



COUNTERPART INTERNATIONAL
LEAD PROJECT FOR UZBEKISTAN

SIX MONTH REPORT

JANUARY 1 - JUNE 30, 1998

**Submitted to USAID Global Bureau
Office of Microenterprise Development**

| | |
|---------------------------------------|----------------------------------|
| Grantees Name: | Counterpart International |
| Subcontractors/Partners: | Aid to Artisans |
| Period Covered in this Report: | January 1 - June 30, 1998 |

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Counterpart International
LEAD Project Six Month Report
January 1, 1998 to June 30, 1998

1 Program Goal

To enable Uzbekistan women to achieve economic equity by increasing employment and income-generating opportunities through microenterprise.

2 Program Purpose

To assist the Business Women's Association of Uzbekistan "Tadbirkol Ayol" to achieve self-sufficiency and provide sustainable client services to women entrepreneurs in 13 regions of Uzbekistan.

3 Introduction and Overview

The second six months of the LEAD project was a period of tremendous growth and significant institutional development for the BWA. The efforts of the project director and BWA staff were focused on making the Association more financially self-reliant along with staff training and development of internal systems for effective management. The focus of financial self-sustainability efforts was a stress on the importance of dues, selling the association to new members and providing defined services.

The period culminated with an internal review of the program in early July by Kim Millier, an external evaluator. Some of the evaluator's comments have been included in this report. The full report will be provided to USAID under separate cover. As a result of the report, we are proposing to fine tune some parts of the program. These are discussed at the end of this report.

4 Counterpart Activities

4.1 Business Training

Working with the Center for Small Enterprise Development (CEFE), we have trained an additional 124 dues paying members in business planning in the remaining BWA Offices. Training has now been held in each of the BWA offices and a total of 213 members have been trained. The training included the actual writing of a business plan and culminated with each participant giving an oral presentation of their plan and "defense" of it under rigorous questioning from the CEFE trainers and other participants. Requirements for attendance are either business ownership or a viable business idea.

The quality of the training has been one of the successes of this program. Many women have told the project director how valuable the training was for them. They continually reiterate how the training has completely changed their outlook on creating a business. The women with no business experience now know what questions to ask and the women with some business experience feel more confident about their ability to open or operate a business. As noted in the evaluator's report,

"The business plan training was, according to all the feedback received, absolutely excellent. CEFE should be praised for the outstanding job it did in structuring and delivering this training. The next step should be to prepare a core of trainers who would be able to 'sustain' the training of future members of the BWA. Feedback from the focus groups indicated that the majority of the members (especially new members) of the BWA lack basic business skills, and they are eager (literally clamoring) to receive more training."

4.2 *New Staff Recruitment*

During this period, a deputy director was recruited and hired in every BWA Office. (A sales agent and an assistant to the Executive Director were hired in the Tashkent office.) A primary part of this job is to promote the BWA and develop paid members.

This is a major step in the institutional development of the offices. Previously, very few of the offices outside of Tashkent had paid staff. The director generally volunteered her time and used other volunteers to carry out activities. The result was that there was no consistent focus on generating revenue, recruiting members, or providing services. These activities took place whenever the director or one of her volunteers had the time. With the addition of a single, paid, trained, full-time staffer in every office, all of these tasks have become professionalized and consistent. As a part of their contract with BWA, each deputy director has made a commitment to recruiting a minimum of five new paid memberships every month.

While the deputy directors are currently funded through this program, they are very clear that this program ends in 18 months and that their future salaries will depend entirely on their success at generating memberships and other sources of revenue for the chapter. If the current rate of new member recruitment continues, each of the chapters should be able to fund these positions on their own after EOP.

The basic tasks of the deputy directors include:

- Signing-Up New Members
- Finding Material for the Resource Library
- Convening BWA Meetings
- Coordinating with Central Office

4.3 *Staff Training*

The LEAD project has begun extensive training for the BWA staff as a central part of efforts to increase capacity and professionalize services. It includes:

- Financial Management
- NGO Awareness Training
- Meeting Training.

The deputy directors attended a two-week course on financial management conducted by CEFE. This was done for two reasons. The agents are seen as the future managers of the BWA so they need to understand how to manage an on-going concern. They were also trained so they would be better able to understand the problems of their members.

