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PARAGUAY VENDE

PROMOTING ECONOMIC GROWTH

SELLING LOCAL PRODUCTS TO REDUCE POVERTY

Final Report of the Paraguay Vende Program



JUNE 2010

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USAID Contract No.: N° EEM-I-00-07-00008-00, TO 346

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LEFT: Trucks wait to deliver organic sugarcane to the Insama sugar mill in Misiones. Paraguay Vende II accessed trained professionals at the Catholic University of Coronel Oviedo for work with sugarcane and received support from the Experimental Sugarcane Center (CECA) in Natalicio Talavera, Guairá department.

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INSIDE FRONT COVER: This microentrepreneur, a peanut producer who now supplies the Eno Bronstrup S.A. (EBSA) Broker and Export Company, proudly displays some of her product.

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FRONT COVER: Maria del Rosario Franco and her husband were beneficiaries of Paraguay Vende's Tu Producto al Super campaign.

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BACK COVER: Farmers selecting "burrito," a type of herb, for delivery to the spice company, Aliaga.

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ACRONYMS

CAPASU	Cámara Paraguaya de Supermercados (Paraguayan Supermarket Association)
CSR	Corporate Social Responsibility
ESC	Economic Service Center
MSE	Micro and Small Enterprise
PRA	Poverty Reduction and Alleviation Program, USAID/Peru
PPRP	Paraguay Poverty Reduction Program, USAID/Paraguay
RMU	Results Monitoring Unit
TPS	Tu Producto al Súper (Your Product to the Supermarket)
USAID	United States Agency for International Development



A producer for Hierbapar tends rose hips on the company's demonstration plots in Guayaibi, San Pedro department.

INTRODUCTION

EXECUTIVE SUMMARY

THE PROGRAM

Paraguay Poverty Reduction Program Contract Number EEM-I-00-07-00008-00, TO 346

Paraguay Vende:

June 2007 - June 2010
Contract Value: US\$ 4,222,891
Chemonics International Inc.

Providing assistance to large enterprises proved beneficial because they cover a large portion of the costs of improving business in trade chains.

The United States Agency for International Development (USAID) Poverty Reduction Program in Paraguay, known as Paraguay Vende, was implemented in two phases: the first was from August 2003 to May 2007, and the second from June 2007 to June 2010.

This report summarizes activities during the second phase, which focused on improving Paraguayan exports, micro and small enterprise sales at supermarkets, business marketing, training and competitiveness. The technical assistance Paraguay Vende provided to 81 businesses increased sales by more than \$128 million, exports by \$66 million, and investments by more than \$6 million. This represents nearly 10 million additional person-days of employment.

Chapter One outlines the program's strategic objectives and how they were achieved. Paraguay Vende worked in economic corridors through Economic Service Centers (ESCs) that pro-

moted improved business in trade chains. These three concepts—economic corridors, ESCs, and trade chains—were the program's working platform. Essentially, Paraguay Vende provided assistance to micro, small, medium and large enterprises in areas of the country that, while poor, had great economic potential. This chapter details how providing effective assistance to enterprises in various levels of trade chains improved exports, generated jobs and increased incomes in these selected economic corridors. Providing assistance to large enterprises—many of which export agro-products and do business with rural microenterprises—proved beneficial because they cover a large portion of the costs of improving business in trade chains.

Chapter Two explains how the program promoted the economic development of micro and small enterprises through the “Tu Producto al Súper” (TPS)—“Your Product to the Supermarket”—campaign launched in 2008. The



A Pronat worker processing organic sugarcane, which will be exported as raw sugar to Europe.

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In this day and age, without a Web site, there is no point to having a good product catalog or nicely packaged samples. Paraguay Vende’s communications team stressed this message and provided client firms with business marketing assistance.

TPS concept prompted partnerships between the program and numerous national government entities, which enabled its success. The campaign was widely promoted by the media and Paraguay Vende partners in the economic corridors. The first business plans with supermarkets were signed in 2009 and the work of formalizing microenterprises began later that year. In just 12 months, the TPS campaign generated incremental sales of nearly \$2 million and more than 40,000 person-days of employment. Most importantly, through TPS, Paraguay Vende promoted sustainable business relationships for the micro and small enterprise (MSE) sector, directly benefiting more than 500 MSEs.

Chapter Three highlights one of Paraguay Vende’s most emblematic activities: providing communications assistance for the client firms. In this day and age, without a Web site, there is no point to having a good product catalog or nicely packaged samples. Paraguay Vende’s communications team stressed this message and provided client firms with business marketing assistance. These kinds of marketing tools had immediate impact on the growth of small businesses. After getting the basics, the communications team encouraged client firms to participate in fairs or expositions. Once prepared, this exposure allowed MSEs to quickly pursue a globalization strategy. Improved communications through Web

Through business formalization activities, Paraguay Vende has helped persuade the government to develop a new legal framework for small businesses aimed at creating jobs and reducing urban poverty.

sites, videos, brand labels, and packaging helped Paraguayan small businesses find simple, modern, and cost effective ways to promote economic growth, trade, and employment.

Chapter Four describes how training provided through field meetings, onsite workshops, fairs, and other fora, improved the quality and sales of products in the trade chains. This kind of practical training was typically held as near to workplaces as possible. Field meetings with rural microenterprises focused on farming methods and improving crop yields, particularly in the case of products subject to strict requirements, such as those seeking organic and fair trade certification. Specific skills training was also offered to the staff of companies in the economic corridors. Training needs, however, were most pronounced among MSEs preparing to sell to supermarkets. Since MSEs are the most common employers in Paraguay, the program targeted training for the MSE sector.

Chapter Five discusses how Paraguay Vende advanced business competitiveness. Paraguay's national business climate ranks very low compared to other countries in the region. Paraguay's reality is mirrored in this low rating. Microenterprises, for example, have limited access to credit or formal trade opportunities because most operate informally. Since economic growth thrives on competitiveness, Paraguay Vende took two concrete activities to

encourage business formalization. One activity was the development of a pilot program with the Ministry of Industry and Commerce to formalize approximately 400 microenterprises participating in the TPS campaign. The other involved launching an initiative to draft a bill specifically for the MSE sector. Through both activities, Paraguay Vende has helped persuade the government to develop a new legal framework for small businesses aimed at creating jobs and reducing poverty.

Chapter Six describes lessons learned. This chapter stresses two keys to success. First, buy-in from private enterprises is critical to ensuring the impact of technical assistance. Second, having the Results Monitoring and Communications Units even before strategies are implemented is critical to successful performance. Other lessons highlight the benefits of collaboration with Paraguayan academic institutions, such as universities and research institutes, and the need to plan business roundtables to ensure responsiveness to the expectations of buyers and sellers. The importance of effective marketing campaigns for products is also noted.

The recommendations presented in this last chapter include working more with business consultants instead of exclusively with the subcontractors chosen at the beginning of the program, as well as ensuring greater integration of administrative and technical functions for a more holistic approach to the work.



A producer of seedlings for reforestation who supplied the Original business S.C.I.

CHAPTER ONE

PARAGUAY VENDE

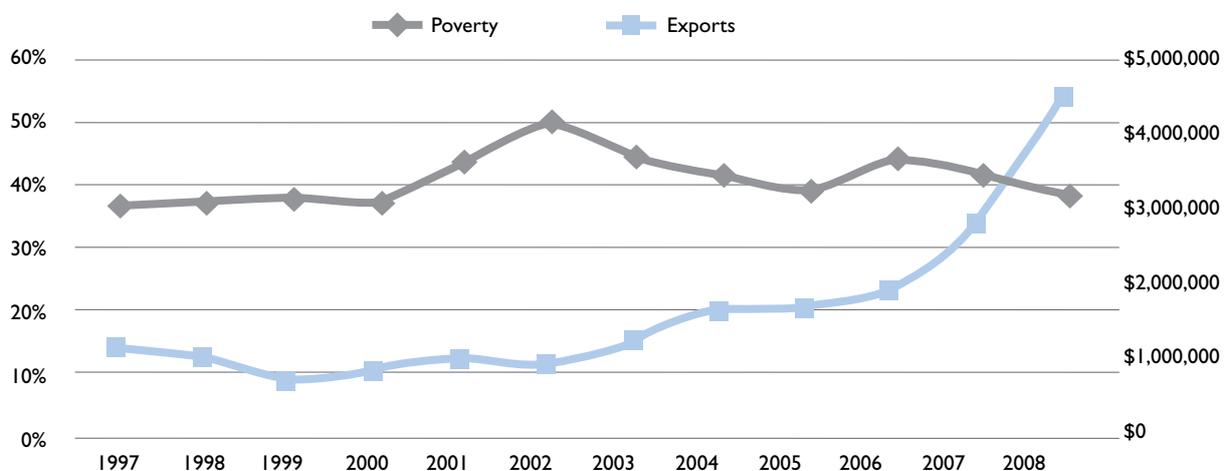
1.1 THE PROGRAM

In 2003, when USAID launched the Paraguay Poverty Reduction Program (PPRP) under the name Paraguay Vende, lack of employment generation was the main weakness of the democratic transition that began in February 1989. Measured in current dollar values, exports declined by 5 percent between 1989 and 2002.

The faltering economy was reflected in rising poverty rates. Between 1997 and 2002, the country's poor had increased from 32 to 46 percent. This was regarded as a threat to the nascent democracy.

Paraguay Vende established rural employment generation as its main objective. The baseline

FIGURE I
POVERTY AND EXPORTS IN PARAGUAY, 1997-2008



Source: These figures are based on data from the Technical Planning Secretariat at the Office of the Presidency of the Republic, General Bureau of Statistics, Surveys and Census, household surveys, 1997-2008.

When Paraguayan exports more than quadrupled between 2003 and 2008, poverty dropped below 40 percent.

study indicated that, despite persistent restrictions on trade and investment, by the late 1990s, the country was well situated to expand trade. Given the advancement of the Southern Common Market (MERCOSUR) including Argentina, Brazil, Uruguay and Paraguay, and the construction of new all-weather routes, the Paraguay Vende program focused on developing trade chains in the countryside that would link buyers and sellers in economic corridors in Paraguay with regional markets.

By providing technical assistance to facilitate transactions among small producers, business owners, and buyers, the program targeted the economic central nerve of the rural economy. The result was surprising and Paraguay Vende became a milestone in economic growth projects.

Figure 1 contrasts conditions during two periods. First, from 1997 to 2002, Paraguayan exports remained stagnant and the percentage of the population living in poverty rose to 50 percent. Then, between 2003 and 2008, Paraguayan exports more than quadrupled and poverty levels dropped to below 40 percent.

USAID renewed the Paraguay Vende program in June 2007. The results from the second phase of Paraguay Vende surpassed the initial targets by a wide margin (see Table 1), confirming the main lesson gleaned from the first phase of Paraguay Vende: technical assistance provided to the private sector has a strong impact on poverty reduction.

The Paraguayan national government has worked to stimulate exports through entities such as the Investment and Export Network—Red de Inversiones y Exportaciones (Rediex)—under the Ministry of Industry and Commerce, and through direct subsidies to families living in extreme poverty. Paraguay Vende complemented these efforts through direct assistance to private enterprises.

In the second phase, Paraguay Vende also devoted considerable attention to MSEs, which enabled the program to forge stronger relations with the government and work in partnership with public sector agencies.

Paraguay Vende reached small farmers by offering them technical assistance to increase crop

TABLE I
IMPACT OF THE PARAGUAY VENDE PROGRAM
June 2007-June 2010

Impact	Initial Goals June 2007	Revised Goals September 2008	Results March 2010
Additional sales generated through assistance, in US\$	57,000,000	94,500,000	128,981,015
Additional exports generated through assistance, in US\$	23,000,000	64,000,000	66,087,024
Additional employment generated by additional sales, in person-days	7,150,000	7,400,000	9,736,416
Additional new investments generated through assistance, in US\$	4,650,000	5,000,000	6,068,989

Source: Results Monitoring Unit of Paraguay Vende.

The Paraguay Vende program worked hard to train, formalize, and integrate the microenterprise sector into local and international trade.

yields and exports. A 2009 study conducted with the University of Kansas in the extremely poor area of Choré in the San Pedro department showed the positive impact of this assistance on sesame growing families.

The study showed that, over the past five years, small farmers associated with Paraguay Vende increased production by a wider margin than those in the control group (small farmers not associated with Paraguay Vende). This outcome, reflected by their recent acquisition of durable goods to improve their quality of life, highlights the achievement of a key program objective: poverty reduction among small farmers.

Up until the 1990s, the country's rural microentrepreneurs were referred to as "peasants," reflecting the fact that they were informal actors who did not pay taxes. This marginalization started to change, however, with the introduction of new agrobusinesses and government-sponsored tax and education reforms. Families began to act like microenterprises.

