

# AZMJ – Peru Cocoa Alliance

**AZMJ** is part of a new public-private initiative, the **Peru Cocoa Alliance**, to leverage public and private sector investments to maximize development results in Peruvian Alternative Development Zones. For this project, AZMJ has forged alliances with the following impact investors: **Calvert Foundation** (in partnership with **HIVOS**), **MicroVest**, **Grassroots Business Fund**, **Root Capital** and **Verde Ventures**. The project will support legitimate agricultural market development opportunities near San Martin, Huánuco and Ucayali.

The goal of the Peru Cocoa Alliance, primed by **Carana Corporation**, is to create and maintain the cultivation of at least 28,000 hectares of cocoa and other agricultural products in Peru. This initiative will open alternate income opportunities for farmers who previously farmed coca, provide buyers with high quality cocoa, create socially responsible value chain investment opportunities and protect the rainforest through sustainable practices and reforestation. Each partner has a specific role that is critical to the success of the alliance (see box for full list of partners).

AZMJ leads the Finance Component and will facilitate \$60 million in capital from impact investors and will work with local firms and financial institutions to invest in agricultural markets. To attract these investors, USAID will match technical assistance funds and provide a credit guarantee for up to 50% of the agricultural portfolios into which they will be investing. The team will work with local financial institutions to place the funds, by assisting in identifying and vetting potential borrowers. To reinforce the investments, the project will also provide business and agricultural technical assistance to strengthen productive value chains, including organic coffee and cocoa, by working with farmers, input providers, processors, wholesalers and retailers, as well as local technical assistance providers. In this way, the project creates a “win-win” solution to a long-term development constraint. The socially responsible investors benefit from reduced transaction costs associated with conducting on the ground due diligence and reduced risks at the client and credit levels. USAID benefits from facilitating \$60 million of investment in agricultural development for a fraction of the cost.

Collectively, this dynamic alliance will result in: 1) An estimated 23,000 families that will benefit from access to technology, markets and/or financing; 2) An integrated agro-forestry model incorporating short-cycle crops (plantain, maize and chilies) with cocoa and hardwood trees that generate \$80,000-\$100,000 in income per hectare over a 20-year period for farmers with 10-25 hectares of land; 3) Traceable, certified cocoa that will be available to buyers at a competitive cost; and 4) Increased financial services and socially responsible investment needed by Peruvian agricultural communities to have sustainable growth. In summary, the efforts of AZMJ and the Peru Cocoa Alliance will connect buyers to steady supplies of high-quality cocoa, boost farmers’ incomes and protect the environment.



## Partners in the USAID Peru Cocoa Alliance:

Armajaro Trading Limited  
AZMJ  
Bioscipher  
Blommer  
Calvert Foundation  
CARANA Corporation  
Casa Luker  
Exportadora Romex  
Ferrero  
Guittard  
Grassroots Bus. Fund  
HIVOS  
Machu Picchu Foods  
Mars  
MicroVest  
Root Capital  
Source Trust  
Verde Ventures

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