



Fair, sustainable, indigenous and Peruvian

A Peruvian road trip along five projects that are supported by the Trade for Development Centre

Red Social assisting the communities working in artisanal mining © Red Social

In 1965 Belgian and Peruvian ministers signed a first development cooperation agreement. Half a century later the Belgian development agency is still operating in the Andes country where the Trade for Development Centre supports five fair and sustainable trade projects. Reason enough to go and visit the cocoa farmers, physalis producers, loggers, textile workers and miners behind these projects.

The cocoa farmers of Cepicafe

We start our journey in the Piura region in the very north-west of Peru. **The Cepicafe (Central Piurana de Cafetaleros)** cooperative has been around since 1995, but it is not the small group of farmers looking for a better price for its coffee any more. Over the past 20 years they have made remarkable progress by focussing on agroecology and the organic and fair trade market.

In the same region, but in lower reaches, cocoa has been harvested since ancient times. Over time, at Cepicafe awareness grew that the old local criollo porcelana cocoa variety could claim a higher market segment. With the backing of the Trade for Development Centre (TDC) and other donors a programme was started to sustainably improve quality and yields and to obtain organic and fair trade certification. And success followed because meanwhile their cacao blanco won prize after prize for its fine taste and it has succeeded in charming famous chocolatiers. In 2006 Cepicafe exported 32 tons of cocoa; in 2014 that increased to 700 tons.

Dreams

In 2014 the TDC decided to extend its support for the Cepicafe cocoa project for one more year. In addition to 9 organisations and 850 families in the Tumbes and Piura region also 200 families from the much poorer Amazonas region are targeted. Even though the structures are weak and infrastructure is poor, the goal remains to optimize the harvesting, fermentation and drying processes and to significantly improve quality. Also, Cepicafe wants to further extend its network with clients in organic, fair trade and other markets as well as among local and regional authorities.

Step by step Cepicafe works towards achieving its dream: building a chocolate factory of its own in Piura to process cocoa into chocolate for the local and international market and create added value in Peru. At the beginning of 2015 a joint venture was created with Dutch Chocolatemakers to realize this dream.



This cocoa attracts chocolate makers worldwide © Cepicafe



The local physalis variant has an excellent flavor © AgroAndino

AgroAndino's physalis producers

Our second stop is higher in the Andes mountains, namely in the Cajamarca region. Poor farm communities survive of traditional crops that they sell on the local market or consume themselves.

But recently they increasingly focus on a local plant that has attracted the interest of western consumers. For these indígenas aguaymanto – which in the North is known as the Inca berry or physalis – has always been an important source of vitamin, but now these bright orange berries crowned by their papery sepals suddenly provide commercial opportunities.

The company that submitted the project, **AgroAndino**, hopes that planting 30 hectare with **aguaymanto** will provide these communities with revenue and a future. An extra asset is that the local variety of the Inca berry has an excellent sweet-sour taste.

From dried to fresh

AgroAndino has set up a production unit in the region where beside aguaymanto also mangos, bananas, pineapple and pomegranate are dried. To give the project a sustainable basis, AgroAndino pays much attention to involving the farmers. For that reason, the existing Asociaciones de Productores must be strengthened. A sociologist is involved in the project to conduct the process while respecting indigenous traditions. In addition, investments are made in high-quality seeds, in agronomists providing technical assistance and in quality control systems.

"Farmers in this remote region have a very hard time marketing their produce. Since 2008 we offer farmers technical support, from planting to the harvest," says Reinhard Schedlbauer, AgroAndino's Operations Manager. "Via organic and – eventually, we hope – fair trade certification we can guarantee a fair price to these farmers. We set up our dried fruit production line, which mainly employs women, here on purpose, so the added value remains with the local community." AgroAndino and the farmers have more plans still. Inspired by the example of many Colombian cooperatives they hope to export fresh Inca berries in future. For the local market they think of sauces and jam, which would create additional jobs.

The AIDER loggers

From the high Andes we descend to the Amazon forest, to the Shipibo Conibo communities in the Ucayali region. They traditionally live from the forest and from logging but middlemen pay very little for their timber. In 2005, with the help of the Peruvian NGO **AIDER (Asociación para la Investigación y el Desarrollo Integral)**, these were the first indigenous communities to become FSC certified and there was hope this would bring economic improvement. But that did not work out. They were organisationally weak and could not deliver the required quality and quantities.

At the request of **BOS+**, a Flemish NGO that promotes sustainable forestry, the TDC started funding a three-year project in 2010. It started with a series of training sessions for community members in administration, accounting, strategic planning and marketing. Technical workshops were held in the field. But the most important action doubtlessly was the construction – with funds of the TDC and other donors – of a storage centre. Not only is timber gathered there, but it is also cured, sawn and processed there, so the added value remains in the region.

Also handicrafts and other products from the communities can be stored there. To manage the centre and sales the five communities involved started the first 'indigenous' business in Peru's Amazon region – with the help of AIDER: **Citeindigena (Centro De Transformación e Innovación Tecnológica Indígena)**.

