviews will be conducted in person, and interviewees will be asked for consent to be recorded.

### IDENTIFICATION

Implementing entity	
Respondent's code	
Current position/role	
Start date with entity	
Date of interview completion	

### PRESENTATION

This study aims to analyze your relationship with the private sector, as well as your take on the implementation process and the results of the [Peru Coffee, Peru Cacao, or CR3CE] Alliance. In particular, we will inquire about the performance, strengths, and difficulties identified during implementation.

I: Good morning/afternoon. The goal of this interview is to understand your opinions about the performance of the [Peru Coffee, Peru Cacao, or CR3CE] Alliance and to collect your suggestions for possible improvements.

Before we begin, I would like to request your consent to conduct this interview and to record it to ensure that we do not miss any valuable information you might provide.

### SECTION I. PRIVATE SECTOR ENGAGEMENT

I: The purpose of this section is to identify the factors and conditions that facilitate Private Sector Engagement (PSE) in promoting the development of legal economies as the Alliance's main strategy.

- 1. Which private sector institutions has the Alliance engaged with? What did this engagement entail?** [Inquire about the relationship with each institution or group of institutions to capture differences between them]
- 2. What type of businesses (small and medium) were promoted by the Alliance? Which were most successful?**
- 3. What was the initial process of involving the private sector like? What incentives or benefits did the Alliance offer to private partners to secure their participation?** [Inquire about the initial negotiations with private sector partners]

**4. What conditions facilitated or hindered PSE? Why?** [Inquire about conditions internal and/or external to the Alliance]

**SECTION II. PSE EFFECTIVENESS**

I: The aim of this section is to assess the contribution of the private sector to behavior and systematic change, as well as to the sustainability of the projects.

5. What were the main results achieved by the Alliance? How has the participation of private sector institutions contributed to achieving the Alliance's goals? *[Inquire about differences according to the type of strategic partner:*
  - Peru Coffee: commercial, aggregator, and financial;
  - Peru Cacao: commercial, aggregator, technological, and financial;
  - CR3CE: digital and financial]
  - 6. How did these results contribute to strengthening licit economies? Do you identify any risks to their consolidation?
  - 7. In the context of the pandemic, what were the main effects of COVID-19 on the results of the Alliance? Do you think this may have affected the involvement of the private sector?
  - 8. From your perspective, do you believe that the benefits achieved by the Alliance will persist after its implementation? Why? *[Inquire about the enabling factors that facilitate and/or hinder sustainability]*
  - 9. How does PSE contribute to the sustainability of the benefits generated by the Alliance? *[Inquire about benefits according to the Alliance's objectives]*
  - 10. Did the Alliance coordinate efforts with the government at its various levels (regional and local)? How does this contribute to the sustainability of the benefits generated by the Alliance?

**SECTION III. GENDER PERSPECTIVE**

I: The aim of this section is to identify the Alliance's contribution to women's empowerment in terms of roles, access to productive assets, and technical resources.

11. What were the main results obtained in terms of women's empowerment? How were they achieved? *[Inquire about the following topics:*
  - Women's access to productive assets and their contribution to PSE
  - Women's contribution to household, community, and business decision-making]
  - 12. What role did the private sector play in promoting women's empowerment?
  - 13. Did private sector institutions incorporate women's empowerment into their strategies? How did they do it? *[In this question, inquire about differences according to the type of strategic partner:*
    - Peru Coffee: commercial, aggregator, and financial;
    - Peru Cacao: commercial, aggregator, technological, and financial;
    - CR3CE: digital and financial]
    - 14. What factors do you believe favored or hindered the integration of women's empowerment among private sector institutions?
    - 15. From your perspective, do you believe that the benefits generated by the Alliance in terms of women's empowerment will persist over time? Why? *[Inquire about the enabling factors that facilitate and/or hinder sustainability]*
    - 16. How does PSE contribute to the sustainability of the benefits generated by the Alliance in terms of women's empowerment?

**SECTION IV. LESSONS LEARNED AND RECOMMENDATIONS**

I: The aim of this section is to explore the sustainability of the intervention, as well as to identify lessons learned and recommendations.

- 17.** From your perspective, will the engagement model between actors promoted by the intervention be sustainable without the support of the Alliance? Why? What is being done about it? *[Inquire about the sustainability of the coordinating role and the budget invested by the Alliance]*
- 18.** Do you believe institutions are motivated to continue activities in the future once the Alliance concludes? Why? What is being done about it? *[Inquire about what is needed to achieve the consolidation of future PSE]*
- 19.** What geographical, socio-economic, political, and/or cultural factors facilitate or hinder the sustainability of the activities and benefits generated by the Alliance? *[Within the political factors, inquire about the government's role at its different levels]*
- 20.** What do you consider to be the main lessons learned regarding the relationship with the private sector promoted by the Alliance?
- 21.** What recommendations would you make to improve the relationship with the private sector in similar future projects?

## INTERVIEW GUIDE – STRATEGIC PARTNERS

(Commercial, Aggregator, Financial, Technological, and Digital Partners)

Estimated duration: 1.5 hours

### TARGET POPULATION AND METHODOLOGY

This interview guide is aimed at the strategic partners of the Peru Coffee, Peru Cacao, or CR3CE Alliances, as appropriate. The purpose of this interview is to collect information about the intervention of the three alliances (Peru Coffee, Peru Cacao, and CR3CE), focusing on their ability to engage the active participation of the private sector. In this regard, this tool seeks to gather the perceptions, opinions, and experiences of key actors about their relationship with the private sector, the implementation process, and the results of the Alliances.

This tool is a guide and, as such, it is dynamic and flexible, as it can be adapted to the context and the profile of the participants. The interviews will be conducted in person, and interviewees will be asked for consent to be recorded.