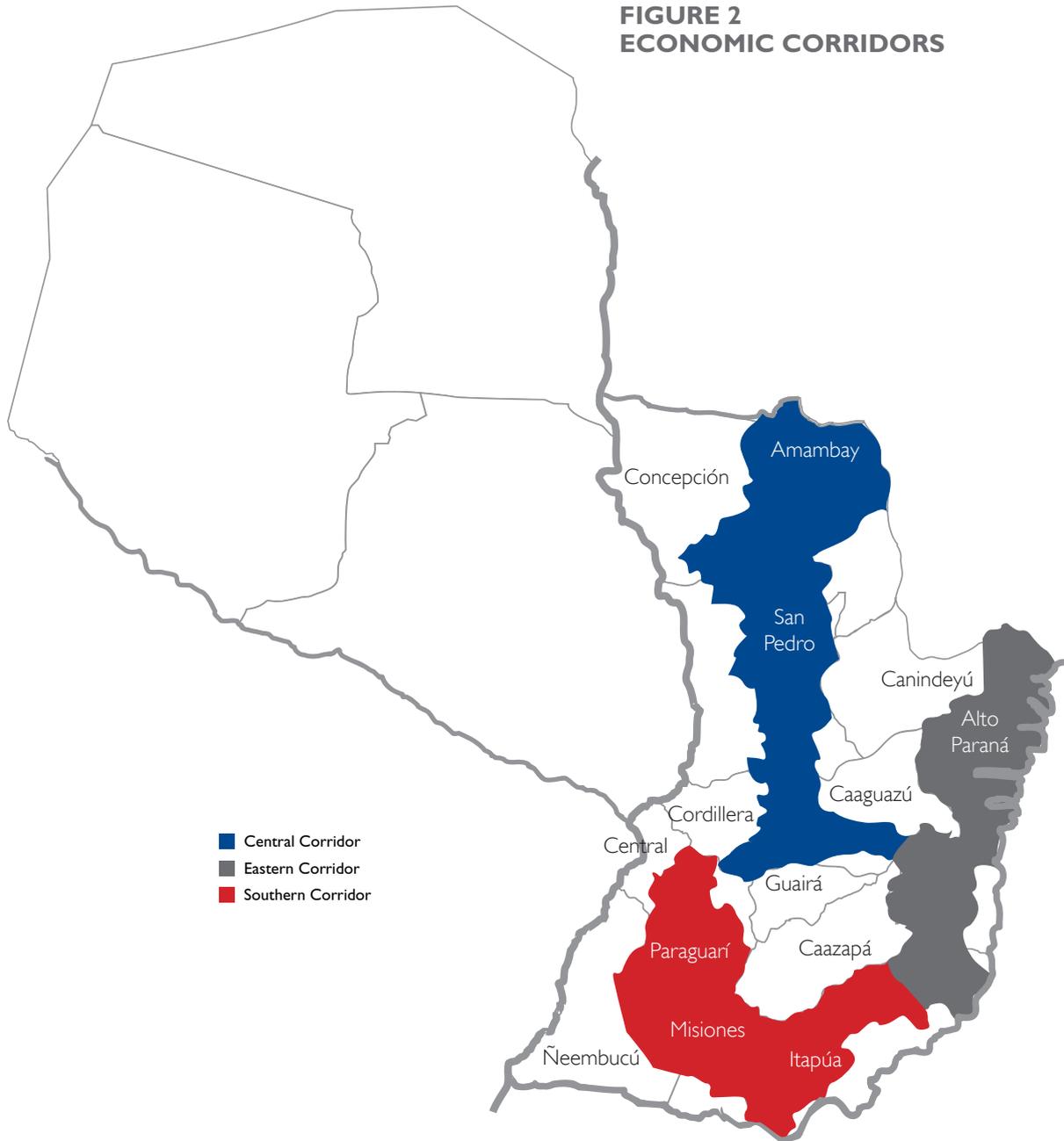
Many small business owners outside Asunción, both rural and urban, have tended to develop in isolation without links to economic corridors and trade chains. The Paraguay Vende program worked hard to train, formalize, and integrate the MSE sector into local and international trade.

During the second phase of Paraguay Vende, the program's targeted assistance to small enterprises attracted the attention of the Paraguayan national government entities. The assistance provided to the MSE sector is the distinguishing feature of the second phase of Paraguay Vende. While other programs in Paraguay focused on strengthening supply in this sector, Paraguay Vende approached economic development from the demand side, basing its strategy on the selected ESCs, economic corridors, and trade chains. This was Paraguay Vende's working platform.

1.2 THE WORKING PLATFORM

Paraguay Vende reduced poverty and promoted economic growth by targeting three economic corridors (illustrated in Figure 2). ESCs established in each corridor improved business in trade chains by providing assistance to enterprises in areas of the country that, while poor, had great economic potential. The combination of these three concepts—ESCs, economic corridors, and trade chains—was the "working platform" that ensured the effectiveness of the assistance. USAID had already tested this approach in Peru through the Poverty Reduction and Alleviation (PRA) program, which was designed to contribute to job creation and sustainable incomes in poor rural areas through a demand-centered business approach. Before Para-

**FIGURE 2
ECONOMIC CORRIDORS**

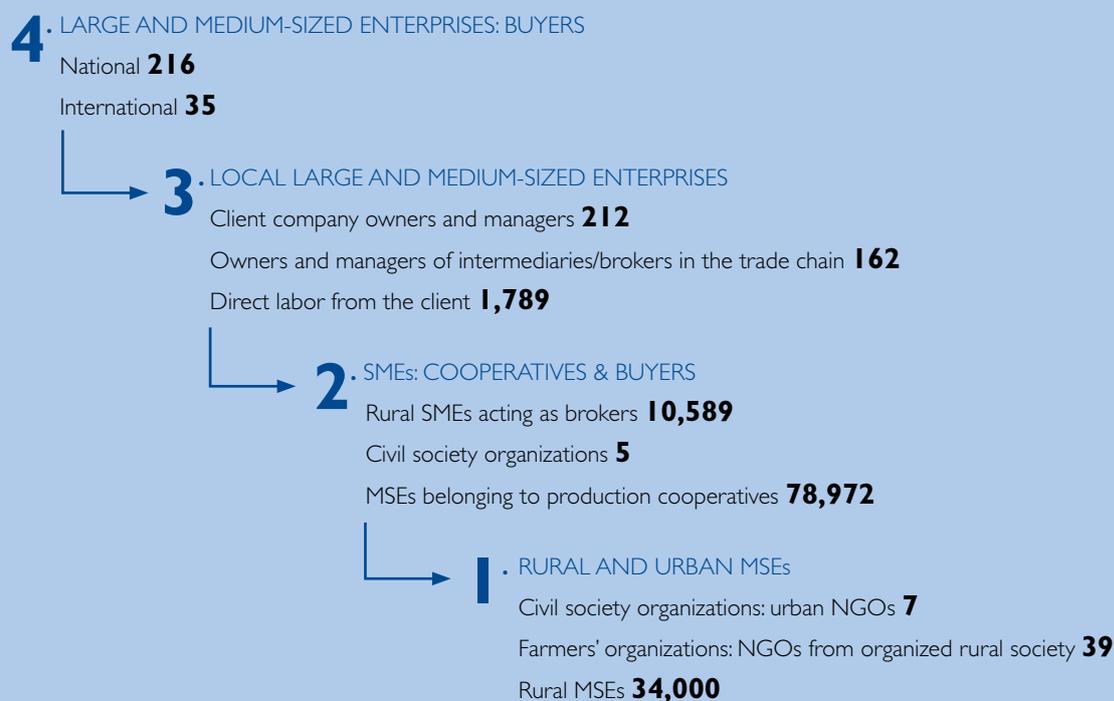


guay Vende, other projects in Paraguay worked through “clusters”¹ or “value chains” with the aim of reinforcing supply rather than demand.

The ESCs provide technical assistance in response to demand in trade chains. All ESC business advisors come from the private sector and Paraguay Vende monitors the additional client firm

¹ Concentration of businesses, institutions, and other agents connected by a market or product in a relatively discrete geographical area, where they become a bastion of specialized knowledge with competitive advantages.

**FIGURE 3
TRADE CHAINS AND BENEFICIARIES**



Source: Results Monitoring Unit of Paraguay Vende; taken from study from June 2009.

The ESCs focused on facilitating transactions between small producers, business owners, and buyers. In this way, Paraguay Vende targeted the central nerve of the rural economy.

sales generated by the technical assistance provided by each advisor. This ensures that work is not simply an academic exercise, but rather is results-oriented and grounded in practical approaches to poverty reduction.

Figure 3 summarizes the concept of the trade chain and identifies the program beneficiaries in the trade chain. The trade chain is the link between the buyer (level 4) and the local dealers (level 3), both of which also depend on intermediary companies (level 2). To some extent, all stakeholders and businesses rely on micro and small providers (level 1). Almost any program seeking traceability, organic quality, or other safety

and quality standards relies on this level. In practice, therefore, the bulk of this type of assistance ultimately involves activities with rural microentrepreneurs.

The ESCs focused on facilitating transactions between small producers, business owners, and buyers. In this way, Paraguay Vende targeted the central nerve of the rural economy.

Each ESC promoted the development of agro-businesses through contacts in the economic corridors and with larger commercial companies.

Compared to the southern and eastern corridors, there are



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An operator from Qin Yi America cutting out pieces to make blankets. The assistance that Paraguay Vende provided generated 944,739 days of employment.

SUCCESS STORY

Ciudad del Este wraps up investments

A Chinese group's investment in a blanket and comforter factory spurs new economic development in the trade capital.

Ciudad del Este, located on the Paraguayan-Brazilian border 330 kilometers from Asunción, is a busy commercial hub. The city's best selling products range from computer products and electronics to perfumes and household articles, most of which are imported.

In 2008, investors from mainland China set up the Qin Yi América S.A. company in the city to sell blankets and related products such as bedcovers, comforters, pillowcases, and sheets. Although improving commercial sales was the main thrust for setting up shop, in keeping with the rhythm of the Alto Paraná capital, these entrepreneurs decided to go a step further and give production in Paraguay a shot.

Taking advantage of the Paraguayan maquila system, and with the support of Paraguay Vende, they began to import machinery and raw materials. Then, they needed to establish themselves as Ciudad del Este business owners.

While the founders of Qin Yi América embarked on this cultural transition, Paraguay Vende provided the company assistance in staff selection as well as administrative and financial planning. After the transition process to Paraguay was complete, the factory launched operations at a production level of 500 blankets and 500 comforters per day.

The next goal was to expand sales regionally. Sales were good at the domestic level, but the volume was small and always cash down. Paraguay Vende helped the company develop a pricing list to facilitate sales to Brazil, the natural market for products coming from Ciudad del Este. Paraguay Vende provided additional assistance for the company to promote sales by visiting supermarkets, participating in fairs, and exploring new products in response to market demand.

Thanks to support from Paraguay Vende, Qin Yi América is now a leader in the domestic blanket market and is exporting its merchandise to Brazil. The success of Qin Yi América spurred new economic development in Ciudad del Este, the Paraguayan trade capital, which now is also seen as a place for industrial investment.

fewer trade chains in the central part of the country, where, ironically, transit is more intense. For example, supermarkets in the central corridor still have trouble supplying local fruits and vegetables, even though the corridor specializes in this type of produce. This corridor, including Central Caaguazú, San Pedro Sur, Guairá, Cordillera, and Paraguairí, epitomizes the typical problems of rural MSEs that are not well connected to medium-sized and large exporters.

The central corridor is an area that relies heavily on labor-intensive commercial farming. This area produces herbs, starch, organic sugar, and Paraguayan sesame, all signature products in Paraguay's recent success with nontraditional exports. The central corridor's ESC in Coronel Oviedo achieved results assisting businesses in these trade chains.

The southern and eastern corridors are far more developed. The success of the trade chains formed by the mechanized farming of a soy-corn-wheat complex has had a "trickle down" effect. Their success helped galvanize less traditional products in these corridors, such as rice, pork, organic yerba, and stevia. The eastern corridor's ESC in Ciudad del Este and the southern corridor's ESC in Encarnación banked on these advantages to achieve results.

Influenced by Ciudad del Este, the eastern corridor is somewhat more industrialized; hence, many ESC client firms in the eastern corridor are manufacturers. The

commercial nature of this area, combined with excellent access routes to Atlantic ports, has given it an enormous economic advantage over the rest of the country.

I.3 SERVICES, CLIENTS, CUSTOMERS, AND BENEFICIARIES

A demand side approach does not mean that the ESC business advisor sells products on behalf of his or her clients. Rather, the advisor simply establishes a working relationship that clearly defines the what, who, and how of selling the product. For example, the first phase of Paraguay Vende provided three basic services to program clients: (1) finding buyers, (2) improving the productivity of companies, and (3) securing more suppliers for the companies.

In the second phase, Paraguay Vende significantly increased its demand-driven services portfolio and publicized them in the business sector through advisors in the ESCs. In the second phase, Paraguay Vende also transferred more client services to the program office in Asunción in order to complement the assistance provided by the ESCs in the economic corridors.

Corridors

The economic corridors are strategic geographic areas where business transactions facilitated by Paraguay Vende services transform local economies. Paraguay Vende improved local economies by focusing on trade chains. A trade chain is the productive link that connects the country-

In the second phase, Paraguay Vende significantly increased its demand-driven services portfolio and publicized them in the business sector through advisors in the ESCs.

SERVICES PORTFOLIO

Corridors: Sustainable trade in the long term

Buyers: Strategic partnerships to access new markets

Productivity and Competitiveness: Improved business performance

Supply: More business for small farmers

MSEs: Small enterprises, big products

SMEs: Dynamics for global markets

Formalization: Gateway to modern trade

Roundtables: Pragmatic effective business

Reports: Analysis of new business

Data: Access to business intelligence

Communication: Publicizing business for development

side with the city, and domestic companies with each other and with foreign markets. By offering services in these geographic areas, Paraguay Vende strengthened the links between urban and rural areas where most producers are MSEs.

