

TCP Global Visit to AGROVIDA – Trujillo y Otuzco, Peru

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Summary

On behalf of TCP Global, Andrew Koch spent two days with Pedro Ulloa Jesús, Founder & Executive Director of AGROVIDA, (‘Asociación De Promoción Agraria Y Defensa De La Vida’) learning about his NGO and his micro-loan program in partnership with TCP. AGROVIDA has been in operation for 29 years and has carried out and continues to lead impressive agricultural, entrepreneurial, and (primarily reproductive) health projects in the central-northern coast and Andean mountain regions of Peru as well as the Amazon region. During the two days together, Pedro introduced Andrew to over fifteen micro-loan borrowers as well as beneficiaries from the AMB Foundation project that Helene Dudley helped facilitate. Pedro and Andrew also discussed longer-term goals of AGROVIDA, specifically as it relates to its relationship to TCP through which Pedro inquired about the possibility of opening additional micro-loan funds in the region. Overall, AGROVIDA and Pedro are excellent partners for TCP as demonstrated in AGROVIDA’s loan program track record and this visit.

Micro-Loan Borrower Visit Highlights and Feedback

Below are brief summaries of some of the visits that Pedro and Andrew made over the course of two days. AGROVIDA’s micro-loan program spans a wide range of businesses, income generating activities, and agricultural projects in the city of Trujillo (primarily the district of El Porvenir) and the small mountain city of Otuzco. Key themes to highlight to TCP Board Members, donors, and other programs include 1. the team-based nature of AGROVIDA’s micro-loans (all borrowers must be referred in and guaranteed by existing borrowers), 2. the professionalism, organization, and leadership of dedicated people like Pedro that was evidenced throughout the visits, and 3. the sincere gratitude borrowers have for AGROVIDA and TCP for not only empowering them and their families economically but more importantly personally. There are pictures of these visits on the TCP Global Facebook page.

Jose and Farms with Water Reservoirs

In the small mountain city of Otuzco, approximately 2 hours east of Trujillo, AGROVIDA has led numerous agricultural projects and lends money to small-scale, vulnerable farmers. Our first visit was to a farm outside town which is shared by three families and primarily maintained by a young man named Jose. This land is near the top ridge of one of the mountains and, until recently, was barren and unproductive due to a lack of rain nine months out of the year and its lengthy distance from the nearest river. Using his agricultural expertise and financial assistance from TCP earnings and the AMB Foundation, Pedro and AGROVIDA have constructed numerous large water reservoirs in this area which allow for the land to be fertile and productive throughout the year. The water is captured using an irrigation system during the wet months of January, February, and March and then stored in large, open air pools for use during the dry season. The land now produces pumpkins, lentils, corn, and eucalyptus trees (5,000 trees planted!). Thus, three families have greatly increased their income and food security while providing jobs for people like Jose. Moreover, Jose has lent money from AGROVIDA’s micro-loan program in order to invest in additional agriculture projects which he says is motivated by a desire to provide room and board for his young daughter in Otuzco so that she can go to school regularly and not have to live in the distant farm house with him. AGROVIDA has executed several of these irrigation/water storage projects and has the appetite and demand to complete many more.

Group of Agricultural Ladies in Otuzco

Pedro organized a meeting with five micro-loan borrowers in the urban area of Otuzco to discuss their experience with micro-credit. The borrowers, all women who work on farms in the surrounding area, were exceedingly positive in their comments about their experience working with AGORVIDA. Primarily they have used their six month loans to increase corn production on their farms. Corn has a roughly six-month seed-to-harvest time horizon. Therefore, the women and their families strategically store and sell quinoa, beans, and lentils during this cultivation period in order to pay their monthly quotas on the loans. They commented that working with more traditional banks and micro-credit institutions is difficult, restrictive, and expensive as monthly interest rates are 3.5% or higher plus costly origination fees whereas AGORVIDA charges 1.5-2% monthly interest with no fees. As with all borrowers we met with over the two days, these women made clear that they are grateful for the work that AGROVIDA/TCP does, that there is appetite for larger loan principals, and that AGORVIDA's system of requiring new borrowers to be referred into and guaranteed by existing borrowers is beneficial to all stakeholders.