### IDENTIFICATION

Type of partner	
Entity	
Respondent's code	
Current position/role	
Start date with entity	
Date of interview completion	

### INTRODUCTION

This study aims to analyze your relationship with the private sector, as well as your take on the implementation process and the results of the [Peru Coffee, Peru Cacao, or CR3CE] Alliance. In particular, we will inquire about the performance, strengths, and difficulties identified during implementation.

I: Good morning/afternoon. The goal of this interview is to understand your opinions about the performance of the [Peru Coffee, Peru Cacao, or CR3CE] Alliance and to collect your suggestions for possible improvements.

Before we begin, I would like to request your consent to conduct this interview and to record it to ensure that we do not miss any valuable information you might provide.

### SECTION I. PRIVATE SECTOR ENGAGEMENT

I: The purpose of this section is to identify the factors and conditions that facilitate Private Sector Engagement (PSE) in promoting the development of legal economies as the Alliance's main strategy.

1. How does your entity relate to the Alliance [Peru Coffee, Peru Cacao, or CR3CE]? What activities do you carry out within the framework of the Alliance?
2. What is the business volume (e.g., % of sales volume, % of customers / suppliers, etc.) that you handle within the framework of the Alliance? How has this volume evolved over time?
3. What benefits or advantages do you gain from your relationship with the Alliance? What factors explain your involvement with the Alliance?

4. How did the relationship with the Alliance come about? What were the main expectations you initially had of this relationship?
5. What conditions facilitated or hindered the relationship with the Alliance? Why? *[Inquire about internal and/or external conditions]*

## SECTION II. PSE EFFECTIVENESS

I: The aim of this section is to assess the contribution of the private sector to behavior and systematic change, as well as to the sustainability of the projects.

6. What have been the main results and/or benefits obtained through the relationship with the Alliance?  
*[Use the following table as reference to emphasize the suggested topics for each type of strategic partner]*

PARTNER	Commercial	Aggregator	Technological	Financial	Digital
Promotion of value chains					
Good production practices		X			
Access to new markets	X	X	X	X	
Access to technology, inputs, and equipment		X	X	X	
Producer associativity	X	X		X	
Distribution of financial services					
Promotion of investments and financial services	X	X	X	X	
Distribution of connectivity					
Sustainable expansion of internet access		X			X

7. How did these results contribute to strengthening licit economies? Do you identify any risks to their consolidation?
8. From your perspective, do you believe that the benefits achieved by the Alliance will persist after its implementation? Why? *[Inquire about the enabling factors that facilitate and/or hinder sustainability]*
9. **How does your entity contribute to the sustainability of the benefits generated by the Alliance?** *[Inquire about benefits according to the objectives of the Alliance: promotion of value chains, distribution of financial services, and distribution of connectivity]*
10. Did the Alliance coordinate efforts with the government at its various levels (regional and local)? How does this contribute to the sustainability of the benefits generated by the Alliance?

## SECTION III. GENDER PERSPECTIVE

I: The aim of this section is to identify the Alliance's contribution to women's empowerment in terms of roles, access to productive assets, and technical resources.

11. What were the main results obtained in terms of women's empowerment? How were they achieved? *[Inquire about the following topics:*
  - Women's access to productive assets and their contribution to PSE
  - Women's contribution to household, community, and business decision-making]
  - 12. What role did your entity take on in promoting female empowerment? Did you incorporate this vision into your strategies? How did you do it?

- 13.** What factors do you believe facilitated or hindered the integration of female empowerment in your entity?
- 14.** From your perspective, do you believe that the benefits generated by the Alliance in terms of women's empowerment will persist over time? Why? *[Inquire about the enabling factors that facilitate and/or hinder sustainability]*
- 15.** How does your entity contribute to the sustainability of the benefits generated by the Alliance in terms of women's empowerment?

#### SECTION IV. LESSONS LEARNED AND RECOMMENDATIONS

I: The aim of this section is to explore the sustainability of the intervention, as well as to identify lessons learned and recommendations.

- 16.** In your opinion, will your organization continue the activities once the Alliance concludes? Why? *[Inquire about the conditions for the institution to continue participating in the future]*
- 17.** What geographical, socio-economic, political, and/or cultural factors facilitate or hinder the sustainability of the activities and benefits generated by the Alliance? *[Within the political factors, inquire about the government's role at its different levels]*
- 18.** What do you consider to be the main lessons learned regarding your entity's relationship with the Alliance?
- 19.** What recommendations would you make to improve similar future projects?

# SURVEY OF PARTICIPANTS IN THE PERU COFFEE AND PERU CACAO ALLIANCES

(Peru Coffee Alliance, Peru Cacao Alliance)

Estimated duration: 1 hour

Good morning/afternoon, we are from APOYO Consultancy, conducting research on the Peru Coffee and Peru Cacao Alliances, and we are very interested in hearing your opinion. The information you provide will be used solely for the purposes of this study and will be treated with the utmost confidentiality. Please remember that there are no right or wrong answers, so we kindly ask you to respond with confidence and openness. Thank you very much!

## A. GEOGRAPHICAL LOCATION

A.1 REGION	A.2 PROVINCE	A.3 DISTRICT	A.4 LOCALITY	A.5 COORDINATES	
				X	Y

## B. INTERVIEWEE INFORMATION (Head of household / producer)

B.1 FIRST AND LAST NAME OF INTERVIEWEE	B.2 AGE (YEARS)	B.3 GENDER
		M <input type="checkbox"/> F <input type="checkbox"/>

B.4 EDUCATION LEVEL	
No education level	<input type="checkbox"/>
Initial education	<input type="checkbox"/>
Incomplete primary education	<input type="checkbox"/>
Completed primary education	<input type="checkbox"/>
Incomplete secondary education	<input type="checkbox"/>
Completed secondary education	<input type="checkbox"/>
Incomplete higher education	<input type="checkbox"/>
Completed higher education	<input type="checkbox"/>