Buyers

Many business owners already had processes to ensure sufficient supply. The problem was that they had not devoted sufficient energy to sales. One of Paraguay Vende's standard services was to identify a buyer with a first and last name for a client. Paraguay Vende's services were not based on intermediation of sales, but rather on establishing a sustainable direct relationship between buyer and seller.

Productivity

Some business owners have the raw materials and know buyer's demands, but face difficulties improving sales because of how the business is organized. To address this, Paraguay Vende provided onsite assistance in areas such as finances, distribution or coaching², in order to make organizational capacity and productivity enhancements that led to expanded sales.

Supply

MSEs in rural areas often find they are not equipped to respond to new orders and they require assistance to do so. Paraguay Vende helped to improve the

supply of primary producers, regardless of whether they are organized, in order to establish or expand their dealings with buyers. The same concept was also applied to supermarkets.

MSEs

Paraguay Vende provided services to train, formalize, and integrate the microenterprise sector into local trade. By providing a variety of services like strategic planning, training to improve sales capacity, formalization, market access, and financing, the program helped put business owners on the path to success and learned to speak the language of microenterprises.

Some MSEs had already taken the first steps and were ready to grow, but needed a little extra push to get there. Paraguay Vende worked with MSEs trying to gain a foothold in new markets, whether domestic or foreign, by imparting the value of niche markets and by guiding them in positioning their products.

Formalization

By investigating the foundations of the economic growth in neighboring countries such as Chile, Peru, and Brazil, the Paraguay Vende team learned that the formalization and training of micro, small, and medium-sized enterprises is the first step in galvanizing the economy. Applying these concepts to the business

² Coaching is a method consisting of leading, instructing and training a person or group of people in order to achieve a particular goal or to develop specific skills.



Paraguay Vende actively participated in developing the labor-intensive agro-business model. This was the case, for example, with manioc production at the Almisa Company in Caaguazú.

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Paraguay Vende worked with MSEs trying to gain a foothold in new markets, whether domestic or foreign, by imparting the value of niche markets and by guiding them in positioning their products.

reality in Paraguay, the program promoted increased sales through municipal markets and regional supermarkets.

Roundtables

MSEs often require the proper context to meet buyers. Paraguay Vende facilitated encounters by identifying participant expectations beforehand, getting the right people at the table, and organizing logistics. Because of the successful business transactions resulting from these encounters, Paraguay Vende's roundtables have become a national model.

Business reports

Businesses rely on timely information. Paraguay Vende I and II developed 14 special reports

that offer in-depth analyses of the context, costs, and prospects of "non-traditional products." These reports, each highlighting different sectors of the economy, were widely disseminated and discussed among the stakeholders for each product category and are used as references for investments and additional research.

Database

Paraguay Vende created a database of import and export information, including details on foreign buyers, Paraguayan exporters, and statistics. The program's economic analysts, business advisors, and communications team used this information to prepare specific reports for the firms receiving USAID



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Paraguay Vende consultant providing training to ALMISA producers. As a result of this assistance, more than 31,000 days of employment were generated.

SUCCESS STORY

Bolstering supply to generate sales

Almisa trained its manioc producers to ensure the supply of high-quality raw materials for its plant.

Almidones S.A. (Almisa), a traditional industrial plant located in Caaguazú department, processes manioc and sugarcane to produce starch and fuel alcohol. The company was having trouble obtaining high-quality raw materials and faced hurdles in delivery and in relations with producers.

Paraguay Vende's central corridor began providing technical assistance to Almisa in 2008 to increase the volume of sales and supply and to boost the earnings of all of the stakeholders in local productive chains of starch and fuel alcohol. Producers were trained in the selection and storage of canes and seeds, soil preparation, seedling preparation, planting, the characteristics of the main industrial varieties and their production cycles.

A crop census identified existing varieties and determined which would be most suitable. A raw materials delivery mechanism was set up based on sugar quality. Specific dates were set for cane cutting and delivery, which must be done on the same day to ensure quality.

The effective partnership between small and industrial producers in the area led to a sales increase of \$217,000, generating more than 31,000 person-days of work.

Thanks to assistance from Paraguay Vende, the relationship between Almisa and the producers is now seamless as both stakeholders have learned to navigate the complexities of this productive chain.

Paraguay Vende’s communications team designed strategies that enabled businesses, products, and sectors to effectively transmit their news to society.

assistance. In turn, MSEs and business owners have used this information to make better decisions when entering into new business deals.

Communications

In the era of global communications, it is impossible to conceive of doing business without being actively engaged in society. Paraguay Vende’s communications team designed strategies that enabled businesses to effectively transmit news about their products and sector to society. The team also worked on communications geared toward the economic corridors, using colloquial language to ensure messages and awareness-raising efforts resonated with beneficiaries.

The program established working relationships with companies, whether large or small, associations or cooperatives. Successful working relationships involved consulting clients, customers, and beneficiaries in each trade chain. However, since relationships are complex and the program was ultimately focused on improving economic growth, the priority was not to categorize every actor with one label and limit interactions accordingly.

A. Agreements and business plans were signed with program clients—for example, Paraguay Vende’s 65 client companies.

B. No agreements were required with program customers. These entities, which could be private or public, received assistance because they were the linchpins of a particular business plan. For ex-

ample, hundreds of rural microenterprises in Alto Vera received assistance to grow organic black sesame for sale to the Anabel company, a program client.

C. All clients and customers were also program beneficiaries. In addition, the program brought tangible benefits to other individuals, companies, and organizations, which improved their living standards. They include, for example, microenterprises in the sesame sector that participated in the many training programs offered to producer groups. These microenterprises usually include up to five people. Since a single sesame exporter generally deals with 5,000 to 20,000 rural microenterprises, the number of beneficiaries, including those who might also be customers, could be as high as 100,000 people (see Figure 3).

1.4 CLIENT COMPANIES CONTRIBUTE MATCHING FUNDS

Providing assistance to large enterprises in the ESCs-corridors-trade chains encouraged additional resource leveraging because these client companies covered a significant portion of the costs of improving business. Better yet, large enterprises did this not only because the program required it, but also because they developed a sense of corporate social responsibility (CSR) in the context of their business interests.

CSR makes for a sustainable business and is not charity. In light of the current technology and consumer demands, companies would never be able to plant



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SUCCESS STORY

Developing gourmet cheese

Quesos Cremo, a cheese microenterprise assisted by Paraguay Vende, launched an ambitious national project.

Dominique Frossard, founder of the microenterprise, Quesos Cremo, proudly demonstrates the first Paraguayan "National Cheese Bank." This entrepreneur loaned a portion of the LAPADE facilities to promote the transfer of cheese production knowledge and technology.

For decades, the Quesos Cremo microenterprise in Colonia Yguazú, Alto Paraná department, has manufactured a wide variety of cheeses using Swiss recipes. In order to compete with Argentine imports in the demanding domestic gourmet market, the company needed to strengthen its brand.

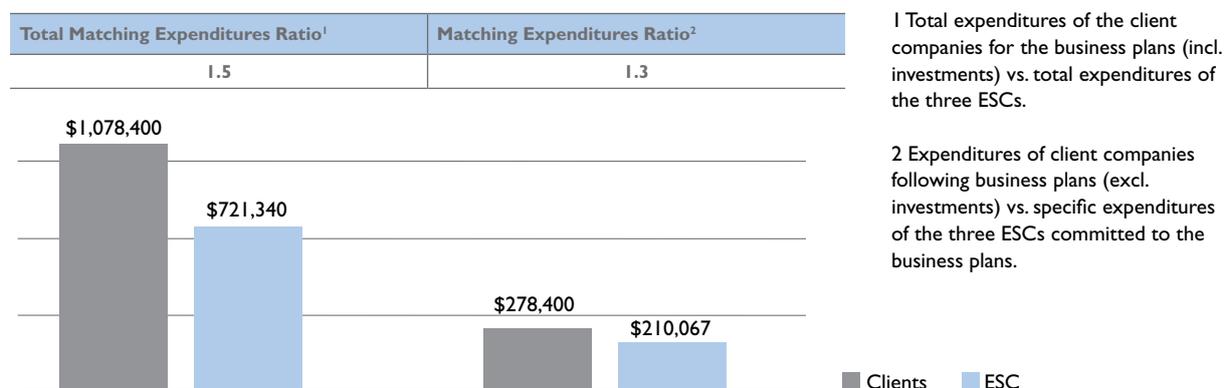
Paraguay Vende assisted the company by facilitating its participation in business roundtables and national and international fairs. New logos and packaging were designed to make the products more attractive and a Web site was created to advertise the company's products. By June 2010, Quesos Cremo had increased its sales by close to \$5,500.

During the period that Paraguay Vende was providing assistance, the Quesos Cremo company, together with other private entrepreneurs, came up with a project that led to the founding of Lácteos para el Desarrollo ("Dairy Products for Development") or LAPADE. The purpose of this nonprofit organization was to set up a technical school on the grounds of the Quesos Cremo industrial plant to train young people in the art of producing Swiss cheese. Twelve young people are now producing cheese aged in Paraguay's first Banco Nacional de Quesos ("National Cheese Bank"), which the company installed in its factory.

LAPADE has since grown and established new milk production areas to provide raw materials to the venture. All profits from the National Cheese Bank sales are reinvested in LAPADE to promote its expansion.

**FIGURE 4
PROGRAM BUDGET AND PRIVATE MATCHING FUNDS**

June 2007-September 2008



Source: Results Monitoring Unit of Paraguay Vende.

¹ Total expenditures of the client companies for the business plans (incl. investments) vs. total expenditures of the three ESCs.

² Expenditures of client companies following business plans (excl. investments) vs. specific expenditures of the three ESCs committed to the business plans.

The ESCs have significantly boosted the sale of Paraguayan products. By focusing on the corridors and trade chains, ESC assistance linked rural microentrepreneurs to the international market.

all of the manioc, sugarcane, and herbs they need to expand their business and meet consumer demands. They are structurally dependent on microentrepreneurs.

Paraguay Vende signed a business plan with each client company. The business plans identified the bottlenecks and the solutions to improve sales. The solutions included specific actions required to boost sales and established the steps to be taken by the ESC and the client. As shown in Figure 4, the companies spent more than the ESCs on implementing the business plans. When investments are included, the companies spent 50 percent more; if investments are excluded, companies spent 30 percent more.

1.5 EXPORTERS IN PARTNERSHIP WITH MSES

The ESCs have significantly boosted the sale of Paraguayan products. By focusing on the corridors and trade chains, ESC assistance linked rural micro-

entrepreneurs to the international market. Successful business transactions had a lot to do with adapting to new trends in more developed countries, like the increasing consumer demands for traceability, quality, and fair trade standards.

Paraguay is ideally situated for this type of agro-business. Although the central corridor has more agricultural relationships, the southern and eastern corridors applied the same model. Since the country's most successful trade chains based on the soy-corn-wheat complex are located in the southern and eastern corridors, Paraguayan agro-business owners have strong ties to these areas, dating back to the 1970s.

Paraguay Vende played an important part in developing the labor-intensive agro-business model. The focus is no longer on an agro-export economy, but rather a nascent value-added economy built on partnerships with rural MSEs.



An artisan with the microenterprise Aravoré Babies packages organic cotton baby apparel for export to Europe.

USAID PARAGUAY VENDE / CÉSAR OLMEDO

GLOBALIZATION OF PARAGUAYAN TRADE CHAINS

Largest exporter of organic sugar in the world

4th largest soy exporter worldwide

6th largest sesame exporter worldwide

12th largest beef exporter worldwide

Paraguay is a country of extremes: it is currently the fourth largest soy exporter in the world, yet rural residents, who represent 42 percent of the total population, have a poverty rate of 49 percent. While the productive model, based on a soy and cattle economy, was considered a commercial success for Paraguay, it has not improved living standards for a significant portion of the rural population.

In light of this fact, Paraguay Vende pursued an agro-business model based on partnerships. This agro-business model includes small businesses and focuses on lifting them out of informality and marginalization, which improves their participation in trade chains and leads to poverty reduction. Today, Para-

guay is the number one exporter of organic sugar worldwide and the sixth largest exporter of sesame. Both products create direct employment in areas that for years have been extremely poor.

1.6 INNOVATIONS IN MONITORING AND COMMUNICATIONS

Monitoring and communications traditionally occur once a project has been launched and initial results obtained. One of the lessons learned from the first phase of Paraguay Vende was that this was not effective. For example, in order for a team to innovate and continually adapt to changes, it is important to:

1. Have a communications team to explain program objectives and results sought.



An MMKM tailor making security vests for motorcyclists in Ciudad del Este.

USAID PARAGUAY VENDE / CÉSAR OLMEDO

This agro-business model includes small businesses and focuses on lifting them out of informality and marginalization, which improves their participation in trade chains and leads to poverty reduction.

2. Have a Results Monitoring Unit (RMU) at the table during planning and the initial field visits, as well as throughout the program.

This lesson, which was successfully incorporated into the second phase of Paraguay Vende, was also one of the central themes at Chemonics International's 2009 Leadership Development Conference, held in Washington, D.C.

