
Report on the 2025 country visit of the IFAD Executive Board to the Republic of Peru

Document: EB 2026/147/R.14

Agenda: 14

Date: 17 April 2026

Distribution: Public

Original: English

FOR: INFORMATION

Action: The Executive Board is invited to take note of the report on the 2025 country visit to the Republic of Peru, as contained in this document. The report contains the views expressed by the Member State representatives who participated in the country visit and does not reflect the considerations of Management or the Independent Office of Evaluation of IFAD.

Technical questions:

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Report on the 2025 country visit of the IFAD Executive Board to the Republic of Peru

A. Background

1. For nearly two decades, Peru experienced strong and stable growth, driven by sound macroeconomic management, openness to trade, and sustained gains in agricultural exports. This growth significantly reduced poverty and positioned the country as an upper-middle-income economy with prospects for continued advancement. However, successive external and domestic shocks since 2020 – including the COVID-19 pandemic, the global food and fuel crises, extreme weather events and political instability – have reversed some of these gains. Despite a recent economic rebound, poverty remains above pre-pandemic levels, and the middle class has contracted.
2. These setbacks have exposed underlying structural constraints: persistent productivity gaps, deteriorating public institutions and sharp territorial inequalities. Rural people – particularly in the Highlands and Amazon – continue to face major barriers to accessing basic services such as water, connectivity and transportation. Only one in five rural households has internet access, and nationwide access to safely managed water remains extremely limited. These disparities are deeply rooted in Peru's complex geography and disproportionately affect rural producers and vulnerable communities.
3. Agrifood systems are central to Peru's economy and rural livelihoods, contributing substantially to GDP, exports and employment. Dynamic export-oriented value chains – supported by public investment in irrigation, logistics, regulatory quality (e.g. the National Agricultural Health Service [SENASA]) and trade facilitation – have transformed coastal agriculture and raised national export earnings.
4. Yet, this success masks deep inequalities and vulnerabilities across the sector. Despite being a net food exporter, Peru faces rising food insecurity, with over half the population experiencing moderate or severe food insecurity in recent years and chronic child malnutrition persisting in rural regions. Low productivity, especially in the subsistence-based systems of the Andes and Amazon, stems from limited access to extension services, technology, finance and markets. Climate risks and extreme weather events further threaten rural livelihoods, leading to reductions in yields across most crops.
5. To address these constraints, Peru is striving to modernize the agricultural information architecture, strengthen extension and innovation systems, and invest in climate-resilient, inclusive value chains that benefit small-scale producers. Such investments will enable smallholders, particularly women and youth, to access markets and financial services, increase productivity and build resilience to shocks.
6. IFAD has been active in Peru since 1980. Its country engagement has been guided by three successive country strategic opportunities programmes (COSOPs). The 2018 country strategy and programme evaluation, covering the period 2002–2016, found that the portfolio had achieved notable impacts in poverty reduction, asset accumulation and empowerment of the project participants. The evaluation recommended sharpening targeting, reinstating a territorial focus, integrating climate change as a strategic pillar, and adopting a more programmatic COSOP approach. It also highlighted the need to strengthen coordination with strategic partners, reinforce policy dialogue and alliances, and scale up successful innovations to inform national rural development policies.
7. The current COSOP (2019–2026) incorporates these recommendations and has introduced a significant strategic shift with respect to the previous framework. By expanding the geographic scope to the upper Amazon and to poor and remote rural areas, it has formally included Indigenous Peoples of the Andes and the Amazon,

Afro-descendant communities, and rural women and youth as priority groups, making their presence explicit within the portfolio. The strategy has deepened the focus on sustainable food systems, specifically integrated nutrition and food security, and embedded climate change and environmental resilience as cross-cutting priorities.

