



## GRADE Bringing basic infrastructure to rural Peru

Using research by *Grupo de Análisis para el Desarrollo* (GRADE), the Government of Peru is making strategic investments in infrastructure to benefit rural Peruvians.

**SETTING THE SCENE** —Despite impressive economic growth in recent years, eight in nine rural Peruvians lack access to basic infrastructure – such as electricity, clean water, and good roads – that could help them climb out of poverty. To help close this gap in economic opportunity, the government created the Ministry of Development and Social Inclusion (MIDIS) in 2011. However, with limited resources to serve widely dispersed rural communities, the new ministry faced an enormous challenge in addressing its development priorities effectively.

**WHAT GRADE DID** —Seeing a window of opportunity, GRADE provided the new ministry with research to support the design of a major new infrastructure investment program. GRADE's research showed how the government could get better results for the money spent, specifically providing crucial insights on two topics:

**Combined intervention:** GRADE demonstrated that making two infrastructure investments in

one area leads to a greater total increase in income for beneficiaries than does spreading investments among separate communities.

**Targeting:** GRADE's research also helped the Ministry identify those households most in need of access to infrastructure in order to prioritize investments.

**THE OUTCOME** —The Ministry used GRADE's findings to design its *Infrastructure Combo* program, which is expected to invest USD \$225 million per year in basic rural infrastructure between 2013 and 2016. Based on GRADE's recommendations, the program will make simultaneous investments in electricity, clean water, sanitation, telecommunications, and roads and target those who lack at least one of these essential services. Now that the program is being implemented, GRADE continues to sit on various committees that advise the Ministry on its strategic direction and policies.



Although the investment has just begun, the *Infrastructure Combo* program is expected to give almost 2 million rural Peruvians their first access to basic infrastructure. And while the credit is

not GRADE's alone, its contribution will have a significant impact on the lives and livelihoods of these people, and on the economic prosperity of their communities.

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For more information about GRADE and its work, visit [www.grade.org.pe](http://www.grade.org.pe)

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