This strategy of prioritizing the role of monitoring and communications, enabled the program to offer more assistance to clients

and to adapt more effectively to client demands. The figures from the second phase of Paraguay Vende say it all (see Section 1.1). When a client firm saw improved sales resulting from program assistance, many companies in the trade chain became interested in seeing how Paraguay Vende could help increase their business locally, regionally, and abroad. In some cases, exporters even sought Paraguay Vende assistance in developing products for local consumers. The program reinforced its communications and monitoring units to effectively respond to these changes.



Microentrepreneur Lidia Maciel became a regular supplier for several large-scale points of sale as a beneficiary of the “Tu Producto al Super” campaign.

CHAPTER TWO

SELLING TO SUPERMARKETS

2.1 RURAL-URBAN DYNAMICS IN THE CORRIDORS

Throughout implementation, Paraguay Vende saw important changes in the economies of the corridors. Growing rural-urban migration was observed during both phases of the program. According to the agricultural census, an increase in medium-sized enterprises, coupled with a decrease in small and large operations in the countryside, had created a rural middle class. With a burgeoning stock of motorcycles and cell phones, the poorest strata of rural dwellers are now living increasingly urban lifestyles. At the same time, more supermarkets are opening in small provincial cities and many microentrepreneurs today are anxious to take part in this new business environment.

The ESCs recognized these changes and the program responded to the new demand by launching its “Tu Producto al

Súper” (TPS)—“Your Product to the Supermarket”—campaign, in conjunction with CAPASU, the Paraguayan Supermarket Association.

Figure 5 shows that of the 81 companies Paraguay Vende assisted between June 2007 and June 2010, 32 percent were supermarkets and 25 percent were MSEs. This does not include the 500-plus MSEs that participated in the campaign but did not become “clients” of Paraguay Vende by having signed business plans with the ESCs.

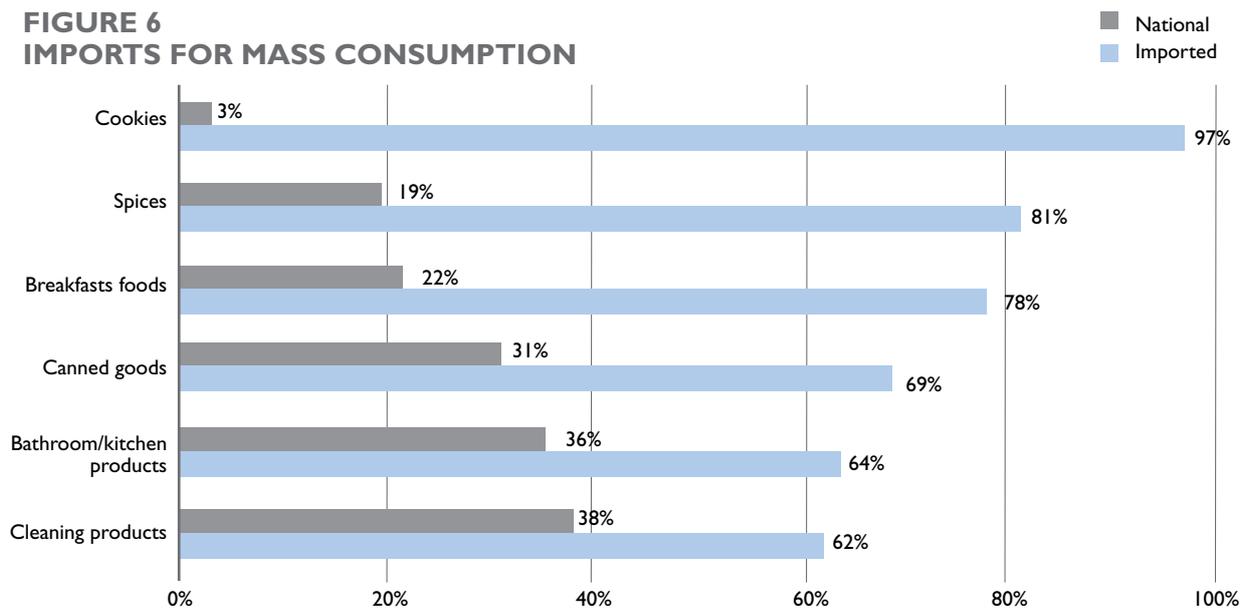
Trade modernization in the corridors advanced at a rapid pace. Rising revenues generated by agro-businesses, coupled with more public spending on schools and subsidized programs, fueled a new demand for products and services. In particular, the demand for financial services increased. Cooperatives and financial institutions grew at an abnormally fast pace while

FIGURE 5
CLIENTS ASSISTED BY THE PROGRAM
(excluding customers and beneficiaries)



Source: Results Monitoring Unit of Paraguay Vende.

FIGURE 6
IMPORTS FOR MASS CONSUMPTION



Source: Created by the authors based on data from CAPASU.

Personal experience is the best teacher when it comes to understanding and mastering the supermarket distribution system.

national banks opened in small urban centers to serve the emerging businesses in the corridors. MSEs suddenly found it easier to access financing to expand their crops or to try new marketing business ventures.

The program effectively adapted to this changing context. Beginning in October 2008, Paraguay Vende's assistance agreements focused increasingly on micro-enterprises, small companies, and supermarkets. As shown in Figure 5, 57 percent of program clients were supermarkets, micro-enterprises, and small businesses.

2.2 BARRIERS TO TRADE

The main barriers to introducing local products to supermarkets are poorly packaged products and the persistent informality of small businesses. These are the reasons why supermarkets buy from distributors. For example, only 3 percent of products such as cookies are made locally, the rest are imported.

With Paraguay Vende's assistance, both of these obstacles were easily overcome. To address poor packaging, the ESCs developed business plan solutions that promoted buyer interaction with sellers and provided practical assistance to MSEs to meet buyer demands. In general, the problem was that products were poorly labeled and packaged, and therefore unattractive to the buyer.

Another problem identified was the lack of logistical planning for getting the local products to the supermarket. To address this, business advisors encouraged MSEs to take responsibility for supplying supermarkets from the beginning. Personal experience is the best teacher when it comes to understanding and mastering the supermarket distribution system. Once small businesses fully grasp how the supermarket operates, they can find a distributor for their products.



Héctor Centurión, a microentrepreneur from Caaguazú and beneficiary of the campaign “Tu Producto al Súper” (“Your Product to the Supermarket”) is now a supermarket supplier in his region.

USAID PARAGUAY VENDE / CÉSAR OLMEDO

“TU PRODUCTO AL SÚPER” CAMPAIGN

	June 2009 - May 2010
Sales generated with existing or new products	\$1,968,364
Supermarket clients	26
MSEs participating in the program	507

During the twelve months of the TPS campaign, sales were more than five times higher than the program’s investment.

Informal businesses have become such a serious issue in Paraguay that national, state, and municipal government intervention is required to solve the myriad of problems associated with the sector. The issue is not only a matter of unregistered businesses, but also involves other problems like uncertified products; the difficulties created when owners show up in the INFORMCONF system³ due to financial arrears; lack of legal titles to property, precluding access to mortgage loans; and hiring practices that do not follow labor regulations, to name just a few.

Paraguay Vende took a pragmatic approach to the informal sector

by focusing primarily on business solutions. In other words, Paraguay Vende demonstrated to program clients that there is always a way to make a sale. At the same time, the program partnered with the Ministry of Industry and Commerce to launch a pilot program to formalize microenterprises in the country.

During the twelve months of the TPS campaign, sales were more than five times higher than the program’s investment.

The TPS campaign was launched against this backdrop: a public event was organized in each corridor to explain the campaign and listen to demands concern-

³ INFORMCONF is a Paraguayan private operation that provides information about the financial status of individuals and legally incorporated entities.



USAID PARAGUAY VENDE // MELISA MARTINEZ

SUCCESS STORY

Small businesses, big products

Paraguay Vende successfully debunked the myth that microenterprises cannot sell their products in supermarkets.

More than 500 MSEs and 26 supermarkets joined the campaign during the assistance period. Business roundtables were held in several parts of the country and microenterprises increased their sales of domestic products by \$1,968,374.

In 2008, the Cooperativa Colonias Unidas was looking for ways to formalize the MSEs that supplied its supermarket. Toward the end of the year, the cooperative decided to contact Paraguay Vende.

Studies conducted in response to the needs of the Hohenau supermarket identified more than 300,000 microenterprises throughout the country that were facing similar barriers to selling their products to other supermarkets.

After forming a strategic partnership with CAPASU, the Paraguayan Supermarket Association, Paraguay Vende designed its “Tu Producto al Súper” campaign in late 2008.

This activity helped microentrepreneurs formalize their businesses and better market their products to points of sale. The first task was to proceed with the formalization of these small-scale suppliers with the support of the Ministry of Industry and Commerce and MERCOSUR's Structural Convergence Fund (FOCEM). At the same time, Paraguay Vende offered technical assistance to supermarkets to improve product placement and display and provided shelf stockers and product promoters to ensure effective marketing.

More than 500 MSEs and 26 supermarkets joined the campaign while Paraguay Vende provided assistance. Business roundtables were held in several parts of the country and microenterprises increased their sales of domestic products by almost \$2 million. These business transactions generated more than 40,000 person-days of direct employment and increased the economic benefits for hundreds of families whose subsistence depends on the production and sale of mainly artisanal products. In addition, Paraguay Vende promoted an advocacy network in support of the first microenterprise law, which will be introduced in the Senate in 2010.

Paraguay Vende developed and provided public relations materials to the supermarkets to effectively publicize the campaign to consumers. By far, the TPS campaign garnered the most recognition for the Paraguay Vende program in the corridors.

ing MSE sales to supermarkets. Subsequently, the ESCs promoted the program among the supermarkets located in their respective economic corridors. The first business plan was officially signed in June 2009 with Supermercado Herrero in Villarrica, and was followed by 25 more.

2.3 MERCHANDISING FOR SMALL BUSINESSES

The key to supermarket marketing is space on the shelves. Supermarkets sell shelf space and since small businesses cannot afford it, they are left out. In response to this barrier, the program offered supermarkets an employee to take charge of merchandising⁴. This assistance encouraged many supermarkets to join the program and sign a business plan with the ESCs. The supermarkets were flexible on the shelving space issue and were open to promoting local products on special. The employees in charge of merchandising took over restocking, following up on orders, and reporting to those involved. In general, they were responsible for shelving existing MSE products in client supermarkets and specifically promoting the introduction of new products from those businesses.

Paraguay Vende developed and provided public relations materials to the supermarkets to effectively publicize the campaign to consumers. By far, the TPS campaign garnered the most recognition for the Paraguay Vende

program in the corridors. Those who had never heard of Paraguay Vende were now aware of its work. Through TPS, the program also developed a constructive relationship with national government officials.

2.4 BUSINESS ROUNDTABLES FOR SMALL BUSINESSES

Paraguay Vende used business roundtables as a means to connect MSEs to supermarkets. In this way, the ESCs developed an effective response to thousands of MSEs in their corridor by seeking out concrete sales opportunities for them. The roundtables were also a new forum and experience for the supermarkets.

Although these supermarkets are regional enterprises, many lack ties to the small businesses in their area. Many supermarkets around the country do not have local and regional suppliers of produce, household articles, or products.

Small businesses, especially the microproducers, were not in a position to negotiate with the supermarkets. They had to prepare new samples and consider their costs, and many of their establishments and products were not formalized. Despite these seemingly insurmountable barriers, Paraguay Vende provided them assistance to sell to supermarkets. When the goal is to sell, develop, and increase profits, every sales barrier has a solution.

⁴ Merchandising or micro-marketing is the area of marketing that deals with increasing profitability at the point of sale.



USAID PARAGUAY VENDE / MELISA MARTÍNEZ

“The supermarkets praised my product and they all wanted to buy from me” says María del Rosario de Argüello, a microentrepreneur from Ciudad del Este.

FIRST PERSON Small business a sweeping success

A microenterprise from Alto Paraná manufactures straw brooms and sells them to supermarkets in the eastern part of the country.

For six years now, María de Argüello and her husband Rosalino have been making traditional straw brooms in the courtyard of their home in Hernandarias, Alto Paraná. “It’s no coincidence that this is what we do,” she says as she shows us the workroom. “Rosalino learned this craft from his parents when he was growing up in Paraguari,” she explains.

At first, they sold their brooms door to door and took small quantities of them to several vendors in the food market in Ciudad del Este.

In mid-June of 2009, Paraguay Vende’s eastern ESC organized a business seminar for small entrepreneurs and local supermarket owners in the Itaipú Visitors Center:

María participated in the event held as part of the “Tu Producto al Súper” campaign and met with representatives from several supermarkets from the eastern part of the country.

“We saw the sign for the business seminar in front of Súper Gran Vía and decided to go. We took along a few samples to try our luck, but we had no illusions since we’d never sold in supermarkets,” María recalls. She explained that the reason for this was the red tape they encountered in trying to close a business deal with that type of sales outlet.

“I felt so proud that day because the supermarket representatives praised my product and they all wanted to buy from me,” she adds, visibly moved.

The Argüellos now have a well-established workshop, still in the courtyard of their home, with two manual machines for assembling the brooms. They have reached a production capacity of 360 units per day and 4 more employees are now working in the microenterprise.