Counterpart Consortium¹ trainers conducted a training for BWA staff on the basics of NGO management (at no cost to the program). This was done to help support the financial management training.

Additionally, the deputy directors have been rotated through the Tashkent office for training in other areas, including TQMS; new member recruitment; and planning, organization and implementation of the monthly business clubs and meetings. (See below for description.) Procedures for each of these activities were first developed and refined in Tashkent and then gradually implemented in the oblasts through this process of on-going staff training. The

¹ The Counterpart Consortium NGO Support Initiative is another USAID-funded program in Uzbekistan implemented by Counterpart. It provides training and other capacity-building support to the NGOs of the country.

deputy directors learn about how these activities are conducted in Tashkent and implement what they learned in their local offices. As a part of this training, each deputy director has developed a schedule of meeting topics for one year in advance.

4.4 Membership Development

During this period, a strong push was made to recruit new paid members into the BWA. Overall, this effort has been quite successful. We are above the target indicator for paid memberships for the period. Contrary to our expectations, recruitment has been more challenging in Tashkent and relatively easier in the oblasts. In each oblast, the staff has used different strategies to recruit members

Cold Calling

The Tashkent agent has a daily goal of fifteen contacts a day or approximately three hundred contacts a month. This was done for two reasons. The first to find women who are willing to be active in the BWA and pay dues. Secondly, it is a great way to raise the awareness of the association in Tashkent.

The cold calling has not produced as many dues paying members as was planned. Though it has educated the BWA about its potential client base in Tashkent. Primarily it has revealed that few businesswomen understand what an NGO is. It has also defined some cultural differences in Tashkent (i.e. a greater interest from the Russian population than the Uzbek population.) Furthermore, the cold calling has also helped focus the staff. There is now a team effort to get people to pay dues, which was severely lacking previously.

Radio Advertisement

The BWA ran a radio advertisement on the most popular radio station in Tashkent twenty times over the period of a week. The advertisement invited businesswomen to contact the BWA to participate in a business meeting. While the advertisement did not generate the expected interest in the BWA from potential new members, it did raise awareness of the association. Many members commented on hearing the radio advertisements.

It is not fully clear why the advertisement failed to generate new member interest. The message was extensively tested prior to broadcast. In focus groups, members speculated that because businesswomen in Tashkent have a number of avenues to get support, they are less interested in the Association, hence needing something stronger than a radio advertisement to attract them. Interestingly, for the same reasons (lack of support for their work in the oblasts), it was suggested that radio advertisements would have more success in the oblasts.

Word of Mouth

Ultimately Counterpart believes that the most successful vehicle for recruitment of new Association members is word of mouth (as it is in the United States). As services improve, members will bring their friends and neighbors to meetings and events. This is already happening and is expected to increase over time as services expand and improve.

Membership Cards

BWA printed attractive membership identification cards for all of its paying members. These help offices identify BWA members. They also give the members something in hand when they walk out after paying their membership dues.

4.5 Meetings

One of the major accomplishments of this period is the implementation of a program of regular high quality meetings in all offices. These are an important service for members. Initially, this service started in the Tashkent office with monthly "business meetings" and "business lunches." Business meetings are generally formalized events with a specific topic of discussion or a guest speaker (such as a successful businesswoman or a key government official). Typical topics of past successful meetings include:

- Taxes
- Customs
- Bank Transfers

These meetings have given women a rare opportunity to voice their opinions to public officials. Rarely do public officials get the chance to listen to problems and concerns of the business community. The meetings are often a "hot bed" of debate, which is rare for Uzbekistan and even rarer for women.

Business lunches are generally less formal events that take place in a restaurant or over tea; they are primarily an opportunity for members to network and socialize.

The business meetings and business lunches have been very popular with members and have gotten tremendous positive feedback from the membership. The models used in Tashkent have been replicated with great success throughout the country, as described above. Every office created a calendar of association meetings a year in advance. This helped define, for BWA staff and members, which services each office will provide to membership.

The impact of these meetings has been highly significant. Before the LEAD project members met only on an ad-hoc basis. Now they meet either monthly or semi-monthly, depending on the office. In the oblasts, where there is little community support for women in business, these meetings provide a moral lifeboat for the members, surrounding them with peers who support their efforts and are struggling with the same economic and social problems everyday.