8. The loan portfolio for 2017–2025 comprises four projects. Two were approved under the 2009–2016 COSOP: the Project for Strengthening Local Development in the Highlands and Upper Rainforest Areas (PSSA), and the Project for Improving Services for Sustainable Development in the Apurímac, Ene and Mantaro River Basins (PDTs). The third and fourth were approved under the 2019–2026 COSOP: the Project for Local Productive Development in the Highlands and Rainforest of Peru (Avanzar Rural) and the Project for the Improved Commercialization of Agricultural Products (MERCAGRO). The total approved amount for these projects is US\$223.6 million, of which IFAD finances 46 per cent, the Government contributes 46 per cent and project participants provide 8 per cent.
9. In terms of non-lending operations, Peru has participated very actively in a number of multi-country IFAD-funded grants. These have contributed to the exchange of experiences, best practices and lessons learned related to inclusive rural development, mainly across the Latin America and the Caribbean region, through South-South and Triangular Cooperation (SSTC) initiatives.

B. Proceedings

10. As part of the annual country visit programme for IFAD, an Executive Board delegation comprising representatives from Cameroon, Canada, China, France, the Kingdom of the Netherlands, Switzerland and the Bolivarian Republic of Venezuela, and led by their spokesperson, Dr Yaya O. Olaniran, Permanent Representative of the Federal Republic of Nigeria to the United Nations Food and Agriculture Agencies in Rome, visited the Republic of Peru from 8 to 15 November 2025. The Board members were accompanied by the Associate Vice-President, Department for Country Operations (Mr Donal Brown); the Regional Director, Latin America and the Caribbean Division (Ms Rocío Janet Medina Bolívar); the Country Director (Mr Juan Diego Ruiz Cumplido); the Country Programme Coordinator (Mr Kenyi Cansino); the Country Operations Analyst (Ms Rosa Zamora); the Programme Assistants (Ms Perla Sanchez and Ms Rocio Chirinos); the Administrative Assistant (Ms Rosa Silva); the Administrative Assistant and Clerk (Mr Germán Rondón); the Director, Independent Office of Evaluation of IFAD (IOE) (Mr Indran Naidoo); the Secretary of IFAD (Ms Claudia ten Have); and the Conference and Interpretation Meetings Assistant (Ms Flavia Antonelli).
11. The main objectives of this mission were to:
 - (i) Visit activities co-funded by IFAD and the Government of Peru, so as to increase the Executive Board's knowledge of activities on the ground and allow Board representatives to meet project participants, government officials and other partners;
 - (ii) Promote dialogue with central and local government officials regarding IFAD's role in Peru, among other matters; and
 - (iii) Gain insights into IFAD's investments – in such areas as the seed sector, gender in agriculture, livestock, mechanization, input vouchers, agricultural financing and extension as a means of promoting rural development – which could prove useful to other countries.

C. Overview of the field visit

12. During the first part of the visit, after a meeting with government representatives in Lima, the delegation visited the Avanzar Rural project (total investment, US\$24 million; implementation period, 2020–2025) in San Martín, one of the five

regions included in the target area. Avanzar Rural is focused on increasing the competitiveness and resilience of small-scale agricultural producers in the Andes/Sierra and Forest/Selva regions by strengthening the coffee, cocoa, guinea pig, milk and other relevant value chains. Activities included visits to project initiatives (at varying stages of maturity) developed by Indigenous communities, visits to coffee and cocoa cooperatives, participation in small-scale producers' fairs, interactions with local government officials and representatives of organizations involved in the project, participation in a coffee-tasting session, and attendance at a final event at the main square of Shanao.

13. During the second part of the visit, back in Lima, the delegation visited the University of Engineering and Technology (UTEC) to learn about the second stage of the INNOVATECH project and its work with UTEC Ventures (the incubator). The three Peruvian start-ups involved in INNOVATECH –Women United for Food and Environmental Security (MUSA), NOS Finance and Quenco – are focused on technical assistance, market access and financial inclusion for small-scale farmers' organizations linked to Avanzar Rural. The delegation also visited the International Potato Center (CIP) to learn about their work with IFAD on agro-diversity and cultural heritage in Peru.
14. Towards the end of the visit, the delegation held a high-level meeting with representatives of the Ministry of Finance (MoF), Ministry of Agriculture and the Ministry of Foreign Affairs (MoFA) at the MoF main building, followed by a visit to Torre Tagle Palace (MoFA building). The delegation then had talks with the United Nation Resident Coordinator; Rome-based agency representatives (the Food and Agriculture Organization of the United Nations and World Food Programme); with the United Nations Development Programme, CIP, Inter-American Development Bank (IDB), Inter-American Institute for Cooperation on Agriculture (IICA) and World Bank representatives; and with delegates from the embassies of Canada, Germany, Nigeria, Spain and Switzerland at UN House.