Growth brought in good business, but also posed new challenges for the “Escobas Santa Rosa” microenterprise. Since the beginning, several microproducers in Santaní have supplied the straw they use to make their product. “Now we are creating incentives for producers to plant in the Raúl Peña area (Itaipúa),” says María, adding that they have formed a committee, distributed seeds, and are providing technical assistance so that they can obtain raw materials locally.



Ruth Martínez, microentrepreneur and beneficiary of the “Your Product to the Supermarket” campaign, became a regular provider for several supermarkets.

USAID PARAGUAY VENDE / CÉSAR OLMEDO

The success stories of the MSEs that worked with the TPS campaign, show that this approach was the most successful initiative of the program in the short term.

Many microentrepreneurs got the whole family involved to tackle the difficult tasks.

From the program’s standpoint, the roundtable experience was by far the greatest success of the TPS campaign.

Everything started with demands from the small businesses that requested Paraguay Vende’s help with sales. Some called to say that they had watermelons that could be exported and that they wanted to sell to regional supermarkets. Others went to the ESC to display their merchandise, such as shoes and

clothing. Paraguay Vende’s slogan was always “produce what sells.” The problem was that the local businesses in the corridor were not selling while others, usually importers, were.

The success stories of the MSEs that worked with the TPS campaign, which ran for 12 months, show that this approach was the most successful initiative of the program in the short term. The needs of the microenterprises are great and there is a lot of motivation for them to expand their business. With just a little push, these businesses have really taken off.



A promoter from the "Tu Producto al Súper" campaign participates in a Quesos Crema product tasting at the Paraguay Vende stand during the CAPASU/Expo 2009.

CHAPTER THREE

COMMUNICATING FOR DEVELOPMENT

3.1 EFFECTIVE BUSINESS MARKETING TOOLS PROMOTE DEVELOPMENT

A Web site, a catalogue, and attractively packaged samples are essential to sales. These are exactly what many Paraguayan businesses are missing and what the program's communications team helped them create, along with other services such as creating institutional videos to promote sales. Many Paraguayan businesses have not had enough experience with demanding buyers to think they need these tools. This is part and parcel of the marginalization and informality of the Paraguayan market.

In Paraguay, exporters are beginning to travel in order to sell. Until recently, commodities carried more weight and companies waited for the clients to come to them, rather than proactively going after sales.

Improved marketing tools have played a key role in generating more business for the program's clients. In a matter of two to three weeks, for example, a small business can launch a Web site, feature a new product design, and produce a catalogue or even a video, which has become an increasingly effective way to reach potential buyers.

In Paraguay Vende's experience, this type of assistance has the most impact on business expansion and may become a new way of integrating MSEs into the modern world.

With Paraguay Vende's assistance, business owners explored a new form of globalization that does not leave them feeling humiliated or sub-par for lack of basic business tools. By developing these tools, they positioned themselves in the world. These tools connect them to neighboring countries and offer their products for sale.



Producer of herbs conducting a pre-cleaning of the burrito herb for delivery to Aliaga.

USAID/PARAGUAY VENDE / CÉSAR OLMIEDO

SUCCESS STORY

Better communications promote development

Improved communication with suppliers and markets strengthened the herbs and spices business of Aliaga and Agropoty.

Medicinal herbs are deeply rooted in Paraguayan culture and lifestyle. Businesses often grow some of their own crops and also buy from local suppliers.

Paraguay Vende assisted Agropoty and Aliaga, two small businesses dealing in medicinal herbs located in Guairá and San Pedro, respectively.

Both businesses were assisted through the central ESC. Agropoty received assistance to enhance its market presence, while Aliaga improved its supply through training and access to credit for farmers.

In Villarrica, Agropoty needed help to strengthen its brand recognition. Paraguay Vende's communications team designed a Web site and audiovisual materials about the company to convey a clear message to its consumers and buyers about the positive impact that the purchase of these herbs has on developing the community.

Paraguay Vende hired a specialist to train Aliaga how to improve yields and maintain the organic certification of the small farmers that supply the company. Paraguay Vende also helped Aliaga facilitate better access to credit by working with a financial institution willing to grant loans with better terms for the producers. With assistance, Aliaga effectively communicated these improvements to its suppliers.

Both companies successfully established new communication channels with their markets and their suppliers that improved the quality of their relationships and boosted sales.

Between June 2007 and June 2010, USAID/Paraguay Vende's assistance to Aliaga and Agropoty generated \$775,127 additional sales, representing 104,032 person-days in this sector.



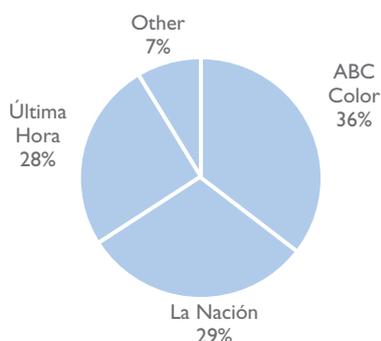
DESIGN BY BUROCREATIVO

Capturing the consumer’s attention is essential, and a goal only a good design can achieve. San Millán received technical assistance from the Communications Unit on improving their presence in supermarkets.

PUBLICITY IN THE PRINT MEDIA

June 2007 - June 2010

Media exposure (no. of times)	
TV	16
Web	71
Newspapers	233



Source: Communications Unit.

Paraguay Vende’s communications unit also encouraged business owners to visit international expositions and to host and visit buyers from around the world.

3.2 EMPOWERING COMMUNICATORS

Paraguay Vende gradually developed a new strategy for integrating businesses in a globalized world. Instead of monitoring and communicating the changing context of competitiveness, sectoral policies, trade associations, and government policies, the communications team reached out to the private sector. The communications unit provided technical assistance directly to companies to empower them to interact with their buyers, their suppliers, and their surroundings.

3.3 USING FAIRS, STANDS, AND PROMOTIONS EFFECTIVELY

Typically, Paraguayan businesses have yet to develop a national brand that truly distinguishes them. Lack of brand recognition significantly inhibits effective sales generated by attending fairs. In Paraguay, trips to fairs are often used for purposes other than developing sales or contacts, which means developing stands for fairs has not been a successful business strategy. Moreover, promotions at fairs are typically not used effectively as a way for sales teams to follow up with potential buyers. To promote effective marketing strategies at fairs, Paraguay Vende’s communications unit and ESCs focused on these issues.



USAID PARAGUAY VENDE / CÉSAR OLMEDO

SUCCESS STORY

A sweet experience with organic sugar

With USAID assistance, Pronat was able to export Paraguayan organic whole sugar to the demanding Swiss market.

Farmer from Maciel, department of Caazapa, harvesting organic sugar cane for delivery to Pronat. The assistance that ParaguayVende provided generated 82,375 days of employment in one of the poorest areas of Paraguay.

The Costa Dulce sugar mill, owned by Pronat S.A. in Maciel, Caazapá department, with a daily production capacity of 7,500 kilograms of organic whole sugar, was paralyzed by administrative problems.

ParaguayVende provided Pronat with technical assistance by first looking at its books. The program evaluated Pronat's financial situation by consulting its main funding sources and contacts and then helped them identify and implement the most appropriate systems and methods to meet its business needs. This became the springboard that launched it onto a path of continuous success.

The next step was to find a stable buyer. ParaguayVende assisted Pronat with the identification and formalization of foreign sales of its organic products. A buyer was identified and an exclusive supplier contract was signed that boosted the company's sales by \$841,740. Improved sales translated into 82,375 person-days of employment in one of the poorest areas of the country.

The assistance helped generate a promising business forecast for Pronat. This outlook was further improved when the Swiss firm that owns Zucanat granted the Paraguayan company usufruct rights to the well-known brand of organic whole sugar for Mexico, Canada, and the rest of Latin America.



During Expo Capasu, Paraguay Vende's Communications Unit established a place for business meetings between MSEs and supermarket representatives to take place.

USAID PARAGUAY VENDE / CÉSAR OLMEDO

Once again, Paraguay Vende's success was built on addressing the demands from clients, in this case from fair organizers, participating businesses, or program clients.

Once again, Paraguay Vende's success was built on addressing the demands from clients, in this case from fair organizers, participating businesses, or program clients. During the first phase of Paraguay Vende, the program focused almost exclusively on the Food and Beverage Fair, known as FABE (Feria de Alimentos y Bebidas), organized by one of the program's client companies. Drawing from this experience, in the second phase, Paraguay Vende helped clients participate more actively in several fairs with the goal of increasing sales and promoting sustainable business relationships. The program achieved this goal by prioritizing effective placement and use of business stands also staffed with Paraguay Vende specialists, incorporating new product launches into promotions, and introduc-

ing the business roundtables into fairs to establish relationships between buyers and sellers.

To improve exports, Paraguayan businesses typically required this type of communications assistance. The communications team often provided practical business content for the fairs and ended up specializing in the subject. Like roundtables, fairs started to generate better sales. For example, the program helped organize a business roundtable at the Mariano Roque Alonso Expo; business meetings at the Paraguayan Industrial Union, known as UIP, (the Unión Industrial Paraguaya) to discuss the Generalized System of Preferences with the United States; the Brazil-Paraguay business week in Curitiba; and the annual CAPASU fair. With Paraguay Vende assistance,



Photo layout in *Diario Última Hora* featuring Alfred Girshwailer's speech during the launch of LAPADE, an organization sponsored by the Quesos Cremo company.

USAID PARAGUAY VENDE / MELISA MARTÍNEZ

The program received a significant amount of coverage in the national press, because of an effective communications strategy that showcased results.

these events yielded positive results in terms of improved business marketing strategies that led to increased sales.

3.4 THE PROGRAM'S COMMUNICATIONS

Paraguay Vende publicized its approach to poverty reduction through the sale of local products. The approach ultimately focused on promoting the local products of small companies connected to the market in two ways:

- (1) By reaching out to large enterprises, which depend on rural MSEs integrated into their trade chains, and to supermarkets that could or did buy from micro-enterprises, to get the program's message out.
- (2) By reaching out to MSEs directly and providing them with

business marketing strategies to enhance the sales of their brands in local markets and to market their own products for export.

The program received a significant amount of coverage in the national press, because of an effective communications strategy that showcased results. By focusing on communicating visible results, the Paraguay Vende program never had to purchase advertising space. The press often picked up articles from program newsletters or business reports.

Paraguay Vende also obtained free radio air time throughout the country to announce training events and business roundtables or to broadcast radio spots with technical information, such as best practices in sesame production.

3.5 BUSINESS SECTOR REPORTS

The communications team prepared customized market studies on the main new business areas. In addition to presenting the program’s experiences, the studies were designed to invite new entrepreneurs to take advantage of these kinds of market opportunities.

Besides attracting foreign entrepreneurs to invest in the country, the studies were produced to encourage young or innovative rural entrepreneurs in the country to pursue development opportunities in these product areas. Another goal is to showcase the improvements and dynamism in the Paraguayan business climate to potential foreign investors by providing detailed information on the conditions in which businesses operate.

The communications team relied on the ESCs to obtain information from the field and to interview actual stakeholders in each business area. Statistical information was also drawn from official and private sources. In many cases, the business reports have become the only reference materials with specific data on these businesses in the country. Those interested in obtaining further information can contact the business owners or public sector representatives cited in the reports.

The reports were produced in response to the growing entrepreneurial culture that has developed throughout Paraguay.

The ESCs really got to know many of the stakeholders in these trade chains in the corridors. Typically, they have been young and innovative entrepreneurs with small businesses who have aspirations of international trade operations.

Some are immigrants seeking to diversify their businesses after successful experiences in the trade chains of the “soy-corn-wheat” complex, while others include cooperatives of rural microenterprises in impoverished areas of Paraguay.

Many small rural entrepreneurs are organized in cooperatives and associations seeking to integrate into the modern business world, which had never been targeted by any national economic program before.

These small rural entrepreneurs are not simply “farmers,” since their agro-business activities combine elements of the agricultural, industrial, and commercial sectors strategies. Paraguay Vende’s working platform effectively targeted these small rural entrepreneurs who are the cornerstone of the burgeoning agro-industrial Paraguay.

BUSINESS SECTOR REPORTS

Vende I	Stevia
	Pine mouldings
	Yerba Mate
	Computer products
Vende II	Biofuels
	Sesame
	Organic sugar
	Rice
	Processed meats
	Supermarket marketing
	Manioc and starch
	Herbs
	Chickens

Source: Communications Unit.



Training artisan suppliers of the Aravoré Company to improve the production of handmade organic cotton clothing exported to European markets.

CHAPTER FOUR

TRANSFERRING KNOWLEDGE

4.1 TRAINING THROUGH PARAGUAY VENDE

As was the case with technical assistance, the program held training onsite in the factories or in the field. Onsite training provided by business advisors and consultants proved to be an effective way to transfer knowledge and build capacity. Throughout the program, Paraguay Vende prioritized hands-on knowledge sharing in lieu of writing reports.

Training sessions were offered to groups of clients, customers and beneficiaries in rural or urban environments. Paraguay Vende always held practical training as near to the workplaces as possible. Although ESC advisors usually conducted the capacity building training, the program also contracted consultants to provide specialized technical assistance and training. For example, hundreds of training seminars were held for microentrepreneurs working with sesame, manioc, and sugarcane in order to improve crop yields and sales. During the TPS campaign, doz-

ens of training workshops were conducted for supermarket employees and small-scale suppliers to place and promote more local products on the shelves.