A unique asset

The first results are encouraging. The project created jobs, boosted awareness about sustainable forest management and provided communities with higher revenue. 10% of revenue is invested in a community infrastructure fund for building schools and power lines.

But commercially there is still a long way to go, partially because many Peruvian buyers are not willing to pay a higher price for certified timber and partially because the products do not sufficiently meet market demand due to which exports remain a far-away dream. To remedy this, Citeindigena, AIDER and BOS+ plan for a bilingual website, a larger catalogue and especially an in-depth national and international search for potential customers.



Shipibo Conibo lumberjacks at work © Sebastien Bouhon/Bos+

“We have approved this follow-up project,” says Steven De Craen, the TDC’s Financial Support Officer, “because we want to give Citeindigena the opportunity to capitalise on their unique asset: certified timber of an indigenous business, which is unique to Peru where illegal logging is still common.”

The weavers of Royal Knit

We move on further south, where the Puno and Cuzco departments border. There, high in the Peruvian Andes, indigenous communities strive to survive of agriculture and their alpaca and lama herds. Because of their flock the region is also traditionally known for its weaving and knitting, which goes back to Inca times. Traditionally this was men’s work, but men increasingly leave their homes to work in the mines. Also young people move away because they lack prospects.

Since 2012 the TDC supports a project of **Royal Knit**, a Peruvian family business that aims to train indígenas in traditional weaving and knitting techniques and gives them an opportunity to contribute to its line of products. Since 2004 Royal Knit has been a member of the World Fair Trade Organisation (WFTO). It has organised more than 40 training sessions throughout the country and exports textile products of hundreds of weavers worldwide.

Incomes doubled

The TDC-supported project focused on training sessions in Ocongate and Lampa and had a dual goal: On one hand, preserving the region’s traditional weaving techniques, and on the other hand, creating economic opportunities for those who do not work in the mines. Most participants were women, but there were some men too.

The impact on their income is significant: Those who did handicraft before have seen their income doubled at least. Also a good thing is that women in both communities have become more empowered and that they have united to better organise their work.

In addition, weaving and knitting work provides some women with an income without them having to abandon their household. It provides them for the first time with the power to take financial decisions. Usually women give priority to education, also for their daughters. “Projects like this one, regardless of how small they are, boost women’s self-confidence and change men’s perception of women,” concludes Steven De Craen.

“That is why we have decided to extend the project and to give these women’s groups the chance to develop a ética de lujo (‘ethic luxury’) collection which Royal Knit can promote on (fair trade) fairs in Peru and abroad.”



Women working in Ocongate © Royal Knit

The miners of Red Social

We end our Peruvian road trip a little further down the road, in the Apurimac and Arequipo departments, at **the Instituto Redes de Desarrollo Social, in short Red Social**. This NGO, which was established in 2000, accompanies indigenous communities that operate small-scale ‘artisanal’ mines. Peru is known for its open pit mines. These huge craters in the landscape – usually the work of foreign mining companies – are often an environmental disaster. For instance, cyanide is usually used to separate gold from other ores. Also these mines’ water consumption is mind-boggling.

Less known is the fact that 10 to 15% of the annual global gold production is mined by millions of ‘artisanal’ miners. They often work illegally because authorities are reluctant to provide concessions to them. In addition, their work is not safe because they use mercury to extract the ore. The price obtained by these artisanal miners only rarely pulls them out of the vicious circle of poverty because of the game played by shrewd middlemen.

In 2007 Red Social co-founded the Alliance for Responsible Mining (ARM). This coalition accepted the challenge and shows the world that small-scale artisanal gold mining can effectively contribute to fighting poverty and to sustainable development. This resulted in a standard establishing criteria for responsible mining. For a while forces were joined with Fairtrade International (FI) and the first label for fair gold was created: Fairtrade & Fairmined. This did not lead to the desired breakthrough and in 2014 ARM and FI each went their own way. Today there are two labels: the Fairtrade label and the Fairmined label.

Fairtrade and Fairmined

The goal of the projects that are supported by the TDC is twofold. First, three organisations, representing 183 miners and their families, are assisted on the pathway to compliance with Peruvian legislation. This formalization process means that their activity is legalized and that they are allowed to use the land.

This must lead to obtaining the Fairtrade label as well as the Fairmined label and open up new opportunities on the fair trade market. Of course, every mining project is finite; consequently Red Social also requires organisations to spend part of the proceeds to exploring new activities. For Red Social this kind of pilot projects are very important to show other groups in the region that responsible small-scale mining is viable. In addition, the group will be trained in sustainable techniques, like gravimetry, separating ores without using hazardous chemicals.

There is a clear line in these five Peruvian projects: Disadvantaged producers groups – often indigenas – are supported by NGOs or social entrepreneurs to look for a better future via fair or sustainable trade channels. The projects provide significant support in this search for a better future: exports of organic Inca berries, fair trade handicrafts or fair gold, the sustainable management of the Amazon forest or a chocolate factory of their own.



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