B.6 HOUSEHOLD MEMBERS	
B.5.1 How many people live in the household (including yourself)?	
	<input type="text"/>
B.5.2 Gender (number of persons)	
B.5.2-1 Men	<input type="text"/>
B.5.2-2 Women	<input type="text"/>
B.5.3 Age group (number of persons)	
B.5.3-1. 0 - 5 years	<input type="text"/>
B.5.3-2. 6 - 14 years	<input type="text"/>
B.5.3-3. 15 - 18 years	<input type="text"/>

B.5 RELATIONSHIP TO THE HEAD OF HOUSEHOLD	
Head	1
Spouse/Live-in Partner	2

B.5.3-4. 19 - 65 years	
B.5.3-5. 65 years and older	

B.7 ALLIANCE	
Peru Coffee Alliance	1
Peru Cacao Alliance	2
Since when have you worked with the Peru Coffee/Peru Cacao Alliance? Start year: _____ End year: _____	

B.8 PARTICIPATION IN OTHER PROGRAMS		
¿Have you participated or participate in other social or rural development programs (e.g., Aliados II, PSSA, Sierra Sur II, or Juntos) Since when?		
Name of program	Start year	End year

### C. INTERVIEW DATA

C.1 DATE	C.2 TIME	
	FROM:	TO:

C.3 NAME OF SURVEYOR	C.4 NAME OF SUPERVISOR

C.5 CODES			
Completed	1	Partially completed	5
Absent	2	Disabled	6
Postponed	3	Other	7
Rejected	4	(Specify)	

### SECTION I. ECONOMIC DEVELOPMENT

#### I.1 PLOTS

I. How many plots do you own and/or manage currently in this district?

Number of plots

Does not own or manage any plots 99 *[If the answer is No, end the survey]*

**2. Regarding the land you own and/or currently manage in this district...**

Plot No.	2.1		2.2	2.3
	2.1.1 What is the surface area of...?	2.1.2 Unit of Measure (UM) 1. Hectare 2. Square meters 3. Yugadas 4. Topo	Is the land you own and/or manage...? 1. Owned 2. Communal 3. In possession 4. Leased 5. Borrowed 6. Shared 7. Other	Do you have a property title or other legal document in your name or in the name of a family member? 1. Yes, property title 2. Yes, another legal document 3. No 4. Don't know
Plot 1				
Plot 2				
Plot 3				
Plot 4				
Plot 5				
...				
Total				

In your

response, please refer to the following table of measurements:

Unit of measure	Equivalent of UM in square meters
Hectare	10,000
Square meters	1
Yugadas	2,700
Topo	3,493

**I.2 AGRICULTURAL PRODUCTION**

**3. In the last year, have you cultivated your land? (mark with an X)**

Yes	1
No	2

[If the answer is No, proceed to question 8]

4. In the last growing season (October 2021 - September 2022), considering all your lands, have you sown and/or harvested ...?

Crop (read each option)	4.1			4.2			4.3	4.4	4.5	4.6
	Cultivated area	UM	UM equivalence in meters	Production	UM	Equivalence in kg	How much did you allocate for sale? (consider the same UM of production)	Who did you sell it to? (Multiple choice) 1. Collector 2. Wholesale trader 3. Retail trader 4. Association / cooperative 5. Company / agroindustry 6. Final consumer 7. Other (specify)	How much did you allocate for sale? (Multiple choice) 1. Local market (local fair, local collection center) 2. Regional market (regional fair, regional collection center) 3. Foreign market 4. Lima markets 5. Don't know	Do you have an "Organic Product" certification?  1. Yes 2. No
1. Cotton										
2. Rice										
3. Beans										
4. Corn										
5. Cassava										
6. Coffee										
7. Cacao										
8. Coca										
9. Oil palm										

10. Banana										
11. Papaya										
12. Pineapple										
13. Sugar cane										
88. Others (specify)										

In your response, please refer to the following table of measurements:

Unit of measure	Equivalent of UM in square meters
Hectare	10 000
Square meters	1
Yugadas	2 700
Topo	3 493

5. [Applies only if marked 5 in P4.4] Which companies do you sell your coffee/cacao production to?

4.1 What is the name of the company/companies?	4.2 Did the Peru Coffee/Peru Cacao Alliance enable you to establish a relationship with this company?		
	Yes	No	Don't know
Company 1: _____	1	2	99
Company 2: _____	1	2	99
Company 3: _____	1	2	99
Company 4: _____	1	2	99
Company 5: _____	1	2	99
...	1	2	99

6. To what extent do you believe the support of the Peru Coffee/Peru Cacao Alliance facilitated your access to new customers? (mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

#### SUSTAINABILITY

7. To what extent do you believe your access to new customers will be maintained in the future without the intervention of the Peru Coffee/Peru Cacao Alliance? (mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

#### I.3 INCOME

8. In the last growing season (October 2021 – September 2022), how much income did your household earn from...? (read each option)

Income source	Income (\$/)
<b>1. Coffee</b>	
1.1 Sale of crops	
1.2 Sale of byproducts derived from crops	
1.3 Other services related to cultivation	
<b>2. Cacao</b>	
2.1 Sale of crops	
2.2 Sale of byproducts derived from crops	
2.3 Other services related to cultivation	
<b>3. Coca</b>	
3.1 Sale of crops	
3.2 Sale of byproducts derived from crops	
3.3 Other services related to cultivation	
<b>4. Other income</b>	
4.1 Other agricultural income (other crops not mentioned before)	
4.2 Other non-agricultural income (trade/business, crafts, construction, multiple services, among others)	
4.3 Transfers, bonuses, social programs, remittances from third parties, child support, others	
<b>Total</b>	

9. **Regarding your income...** (mark with an X, read each option)