The meetings have caused the membership to become noticeably more active. Meetings will continue to be one of the primary services the BWA provides its members.

4.6 TQMS

The BWA staff and the Lead Project Director began to implement a Total Quality Management System (TQMS). During a series of weekly staff meetings, the staff identified each task that it was required to undertake. The staff then defined the process required to perform each task. One good example is the organization of the monthly meetings. The staff identified each task required in order to hold a meeting, who was responsible for that task and when that task should be performed.

The impact of the TQMS was quite evident. The first meeting the BWA put on was disorganized and lacked a professional appearance. After working with the staff and implementing the TQMS, the quality of the meetings has risen significantly. The members have taken notice of the increased professionalism. The LEAD Director believes that this is one of the reasons meeting attendance continues to grow and, in the Tashkent office, has gone from twelve to twenty-seven regular participants in the last six months.

A by-product of the TQMS Training was the creation of a procedure manual. This gives the staff members a point of reference when there is a question regarding work procedure. It is also used as a training tool for staff members from the oblasts.

4.7 *Micro-Credit Advocacy*

The BWA Executive Director is working with the UN, World Bank, and the Uzbek Central Bank to advocate for legalization of micro-credit in the country. Presently micro-credit has many hurdles before it can be implemented countrywide, including such issues as taxes imposed on loans, disbursement of loans in cash and convertibility of foreign currency.

Through the BWA's work and the support of the LEAD project, UNDP has provided funds for a \$50,000 pilot micro-credit project in the Nukus BWA office. This is an extremely important initiative for Uzbekistan. As the first project of its kind, its success will demonstrate the possibility for future micro-credit projects throughout the country.

The BWA Nukus office will be working directly with UNDP to implement the program and will be paid for its work. Besides providing income to the branch this project will also test whether local officials will allow a non-profit organization to have revenue without losing their non-profit status. At the present time this is in question.

4.8 *BWA Business Plan*

The BWA Tashkent staff and LEAD Project Director sat down together and wrote a business plan for the central office for 1998. The writing process helped all parties involved identify the challenges related to turning the association into a self-sustainable organization.

The business plan focused primarily on developing paid membership and recruiting. All staff participated in its creation. The impact of the business plan was not so much the finished document but the process to create it. The process brought the staff together and helped unite them toward the goal of improving services, increasing revenue streams and developing membership. The impact of this process can be seen in the sharp increase in revenues and paid memberships of the BWA over last six months.

5 *Aid to Artisans' Activities*

5.1 *Challenges*

The ATA portion of the program had a number of successes during this period, but also struggled with a number of factors that have slowed down its work. Primary among these is the lack of an enabling environment for craft export, which continues to hinder ATA's work in trying to link Uzbek women artisans to international markets. ATA is continuing to work with local craft NGOs to lobby the government on behalf of the craft sector. US importer Mediterranean Imports is also very interested in expanding its business with Uzbekistan and has begun to work with the US government and lobby the Uzbek government to ease existing restrictions. Nevertheless, this is a long-term task and is unlikely to bear fruit during the life of this project.

Until export restrictions are eased, Uzbek artisans will need to work on improving their access to the local and regional markets. ATA is working with BWA and Uzbek women artisans on a number of initiatives to increase their exposure. ATA Country Representative John Smart has also begun an initiative together with UNDP to strengthen ties between the tourism industry, including the state agency Uzbektourism, and the artisan community, including BWA leaders. In addition, ATA is organizing a craft tour of Uzbekistan for September, which will include visits to women artisans. These activities will provide the artisans with opportunities that will partially offset the export difficulties.

5.2 U.S.-Based Training

Genya Orlovskaya traveled to the US for a training program held by ATA in conjunction with the New York International Gift Fair. Through site visits to local artisan non-profit organizations, such as the Hartford Artisans Center and the Farmington Valley Arts Center, Ms. Orlovskaya learned the role such organizations play in the US. By attending the NYIGF, she also learned about the US market and how to develop materials for marketing crafts. Ms. Orlovskaya will use the information she gathered during the training to work with Mr. Smart on conducting craft-based enterprise training through BWA branches.

