

1964–2011: ASSESSMENT OF SDC'S ENGAGEMENT IN PERU

FROM CHEESE PRODUCTION TO CLIMATE PROTECTION – INNOVATIVE SOLUTIONS AS A TRADEMARK OF A LONG-STANDING PARTNERSHIP WITH PERU

The first Swiss development experts arrived in Peru half a century ago, beginning a fruitful and multifaceted partnership. In late 2011, SDC brought traditional bilateral cooperation to a close and transferred on-going projects to its local partners. In the future, Peru will actively participate in a number of SDC global programmes, particularly in the area of water and climate change. At the same time, SECO has designated Peru as one of its priority countries. What lessons can be drawn from SDC's many years of involvement in Peru?

For once, the task of assessing the historical impact of Swiss cooperation has not been given to foreign experts. SDC commissioned the Peruvian think tank CIES to carry out this task. This edition of the Latin Brief summarises the main findings of the CIES study.

The history of development cooperation between Switzerland and Peru has not followed a straight line. Joint projects and programmes had to produce solutions in constantly changing economic, social and political conditions. The Peruvian SDC experts conclude that the projects that were implemented during the period under review generally achieved the objectives they were set. The search for innovative, customised solutions became a trademark of Swiss cooperation in Peru. This was true not only of technological but also of institutional innovations, which often resulted in changes at the political and policy levels. The effects of a series of projects that were transferred to Peruvian partners and have been continued by them are still being felt in many places. Examples include the genetic improvement of livestock, new methods for processing dairy products and the introduction of more appropriate tools for small farmers, above all ploughs pulled



Cooperation begins with the identification of local needs: Participatory municipal council meeting in the province of Cajamarca. SDC has made a lasting contribution to agricultural development in Peru.

by animals, in the HERRANDINA project. A number of SDC projects contributed to improved governance in the country. This applies in particular to the integration of the rural population in political life and to respect for human rights.

COWS ARE INDISPENSABLE

Peru was one of the first countries in which Switzerland launched technical cooperation projects in the early 1960s. In keeping with the spirit of the times, SDC initially dedicated itself to transferring know-how from Switzerland to Third World countries. Peru was no exception: between 1964 and 1986, the primary focus was on the improvement of animal husbandry, the promotion of milk production and forestry development. Regions of the country where milk was not widely consumed were selected for SDC

projects. There was an explicit ground rule not to compete with existing milk producers. Instead, the aim was to open up new markets, to develop new sources of income for farmers in remote areas and at the same time to improve the nutrition of the population.

From today's perspective, an emblematic project was the national programme to build cheese dairies in Peruvian mountain areas. For many Peruvians, cheese production became the ultimate symbol of Swiss development cooperation. Tilsiter and Emmentaler cheese did not pass muster. Adapted to local tastes, a new type of cheese, known as queso andino" or "tipo suizo", proved to be a resounding success. At its high-water mark, the project gained a foothold in 11 of the country's 24 departments. A total of 80 cheese dairies were equipped to process between 200 and 1500 litres of milk per day. Many of the cheese dairies contin-

ued to develop after SDC withdrew from the projects. "Queso andino" (Andean cheese) is now sold in all supermarkets in the country's big cities. From the very outset, transferring knowledge and adapting it to local conditions was at the heart of the projects. In Ayacucho, new animal feeds were introduced on a trial basis. In Puno, the National Dairy School San Juan de Chuquibambilla was founded. Difficulties were encountered after the period of military rule, when the state-sponsored cooperative movement collapsed and milk production was thrown into crisis. Research in Ayacucho came to a standstill after the programme was forced to make way for the Maoist Shining Path guerrilla movement.

BETTER EDUCATION AND TRAINING

Between 1996 and 2009, SDC projects in a wide range of fields contributed to the education of young people and the continuing education and training of professionals. The CIES experts conclude: "Education and training and the transfer of knowledge and skills are a defining characteristic of Swiss development cooperation in Peru." Initially, a relatively small number of pupils and students were taught specific technical knowledge. Subsequently, programmes were launched to reach large numbers of people, particularly in rural areas. Thus, Swiss and Peruvian instructors initially trained metal mechanics, precision engineers and watchmakers. At the Technical University of El Callao, the curriculum focused on food technology. In addition, maintenance personnel were trained in collaboration with the operators of small power stations, many of which were equipped with Swiss machinery. From 1996 to 2006, SDC supported a programme that prepared school leavers for the workplace. Proximity to the labour market and the ability to respond quickly to the needs of local businesses were strengths of the programme. The apprenticeship model has been adopted by the Peruvian state. Today, some 30,000 students are being trained every year in courses lasting several months without the direct involvement of SDC. Two-thirds of them find a job and a quarter use the skills they learned to start their own business.