Income source	<p>9.1 Regarding your income from the production of... Do you consider that your income in the period October 2020 - September 2022, compared to your income in the period October 2019 - September 2020, has...?</p> <p>1. Increased 2. Remained stable 3. Decreased</p>	<p>9.2 In terms of your income from the production of... Do you consider that your income in the period October 2021 - September 2022, compared to your income in the period October 2020 - September 2021, has...?</p> <p>Increased 2. Remained stable 3. Decreased</p>
---------------	---	--

1. Coffee		
1.1 Production		
1.2 Products derived from crops		
1.3 Other services related to cultivation		
2. Cacao		
2.1 Production		
2.2 Products derived from crops		
2.3 Other services related to cultivation		
3. Coca		
3.1 Production		
3.2 Products derived from crops		
3.3 Other services related to cultivation		
4. Other income		
4.1 Other agricultural income		
4.2 Other non-agricultural income		
4.3 Transfers, bonuses, social programs		

10. In general, to what extent do you believe the support of the Peru Coffee/Peru Cacao Alliance contributed to improving your income from coffee/cacao cultivation? (mark with an X)

1	2	3	4	5	99	0
Not at all	Very little	A bit	Quite a bit	A lot	Don't know	Income did not improve.

#### I.4 PERCEPTIONS ABOUT COCA LEAF CULTIVATION

11. How much do you agree or disagree with the following statements? (Read each statement and mark with an X)

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know/No response
1. Growing coca leaf is a good alternative source of income.	1	2	3	4	5	99
2. The profit from growing coca	1	2	3	4	5	99

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know/No response
surpasses that from coffee/cacao.						
3. The productive yield of coca leaf cultivation is higher than that of coffee/cacao.	1	2	3	4	5	99
4. Coca leaf is only cultivated during times of economic difficulties.	1	2	3	4	5	99
5. Coca leaf should never be cultivated.	1	2	3	4	5	99

**SECTION II. ASSOCIATIVITY**

**12.** Do you belong to any association, cooperative, and/or agricultural producers' committee?  
(mark with an X)

Yes	1	[ If the answer was Yes, proceed to question 14]
No	2	[ If the answer was No, proceed to question 13]

**13.** Why don't you belong to any association, cooperative, and/or agricultural producers' committee? (mark with an X, multiple choice)

Motives			
1. Lack of trust in organizations	1	5. Does not meet the requirements for registration	5
2. High registration cost	2	6. Prefers to work individually	6
3. Lack of time to participate	3	7. Considers it unnecessary	7
4. Failure to identify derived benefits	4	88. Others (specify: _____)	88

[Proceed to question 22]

**14.** Regarding the association, cooperative, and/or committee of producers you belong to: (fill in the information)

13.1 What is the name of the association, cooperative, and/or committee you belong to?	13.2 What is the type of organization? 1. Association 2. Cooperative 3. Committee	13.3 Since what year have you been a member of the organization?	13.4 Did the Peru Coffee/Peru Cacao Alliance promote your membership in the organization?		
			Yes	No	Don't know
1.			1	2	99
2.			1	2	99
3.			1	2	99
4.			1	2	99
5.			1	2	99

**15.** Do you hold any position on the board of the association, cooperative, and/or committee of agricultural producers to which you belong? (mark with an X)

Yes	1
No	2

**16.** To what extent do you believe that being a member of an association, cooperative, and/or committee of agricultural producers has facilitated your access to: (mark with an X, read each option)

Benefits	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
1. Technical Assistance	1	2	3	4	5	99
2. Capacity Building	1	2	3	4	5	99
3. Credit	1	2	3	4	5	99
4. Inputs / Tools	1	2	3	4	5	99
5. Local/National Markets	1	2	3	4	5	99
6. International Markets	1	2	3	4	5	99
7. Government Programs	1	2	3	4	5	99
88. Other (specify: _____)	1	2	3	4	5	99

**17.** To what extent do you believe that being part of an association, cooperative, and/or committee of agricultural producers contributed to: *(mark with an X, read each option)*

Benefits	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
1. Improving the quality of your product (coffee/cacao)	1	2	3	4	5	99
2. Improving the selling price of your product (coffee/cacao)	1	2	3	4	5	99
3. Increasing the production of your product (coffee/cacao)	1	2	3	4	5	99
4. Accessing better markets and customers	1	2	3	4	5	99
5. Being part of the value chain of larger companies/agro-industry	1	2	3	4	5	99
6. Accessing credit	1	2	3	4	5	99
88. Others (specify: _____)	1	2	3	4	5	99

**18.** To what extent do you believe that being part of an association, cooperative, and/or committee of agricultural producers contributed to increasing your income associated with coffee/cacao cultivation? *(mark with an X)*

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

#### SUSTAINABILITY

**19.** Did you manage to join the association, cooperative, or committee thanks to the Peru Coffee/Peru Cacao Alliance? *(mark with an X)*

Yes	1
No	2

[If the answer was No, proceed to section III]

**20.** To what extent do you believe you will continue to be a member of an association, cooperative, and/or committee in the future without the intervention of the Peru Coffee/Peru Cacao Alliance? *(mark with an X)*

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

**21.** To what extent do you believe that the benefits obtained from your participation in an association, cooperative, and/or committee will be sustained in the future without the intervention of the Peru Coffee/Peru Cacao Alliance? *(mark with an X)*

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

### SECTION III. CAPACITY BUILDING AND TECHNICAL ASSISTANCE

**22.** In the last year, have you or any member of your family received any training or technical assistance from the Peru Coffee/Peru Cacao Alliance? *(mark with an X)*

Yes	1
No	2

[If the answer was No, proceed to section IV]

**23.** In what type of training or technical assistance have you or any member of your family participated? *(mark with an X, read each option)*

Options			
1. On-field technical assistance	1	6. Field days	6
2. Technical assistance via phone calls or messages	2	7. Internships	7
3. Group training sessions	3	8. Cacao clinics (technical consultation spaces)	8
4. Mega events	4	88. Others (specify: _____)	88
5. Schools of Excellence	5		