5.3 Local Market Link

Mr. Smart addressed a meeting of BWA regional directors and assistant directors to talk about recruiting craft members in the regional oblasts. Mr. Smart offered ATA's services in working with the BWA branches to deliver training and help them reach additional businesswomen involved in or interested in craft production.

Mr. Smart conducted two workshops with BWA branches in Bukhara and Kokand on how to develop an artisan program through BWA. The sessions were attended by the BWA directors and interested members. Mr. Smart explained the services available to them through ATA/BWA and discussed the major obstacles facing them, including marketing their goods, problems with export, and lack of tourists. He also reviewed the materials bank concept with the women and surveyed their material needs.

5.4 Materials Bank

It was determined that raw materials in the bank will include fabrics (raw cotton, quality velvet, naturally dyed silk); embroidery threads (gold, multi-colored silk, cotton); copper and brass blanks for chasing (plates, vessels); natural dye materials; ceramic colors and glazes; and kaolin for porcelain production.

Cotton plush velvet was purchased for the bank (local market price 1000 cym/meter, bulk purchase price 750 cym/meter). The material is produced in Samarkand, so Mr. Smart investigated the possibility of working with the factory directly to see if they will offer him an even lower price. He has found a source for metal blanks (plates only) in Bukhara; more complicated vessels are made in Tashkent. Mr. Smart took samples of the velvet materials with him to discuss with the BWA/Kokand chapter during his seminar there.

In general, sustainable sources for materials have been difficult to identify, and differences in the unofficial and bank exchange rates have made pricing materials difficult. Locating a secure place to store materials where staff and artisans can have easy access to them has also proven to be a challenge. Thus, getting the bank off the ground has been significantly slower than anticipated. It is expected that initial transactions with the bank will begin in July.

Genia Orlovskaya will manage the bank. By the end of the project, BWA staff will be trained in the management of the bank, and will move it to either the BWA offices or the Zumrad print house.

5.5 Zumrad Printing Center/Craft Guides

As a means of expanding domestic market access for Uzbek women artisans, ATA is working to increase their profile as a stop for tourists visiting the region. ATA is working with BWA to develop a series of craft guide booklets, which will be used to educate buyers about the crafts of Uzbekistan and will include a listing of master craftspeople. An outline of the two booklets is attached. Natasha Musina of Zumrad/BWA is overseeing the writing of the first guide, and ATA will work with her on editing, lay out, and distribution. ATA developed a distribution plan for the booklets, which is also attached.

A Zumrad facility is being renovated to house a printing facility where the craft guide booklets will be printed. Construction on the facility began in May and will be finished in October. It is being overseen by Counterpart. Donated printing equipment from German donors EPOG will be used in the building. Developing in-house printing capacity for Zumrad creates a resource for sustainable income. During the creation of the business plan, it was determined that there was strong unmet demand for printing services in Uzbekistan. The printing facility will also help support BWA's advocacy, women's rights and micro-credit activities by enabling them to inexpensively print supporting materials.

5.6 Developing New Product Lines

Because BWA has relatively few artisan members, ATA will work with women artisans throughout Uzbekistan (with preference to those affiliated with BWA) presenting business development services on behalf of BWA. Women artisans will be encouraged to join BWA and take advantage of their business support services. Mr. Smart will continue to conduct seminars with BWA chapters to seek women interested in starting craft-based businesses. A product development consultant will be sent in October to work with women artisans identified by Mr. Smart on developing their product lines. Twenty new product lines will be developed by the end of October, and the new products will be tested in the holiday craft fairs.

Once the women artisans have developed new product lines with the assistance of the ATA product consultant, Mr. Smart will assist them by: facilitating meetings with local buyers; helping them apply for a booth at the holiday craft fairs; and introducing them to the managers of the Talent Support Fund craft shop in Bishkek.

5.7 Foreign Buyer Visits

ATA is continuing efforts to facilitate both European and US buyers' visits to Central Asia, despite a hostile environment for craft export. For example, Richard Lawrence of Mediterranean Imports visited Uzbekistan in May, and his visit resulted in a \$10,000 order for the women of Shakrisabz. In October, when women artisans new product lines are developed, ATA will ensure that foreign buyers view the new lines.