D. Observations on programming and implementation

15. During the field visits, the delegation gained a clear picture of the scope and reach of IFAD-supported operations in Peru, particularly the progress made in strengthening local agrifood systems, building community capacity, and delivering visible benefits for environmental sustainability, social inclusion and food security. Central to these achievements appeared to be the empowerment of communities through stronger organizational structures and participatory governance. Local institutions and producer groups described how they had adopted collective management practices that foster social cohesion and inclusive decision-making, creating a foundation for sustainable rural development. Delegation members encountered highly motivated programme managers and staff and observed strong engagement by local authorities and project participants, many of whom expressed pride in their achievements. Small and medium-sized enterprises were well established, and the Avanzar Rural project was presented as operating in close partnerships with communities, local government, NGOs and bilateral donors.
16. A key feature highlighted throughout the visits was the emphasis on agroecological practices to promote ecosystem conservation and resilience. Project participants demonstrated how they produce bio-inputs and natural repellents to protect biodiversity and establish composting systems for organic fertilizer. These efforts were described as integrating scientific research and ancestral knowledge, and involved partnerships with Indigenous communities and institutions such as the Amazon Sustainability Research Institute and the CIP. This co-production of knowledge was presented by participants as contributing to territorial management and the conservation of agrobiodiversity, reinforcing the role of Indigenous Peoples as custodians of natural heritage and traditional practices.

17. The delegation observed that women's leadership was a significant element across many of the initiatives visited, with numerous activities led by women or designed to promote gender equality. These efforts were described as having strengthened women's economic empowerment and community roles, while Indigenous Peoples outlined how they had expanded their capacities in producing food and medicinal plants, while preserving oral traditions and safeguarding biodiversity. Groups of project participants explained how they were diversifying and improving local production, focusing on native and high-potential crops. Producers showed the delegation how high-quality cocoa-derived products were improving market competitiveness. Collaboration with research institutions was ongoing to support conservation of plant genetic resources.
18. The delegation took note of the role of innovation and technology adoption. The introduction of agricultural machinery and processing technologies was presented by participants as having improved efficiency and product quality. References to recognition from local authorities, academic institutions, and community organizations were frequent, underscoring IFAD's strong field presence and coordination capacity.
19. Despite notable achievements, the delegation also heard about a number of ongoing challenges. For example, financial benefits and sustainability models were not always clearly articulated, and the distribution of gains among project groups was identified as an area that could benefit from further reflection. The predominance of cash crop value chains also prompted discussion on the potential implications for food security. Operational constraints and turnover in local authorities were mentioned as factors that may have influenced implementation, underscoring the need for adaptive strategies and a consistent country presence.
20. Clarifying IFAD's specific contributions relative to those of national partners was highlighted as a way to better articulate its added value. Similarly, unpacking the role of training and institutional strengthening in more detail could provide lessons for scaling and replication. The ongoing evaluation by IOE of the 2019–2026 COSOP – which includes Avanzar Rural – is expected to shed light on these issues. Monitoring and evaluation should address targeting, value for money – including the validation of non-financial benefits – replication, scaling and sustainability of results. In addition, understanding how operational challenges were managed and how IFAD's country presence contributed to addressing them was seen as critical in informing future programming. Given the centrality of social cohesion and institutional strengthening to the experiences shared during the field visits, the evaluation should also examine which organizational training practices had proved most effective and were most valued by communities.