Brazilian experts were hired to deliver training to promote improvements in the chicken sector and Bolivian experts provided assistance to support the new and improved production of oregano.

4.2 TRADE CAPACITY BUILDING

Trade is a set of international practices, norms, and institutions that form the underpinnings of any globalization model. For example, a Web site, catalogue, and properly packaged and labeled samples have become essential to selling any good or service throughout the world. This is why economic growth programs must have a communications team.

Building the trade capacity of clients, customers, and beneficiaries was a key objective of Paraguay Vende's training programs.



USAID PARAGUAY VENDE / CÉSAR OLMEDO

SUCCESS STORY

Sustainable development with sesame

USAID supports the productive expansion of sesame by providing demand-driven assistance through exporters.

Buyer from Japanese company, Mitsui, conversing with a sesame producer. The assistance that Paraguay Vende provided to this sector generated incremental cumulative sales of more than US \$57 million between 2004 and 2009.

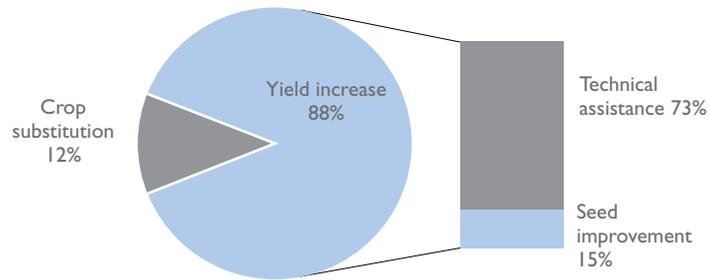
Businesses and cooperatives in San Pedro and Concepción, the Paraguayan departments with the highest rates of rural poverty, faced a unique situation in 2003. Demand for sesame from Japan and Korea far exceeded supply. During the harvest season, out-and-out battles for purchases of the limited supply of small producers broke out. Having observed this phenomenon, Paraguay Vende set up operations in the northern part of the country in early 2004 and began to provide assistance during the first phase of the program.

From 2004 to 2008, the Paraguay Vende program signed business plans with 10 companies and cooperatives to provide technical assistance and increase sales. Shirotsawa Company used technical field experts and developed a network of seed producers. One World Trading and Cooperativa La Norteña requested assistance and established 500 hectares of organic sesame. Ecotrading Yva received assistance to improve sesame supplied from 2,500 producers. Chung Bo received assistance to improve the acquisition and storage of sesame for toasting and for oil. Semillas Kemagro needed assistance to market sesame in the United States and to promote the Inia variety. Anabel, based in Itapúa, requested help to develop organic black sesame. Hierbapar & Arasy Orgánica received assistance to develop new sesame fields in different areas and to strengthen the company during a period of intense growth. Assistance was also provided to Alimentos Ecológicos and Amado Duarte to develop new sesame fields in Caaguazú.

The support given to this group of companies and producers had an enormous impact in several areas of the country. The trade volume in sesame grew steadily, leading to cumulative incremental sales of more than \$57 million between 2004 and 2009.

More than half of the total value of increased exports generated through Paraguay Vende assistance ended up in the pockets of the small producers. Thanks to sesame, thousands of households experienced improved living conditions.

FIGURE 7
IMPACT OF TRAINING FOR SESAME GROWERS



Source: Impact study by Paraguay Vende in El Sésamo in San Pedro, Pedro Garay, University of Kansas.

Training was not limited to international trade in general, but also covered specific subjects, such as traceability. For example, beneficiaries learned that since buyers are demanding traceability, using the right seeds is critical to the success of microenterprises seeking to market their products to Paraguayan exporters.

Training also covered the basics of successful business negotiations, particularly during the TPS campaign. Training imparted one clear message: unless businesses are formalized, MSEs will never gain access to modern trade and, as a result, the country will not be able to effectively expand local or international trade.

Many businesses lack the capacity to identify potential buyers. They do not know which databases to consult or how to navigate the Internet. They also tend not to use their own data and contacts well. Paraguay Vende focused training on building this trade capacity in the corridors and on helping businesses improve local or international sales. Therefore, promoting understanding of the trade chains and building capacity in them

was fundamental to all training programs.

4.3 LEARNING AND MEETING IN THE FIELD

Rural microenterprises have the most pronounced need for training in the country. While some training has been conducted for sectors such as beans, stevia, herbs, peanuts, and forest nurseries, most have concentrated on sesame, manioc, and sugarcane.

Since the public sector still lacks a technological center for sesame, the program met the demands of sesame exporters by working closely with them to address key areas like teaching producers about seed handling and effective techniques for harvesting, cleaning, and bagging.

Training ensured improved sales for exporters, while also promoting sales for microenterprises organized in producer committees or cooperatives.

Many microentrepreneurs had started out in cotton and were distrustful of brokers. Unlike cotton, the sesame business was based from the start on a partnership between small and large

Training ensured improved sales for exporters, while also promoting sales for microenterprises organized in producer committees or cooperatives.



On the right side, Mariela Garabano, a microentrepreneur of Tu Producto al Súper campaign in training at Coronel Oviedo.

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business owners. In this case, the concept of the trade chain was particularly relevant.

A special report on sesame produced by Paraguay Vende showed that of the 88 percent of beneficiaries who reported improved yields on their lands, 73 percent attributed the increase to the technical assistance they had received (Figure 7).

Paraguay Vende held hundreds of field meetings. For example, to improve manioc production and sales, the program partnered with the Choré Research Institute of the Ministry of Agriculture and Livestock.

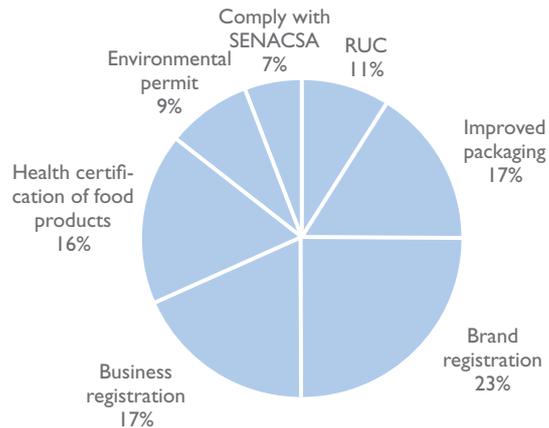
Paraguay Vende's collaboration with the Choré team resulted in

field trainings developed and held to help manioc processors and starch exporters supply the demand coming from their buyers.

To improve the production and sales of sugarcane, Paraguay Vende worked with experts from the Catholic University of Coronel Oviedo and the Experimental Sugarcane Center in Natalicio Talavera, Guairá department.

While field training in sugarcane was similar to training held for sesame and manioc, since Paraguay Vende's assistance focused on organic sugarcane, field training covered additional topics related to how to ensure organic farming and fair trade.

**FIGURE 8
TRAINING REQUESTS FROM
MICROENTERPRISES**



Source: Results Monitoring Unit of Paraguay Vende

4.4 WORKSHOPS IN LARGE ENTERPRISES

Topics addressed in training for client companies included issues like quality, hygiene, merchandising, and logistics. The objective of all training was to improve productivity and to enhance the performance of these companies.

To that end, the program usually contracted specialized technical experts in each field to serve as trainers and facilitators of workshops. The workshops were geared toward the staff of the client companies and often served to complement technical assistance to the companies.

4.5 TRAINING MSEs

Micro and small entrepreneurs seeking to sell their products to

the supermarkets attended many of Paraguay Vende’s training sessions.

In general, meetings on accessing supermarkets were held at a fair or at public locations in specific departments or municipalities. The topics most frequently covered in training for MSEs included how to improve sales techniques, merchandising, and how to successfully formalize their businesses.

Some of the best feedback came from a training module, developed with the Center for Services to Small and Medium-Sized Enterprises, CAPYME, called “Constructive Negotiation.”

No Compramos
Mercaderia sin
factura legal
La Administracion

“We don’t buy merchandise without a legal invoice,” proclaims a simple handmade sign posted by a merchant in the Ciudad Del Este food market. The merchant’s business was formalized with Paraguay Vende assistance.

CHAPTER FIVE

IMPROVING COMPETITIVENESS

5.1 THE INFORMAL SECTOR

To achieve economic growth, Paraguay must improve its business climate. Currently, 90 percent of local MSEs are not ready to compete because they are not operating within the recognized business framework of the country and, ultimately, the region. Most products for mass consumption in Paraguay come from other MERCOSUR countries. Thus, the current business climate provides significant opportunities where local MSEs can be a powerful tool for growth and job creation.

This was the rationale for a pilot program undertaken jointly by Paraguay Vende and government ministries involved in business registration and certification. It was inspired by the success of the Unified System for the Opening of Businesses (Sistema Único de Apertura de Empresas). This and other initiatives by the Ministry of Industry and Commerce, such as the One-Stop Shopping Window for Exports (Ventanilla Única de Exportaciones) and the Support Center for Micro, Small, and Medium-Sized Enterprises (Centro Integral de Apoyo a



1. FOCEM – MERCOSUR Structural Convergence Fund 2. SEAM – Secretary of Environment
3. Ministry of Agriculture and Livestock 4. Ministry of Public Health and Social Services
5. Ministry of Industry and Commerce 6. Paraguay Association of Supermarkets



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SUCCESS STORY

Formalization and progress

A merchants' association bet on formalization and succeeded in organizing and developing its food market in Ciudad del Este.

Paraguay Vende provided technical assistance to 29 food market businesses from Ciudad del Este, building capacity, and helping them to formalize and increase their sales.

Paraguayan municipal markets are informal and disorganized. The Association of Merchants and Microentrepreneurs of the Ciudad del Este Food Market, known as ASOCOMMA, is not immune to this problem. ASOCOMMA includes merchants selling fruits, vegetables, dairy, meat, household articles, hardware, clothing, and shoes.

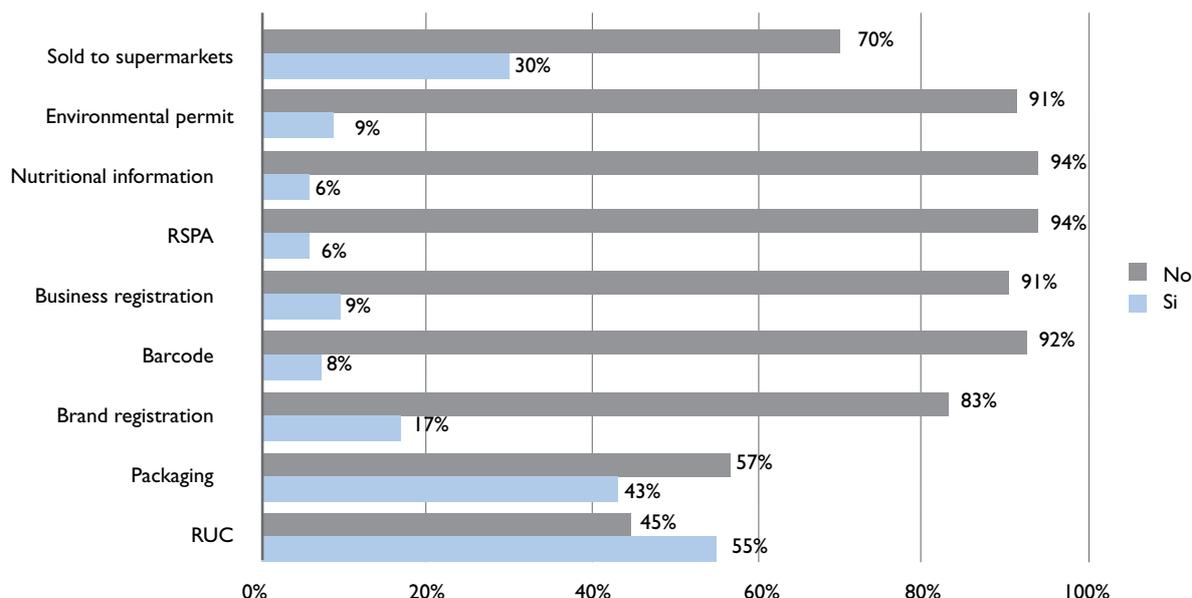
Paraguay Vende offered to enter into an agreement with the association for assistance and training to help the merchants boost sales in various product categories. The goal was to turn this commercial hub into a viable alternative for buyers.

This posed a challenge for Paraguay Vende's eastern corridor since it did not involve the traditional type of program assistance. The first step was to select a group of companies wishing to formalize their business status. Then, the program carefully selected a consultant to help get the paperwork in order. Finding someone familiar with the area and its people, who could approach them with a proposal and persuade them to sign on, was critical to success. In the end, Paraguay Vende helped 29 businesses shift from informal to formal business systems.

The businesses received training on topics such as customer service, how to organize a small business, financial management, accounting, product marketing, stock supervision, and inventory management, all of which were new to the merchants. In addition, clothes manufacturers and butchers received specific advice on ways to improve their earnings.

Paraguay Vende also proposed changing the market's name to "Paseo Abasto." ASOCOMMA was charged with the task of spearheading the initiative to improve the market's image. Paraguay Vende also worked to ensure that the association would receive support from the municipal government of Ciudad del Este by providing assistance in traffic control, cleaning, and security.