HELP FOR SMALL BUSINESSES

By 1980, Peru's shadow economy had become a growing social phenomenon. The violent conflict between rebels and security forces drove the rural poor in particular from their homes in the Andean regions and forced them to seek shelter in urban slums. There, they multiplied the existing ranks of the unemployed and underemployed. To survive, people marginalised by society founded their own small and micro enterprises. SDC supported these groups with pilot projects.

In consultation with various local partners, in 1993 SDC developed its own strategy to provide advice and assistance to the SME sector. The scope of activities was also extended to small agricultural producers. The CIES experts see efforts to improve the quality of products and open up the market as the key to the success of SDC projects to support SMEs. This included growing emphasis on value chains over time. Production was based on what the market actually demanded. Another objective was to improve joint marketing by partnering with professional associations and production cooperatives. Various SDC projects, such as one to support small and micro businesses (APOMIPE), succeeded in giving poor farmers in the regions of Cajamarca, Cusco and La Libertad access to local and regional markets. Value chains for milk, agricultural projects, fruit, poultry and carpentry work

were created. There was a clearly measurable increase in income and jobs. Within just four years, small farmers involved in the APOMIPE programme doubled their income.

Potato projects launched on the initiative of the International Potato Centre (CIP) in Lima were a spectacular success and, thanks to support from SDC, even reached remote Andean areas. Thanks to clever marketing, the country's city dwellers once again became accustomed to eating traditional potato varieties. Within a few years after the turn of the millennium, Peru's potato consumption grew from 67 kilograms to 80 kilograms per person per year. The main beneficiaries were impoverished small farmers. Their bright potato varieties in various colours experienced significant price increases. CIES experts conclude that this has made a direct contribution to poverty reduction in Peru.

MORE SENSIBLE USE OF WATER

If a broad-based impact is taken as a benchmark, there is no doubt that SDC's water projects have led the way in Peru. The CIES study estimates that 700,000 urban and rural residents are benefitting from such projects, particularly in the Andean regions of Cusco and Cajamarca, where the AGUASAN water project has made a name for itself since 1997. Just in



More income for small-scale producers: By strengthening professional associations and production cooperatives, agricultural products can be marketed more effectively.

the Cusco region, today more than half of the population has access to drinking water, compared with a third in 2007. Peru's water programme, in which approximately CHF 40 million was invested over a 15-year period, is part of SDC's strategy for water projects throughout Latin America.



Boom of Andean potatoes: SDC-supported International Potato Centre in Lima has improved the quality and the image of Andean potatoes. In the space of a few years, potato consumption in Peru has risen from 67 to 80 kilogrammes per person. This has brought particular benefits for small-scale farmers, whose products can now be sold at a higher price.

Success has not just been limited to regions where inhabitants build and operate drinking water systems with technical assistance based on clear standards. The tried-and-tested SANBASUR method has also made an important contribution to the development of similar water management systems in Peru. New legislation governing the water sector at the national level as well as concrete plans for achieving the Millennium Development Goals have drawn on experience gained from SANBASUR. CIES experts speak of AGUASAN's legacy, to wit, a model to integrate population groups into the water supply system which were previously excluded from it. AGUASAN successfully developed appropriate technologies for Peru's mountain regions and management tools for the operation of drinking water systems. In addition, an information system was created which helps to assess the quality of drinking water systems throughout the country.

PREVENTION IS BETTER THAN CURE

Sooner or later, every development organisation in Peru is called upon to assume the role of a disaster relief agency. This is also true of SDC, which has been

fulfilling this role since it first provided assistance after the major earthquake that struck Huaraz in 1970. Peru's geographical location on the tectonically unstable rim of the Pacific Basin exposes it again and again to earthquakes that destroy hard-won development gains overnight. A further hazard stems from climate phenomena caused by El Niño and La Niña. The country is either beset by heavy rains and flash floods or by periods of drought. Both threaten food security on a regular basis. Natural disasters are coupled with man-made disasters. In Peru local emergency situations and major international population displacements from rural areas to urban slums were primarily caused by the political violence of the 1980s and early 1990s. In the last 30 years alone, Swiss humanitarian aid was requested and provided in some 60 cases, on average twice a year. The initial focus of these efforts was emergency relief and reconstruction.