**24.** What topics did the training or technical assistance cover? *(mark with an X, read each option)*

Topics	Yes	No	Don't know
1. Nutritional practices and pruning	1	2	99
2. Pest management	1	2	99
3. Best environmental practices	1	2	99
4. Coffee/cacao harvesting	1	2	99

Topics	Yes	No	Don't know
5. Coffee/cacao post-harvesting	1	2	99
6. Marketing strategies	1	2	99
7. Financial education (financing/credit)	1	2	99
8. Participation in agricultural organizations	1	2	99
88. Other (specify: _____)	1	2	99

**25.** To what extent do you believe that the training and technical assistance you received contributed to: (mark with an X, read each option)

Benefits	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
1. Improving the quality of your product (coffee/cacao)	1	2	3	4	5	99
2. Improving the selling price of your product (coffee/cacao)	1	2	3	4	5	99
3. Increasing the production of your product (coffee/cacao)	1	2	3	4	5	99
4. Accessing better markets and customers	1	2	3	4	5	99
5. Being part of the value chain of larger companies/agro-industry	1	2	3	4	5	99
6. Accessing credit	1	2	3	4	5	99
88. Others (specify: _____)	1	2	3	4	5	99

**26.** To what extent do you believe that the training and technical assistance received through the Peru Coffee/Peru Cacao Alliance contributed to increasing your income from coffee/cacao cultivation? (mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

SUSTAINABILITY

**27.** To what extent do you believe that you will continue to have access to training and technical assistance in the future without the intervention of the Peru Coffee/Peru Cacao Alliance?  
(mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

**28.** To what extent do you believe that the benefits obtained from the training and technical assistance received will be sustained in the future without the intervention of the Peru Coffee/Peru Cacao Alliance? (mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

**SECTION IV. ACCESS TO FINANCIAL SERVICES**

**4.1 ACCESS TO CREDIT**

**29.** In the past year, have you applied for any loans? (mark with an X)

Yes	1	[If the answer was Yes, proceed to question 31]
No	2	[If the answer was No, proceed to question 30]

**30. Why did you not apply for a loan?** (mark with an X, multiple choice)

Motives			
1. Burdensome procedures	1	7. Did not want to have debts	7
2. High interest rates	2	8. Would not be able to repay the loan	8
3. No financial institutions in my locality	3	9. No land title	9
4. Lack of collateral	4	10. Did not need it	10
5. Outstanding debts	5	88. Other (specify: _____)	88
6. Believed loan application would be rejected	6	[Proceed to question 40]	

**31.** Did you obtain the loan you applied for? (mark with an X)

Yes	1	[ If the answer was Yes, proceed to question 33]
No	2	[ If the answer was No, proceed to question 32]

**32.** Why do you think your loan was not approved? (mark with an X, multiple choice)

Motives	
1. Lack of collateral	1

Motives	
2. Failure to pay previous loans	2
3. No land title	3
88. Other (specify: _____)	88

[Proceed to question 40]

**33. Who provided the loan?** (mark with an X, multiple choice)

Options			
1. AGROBANCO	1	7. Credit union	7
2. Municipal savings & loan bank	2	8. Commercial establishment	8
3. Rural savings & loan bank	3	9. Moneylender / facilitator	9
4. Private bank	4	10. Government programs	10
5. Financial institution / EDPYME	5	88. Other (specify: _____)	88
6. Non-Governmental Organization (NGO)	6		

**34. What did you use the loan for?** (mark with an X, multiple choice)

Options			
1. Labor	1	5. seeds	7
2. Fertilizers	2	6. coffee/cacao seedlings	8
3. Pesticides	3	7. Equipment/machinery	9
4. Tools	4	88. Other (specify: _____)	88

**35. To what extent do you believe the Peru Coffee/Peru Cacao Alliance facilitated your access to financing?** (mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

**36. To what extent do you believe your access to financing contributed to:** (mark with an X, read each option)

Benefits	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
1. Improving the quality of your product (coffee/cacao)	1	2	3	4	5	99
2. Improving the selling price of your product (coffee/cacao)	1	2	3	4	5	99

Benefits	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
3. Increasing the production of your product (coffee/cacao)	1	2	3	4	5	99
4. Accessing better markets and customers	1	2	3	4	5	99
5. Being part of the value chain of larger companies/agro-industry	1	2	3	4	5	99
6. Accessing credit	1	2	3	4	5	99
88. Other (specify: _____)	1	2	3	4	5	99

**37.** To what extent do you believe that your access to financing contributed to increasing your income associated with coffee/cacao cultivation? (mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

#### SUSTAINABILITY

**38.** To what extent do you believe you will continue to have access to financing in the future without the intervention of the Peru Coffee/Peru Cacao Alliance? (mark with an X)

1	2	3	4	5	99	0
Not at all	Very little	A bit	Quite a bit	A lot	Don't know	Access to financing was not facilitated by the Alliance

**39.** To what extent do you believe that the benefits obtained from your access to financing will continue in the future without the intervention of the Peru Coffee/Peru Cacao Alliance? (mark with an X)

1	2	3	4	5	99	0
Not at all	Very little	A bit	Quite a bit	A lot	Don't know	Access to financing was not facilitated by the Alliance

#### 4.2 ACCESS TO E-WALLETS

**40.** Do you use e-wallets such as Yape, Plin, Lukita, or BIM to make transactions? (mark with an X)

Yes	1
No	2

[ If the answer was No, proceed to section V]

**41.** To what extent do you believe that using an e-wallet contributed to increasing your income from coffee/cacao cultivation? (mark with an X)

1	2	3	4	5	99
Not at all	Very little	A bit	Quite a bit	A lot	Don't know

## SECCIÓN V. TELEPHONY AND INTERNET ACCESS

**42.** Is there internet access in your plot / community / district? (mark with an X, read each option)

Issues	Yes	No	Don't know
1. Plot	1	2	99
2. Community	1	2	99
3. District	1	2	99

**43.** Do you use the internet? (mark with an X)

Yes	1
No	2

[ If the answer was No, proceed to section VI]