5.8 ATA Management Oversight Trip

ATA Projects Coordinator Beth Gottschling conducted an oversight trip to the region. In Tashkent, she discussed LEAD program activities including the raw materials bank, printing project, and craft enterprise training with Mr. Smart and Ms. Orlovskaya. Ms. Gottschling, Mr. Smart, and Ms. Orlovskaya also met with LEAD Program Manager Tim Tobey in Tashkent to assign and prioritize activities related to the raw materials bank and book printing. In addition, Ms. Gottschling met with Natasha Musina, Tajihon Saydikramova, and Dildora Alimbekova of BWA and visited the Zumrad store.

5.9 Web Page

The text of the craft guide booklets and product photos will be incorporated into a web page targeted at tourists coming to the region and to foreign buyers. An outline for the web page was developed and is attached.

5.10 Coordination and Cooperation

In May, Mr. Smart met with representatives of the British Council and UNDP to discuss the craft guide booklets and web page. The British Council expressed interest in working on the web site, and the UNDP may collaborate on creating the booklets. Mr. Smart will be following up with both organizations to further discuss the potential for cooperation.

Mr. Smart worked with UNDP to conduct a series of seminars in Samarkand, Bukhara, and Kokand on strengthening ties between the artisan community and the tourism industry. BWA leaders attended the seminars.

Mr. Smart and Ms. Orlovskaya visited the UMID Rehabilitation Center for Handicapped Children in Tashkent to discuss how UMID could institute a training program to teach parents and children craft techniques. UMID staff believes that crafts production will provide the children with therapeutic activities while also making items that could be sold through the Center. UMID staff accompanied Mr. Smart to his seminars with the BWA/Bukhara and BWA/Kokand branches to discuss this concept with BWA members.

6 Performance Indicators

6.1 Targets

| Indicator | 31 December 1997 | By 15 July 1998 | By 15 July 1999 | By 15 Jan 2000 |
|---|------------------|--|--------------------------------|----------------|
| Revenue / Expenses | 27% | 35% | 55% | 70% |
| BWA Paid Members | 507 | 769 | 1660 | 2200 |
| BWA Income From Membership Dues | \$1,166 | \$3,778 | \$19,167 | \$12,500 |
| Information Centers | 0 | 3 | 6 | 11 |
| Info Center Clients | | 75/mo | 150/mo | 187/mo |
| Artisan Transactions with Materials Bank | | 50 | 150 | 80 |
| Materials Bank contribution to BWA revenue | | | 3% of sales | |
| New Product Lines created by and for BWA members | | 20 | 20 | |
| Number of buyer meetings held through local market link | | 10 | 40 | |
| Foreign Tour Agencies with ties to BWA members or offices | | 1 | 4 | |
| Print Craft Publication Series | | Basic research for one guide completed | Two guides written and printed | |
| Foreign buyer visits resulting in over \$5,000 orders from BWA members. | | 1 | 2 | |

6.2 *Target and Actual Indicators For 15 July 1998²*

| Indicator | Target | Actual | % of Target |
|---|--|---|-------------|
| Revenue / Expenses | 35% | 38% | 109% |
| BWA Paid Members | 769 | 804 | 105% |
| BWA Income From Membership Dues | \$3,778 | \$8795 | 233% |
| Information Centers | 3 | 10 | 333% |
| Info Center Clients | 75/mo | 374/mo | 499% |
| Artisan Transactions with Materials Bank | 50 | 0 | 0% |
| Materials Bank contribution to BWA revenue | None indicated until next period | | |
| New Product Lines created by and for BWA members | 20 | 8 | 40% |
| Number of buyer meetings held through local market link | 10 | 1 | 10% |
| Foreign Tour Agencies with ties to BWA members or offices | 1 | 4 | 400% |
| Print Craft Publication Series | Basic research for one guide completed | Research completed. Guide being edited. | 100% |
| Foreign buyer visits resulting in over \$5,000 orders from BWA members. | 1 | 1 | 100% |

² Note that although several of ATA's targets for this period were not fulfilled, we anticipate that all of them will be fulfilled by the next half-yearly report in January.

