

Peru: New IFAD-funded project to help family farmers to increase productivity and recover from COVID-19

ROME, ITALY, July 2, 2020 /EINPresswire.com/ -- The Government of Peru and the International Fund for Agricultural Development (IFAD), the United Nations agency for rural development, signed a financing agreement today for a new project to help family farmers increase their competitiveness and resilience, and to recover from the COVID-19 impact.



“This project couldn’t be more timely: family farmers’ access to markets has been severely impacted by the pandemic and the lockdown, we need to invest in restoring and improving food supply chains”

*Rossana Polastri, IFAD
Director*

The five-year Extension of Public Services for Local Productive Development Project (known as the Avanzar Rural Project), is a priority in Peru’s Post-COVID 19 National Recovery Plan. It will improve family farmers’ productive capacity and access to markets in 101 districts of the Amazonas, Ancash, Cajamarca, Lima and San Martin departments.

Involving a total investment of US\$71.4 million, Avanzar Rural funds include a \$23.9 million loan from IFAD and a Government contribution of \$ 41.1 million. The beneficiaries themselves will contribute the remaining \$6.3 million. The Ministry of Agriculture and Irrigation

(MINAGRI) will implement Avanzar Rural through its Agrorural programme.

The project will focus on developing the competitiveness and resilience to climate change of family farmers, in particular women and youth, who have historically been marginalized in economic decisions affecting rural communities. It will also spread the use of low-cost, efficient technologies for boosting productivity, accessing markets and mitigating climate change.

“This project couldn’t be more timely: family farmers’ access to markets has been severely impacted by the pandemic and the lockdown, so we need to invest in restoring and improving food supply chains more than ever. Otherwise we could see a health crisis turn into a food and humanitarian crisis,” said Rossana Polastri, IFAD Director for Latin America and the Caribbean.

She went on to explain that promoting resilience is essential to fighting the tragic effects of the COVID-19 outbreak and that no country can be resilient without the contribution that family

farmers make to food security.

The project builds on the achievements of the Strengthening Local Development in the Highlands and High Rainforest Areas Project (known by its Spanish acronym, PSSA). By the time it closed last December, PSSA had financed 1,167 rural business plans in 85 districts of Amazonas, Cajamarca, Lima and San Martín Departments, doubling the average income of 40,000 families.

PSSA and previous IFAD-funded projects in Peru have proven that, with proper support, family farmers can increase their productive performance, gain access to markets and ensure the long-term sustainability of their ventures.

Avanzar Rural will benefit 17,400 small agricultural producers organized in cooperatives and productive associations and their families, which represents a total number of 57,420 direct beneficiaries.

The project will also support the capacity of local and regional governments to pursue rural development, contribute to territorial planning and create strong commercial and economic corridors that will allow family farmers to sell their products not only in small local markets, but also on a larger scale.

Until the COVID-19 outbreak, Peru had one of the most dynamic economies in Latin America and the Caribbean. Between 2000 and 2017, its GDP grew at an annual average rate of 3.1 per cent. Per capita income almost tripled in that period, rising to \$5,960. The economic growth went along with social policies that lead to significant poverty reduction.

“We have to make sure that all those economic and social advances don’t disappear because of the impact of the coronavirus pandemic,” said Polastri.

Note to editors:

Since 1980 IFAD has financed 10 rural development projects in Peru that have involved an investment of \$ 356.9 million (\$ 170.4 million from IFAD funds). These projects have improved the life of 187,000 families from the poorest rural areas of Peru.

IFAD currently supports another large development programme in Peru, the Sustainable Territorial Development Project (PDTs), with a value of \$74.51 million. IFAD is also responsible, in partnership with the Ministry of Environment (MINAM), for a Global Environment Facility (GEF) grant, the IFAD-MERES project. This innovative development initiative has set up a payment for ecosystem services mechanism that provides financing to upstream communities in two major river basins.

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided about \$21.5 billion in grants and low-interest loans to projects that have reached some 491 million people. IFAD is an

international financial institution and a specialized United Nations agency based in Rome – the UN' s food and agriculture hub. For more information visit www.ifad.org.

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