**44.** How do you connect to the internet? (mark with an X, multiple choice)

Options	
1. Mobile phone	1
2. Computer	2
3. Telecenters	3
4. Internet cafes	4
5. Others (specify: _____)	88

## SECTION VI. GENDER

**45.** What is the level of women's participation in the following activities related to coffee/cacao? (mark with an X, read each option)

Stages	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
Pre-harvest stage						
1. Purchase of inputs	1	2	3	4	5	99

Stages	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
2. Purchase/rental of machinery and equipment	1	2	3	4	5	99
3. Access to credit	1	2	3	4	5	99
Production stage						
4. Planting activities	1	2	3	4	5	99
5. Harvesting activities	1	2	3	4	5	99
Post-harvest stage						
6. Product marketing	1	2	3	4	5	99
Associations, cooperatives, and/or committees						
7. Participation in producer associations, cooperatives, or committees	1	2	3	4	5	99
8. Leadership role in associations, cooperatives, or producer committees	1	2	3	4	5	99

**46.** How much do you agree or disagree with the following statements? (Read each statement and mark with an X)

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
1. Men and women have the same rights within their locality.	1	2	3	4	5	99
2. Men and women have the same rights within their family.	1	2	3	4	5	99
3. Women have the same capacity as men to be the head of the household.	1	2	3	4	5	99

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
4. Women have the same capacity as men to cultivate the land.	1	2	3	4	5	99
5. Being a woman (you or a <i>family</i> member) limits your ability to generate income.	1	2	3	4	5	99
6. Being a woman (you or a family member) limits your ability to make decisions about your income.	1	2	3	4	5	99

**47.** In the last year, have you or any member of your family received any training on gender and/or women's economic empowerment from the Peru Coffee/Peru Cacao Alliance? (mark with an X)

Yes	1
No	2

**48.** To what extent do you believe that the activities carried out by the Peru Coffee/Peru Cacao Alliance have contributed to: (mark with an X)

Statement	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
1. Developing women's technical skills in the technical and productive areas.	1	2	3	4	5	99
2. Increasing women's access to financial services (savings, credit, investments, etc.)	1	2	3	4	5	99
3. Enhancing women's participation in economic decision-making.	1	2	3	4	5	99

Statement	Not at all	Very little	A bit	Quite a bit	A lot	Don't know
4. Promoting a culture of equality between men and women.	1	2	3	4	5	99

End of questionnaire

# ANNEX E: FIELD REPORT

## FIELD REPORT: IN-DEPTH INTERVIEWS

In-depth virtual interviews were conducted with key stakeholders involved in the three Alliances. The interviewees were selected by the evaluation team from a list of contacts provided by the Alliances, considering their roles (Alliance implementing partners and strategic private sector partners) and geographical locations.

In total, 50 in-depth interviews were conducted, involving 83 key stakeholders.<sup>33</sup> Of the total interviews conducted, 39 were carried out virtually and 11, in-person. The table below details the number of interviews conducted and the number of participants.

Table 15. In-depth interviews conducted

Alliance	Stakeholders	No. interviews	No. participants
<b>Peru Coffee</b>	Implementing partner (Technoserve)	2	7
	Commercial partners	3	3
	Aggregator partners	5	5
	Financial partners	3	4
<b>Peru Cacao</b>	Implementing partner (Palladium)	2	4
	Commercial partners	5	5
	Aggregator partners	15	24
	Technological partners	1	1
	Financial partners	3	7
<b>CR3CE</b>	Implementing partner (CEDRO)	2	8
	Digital partners	3	5
	Financial partners	4	5
<b>Government entities</b>		2	5
<b>Total</b>		50	83

Prepared by: APOYO Consultoría

Information gathered from the interviews was systematically processed parallel to data collection. This was accomplished using systematization matrices to capture key evaluation aspects for each interviewee in each section of the instrument.<sup>34</sup>

<sup>33</sup> Interviews were conducted individually or in groups, depending on the call made by key actors to their work teams, in line with the interview's objectives.

<sup>34</sup> This allows for a comparative analysis of the interviewee testimonies by institution, with the aim of identifying patterns, trends, and diverging elements.

Below are some of the key occurrences related to the coordination and application of the interviews during the surveys applied to participants of the Peru Coffee and Peru Cacao Alliances.

#### Key coordination incidents

There were no major incidents during the coordination of the interviews that would have hindered the execution of the surveys applied to participants of the Peru Coffee and Peru Cacao Alliances. However, some of the challenges encountered during this stage include:

- **Initial contacts:** The initial invitation to participants began with an informational email about the study and an invitation from the evaluation team. In that communication, possible dates and times for the interview were requested. In many cases, an immediate response was not obtained; in response to this, the following actions were taken:
  - (i) Sending a repeated email invitation to schedule an interview.
  - (ii) Phone calls to reiterate the invitation.
  - (iii) Sending a confirmation email for the interview according to the agreed date and time
- **Scheduling group interviews:** The information collection process included individual and group interviews, depending on the requirements of the interviewees. Group interviews could involve more time for coordination due to the higher number of participants. As a result, to expedite scheduling of group interviews, it was decided to coordinate with the heads or team leaders of the selected areas/directorates as the focal point to extend the invitation to other members.
- **Scheduling in-person interviews:** The data collection included 11 in-person interviews conducted in the regions of Huánuco and San Martín between October 9 and 12. Interview scheduling was done a week prior to field visits. For contacting interviewees, support was received from the heads and regional coordinators of the Alliances, which facilitated the coordination of appointments for the interviews.
- **Rejections:** There were 13 reported cases of refusal from the contacted stakeholders for the interviews. In these cases, a replacement informant was selected from the same institution. If that was not possible, an informant from another institution with the same role among the stakeholders linked with the Alliances and from the same region as the rejecting informant was chosen.

