

A. REPORTING A.I.D. UNIT:

USAID/BOLIVIA

(Mission or AID/W Office)

(ES#)

WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN?

yes slipped ad hoc

Eval. Plan Submission Date: FY ___ Q ___

C. EVALUATION TIMING

Interim final ex post other

D. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report)

Project #	Project/Program Title (or title & date of evaluation report)	First PROAG or equivalent (FY)	Most recent PACD (mo/yr)	Planned LOP Cost ('000)	Amount Obligated to Date ('000)
511-0583	Handicraft Export Promotion Project	FY85	9/89	4000	3000

E. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

Action(s) Required

Amend contract to extend PACD and funding based upon Evaluation Recommendation. Assist ADAM recruit Marketing and Production Specialist.

Name of officer responsible for Action

S. Pinzino

Date Action to be Completed

9/30/88

(Attach extra sheet if necessary)

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: mo 6 day 20 yr 88

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature: <i>Salvatore Pinzino</i>	Signature: <i>Rolando Kempff</i>	Signature: <i>Anthony Funicello</i>	Signature: <i>Reginald van Raalte</i>
Typed Name: Salvatore Pinzino	Typed Name: Rolando Kempff	Typed Name: Anthony Funicello	Typed Name: Reginald van Raalte
Date: 7/8/88	Date: 12/9/88	Date: 8/25/88	Date: 7/31/88

II. EVALUATION ABSTRACT (do not exceed the space provided)

The Asociación de Artesanía y Moda (ADAM) was established in April, 1985 as a non-profit knitwear foundation. With USAID assistance, ADAM provides marketing, production, training, and commercial services to artisan knitters and knitwear organizations in order to promote the project goal of increasing the incomes of artisan knitters and the level of non-traditional Bolivian exports, thus providing employment opportunities for poor rural women (the projects main beneficiaries). The major findings and conclusions are:

Income Generation ADAM has substantially increased the per unit earnings of the artisan knitters involved in the project. However, given the absence of a reliable and systematic data gathering process, and the reluctance of several of the associated producer organizations to allow ADAM access to their internal financial records, it is not possible to verify that the higher wages paid by ADAM are being passed on to the knitters.

Export Promotion ADAM is behind all project targets, and more importantly, has failed to meet even its own export commitments. Furthermore, ADAM's poor track record in timely delivery with 100% quality acceptance has seriously strained some of its relationships with its present buyers.

Employment Creation ADAM has trained 1,774 knitters since beginning its training program in 1987. However, due to an apparent overestimation of the total membership of the associated producer organizations, the absence of a systematic tracking process of knitters, and the reluctance on the part of many of the associated producer organizations to share information regarding their membership with ADAM, it is difficult to measure the actual success of the project in creating employment opportunities for artisan knitters.

The evaluation noted the following lessons:

In the early stages of the evaluation, it became evident that the original project design and strategy outlined in the project paper, remain valid today. Specifically, that in order to promote the project goals and objectives, ADAM should: 1) be "market oriented"; 2) be "run on a business-like basis"; and 3) "pursue simplification" as much as possible. Thus, the findings and recommendations incorporated in this evaluation have been presented within the framework of the original project design.

I. EVALUATION COSTS

1. Evaluation Team Name	Affiliation	Contract Number <u>QR</u> TDY Person Days	Contract Cost <u>QR</u> TDY Cost (US\$)	Source of Funds
Joseph Thomas	ISTI	LAC-0619-C		
Tamara Tiffany	ISTI	00-7038-00		

2. Mission/Office Professional
Staff Person-Days (estimate) 3

3. Borrower/Grantee Professional
Staff Person-Days (estimate) 8

A.I.D. EVALUATION SUMMARY PART II

J. SUMMARY OF EVALUATION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS (Try not to exceed the 3 pages provided)

Address the following items:

- Purpose of activity(ies) evaluated
- Purpose of evaluation and Methodology used
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office: USAID/BOLIVIA

Date this summary prepared: July 11, 1988

Title and Date of Full Evaluation Report: EVALUATION OF THE ASOCIACION DE ARTESANIA Y MODA - "ADAM", May 1988

BACKGROUND

The Asociación de Artesanía y Moda (ADAM) was established in April, 1985 as a non-profit knitwear foundation. With USAID assistance, ADAM provides marketing, production, training, and commercial services to artisan knitters and knitwear organizations in order to promote the project goal of increasing the incomes of artisan knitters and the level of non-traditional Bolivian exports, thus providing employment opportunities for poor rural women (the projects main beneficiaries).