Maria, Chicken Processing and Tienda in Trujillo

On day 2 (June 5, 2019) Pedro and Andrew stayed in Trujillo, specifically the Porvenir neighborhood/district which lies on the edge of Trujillo. The first visit of the day was to a young lady named Maria who works for a friend of Pedro's processing chickens. She has used her micro-loan to open a small 'tienda' in the front of her house which her mother and sister operate when Maria is processing chickens. Maria identified the value-add of her entrepreneurial project as creating a source of employment for her mother and sister who otherwise would have none. Moreover, Maria's family's store is the only in her neighborhood that sells school supplies which Maria said her community was sorely lacking prior to her store's opening. Unfortunately, Pedro and Andrew did not have the opportunity to visit the store, but it was clear that Maria is a hard worker and grateful for the low-cost financing that AGROVIDA has provided her and her family.

Single-Mothers Working as Street Cleaners

The fourth visit was a meeting with three women who work together for the Municipality of Trujillo as street cleaners/garbage collectors and one of the ladies' sons who is a taxi driver. Pedro met this group of women through the various health brigades that AGROVIDA runs, especially around reproductive and sexual health. They have used their micro-loans to invest in and grow side businesses such as clothing sales. This additional income generation has allowed them to make repairs to their house and to help pay for their children's education which is critical given that all three are single mothers who support their households as the sole breadwinner. Through working together and with AGROVIDA, they guarantee each other's loans. One of the women's sons who we met is a taxi driver, and he has used an additional micro-loan to purchase his own used car, thus allowing him to increase his income rather than renting a taxi.

Marta, 'Cuy' Production

A beneficiary of both the AMB and TCP projects, Marta, raises 'cuy' (a type of guinea pig whose meat is a delicacy in Peru) in her patio. Marta is a leader of a 'Mothers Club' in her neighborhood and met AGROVIDA through one of its reproductive health campaigns. Marta received 10 guinea pigs from AGROVIDA as a part of its entrepreneurial and social impact missions, partially funded by the AMB Foundation. She has turned this small gift into a fully operational business in its nine months of operation. Marta was especially thankful for the work that TCP does as further micro-loans have financed the purchase of feed and crate construction allowing her to have a full time job and provide food for her children. A key point to understand is that she viewed her micro-loan not as an economic tool or benefit, but rather a source of purpose in life. She was adamant in expressing how, at her age, she is unable to find meaningful work. However, raising these 'cuy' has given her a mission, a way to feed her family, and a manner in which to serve as an example to all women in her neighborhood.

Luis and His Agricultural/Farmer Association

Luis and his association of farmers on the outskirts of El Porvenir have worked for many years with AGROVIDA to improve their production practices and teamwork. Through AMB and TCP Micro-loans, Luis and his association have been successful in raising chickens and ducks on a piece of shared land. They are currently focused on chickens as the price of poultry in the market is higher.

Manuel and Raising Chickens in his Patio

El Señor Manuel and his friendly family live in very humble conditions in El Porvenir. They used to work with wood to make the heels of high-heeled women's shoes. However, the influx of imports from Asia has led to a once thriving cobbling industry in the neighborhood to vanish. Through AMB and TCP, Manuel and his family raise a dozen chickens in their small backyard. Similar to our visit with Marta, Manuel was adamant that while raising chickens in his back patio was an economic activity, this opportunity to produce something and occupy his time gave his life purpose and meaning. He discussed how a lack of work and excess of free time as a senior citizen caused him and his family emotional stress, but that with Pedro's help, Manuel and his family are proud of the work they do and expressed sincere, heartfelt gratitude to AGROVIDA and TCP.

Conclusion and Next Steps

Pedro and Andrew had conversations about AGROVIDA and Pedro's longer-term vision throughout the visit, but they dedicated two hours at the end to discuss on AGROVIDA's history and relationship with TCP. AGROVIDA has been active for nearly 29 years impacting a variety of populations from urbanites in the coastal desert of Trujillo to farmers the Andean mountains of the broader 'Libertad' province (i.e. Otuzco and surrounding area) to indigenous peoples of the Peruvian Amazon jungle. Pedro and the AGROVIDA leadership have purposefully avoided financing from the Peruvian government because of corruption issues they have run into in the past. Instead, AGROVIDA works with partners such as TCP, USAID, the Japanese and French embassies, AMB, etc., and it also uses a small portion of the earnings from its clinic and rental income to other physicians, dentists, etc. in its building in El Porvenir. Pedro has grand visions for AGROVIDA and has a demonstrated track record of executing on them.