SDC is one of the few development agencies that have begun to support programmes to reduce the risks of natural disasters. Beginning in 2000, sporadic operations during emergency situa-

tions were replaced by a structured programme to prevent disasters and prepare state and non-state disaster relief actors. CIES experts conclude that SDC's contribution has succeeded in prompting the authorities to give much more weight to preventive measures. The emphasis has been on the Swiss approach, which is based on inter-institutional collaboration among different actors deployed during emergencies rather than on the development of independent structures. SDC programmes have made risk considerations a mandatory element in the planning of government infrastructure projects. The topic of the reduction of natural hazards and disaster prevention has also found its way into school curricula. Lastly, SDC programmes have contributed the experiences of the Swiss Humanitarian Aid Unit to build regional systems to rescue disaster victims in Peru's urban areas.

RESPECT FOR NATURE

Peru's fragile ecosystems, especially its tropical lowland and highland forests, have come under increasing pressure in recent decades. The blame lies not only with climate changes but primarily also with population growth and migratory movements, as well as with the conversion of land for productive purposes. The history of Swiss development cooperation in Peru is unthinkable without forest protection and conservation projects. In the 1970s and 1980s, efforts focused on the area of the Amazon and its tributaries. The Jenaro Herrera colonisation project, a deployment in the Bosque von Humboldt and extension work in Pucallpa influenced a generation of Peruvian forestry engineers and promoted knowledge of local biodiversity. In subsequent years, the emphasis shifted to tree stocks and the search for more environmentally friendly and sustainable forms of agriculture and forestry. A concern for the sustainable management of forests is a common thread that has run through the forest projects. In the Andean region, systematic efforts have been made to increase the exchange of experiences among projects in Bolivia, Ecuador and Peru. Particular attention has been placed on the preservation of native Andean tree species and on finding appropriate methods to combat soil erosion.



Peru is also suffering from climate change. By protecting water sources and by using the land and forests in a more climate friendly manner, the negative impact of climate change can be reduced. SDC supports adjustment strategies in the Andean Highlands near Cuzco and Apurímac.

In rural areas, SDC participated in an educational programme initiated by FAO, which focused on caring for the environment. "School, Ecology and Rural Community" (Escuela, Ecología y Comunidad Campesina) was a national programme that aimed to integrate, for the first time in Peru, environmental thinking in primary school curricula and to link environmental education with the practical work of farming communities. In 1000 schools, specially trained teachers taught children based on teaching materials specifically developed for the programme. Other educational programmes complemented the programmes to promote forestry development in the highland regions.

BETTER GOVERNANCE, MORE HUMAN RIGHTS

After years of political violence, democracy was thrust into a precarious situation under the government of President Fujimori (1990-2000). During this period, SDC began to dedicate itself to the defence and promotion of democratic governance. Particular support was given to the newly established Office of Public Defender of Peru. This office, also known as the Ombudsman Office, promotes citizens' rights, which are a major concern for rural resi-

dents marginalised by the State. The active protection of human rights and access to the judicial system were given first priority. Thanks to a broad-based project in the rural areas of Cajamarca, Apurímac and San Martín, poor people are now also able to successfully claim their rights without bureaucratic obstacles. It is estimated that the strengthening of the judiciary at the municipal level has resulted in 80% of legal disputes being resolved locally instead of in the overburdened courts in the cities. Justices of the peace are now recognised components of Peru's jurisprudence. Hundreds of thousands of rural residents are among the potential beneficiaries of strengthened local judicial authorities.

The return to full democracy under Fujimori's successors has offered SDC the opportunity to support a number of demands made by civil society. Here, the aim is to strengthen municipalities and to empower them as stakeholders. The creation of a network of municipalities in Apurímac, Cajamarca und Cusco, which received SDC's support from 2002 to 2011 as part of the APODER project, and soon spread to other parts of the country, has proven to be an effective instrument.

PERIODS OF MAJOR CHANGES IN PERU

1960 – 1980 Economic and technological innovations are initiated by reform-oriented civil and military governments

1981 – 1990 Violence and terrorism create a volatile situation and plunge the country into a deep social and economic crisis

1991 – 2000 Pacification efforts and neoliberal economic policies stimulate the modernisation of the country and open up markets, albeit with restricted democracy

2001 Transition to democracy and an economic boom create new challenges for social inclusion and participatory governance

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