FIGURE 9
INFORMALITY AMONG MSEs



Source: Results Monitoring Unit of Paraguay Vende.

The government hired consulting firms specialized in the registration or certification of products and businesses, and initiated procedures for the formalization of more than 300 MSEs selected from the TPS registries.

la Micro, Pequeña y Mediana Empresa), had been launched in previous years to support Paraguayan businesses. Paraguay Vende followed in the footsteps of these initiatives.

With the support of MERCOSUR’s FOCEM, the Government of Paraguay and Paraguay Vende team directly tackled formalization of the business sector. The government hired consulting firms specialized in the registration or certification of products and businesses, and initiated procedures for the formalization of more than 300 MSEs selected from the TPS registries.

A Paraguay Vende survey of more than 500 MSEs (see Figure 9) showed that 70 percent of them did not sell to supermarkets. Of this group, 91 percent did not have an environmental permit; 94 percent of their products lacked nutrition information and Ministry of Health registration;

91 percent lacked a business license; 92 percent did not use bar codes; 83 percent did not have a registered brand name; 57 percent lacked adequate packaging; and 45 percent were not registered with the tax registry.

5.2 NEW REGULATORY FRAMEWORK

The pilot program exposed the cost and complexity of formalizing products and businesses in Paraguay. This spurred the government and civil society organizations, with support from Paraguay Vende, to present initiatives for the drafting of a new regulatory framework for micro, small, and medium-sized enterprises.

MSEs have difficulty accessing credit, lack legal corporate status, and cannot sell their products in formal trade arrangements. In this context, enterprises—and therefore Paraguay—can hardly innovate, compete, and grow.



Oregano producers from Hierbapar in Guayaibi.

CHALLENGES, LESSONS LEARNED, AND RECOMMENDATIONS

6.1 CHALLENGES

Choosing the right moment for graduation

Paraguay Vende was premised on sustainability, meaning that beneficiaries must graduate and services to them must be discontinued if they are to continue on their own. The challenge for business advisors was to correctly envisage the right moment for graduation. Frequently, when one bottleneck is resolved, another appears, and then another, and so on. As a result, assistance can become drawn out and graduation indefinitely postponed.

This challenge was addressed by improving the format of the business plans to ensure that they focused on a single bottleneck, rather than several different ones at the same time. With the timely intervention of the Results Monitoring Unit (RMU) when the business plans were being drawn up and approved, the nature of the problem and the moment it would be considered solved were

clearly defined. Once the problem had been solved and sales had increased, the client could graduate.

The exception to the rule was when the business advisor had reason to believe that addressing an additional bottleneck could further increase the pace of sales. In this case, the decision was to renew the business plan, with the approval of the RMU.

Paraguay Vende was thus able to maintain proper control by pinpointing the right moment to graduate clients, discontinue assistance that had fulfilled its purpose, and expand assistance to new clients. A correct entry and exit strategy for assistance contributed to the results in terms of generating sales. For example, when the ESC in the central corridor successfully achieved its goals with client firms in the sesame sector, then it began to provide increased assistance to companies in the manioc and sugarcane sectors.



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FIRST PERSON

A piece of heaven for children

Aravoré has doubled its production and, with the assistance it has received, increased its sales by \$107,564, representing 16,487 additional person-days of employment.

“The support of Paraguay Vende has been fundamental when it comes to the training of our artisans, and this helps us to maintain the level of quality necessary for competing in Europe,” says Norah Gimenez-Duarte.

Norah Giménez-Duarte is the founder of Aravoré (“piece of heaven” in Guaraní, the local indigenous language), a company that has positioned itself as an exporter of children’s apparel hand-crafted from organic cotton and wool.

Norah has a portfolio of top notch clients and has gained a foothold in markets with strong purchasing power through an exclusive boutique run by her sister, Gianina, in London. “Our products are sold in stores in the United Kingdom, Italy, the United States, Canada, New Zealand, Australia, Austria, Sweden, Holland, Spain, France, and Japan,” explains Norah from her shop in Asunción.

“It has not been easy to meet this level of demand,” the entrepreneur adds. The company trained new suppliers with assistance from the Economic Services Center (ESC) in the southern corridor of Paraguay Vende. “Our clothing is handmade and we don’t use industrial machinery. We are known for our meticulous and intricately detailed work. This is the value added that our customers look for,” Norah points out.

Every piece of clothing made by Aravoré carries the crafter’s personal signature. “That is how it is sent to the client in Europe,” she says proudly.

The company has not stopped growing over the past three years. Aravoré has doubled its production and, with the assistance it has received, increased its sales by \$107,564, representing 16,487 additional person-days of employment.

Aravoré now operates several “satellite shops” in the Central department, where it also makes crocheted clothing with intricate embroidery and stitching. The future continues to look bright as the market for organic products grows by leaps and bounds.

Paraguay Vende worked with private companies willing to invest in the solution to their own bottlenecks. These companies covered much of the cost of assistance while advancing more quickly toward the goal.

Maintaining the momentum once goals have been reached

Once the ESCs had achieved their goals, they had good reason to think about reducing the pace of their activities.

This happened during Year 2 of the second phase of Paraguay Vende, when the program's sales goal was reached. Paraguay Vende then adjusted the program's sales goals from \$57 million to \$94.5 million, in order to maintain momentum.

To encourage the achievement of this new challenge, Paraguay Vende promoted incentives for ESCs generating the most sales, helping the most clients, and offering the best client services. In general, the subcontractors and business advisors eagerly competed to win the three performance-based awards.

Keeping Paraguay Vende innovative

The success of the first phase of Paraguay Vende was measured not only by its positive outcomes in terms of poverty reduction in the corridors, but also by its innovative impact on the full spectrum of economic projects implemented across the country. This created high expectations that Paraguay Vende would continue to pursue innovative approaches. Clearly, one response to this was the Tu Producto al Súper campaign. In part, the innovative TPS campaign can be attributed to the decision to include the monitoring and communications units on the strategic management team.

The TPS campaign was a success due to a markedly horizontal and decentralized organizational structure that avoided micro-management. What emerged was a structure that combined freedom of action with setting a high bar for results, thereby creating pressure to innovate. The most creative and innovative simply got there first.

6.2 LESSONS LEARNED

Private enterprises to fight poverty

Paraguay Vende worked with private companies willing to invest in the solution to their own bottlenecks. These companies covered much of the cost of assistance while advancing more quickly toward the goal.

Had it not been for the Paraguay Vende program, these businesses would not have expanded sales so effectively, nor would the employment generated by increased sales have been so profound. Likewise, had it not been for these private companies, the program would have spent significantly more resources to achieve its outcomes.

Monitoring and communications

Paraguay Vende generated \$28.40 in sales for each dollar invested. This success is attributed in part to the involvement of the monitoring and communications units, which helped get each project off to an efficient start.

There was no need for an assistance coordinator. The business advisors had considerable latitude in project design, with the RMU as a counterpart in

developing business plans. Moreover, the communications team was present from the start as the unit responsible for bringing information to the public and serving as a channel to report results. The rules, the goals, and the information the program required of each activity were clearer from the start.

Relationships with the local university

Ongoing training was one of the keys to the success of the Paraguay Vende team. Several professionals were studying for post-graduate degrees while working with the program. Through the knowledge gained, and the post-graduate studies undertaken by some team members, Vende professionals were transformed from implementers-operators-technicians to managers.

The quantitative and qualitative progress made by the team that devoted the most time to studying and training was evident. In light of this, the ESCs recognized the value of establishing clear relationships with local universities, just as the eastern corridor's ESC did with the American University of Ciudad del Este and the central corridor's ESC with the Catholic University of Coronel Oviedo.

Planning the business roundtables

At first, business roundtables in Paraguay did not produce tangible results. They were established as an aspect of the business expositions held throughout the country. They were informal

and seemed to be more of an opportunity to get together and talk business.

The greatest success of the TPS campaign was the business roundtables in the corridors, with their more formal and sales-driven format. Simply put, these roundtables began to galvanize trade to an unprecedented degree in the corridors.

Through the business roundtables, Paraguay Vende raised its profile and bolstered its reputation in the corridors. The authorities and private sector had tried for years to promote trade in the provinces through regional expositions or municipal fairs. But young consumers and the most demanding buyers would not attend them. They preferred dealing with the supermarkets that are sprouting up at ever more quickly across the Paraguayan countryside. The problem was that small companies outside of the capital were unable to sell their products to the supermarkets. The business roundtables became popular when they bridged this gap.

Merchandising

TPS invested substantial resources in merchandising, offering shelving at no cost to each of the supermarkets assisted. The development of advertising materials, like trim and skirts for the shelves, unfortunately, did not have the desired advertising impact among the general public.

In its evaluation of the TPS campaign, Senior Experten Service

The greatest success of the TPS campaign was the business roundtables in the corridors, with their more formal and sales-driven format.



Farmer harvesting oranges in order to send dried orange peels to the Aliaga company. This raw material is exported for use in creating fragrances in Europe.

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TPS invested substantial resources in merchandising, offering shelving at no cost to each of the supermarkets assisted.

(SES)⁵ noted that consumers did not really have a solid grasp of the merchandising campaign.

Instead of the campaign advertising effort, the program should have focused more on promoting the local products available in supermarkets to consumers. TPS also could have focused more effort on training MSEs in merchandising.

6.3 RECOMMENDATIONS

Work with local business consultants

Rather than working only with the subcontractors selected during program design, programs targeting rural economic corridors should also work more with local expert consultants chosen through a competitive public bidding processes run through the main program office. By

5. German Industry Foundation for International Cooperation, www.ses-bonn.de



Farmer working with manioc in the demonstration plot of the ALMISA company, in the department of Caaguazu.

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encouraging various sources of expertise, in addition to assistance provided through the subcontractors, more technical assistance could have been provided by local and regional consultants already established in the market.

Having varied sources of expertise ultimately contributes to sustainability by eliminating the artificial division between the ESC administrator and technical team. At the same time, contracting more technical expertise at the local level would enable the management at program headquarters to focus on managing funds and results directly.

Integrate the administrative and technical areas of the subcontractors

The management responsibilities of the ESCs were split, since the ESC administrator was ultimately responsible for administrative functions, while technical direction was ultimately the responsibility of the program's chief of party. This meant that the contracted consulting firms were not fully delegated responsibility for both the administrative and technical functions.

A subcontractor management model, in which there is an ESC administrator on one side and



Francisco García and his family, a microentrepreneur from Encarnación and beneficiary of the “Your Product to the Supermarket” campaign.

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the technical team under the program’s chief of party on the other, should be reconsidered. This model limited the ESC administrator’s primary function to making the payments of the ESC’s salaries and expenses; however, the corridors could benefit from more technical consulting services offered to launch their businesses.

Change TPS to “Tu Producto Regional” (“Your Regional Product”)

The campaign name “Tu Producto al Súper” was intended to persuade the MSEs to formalize their businesses in order to

gain a foothold and sell their products in supermarkets. It also was regarded as a name that would appeal to the supermarket owners. Once the campaign was underway, it was concluded that the campaign name did not effectively target consumers, who ultimately determine the success of the campaign by purchasing products.

From the standpoint of consumers, a parallel campaign could have been launched as Tu Producto Regional (Your Regional Product), thereby emphasizing the local sourcing of products and their participation in the local economy.