In discussing his relationship with TCP, Pedro is extremely satisfied and appreciative. As Helene had discussed with Andrew prior to his visit, Helene wanted to inquire about other potential partners that Pedro trusts. Pedro offered to discuss TCP as a potential partner with a long-time partner organization, the local/departmental affiliate of the 'National Coordination/Association of Peruvian Women's Organizations' (Coordinadora Nacional de Organizaciones de Mujeres del Perú, CONOMUP La Libertad). This organization works with many different types of women's groups across a variety of activities, some programs especially focused on entrepreneurship. Moreover, as Pedro mentioned and pointed to with his own micro-loan program, women are the backbone of household financial decisions in Latin America and generally are more responsible than men in repayments.

Pedro also inquired about/proposed the possibility of opening another two micro-loan funds in the name of AGROVIDA. AGROVIDA's existing fund, which is geographically split between Trujillo and Otuzco, would continue and refine its focus to only urban Trujillo (specifically the El Porvenir district/neighborhood). An additional fund would be focused exclusively on agricultural projects in Otuzco (the Andean region of the province). Finally, a third fund would be opened in the Amazonas department of Peru, namely the region of Bagua and the Wampis indigenous group. Pedro acknowledges this would be a large expansion, but he already has AGROVIDA staff in these locations, his current program has a miniscule default rate, and there is no dearth of credible borrowers. Moreover, Pedro has robust experience working in these areas and with these populations. He is a native of Otuzco, has led successful agricultural projects there for many years, and has a strong base of micro-loan recipients from which to build. Pedro's experience working with the Wampis in Amazonas extends back ten years to the [Bagua Massacre](#) when the Peruvian government moved into the region for oil drilling and gold mining, leading to

widespread protests by local indigenous communities. The Peruvian police ultimately killed 33 people and took control of the lands. As a result of these atrocities, AGROVIDA was called in to support the communities in this transition and promote food security which led to Pedro executing numerous successful, sustainable fish farming projects. AGROVIDA has maintained a presence in the region ever since. However, Pedro is adamant that these populations remain dramatically underserved by the Peruvian government and financial institutions. Pedro believes that his deep understanding of the region and culture as well as the trust developed over time would lead to a successful micro-loan project in this region. This proposal for and inquiry around a substantial increase in funds from TCP was clearly well-thought out and well intentioned and by no means a demand. Andrew let him know that AGROVIDA has been a wonderful partner for TCP and that this expansion could be a possibility with further consideration from Helene and the Board of Directors of TCP, a response to which Pedro was very receptive and grateful.

Miscellaneous Administrative Items of Note

Pedro showed Andrew his detailed system of loan tracking and documentation which was highly transparent and user-friendly both for AGROVIDA as well as the borrower. Trujillo recipients come to the AGROVIDA office to pay monthly or bimonthly quotas while Otuzco area borrowers meet regularly with AGROVIDA staff the small urban center of Otuzco. There is some leniency on payment timing, but if borrowers are more than five days late, Pedro or staff pays a visit to the recipient.

Pedro provided bank records regarding the funds received in December 2018 and May 2019.

Pedro is aware of the nearly \$15,000 Peruvian Soles (around \$4,500 USD) that AGROVIDA has available for special projects. He is planning to construct more aqueducts/water reservoirs near Otuzco, but he also would like a bit of clarity around the possibility of opening these additional two TCP micro-loan funds before moving forward.

AGROVIDA deactivated its webpage in an effort to keep a low profile. Sadly, Pedro has received threats/extortion demands in the past. His spirit is certainly unbroken/undeterred by these events, and the police have been highly supportive. Nonetheless, Pedro prefers to complete AGROVIDA's work with as little fanfare as possible.

As AGROVIDA depends in large part on international funding, Andrew offered to do Spanish-English translation work for AGROVIDA on future grant/project proposals.