6.3 Revenue / Expenses

BWA Income & Expenses for January 1, 1998 to June 30, 1998 In Som

| Income | January | February | March | April | May | June | Total |
|---------------------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|------------------|
| Membership Dues | 21,000 | 61,000 | 55,000 | 22,500 | 31,500 | 22,000 | 213,000 |
| Donations | 6,000 | 21,500 | 9,000 | 9,000 | 51,800 | 3,000 | 100,300 |
| Copying Service | - | 2,660 | - | 2,784 | - | 4,678 | 10,122 |
| Bank Interest | - | - | 55 | - | - | 116 | 171 |
| ID Books Sales | - | - | - | - | 15,000 | 20,000 | 35,000 |
| Total Income | 27,000 | 85,160 | 64,055 | 34,284 | 98,300 | 49,794 | 358,593 |
| Expenses | | | | | | | |
| Office Supplies | 17,956 | 17,500 | 18,000 | 20,800 | 29,200 | 18,825 | 122,281 |
| Rent | 17,600 | 17,600 | 17,600 | 17,600 | 17,600 | 17,600 | 105,600 |
| Bank Fees | 878 | 407 | 2 | 171 | 26 | 254 | 1,738 |
| Building Fee | - | 45,550 | - | - | - | - | 45,550 |
| Salaries | 48,580 | 49,880 | 73,400 | 74,800 | 68,300 | 62,300 | 377,260 |
| Donations | - | 3,000 | - | - | 1,080 | - | 4,080 |
| Electric | - | 17,432 | - | 3,474 | 3,132 | 6,266 | 30,304 |
| Heat | - | - | - | - | 2,123 | 1,912 | 4,035 |
| Public Relations | 5,000 | - | 15,000 | 1,500 | 15,000 | - | 36,500 |
| Telephone | 5,180 | 12,247 | 26,198 | 16,095 | 69,358 | 23,024 | 152,101 |
| Trash | - | - | - | - | 4,772 | 1,192 | 5,964 |
| Water | - | 14,155 | 46,557 | - | - | - | 60,713 |
| Total Expenses | 95,194 | 177,771 | 196,758 | 134,440 | 210,591 | 131,373 | 946,127 |
| Net Income / Loss | (68,194) | (92,611) | (132,703) | (100,156) | (112,291) | (81,579) | (587,534) |
| % Income / Expense | 28% | 48% | 33% | 26% | 47% | 38% | 38% |

| | |
|--------------|-------------|
| Goal | 35% |
| Delta | 0.03 |
| % | 108% |

6.4 Membership

| Office | Total Membership 1/1/98 | New Members | |
|--------------|-------------------------------|-------------------------|---------------------|
| | | 1/1/98 To 6/30/98 | Total Membership |
| Tashkent | 42 | 38 | 80 |
| Tash. Oblast | 0 | 19 | 19 |
| Kokand | 46 | 24 | 70 |
| Fergana | 21 | 15 | 36 |
| Namagan | 0 | 30 | 30 |
| Andizhan | 20 | 30 | 50 |
| Ugrench | 30 | 17 | 47 |
| Nukus | 11 | 37 | 48 |
| Bukhara | 35 | 15 | 50 |
| Karshi | 100 | 35 | 135 |
| Navoi | 13 | 15 | 28 |
| Samarkand | 189 | 22 | 211 |

| | | | |
|--------------|-----|-----|-----|
| Total | 507 | 297 | 804 |
|--------------|-----|-----|-----|

| | | |
|------------------|------|------|
| Goal | 262 | 769 |
| Delta | 35 | 35 |
| % of Goal | 113% | 105% |

Membership was on target overall and for each separate branch except for Tashkent, Tashkent Oblast and Fergana.

The Tashkent office aggressively contacted approximately 300 women a month from March to June. These contacts were primarily done via telephone. In the original model, a 5% expected return was expected from the telemarketing, or five paid members from every one hundred called. The response has been more around 1%, or one paid member for every one hundred called. The low response is partially due the high dues rate for Tashkent. Tashkent charges 5000 som for a membership or around 50 dollars at the official rate (this is in comparison with a rate of 1000-3000 in the oblasts.) The second reason is that there is much more competition for free time in Tashkent. In other words, women in Tashkent have more choices where to spend their time and money.

