

Trip Report to Lima, Peru

August 1998-January 1999

for the

ReproSalud Microenterprise and Product Development Project

Project No. 527 0355

Submitted to:

USAID/Peru

on

February 11, 1999

by

Ms. Caroline Lewis

Mr. Ray Manoff

Ms. Josefa Nolte

and

Mr. Edwin Acon



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Under the Weidemann MicroServe IQC
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Contract # PCE-0406-I-00-6012-00
Delivery Order No. 3

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I. Introduction

In the TDYs covered by this trip report, the Weidemann Associates/ReproSalud (WeidAssoc/RPS) team continued microenterprise product development activities begun in 1997. The team focused on developing handmade paper in the three project sites previously selected: Pomacocha, Pucallpa, and Puno/Juliaca; they are also developing other products, including: ceramic tiles; decorative brooms; dog sweaters, leashes and collars; knitted alpaca teddy bears, and plant leaf sculpture.

Docey Lewis worked with Josefa Nolte on improving production of the products. Weidemann Associates arranged for Ms. Nolte to attend the New York International Gift Show in early February 1999 with Docey Lewis and R.A. Manoff, to market ReproSalud's products to U.S. importers.

II. Activities

1. **Mr. Manoff** was in Peru from August 26 to September 2, 1998, and, **with Ms. Lewis**, from January 10-15, 1999, working with Ms. Nolte on both: (See "Recommendations," below)

The August/September trip involved implementing local business services needed to support entry to national and international markets. The focus was also on quality control and effective export services and delivery of wool-based products. For agricultural products, Weidemann is identifying companies and products which might be generated as product development resources are made available. A ReproSalud airport shop to sell project products was proposed and a Lima planning exercise for this activity (with Galdo, Nolte, Lewis and Manoff) planned for late 1998/early 1999.

The January 1999 field activity focused on developing products and identifying markets, and production and product deliveries.

- C The Team identified several product development, and production and delivery issues to be resolved by ReproSalud management. Josefa Nolte now heads a "product development" activity within the ReproSalud operations structure. Ms. Nolte receives funding for field activities and manages the field "promoters" via direct communication with ReproSalud field Coordinators.
- C **The product development activities are increasing incomes for rural women** and these incomes are likely to further increase in numbers of beneficiaries through future outreach.
- C **There is an immediate need for business services support to ReproSalud for product delivery to domestic and offshore markets.** Business services for export activities

should include the supply of production credits; reception of completed work orders in Lima; remittance to producers, quality control assurance,(final pre-shipment check). packing, documentation, (including invoicing), shipping, follow-up, remittance to ReproSalud.

C **The Team identified CIAP (Central Interdepartmental Artisanal Peru), a well-known Peruvian NGO as a preferred supplier of business services to ReproSalud.**

C **There has been an excellent US market response to current efforts** involving handcrafted paper and paper products; piasaba fiber products (brooms), dried botanical products, and wool-based products.

2. **Docey Lewis:** Nov. 10-23, 1998, and Jan. 10-15, 1999 (with Ray Manoff - see above) During her November trip, Ms. Lewis visited three sites in San Martin and one in Ayacucho.

< With the San Martin ReproSalud Coordinator, Ms. Lewis and Ms. Nolte held a product development workshop in Dos de Mayo and left product development instructions for Pomacocha.

< She and Ms. Nolte reviewed and critiqued new products.

< Developed linkage with a Lima-based silk screen printer and strengthened the relationship with CIAP.

< Servv International accepted an additional product for its Fall 1999 catalog and will be placing an order by February 1999.

3. **Mr. Edwin Acon**, product designer, was in Peru from August 18 to September 30, 1998. During his visit, he helped set up two shops in Chazuta (San Martín) and Pucallpa (Ucayali), to manufacture paper using manual techniques. He trained 25 women in Chazuta plus two from Sauce, despite the lack of electricity and running water (river water was used). They worked with 10 types of fibers and made 17 types of papers. In Pucallpa, two groups of women (the mothers of San Fernando and Tupac Amaru club) used 12 types of fibers to produce 25 types of papers. San Fernando specialized in the use of recycled papers. Mr. Acon taught these groups the history of paper, anatomy of the fibrous materials, process to obtain pulp, use of additives and coloring agents for paper, and quality control.

III. **Problems Encountered**

1. **Focus on expanding program to new groups at the expense of serving existing groups.**

2. **Too much effort put into report writing (by Ms. Nolte), and not enough doing business.**

3. **More samples are needed to do adequate marketing.**
4. **Issues with Manuela Ramos store and lack of interest in “displaying” ReproSalud products.**
5. **Ordering and sampling systems while getting better, still need more improvement.**
6. **Outreach Activities:** Josefa Nolte and her staff, with WAI support, are working on product development and producer training to a limited number of CBOs . They also provides production and deliveries oversight for export and national market orders and are tasked with outreach to increasing numbers of CBOs that are to benefit by this ReproSalud operation. This situation is taxing the abilities of the staff and may require additional personnel to handle all the tasks. (“El Mercado No Perdona”).

IV. Recommendations

The WAI Team proposes the following recommendations for ReproSalud.

A. Operations

- C ReproSalud should **establish a special purpose bank account** that will allow their invoice submissions and receipt of payments (margins) from domestic and export sales. This is an immediate commercial need.
- C **Formally establish an export services relationship with CIAP** and continue it into 1999. This arrangement might include a shared *20% export profit margin* by ReproSalud and CIAP. (CIAP would return one-half of the margin to ReproSalud for ReproSalud disposition as indicated.)
- C **Participate in the returns from CBO producer sales and structure sales to allow for cash flows and funding accountability.** This can be effectively arranged with CIAP.
- C **Continue the Weidemann technical support to ReproSalud focus on product development, export market entry and operations review.**
- C **Develop commercial-stand participation by ReproSalud at the New York Gift Fair (NYGF) in January 2000** to show several new Peruvian lines of production by rural women. This activity may be cost shared by ReproSalud and selected US companies.
- C **Focus on and improve production and delivery of paper products and wool product accessories** and limit new product development in the first quarter of 1999 to allow finalization of current export orders.

B. Management

- C **Rename the income generation activity as the *Women's Employment Department*** so as to better identify its purpose and provide a better national and international recognition of the ReproSalud/Manuela Ramos support to “the poorest of the poor” women of Peru.
- C **Provide more direct control of income generation field operations by Ms. Nolte and her staff to better ensure effective product development and production performance.** This includes exclusive control of costing and pricing, and day-to-day income generation from field operations. The “promoters” assigned to support J. Nolte should report to her for these operations.
- C **Review the income generation activity work load quarterly (90 days)** to determine staffing needs for this activity.

C. Facilities

- C **Expand work and storage facilities for the proposed *Women's Employment Department*.**

ANNEX A
Photographs from D. Lewis TDY

ANNEX B

March 1999 Production Training Workshop - Suggested Topics and Notes on Operating Plan

ANNEX C

**Selected Activity Reports, Detailed 1999 Work Plan from Ms. Nolte (in Spanish)
and
Proposed February 1999 US Itinerary for Ms. Nolte**