

## USAID/PERU LESSONS FROM THE EVIDENCE:

# ENGAGING THE PRIVATE SECTOR



PHOTO: USAID PERU

This document presents key learning from USAID/Peru's efforts related to private sector engagement. Between 2019 and 2024, USAID/Peru has commissioned various studies across several development sectors and USAID initiatives under its portfolio. This document is a synthesis of evidence gathered from key relevant studies and it should not be considered representative of the entire USAID portfolio in Peru.

✓ **PRIVATE SECTOR ENGAGEMENT HAS ALLOWED THE COFFEE AND CACAO SECTORS IN PERU TO MAXIMIZE VALUE AND PROFITABILITY AND TRANSFORM THESE CROPS INTO LUCRATIVE AND SUSTAINABLE OPTIONS FOR INCOME GENERATION.** USAID/Peru evaluations show that the private sector engagement (PSE) initiatives implemented by the Peru Coffee Alliance, the Peru Cacao Alliance, and the Alliance for Digital and Financial Services (CR3CE) Alliance maximized value and profitability at each stage of the coffee and cacao production chains by promoting a business plan approach throughout production cycles. These Alliances achieved results through the provision of technical assistance, advice, and other services to generate value and profitability at each stage, resulting in the optimization of all parts of the production chain, including access to inputs, production, marketing, financing, and digital education. The Alliances established commercial links with the private sector that addressed participant demands for technical services, connectivity, and financial services. The Peru Cacao and Peru Coffee Alliances coordinated with private partners from production enhancement to marketing, while the CR3CE Alliance focused on developing participant technological skills, digital literacy, and access to financing. The PSE approach enabled producer access to inputs and equipment, strengthened coffee and cacao producers' technical knowledge, created business relationships, and increased access to credit for producers of all sizes.

✓ **THE PRIVATE SECTOR IS A USEFUL ALLY IN HEALTH-RELATED INTERVENTIONS, SUCH AS LEVERAGING RESOURCES AND COORDINATION THAT CONTRIBUTED TO SUCCESSFUL COVID-19 VACCINATION CAMPAIGNS.** As noted in the study *USAID Support to Peru's Response to the COVID-19 Pandemic*, USAID/Peru established a coordination platform among partners which allowed them to forge strategic alliances, form teams, and leverage shared resources. USAID implementing partners coordinated with the private sector to organize campaigns to promote vaccination in schools and private establishments. This initiative resulted in a significant increase in awareness and socialized and normalized getting vaccines among the population. USAID/Peru and its partners successfully provided health care services to Amazonian populations and vaccine coverage in a timely manner, complementing what local providers were providing. The private sector proved to be a valuable ally that facilitated the expansion of vaccination and oxygen supply in Peru.

✓ **USAID'S COLLABORATION WITH THE PRIVATE SECTOR THROUGH PROJECTS SUCH AS AMAZONIA VERDE HAVE DRIVEN SYSTEMATIC CHANGE IN PERU'S FORESTRY SECTOR, ENHANCING SUSTAINABILITY AND ECONOMIC VIABILITY.** USAID views PSE as crucial for driving systemic change. This is particularly true in the case of sustainable forestry practices, as seen in the incorporation of the private sector in Amazonia Verde's activities to complement the Ministry of Production's vision of the forestry sector to support the country's economic growth. Engaging the private sector in forest activities led to the creation of market mechanisms through public procurement as well as the development of

guidelines for the public procurement of timber products for school furniture. Furthermore, the involvement of private sector actors also led to investment mobilization from the sector to finance REDD+ (Reduced Emissions from Deforestation and Forest Degradation) mechanisms, regional conservation funds, and bio-businesses; all of which supported the association of timber producers to increase legal timber production, contributing to sustainable forestry practices and economic growth. As a result of this engagement, the USAID Amazonia Verde project improved the value chain of timber products, strengthened the traceability of timber legality, and enhanced market access.

“ This project has a key component with the private sector with the co-financing of the REDD+ mechanism, and we have an agreement with a company in the private sector. The coordination level is even international because many of the agreements and the methodological framework that makes this voluntary carbon market system work have to do with what happens abroad. In fact, ... we have been able to have this bridge between actors, who are usually not close to the communities, or private sector actors that we can see.”- Stakeholder, Whole of Project Evaluation of Amazonia Verde Project

✓ **ENGAGING THE PRIVATE SECTOR PROVED TO BE A GAME-CHANGER ACROSS MULTIPLE SECTORS, DRIVING SIGNIFICANT SUCCESSES IN AGRICULTURE, TECHNOLOGY, FINANCE, MARKETING, FORESTRY, AND HEALTH.** By leveraging private sector expertise and resources, the Alliances were able to optimize value chains in cacao and coffee production through comprehensive business plans, technical assistance, field training, workshops, and demonstration plots that enhanced productivity and quality. In technology and digital literacy, the CR3CE Alliance facilitated digital and financial inclusion by establishing telecenters and providing training on digital skills. The introduction of financial products, training on financial topics, and partnerships with financial institution all served to expand financial services for participants. USAID/Peru activities achieved marketing successes by promoting companies and cooperatives at national and international fairs and providing market information to exporters. In the forestry sector, implementers created market mechanisms for timber products through public procurement, and promoted bio- and eco-businesses. Health initiatives benefited from private sector involvement in expanding vaccination efforts and ensuring a stable supply of medical oxygen. Overall, the strategic alignment and sustained support from private sector actors not only improved economic outcomes but also fostered sustainable development and resilience in these diverse areas.

## THE EVIDENCE

- 📄 [Civil Society Engagement Assessment, 2021](#)
- 📄 [Final Performance Evaluation of Three Global Development Alliances in Alternative Development, 2023](#)
- 📄 [Study of USAID Support to Peru's Response to the COVID-19 Pandemic, 2023](#)
- 📄 [Whole of Project Evaluation of Amazonia Verde Project, 2024](#)

---

This document was produced by request of the United States Agency for International Development (USAID). It was prepared by EnCompass LLC for Monitoring, Evaluation and Learning for Sustainability (MELS) (Contract No. 72052719D00001). The opinions expressed in this publication do not necessarily reflect those of USAID or the United States Government.

---