#### Key occurrences during the conduct of interviews

No major issues were reported during the conduct of the interviews that could have hampered the execution of the surveys applied to the participants of the Peru Coffee and Peru Cacao Alliances. However, a few occurrences were particularly noteworthy during this stage:

- **Informed Consent:** The informed consent form was sent to the interviewees along with the invite and link for each meeting. However, very few participants returned the consent form via email. As a result, during the session, the interviewees were verbally asked to provide their informed consent to start the meeting and their authorization to record the interview. Most of the interviewees agreed to proceed with the interview and have the session recorded.

## FIELD REPORT: PARTICIPANT SURVEYS

The surveys were conducted during September and October 2022 in the San Martín, Huánuco, Amazonas, and Ucayali regions. The research unit was the agricultural producer participating in the Peru Coffee and Peru Cacao Alliances.

### SURVEY COVERAGE

The direct interview method was employed, using portable devices for data entry (CAPI), with personnel trained specifically for this purpose. They visited selected participants from the Peru Coffee and Peru Cacao Alliances during the data collection period.

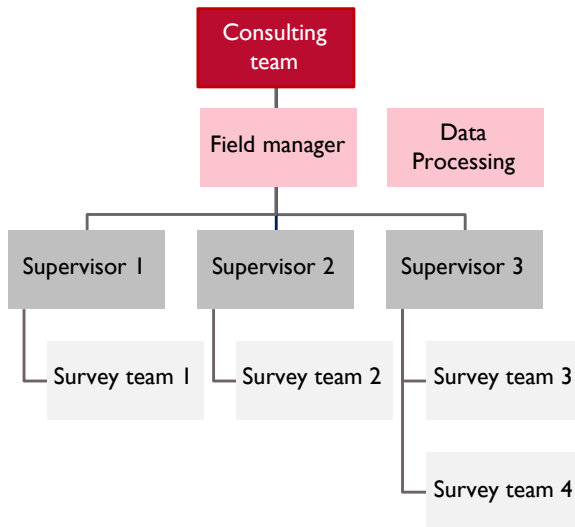
The themes examined include the following:

- Interviewee data (geographic location, housing, participation in programs and Peru Coffee / Peru Cacao Alliances)
- Economic development
- Agricultural production
- Income
- Perceptions about coca leaf cultivation
- Associativity
- Training and technical assistance
- Access to financial services
- Access to an economic wallet
- Telephony and internet access
- Gender

### ORGANIZATION OF SURVEYS APPLIED TO PARTICIPANTS OF THE PERU COFFEE AND PERU CACAO ALLIANCES

The structure established for the field operation consisted of a field chief, a data processing officer, three supervisors, and four survey teams. The following figure details the functional organizational chart used for the field operation.

Figure 30. Functional organizational chart for the field operation



Prepared by: APOYO Consultoria

## STAFF SELECTION

The field staff selection, including both surveyors and supervisors, was managed by the field chief, who personally interviewed each of them for selection. Previous experience in similar agricultural surveys was considered. Those with the most experience and who actively participated in the training showing a high level of questionnaire apprehension were chosen as supervisors.

## CAPACITY BUILDING

Capacity building is one of the most critical activities in any research process due to its impact on the quality of the results. Therefore, this process requires adequate planning and a methodology that supports teaching and facilitates learning. In this regard, an appropriate methodology was established for training the staff directly involved with data collection and database preparation.

The training was conducted in-person through a workshop, where participants interacted with the presenter as each section of the survey was addressed. At the end of each section, a role-play dynamic was established where participants interacted with each other, playing the roles of surveyors and informants.

Furthermore, during the data collection process, feedback sessions were scheduled at the beginning of the fieldwork, involving field personnel, supervisors, and with the support of the field chief.

## PILOT TEST

A pilot test was developed to evaluate and validate the procedures and instructions, as well as the functionality, wording, and logical sequence of the questions posed in the questionnaires. Qualified personnel selected by the field chief were involved in the development of the pilot test.

The areas chosen for the pilot test were the following:

Table 16. Pilot test implementation regions

<b>Alliance</b>	<b>Province</b>	<b>Locality</b>	<b>Number of surveys</b>
<b>Peru Cacao Alliance</b>	Leoncio Prado	7 de Octubre	5
<b>Peru Coffee Alliance</b>	Leoncio Prado	Bella Alta	5

*Prepared by: APOYO Consultoría*

The data collection for the pilot test was conducted between September 4 and 7, 2022, through direct interviews in the homes of the selected informants.

Before collecting information from the participants' homes, coordination was made with the zone coordinators of the Alliances in the selected locations. For the 7 de Octubre locality, the team contacted Aldo Sánchez, the technical coordinator of the Peru Coffee Alliance in the province of Leoncio Prado. Meanwhile, in Bella Alta, Augusto Espinoza, the local implementing partner of the Peru Cacao Alliance, was contacted.

The main issues during the pilot test application included:

- Participants were absent for various reasons; therefore, 3-4 visits to the participant's home were made to complete the surveys.
- The working hours on the plots caused participants to leave their homes very early and return in the afternoon, which shortened the working period of the surveyors.
- A moderate to high dispersion between the participants' homes was identified, given that they were in rural areas.

As a result of the pilot test, necessary adjustments were made to the field approach and the applying team, as well as to the wording of some questionnaire questions. These changes were incorporated for the application of the remaining planned surveys.

## **DESIGN OF THE APPLICATION FOR DATA ENTRY**

The process began with the development of the data entry system to control the information load according to the previously described questionnaires. For this purpose, the CSPRO version 7.8 system was used, which allows for timely information processing. CSPRO is a free-use software package specialized for the entry, editing, tabulation, and publication of censuses and surveys. Currently, CSPRO allows developing applications for the Windows and Android environments.