This evaluation was conducted at the request of USAID/Bolivia over a three week period in May, 1988. It was not intended to serve as a comprehensive financial or management audit of ADAM. Instead, it was conducted in close cooperation with members of the ADAM Board of Directors and staff as a means to jointly assess performance to date in achieving the original project objectives, to highlight those areas requiring adjustment, and to discuss the appropriateness and need for continued USAID support beyond the project completion date of September 10, 1989.

In the early stages of the evaluation, it became evident that the original project design and strategy outlined in the project paper, remain valid today. Specifically, that in order to promote the project goals and objectives, ADAM should: 1) be "market oriented"; 2) be "run on a business-like basis"; and 3) "pursue simplification" as much as possible. Thus, the findings and recommendations incorporated in this evaluation have been presented within the framework of the original project design.

SUMMARY OF FINDINGS

Since the inception of the project in 1985, ADAM has evolved into a dynamic and well-respected private sector organization. It has solidly established itself within the Bolivian knitwear industry, and has initiated a wide range of marketing, production, training, and commercial services. ADAM's performance to date is especially impressive considering that it has been accomplished without the technical assistance originally envisioned. Nevertheless, ADAM has fallen short of both the original and revised project targets in the areas of income generation, export promotion, and employment creation.

Income Generation ADAM has substantially increased the per unit-earnings of the artisan knitters involved in the project. However, given the absence of a reliable and systematic data gathering process, and the reluctance of several of the associated producer organizations to allow ADAM access to their internal financial records, it is not possible to verify that the higher wages paid by ADAM are being passed on to the knitters.

Export Promotion ADAM is behind all project targets, and more importantly, has failed to meet even its own export commitments. Furthermore, ADAM's poor track record in timely delivery with 100% quality acceptance has seriously strained some of its relationships with its present buyers.

Employment Creation ADAM has trained 1,774 knitters since beginning its training program in 1987. However, due to an apparent overestimation of the total membership of the associated producer organizations, the absence of a systematic tracking process of knitters, and the reluctance on the part of many of the associated producer organizations to share information regarding their membership with ADAM, it is difficult to measure the actual success of the project in creating employment opportunities for artisan knitters.

SUMMARY AND RECOMMENDATIONS

It is the conclusion of the evaluation team that, within the framework of the findings and recommendations of this report, the ADAM project deserves consideration by USAID/Bolivia for continued support and assistance. As should be expected from an experimental project like ADAM, much has been learned from the initial project experience, and there is a need to build on this experience in many areas if ADAM is to achieve the project goals and take full advantage of the potential export market for Bolivian knitwear products. The major conclusions and recommendations are as follows:

1) Although the goals of the project have been clearly articulated and quantifiable targets set, these have not been reflected in a well articulated systematic process to monitor and measure progress toward the achievement of project goals.

Recommendation: ADAM should design and implement a systematic and uniform process to monitor and report progress toward achievement of these basic project goals, including the establishment of reliable baseline data from which to measure progress.

2) Interviews conducted for this evaluation, together with related market research, confirmed the existence of a substantial international market for hand-knitted alpaca sweaters, and the proven capacity of Bolivian artisan-knitters to produce competitive products for this market.

Recommendation: For the short term (12-24 months), ADAM's marketing strategy should be to strengthen existing relationships with intermediary clients, focusing on production and quality control.

Recommendation: For ADAM's long-term development, the highest priority should be assigned to recruiting and engaging two key long-term experts to assist ADAM in the areas of marketing and production management.

3) ADAM is intended to operate as a profit-making business and to develop the capability to be a viable, self-sustaining private enterprise.

Recommendation: ADAM should prepare and routinely update a business plan, including a simple spreadsheet program that illustrates and projects costs, revenues, cash flows, profits and losses. The most important element of this business plan would be to specify the quantifiable targets and time frames for the ADAM project to become a profit-making, self-sustaining enterprise.

4) It was clearly specified in the original project design that ADAM operations were to focus exclusively on the effort to increase the exportation of artisan knitwear until the project established its viability.

Recommendation: For at least the next 12-24 months, the ADAM project should concentrate on improving its production system and expanding its base of satisfied buyers in the international market for a limited, high-quality line of hand knitted alpaca sweaters.

Evaluation of the Asociación de Artesanía y Moda (ADAM) May 1988.

L. COMMENTS BY MISSION, AID/W/ OFFICE AND BORROWER/GRANTEE

- The evaluation met the demands of the scope of work and provided both USAID and Grantee with recommendations and findings which when implemented will ensure success of project. The evaluators were objective and showed a keen knowledge of the project, its problems and outlined a strategy to improve performance. The findings and lessons learned generally concur with those conclusions reached by USAID and Grantee staff.