E. IFAD's capacity in policy engagement

21. The delegation noted that government institutions frequently referred to IFAD as a catalyst for rural economic and social development. Authorities, especially at the local level, expressed strong commitment to advancing productive initiatives and supporting processes related to innovation, organizational strengthening and scaling. Policy engagement at the national level remains challenging due to frequent political changes, which can disrupt continuity and long-term planning. The participation of high-level officials – such as the Vice-Minister for Agriculture and Irrigation Development, Carmen Vegas – during field visits was seen by the delegation as a signal of strong government interest. However, delegation members noted the importance of understanding whether these transitions affected programme implementation and what mitigation measures were being adopted to ensure stability.
22. Despite these challenges, IFAD had successfully negotiated the final approval of the MERCAGRO project with Peruvian authorities, a new IFAD-backed operation focused on market access for smallholders, which counterparts described as reflecting a

high degree of trust and familiarity between IFAD and government partners. To better understand IFAD's added value in policy dialogue, it would be useful to clarify the respective contributions of IFAD and the Ministry of Agricultural Development and Irrigation (MIDAGRI) to programme design choices and strategic decisions.

23. The delegation was left with the impression that IFAD was well aligned with the work of Rome-based agencies, the World Bank and major bilateral donors in Peru. However, cooperation with several partners was described as largely informal and ad hoc, rather than systematic and structured. Strengthening these partnerships through institutionalized coordination mechanisms was seen as a way to enhance complementarity, improve knowledge-sharing, and maximize synergies across programmes.

F. Recommendations and conclusions

24. Based on the impressions shared among members, the delegation would like to propose the following recommendations for consideration by the Government of Peru and IFAD.
25. Future programming could place greater emphasis on non-financial benefits in policy dialogue, particularly the social and institutional gains that underpin long-term sustainability. Strengthening institutional capacity is critical to improving the enabling environment and reducing investment risks. At the same time, the delegation noted opportunities to build on the motivation of local politicians and project managers by identifying and nurturing "champions" within institutions and project teams. This would help sustain implementation quality and community engagement.
26. The delegation feels that project participants should be involved along the entire value chain from the outset, ensuring that programme design reflects food security and nutrition priorities, an area where IFAD has a distinct role. Expanding technical assistance for mechanization and automated technologies could further enhance productivity and product quality. Furthermore, reinforcing administrative and business management capacities was seen as important for accelerating inclusive and sustainable value chains. Maintaining and expanding technical follow-up was frequently emphasized during discussions with participants as key to consolidating productive processes, and programme outreach should be extended to other vulnerable regions to replicate and scale successful experiences.
27. To strengthen evidence-based decision-making, it is recommended that household consumption metrics be incorporated into monitoring systems to capture the contribution of family production to food security and reduced household food expenditure. Documenting and disseminating programme strategies and results nationally and internationally will support knowledge exchange and cooperation, reinforcing IFAD's role as a thought leader in rural development.
28. Finally, the delegation encourages IFAD to deepen partnerships and policy engagement by institutionalizing coordination with other donors and United Nations agencies, ensuring complementarity and maximizing comparative advantages. Opportunities exist to link IFAD's work with the World Bank's action plan for family farms and to promote SSTC with other countries in the Latin America and the Caribbean region, including through the exchange of practical experiences such as the work on food safety standards for school meals. Strengthening joint advocacy with United Nations actors and bilateral donors was seen as a way to enhance policy dialogue and foster synergies, particularly in sectors where multiple partners invest in similar value chains.

G. Acknowledgements

29. The participating IFAD Board members would like to express deep appreciation to the Government of Peru. Members of the delegation also appreciated the interaction

with stakeholders in the field – local communities, groups and individuals – and were impressed by their engagement.

30. The delegation would also like to extend a sincere thank you to all IFAD staff involved in the hard work that went into preparing for the visit and making it a success.
31. The delegation thanks the United Nations Resident Coordinator, United Nations staff and development partners in Lima for sharing their perspectives on working with IFAD and in the sector.