

INDIGENOUS ECONOMIES IN PERU

Vibrant Forests for Thriving Communities



Photo: David Dudenhoefer

FUELING UNSUSTAINABLE GLOBAL SUPPLY CHAINS

Tropical forests in the South American Amazon provide critical ecosystem services, such as timber products, nutrient dense fruits and nuts, medicinal plants, and other benefits resulting from their abundant biodiversity. But large portions of forestland are being razed to harvest the agricultural products that global markets demand, such as coffee, cocoa, palm-oil, and tropical fruits. As agricultural production is expanded, forestland is destroyed, putting significant strains on local and Indigenous livelihoods. Coupled with insufficient access to technical and financial inputs, this limits farmers' ability to deliver products at the quality and volume companies require. In addition, governments must take decisive action to halt deforestation and drive more sustainable production of the commodities we as global consumers use daily.

VIBRANT FORESTS FOR THRIVING COMMUNITIES

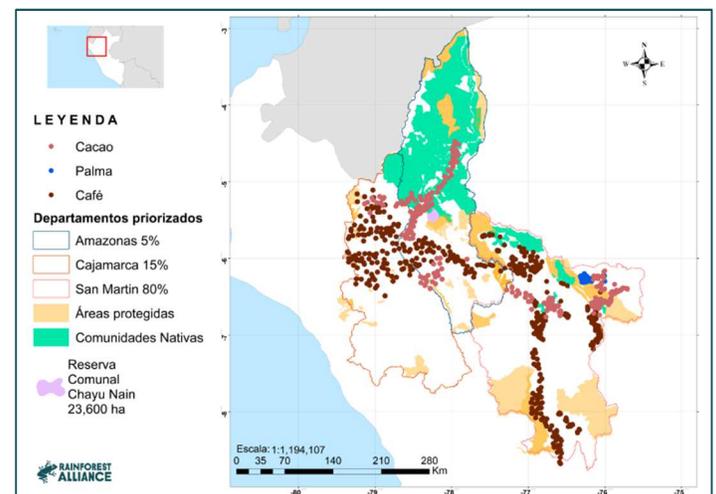
It is well known that Indigenous-managed forests have greater biodiversity and store more carbon than strictly protected areas. In Peru, Indigenous communities have legal autonomy over about 14 of the country's 70 million hectares of tropical rainforest, making it one of the single most important global hotspots for community-led solutions to deforestation and land-use change. The Rainforest Alliance and partners – **AIDSEP** (Interethnic Association for the Development of the Peruvian Jungle) and **COICA** (Coordinator of Indigenous Organizations in the Amazon Basin) – designed the Indigenous Economies Initiative to build sustainable local economies, which balance ancestral practices in forest management with meeting the needs of 21st century communities. Through the initiative, communities will establish forest-based enterprises to harvest and sell sustainable forest products, while protecting forest cover and restoring natural ecosystems. Indigenous-led businesses will boost their productivity, product quality, and living conditions, positioning them as equal players in the global marketplace for responsibly sourced products.

PERU PROGRAM IMPACTS TO-DATE

- 12 million hectares of forestland under improved sustainable management practices, more than 300,000 of these in the buffer zones surrounding protected areas.
- In the last two decades, more than one million metric tons of CO₂e reduced or avoided through community forestry.
- Over 300 Indigenous families benefitting from a more equitable distribution of forest related income.
- \$120 million in sales of sustainably produced agriculture and forest products from community-based businesses.
- 420 producers accessing nearly \$700,000 in specialized "Green Credit" financing, developed with Agrobanco.

Our 2020–2025 country strategy for Peru prioritizes three departments in the northwest: Amazonas, Cajamarca, and San Martín. Native peoples have an important presence in these departments, with significant potential to develop sustainable business in agroforestry (coffee, cocoa), timber, and non-timber forest products, such as *castaña*, *shiringa*, and *aguaje*.

Prioritized Regions in Peru



The Indigenous Economies Initiative in Peru proposes the following key lines of action over the next five years.

Reduce deforestation, repair ecosystems, and increase the climate resilience of Indigenous communities. Forest communities will diversify their production and adapt to climate change by establishing agroforestry systems and engaging in land restoration activities within farms and around protected forestland. Illustrative activities:

- Provide technical and business skills training to forest communities to help them sustainably manage, harvest and sell higher-value timber, such as cedar, tornillo, and capirona, and non-timber forest products.
- Support native communities surrounding the Communal Reserve Chayu Nain, whose livelihoods revolve around the *shiringa* tree, to establish an in-depth forest management plan, which includes mechanisms for forest fire prevention and the sustainable extraction of *shiringa*.
- Work with producer associations and cooperatives such as **Oro Verde** to help farmers diversify production and income through coffee and cocoa agroforestry systems.

Create the conditions for Indigenous businesses to thrive within national and international markets. We will promote capacity strengthening, new technologies, and access to financial mechanisms to enhance competitiveness and establish new markets for the commercialization of sustainably harvested Indigenous forest products. Illustrative activities:

- Generate more inclusive markets by increasing community negotiating power and direct linkages with significant local and international buyers, such as **Procter & Gamble, Natura, and Grupo AJE**.
- Stimulate financial investment in sustainable Indigenous enterprises through customized credit and loan products and financial literacy programs, developed with financial institutions and programs such as the **Norandino Savings and Credit Cooperative** and **Alianza CR3CE**.

Eliminate legal and political barriers to Indigenous leadership in sustainable forest management. Working in close collaboration with AIDSEP and COICA, we will support the development of policy regulations that center Amazonian forest protection and restoration through community-based sustainable forest management. Illustrative activities:

- Influence district and local governments to establish ecological corridors and create productive restoration programs in the buffer zones surrounding protected areas.
- Engage municipal authorities in the design and implementation of contextualized action plans to restore ecosystems and support sustainable production.
- Support Indigenous communities to realize their rights and exercise economic and political autonomy over forestland as established in Peruvian law.



Shiringa is a rubber tree that produces a natural latex which can be used for countless products, including contraceptives, surgical gloves, tires, shoes, and handbags. Native communities who process and sell the latex in international markets learned the ancestral practice from generations of *Shiringueros*.

Aguaje is a superfruit which native women traditionally make into a thick, vitamin-packed juice to sell in local markets. Touted for its beauty benefits, it is also sold globally as a health supplement and cosmetic oil that protects against sun damage and minimizes the signs of aging.



ANTICIPATED PROGRAM IMPACTS BY 2025

- At least 280,000 hectares of forestland in native communities under improved management through forest fire monitoring, agroforestry systems and climate-smart agricultural practices.
- At least 5,000 native peoples applying improved sustainability practices in natural resources management.
- At least a 10% increase in income in native communities as a result of sustainable natural resources management.
- At least 40 Indigenous businesses strengthened through better production, processing, and operating procedures.