For developing the data entry applications, it was necessary to analyze and review each question in the questionnaire to obtain the data structure dictionary (the primary basis of the data entry program). The application included the survey control jumps and the necessary syntax to detect inconsistencies during typing. The syntax verified the valid ranges for each of the variables. These capabilities of the data entry program minimize errors during typing.

Thus, the process of creating the data entry program was carried out as follows:

- Creation of a data dictionary.
- Design of data entry forms.
- Programming of data validation syntax, restrictions, jumps, error messages for typist guidance, and assisted viewing of options (desktop version).
- Design of the module for downloading and exporting data to SPSS, Stata, or Excel.

The data entry program was configured on the Android Tablets, intended for data collection in the field. Additionally, a cloud server was employed to configure data synchronization using CSWEB.

## **CONDUCTING SURVEYS ON PARTICIPANTS OF THE PERU COFFEE AND PERU CACAO ALLIANCES**

The survey was applied with the surveyor's visit to the selected homes. Before starting an interview, the surveyor made sure to have all the necessary logistics for the fulfillment of his duties, such as: having the Tablet with enough battery, internal memory, blank questionnaires (contingency), identification as part of the field team, office material (notebook, pen), personal health protection (masks), among others. Upon starting in a locality or populated center, the surveyor requested the proper authorization from the community leaders after explaining the objectives of the study.

Before leaving each locality or populated center, each surveyor made sure to have properly collected the data and reported with his supervisor in person or by phone, the occurrences during the development of the surveys. If surveyors did not manage to start the interview, they returned up to three times to complete it. Work routes were implemented based on the number of surveys by regions and provinces, so that surveyors had enough room to fulfill their duties.

### **Incidents in applying surveys.**

During the application, there were no major incidents that negatively impacted the results of the fieldwork. However, below are the most important incidents faced by the field team:

- **Locating farmers:** The working hours of farmers reduced the hours when they could be found at their homes, so the field team had to start at dawn to be able to interview farmers before their workday. This, added to the fact that some farmers' residences were in hard-to-reach locations or far from populated areas, meant that the field team had to make an extra effort to reach the farmers' homes. Despite this, it was possible to complete, and even exceed, the programmed goal.
- **Change of locality:** In the case of the Lucmabamba locality (Cholón district, Marañón province), in addition to being quite remote, access was restricted, as rainfall had deteriorated the trail leading to the populated center. For this reason, the field chief, in coordination with the APOYO Consultoría team, decided to replace this locality with the locality of San Vicente, located in the same district and province. The field team conducted 20 surveys on the residents of this locality.
- **Replacements:** For reasons beyond the field team's control, it was not possible to find some of the farmers initially considered. Among the main reasons, it was reported that some of them were traveling, working or studying in another locality, no longer resided in that locality, or had passed away. In total, 159 replacements were made,<sup>35</sup> always in coordination with the APOYO Consultoría team.
- **Rejection of the survey:** In general, farmers were very cordial and receptive to the field team to carry out the survey. There were only nine rejections, which were replaced by other informants to meet the goal. These are considered in the group of replacements mentioned above.
- **Incident in San Vicente:** The only hazardous incident occurred in the locality of San Vicente, where the field team had rented an accommodation to leave their belongings

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<sup>35</sup> Does not include the 20 replacements made due to the relocation from Lucmabamba to San Vicente.

while surveying the farmers in the field. Upon returning, they found that intruders had broken into rummage through their belongings and take personal objects. The field team left the area to file a police report. No team member suffered any material damage.

### **SUPERVISION OF SURVEYS APPLIED TO PARTICIPANTS OF THE PERU COFFEE AND PERU CACAO ALLIANCES**

Supervision involves a set of actions geared to know the status of tasks related to the conduct of the survey and verify compliance with the procedures and guidelines. The aim is to adopt measures to improve data collection.

Supervision has several levels. Level 1 is the supervision of supervisors. Level 2 is the supervision by the field chief, who is in charge of all the information collected at the national level. Finally, Level 3 is the supervision by the evaluation team. The specific supervision of the collected surveys was carried out at the following times:

- During accompaniment to the interviewer.
- Re-interviewing informants in the field on selected questions.
- Reviewing the collected material and listening to audios.

Additionally, monitoring and quality control were carried out by the central technical team, with the aim of finding possible errors, omissions, skips between questions, unauthorized values, and others. To this end, the data download and export module was operated through the cloud.

Regarding data consistency, the following steps were taken to verify the coherence of the information, and to identify “anomalous” and extreme values within the data set:

- Inspection of frequencies (marginals).
- Inspection of extreme values.
- Inspection of “Other” items.

## **FIELD REPORT: CO-CREATION WORKSHOP FOR RECOMMENDATIONS**

The Co-creation Workshop for Recommendations took place on December 7<sup>th</sup>, with the attendance of 21 people involved with Alliance implementation (Technoserve, Palladium, CEDRO), as well as the consulting and USAID teams.

Table 17. Participants in the Co-creation Workshop for Recommendations

<b>No.</b>	<b>First and last name</b>	<b>Institution / Organization</b>
1	-	Peru Cacao Alliance
2	-	APOYO Consultoría
3	-	USAID
4	-	APOYO Consultoria
5	-	Peru Cacao Alliance
6	-	USAID

<b>No.</b>	<b>First and last name</b>	<b>Institution / Organization</b>
7	-	MELS
8	-	APOYO Consultoria
9	-	USAID
10	-	USAID
11	-	APOYO Consultoria
12	-	USAID
13	-	USAID
14	-	APOYO Consultoria
15	-	USAID
16	-	APOYO Consultoria
17	-	Peru Coffee Alliance
18	-	MELS
19	-	Peru Cacao Alliance
20	-	USAID
21	-	USAID

*Prepared by: APOYO Consultoria*

# ANNEX F: CONFLICT OF INTEREST DISCLOSURE