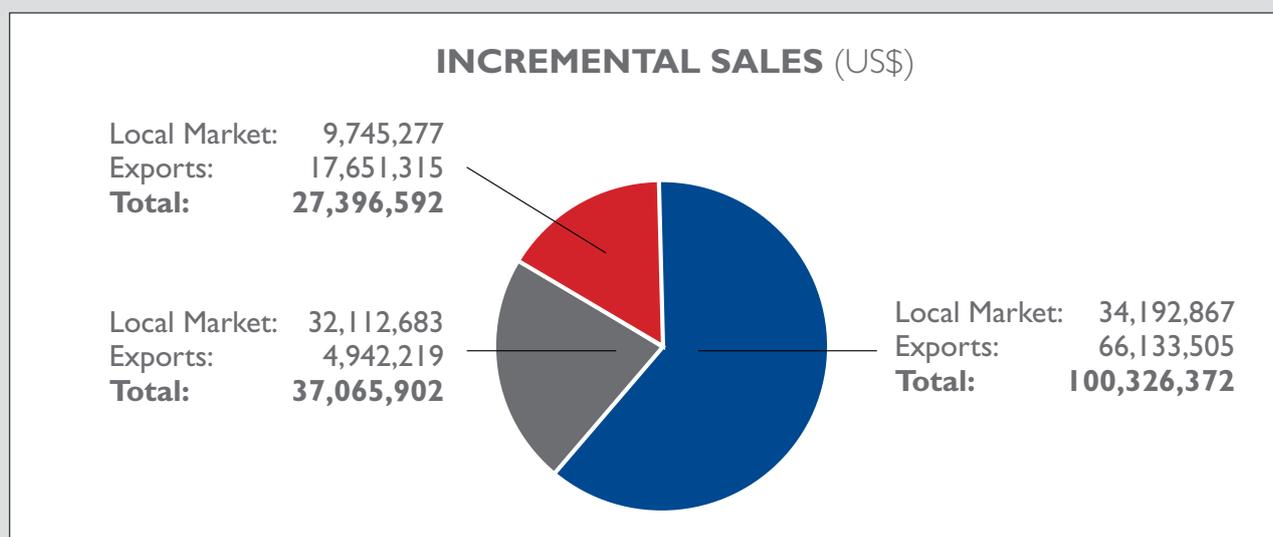
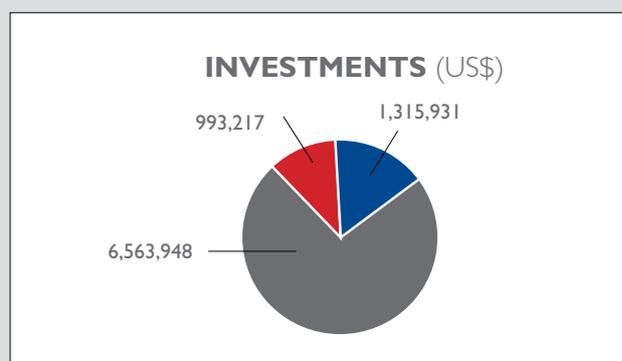
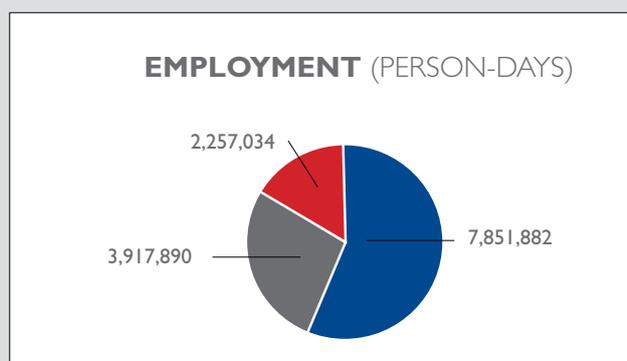
ANNEX

PROGRAM RESULTS

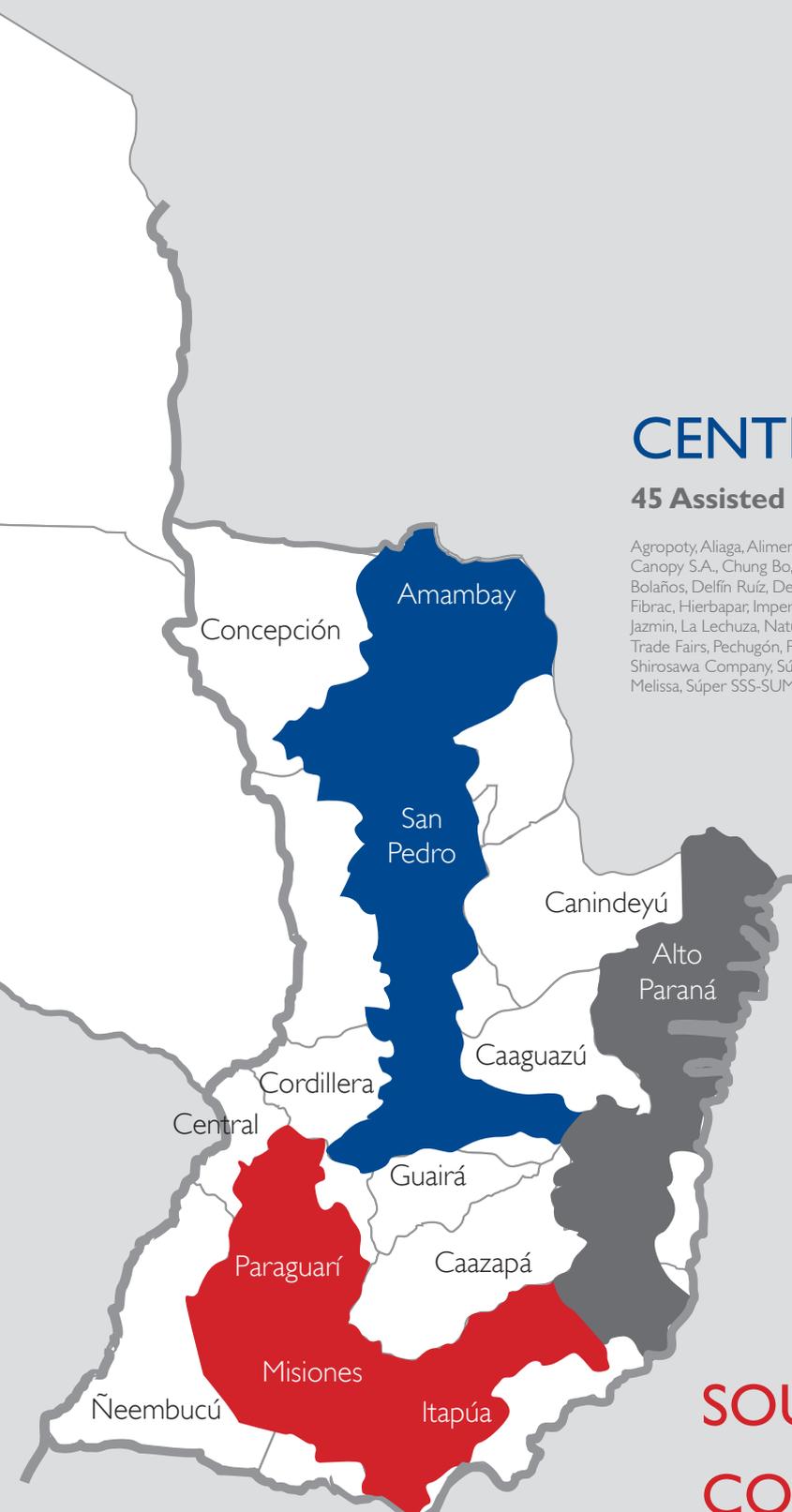
PARAGUAY VENDE CUMULATIVE RESULTS AUGUST 2003 – JUNE 2010

	PARAGUAY VENDE I August 2003 - May 2007		PARAGUAY VENDE II June 2007 - June 2010		CUMULATIVE August 2003 - June 2010	
	Goals	Results	Goals	Results	Goals	Results
Assisted Businesses	43		81		103*	
Local Sales US\$	8,000,000	13,166,837	30,500,000	62,893,990	38,500,000	76,060,827
Exports US\$	22,000,000	22,640,014	64,000,000	66,087,024	86,000,000	88,727,038
Incremental Sales US\$	30,000,000	35,806,851	94,500,000	128,981,014	124,500,000	164,787,865
Employment (Person-Days)	3,600,000	4,290,391	7,400,000	9,736,416	11,000,000	14,026,806
Investments US\$	2,800,000	2,804,106	5,000,000	6,068,989	7,800,000	8,873,096

*20 businesses were assisted in both phases of the program.



Source: Results Monitoring Unit of Paraguay Vende.



CENTRAL CORRIDOR

45 Assisted Businesses

Agropoty, Aliaga, Alimentos Ecológicos, ALMISA, Amado Duarte, Bosques Asunción, Canopy S.A., Chung Bo, Compasa, Coop. Guayaibí Poty, Coop. La Norteña, Coop. Ycuá Bolaños, Delfín Ruíz, Destilería del Sur, DTP, Ecotrading, El Cardumen S.R.L., El Gaucho, Fibrac, Hierbapar, Imperio Guaraní S.A., Infosa S.R.L., Insama, Intercultural Experience, Jazmin, La Lechuza, Naturit S.R.L., OCC, One World Trading, Paraguay Teas, Paraguay Trade Fairs, Pechugón, Pollpar, Pronat, San Millán S.R.L., Scampi S.A., Semillas Kemagro, Shirosawa Company, Súper Avenida, Super Herrero, Súper LT, Súper Machetazo, Súper Melissa, Súper SSS-SUMA, Súper TOB.

EASTERN CORRIDOR

35 Assisted Businesses

Fepasa, Polifoam, HNR Industrial, Pombero, MMKM, Qin Yi América S.A., X-Treme, Fructus Terrae, Frutika S.R.L., Grupo Estancias FD, Bergthal, Chortitzer, Quesos Crema, Lacto Prim, Asocomma, Dalazen S.A., Metal Fuerte, Motopar S.A., Alex S.A., Reimpex, José Devanir Gómez, Telnet S.A., Stisa, Súper El Triángulo, Súper Gran Vía Km 4, Súper Katueté, Súper La Familia, Súper Líder, Súper Pilar, Súper Primavera, Súper Raúl Peña, Súper Tres Hermanos, Supermercado Galemar S.A., Supermercado 3G, Supermercado 41.

SOUTHERN CORRIDOR

23 Assisted Businesses

Prorgánica, Asoc. San Miguel, Molinos El País, Agrozafrá, Algisa, Upisa, Studenko, Aravoré, N-organic, Forestal La Poderosa, Original, Pazhma, Eno Bronstrup -EBSA, Colonias Unidas, Anabel, Pure Circle, Súper Colonias Unidas, Súper Coop. Pindo, Súper El Canguro, Supermercado Cooperativa Pirapó, Supermercado Mini Max, Supermercado Unicentro, Supermercado La Familia Super Centro.

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- Vacunas y vacunaciones de pollos
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- Evaluación del impacto en las ventas y empleos del sector sésamo
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- Radios locales: comunicando para el desarrollo
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FOTOS

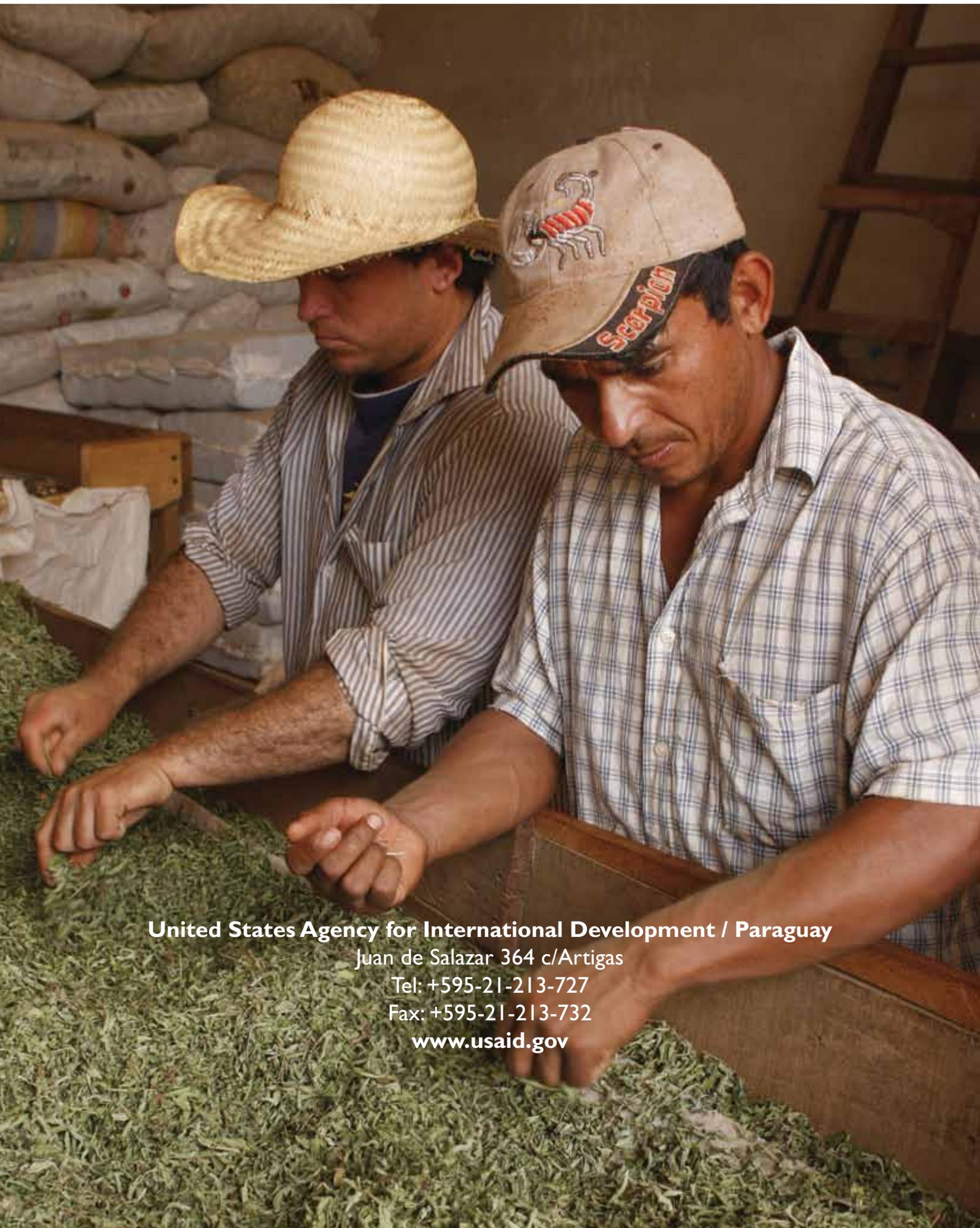


USAID
FROM THE AMERICAN PEOPLE

PARAGUAY VENDE
PROMOTING ECONOMIC GROWTH

**SELLING LOCAL PRODUCTS
TO REDUCE POVERTY**

FINAL REPORT OF THE PARAGUAY VENDE PROGRAM
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