The Tashkent Oblast office (separate from the Tashkent city office) is currently in the developmental stage. It is looking for long term office space. The director is young and is still developing her management skills. The Fergana office director retired and new director was hired. The new director is more aggressive than the older one and the BWA has great hopes for her and the office in the next six months.

6.5 Membership Dues

| Office | Membership Dues Paid in Som | Membership Dues Paid Dollars * |
|--------------|-----------------------------|--------------------------------|
| Tashkent | 213,000 | 2,420 |
| Tash. Oblast | 56,000 | 636 |
| Kokand | 17,000 | 193 |
| Fergana | 20,000 | 227 |
| Namagan | 49,000 | 557 |
| Andizhan | 170,000 | 1,932 |
| Ugrench | 30,000 | 341 |
| Nukus | 98,500 | 1,119 |
| Bukhara | 46,000 | 523 |
| Karshi | 42,000 | 477 |
| Navoi | 7,600 | 86 |
| Samarkand | 25,000 | 284 |
| Total | 774,100 | 8,795 |
| | Goal | 3,778 |
| | Delta | 5,017 |
| | % of Goal | 233% |

* Conversion was calculated at an average of 88 som to 1\$

The hiring of a staff member in every office produced a positive impact of boosting dues. Most offices had not previously focused on revenue generation. With the new staff members, the BWA has re-focused on a nationwide basis on the idea that members should and need to pay dues.

6.6 Information Centers

| Office | BWA Information Centers/ Libraries |
|--------------|------------------------------------|
| Tashkent | Yes |
| Tash. Oblast | No |
| Kokand | Yes |
| Fergana | No |
| Namagan | Yes |
| Andizhan | Yes |
| Ugrench | Yes |
| Nukus | Yes |
| Bukhara | Yes |
| Karshi | Yes |
| Navoi | Yes |
| Samarkand | Yes |

Nearly all BWA branches have started their information centers. The deputy directors dedicate a portion of their time to the creation of the information centers. The centers are all now simple libraries. Each office makes a minimum addition of two new books to the

information centers every month. The centers are searching for ways to increase their content.

Electronic mail is in the process of being added to each office. This will further the distribution of information among the offices.

6.7 Info-center Clients

Information Center Contacts April 1, 1998 to June 30 1998

| Office | Informational Contacts | | | Meeting Attendance | | | Total Information Center Visits | | |
|--------------|------------------------|------------|------------|--------------------|------------|------------|---------------------------------|------------|------------|
| | April | May | June | April | May | June | April | May | June |
| Tashkent | 27 | 17 | 24 | 40* | 28 | 27 | 67 | 45 | 51 |
| Tash. Oblast | 0 | 0 | 0 | 0 | 0 | 8 | 0 | 0 | 8 |
| Kokand | 10 | 15 | 15 | 25 | 20 | 18 | 35 | 35 | 33 |
| Fergana | 2 | 2 | 3 | 0 | 0 | 0 | 2 | 2 | 3 |
| Namagan | 40 | 35 | 45 | 20 | 25 | 25 | 60 | 60 | 70 |
| Andizhan | 50 | 45 | 45 | 17 | 23 | 16 | 67 | 68 | 61 |
| Ugrench | 12 | 10 | 10 | 30 | 50 | 15 | 42 | 60 | 25 |
| Nukus | 20 | 25 | 25 | 18 | 12 | 15 | 38 | 37 | 40 |
| Bukhara | 10 | 10 | 15 | 15 | 20 | 15 | 25 | 30 | 30 |
| Karshi | 2 | 0 | 2 | 25 | 20 | 18 | 27 | 20 | 20 |
| Navoi | 5 | 5 | 5 | 0 | 40 | 0 | 5 | 45 | 5 |
| Samarkand | 20 | 20 | 23 | 5 | 8 | 5 | 25 | 28 | 28 |
| Total | 198 | 184 | 212 | 195 | 246 | 162 | 393 | 430 | 374 |

| | |
|--------------|-------------|
| Goal | 75 |
| Delta | 299 |
| % | 499% |

*Two meetings were held in April. Meeting attendance was 22 and 18 respectively. The creation of the business clubs was a great boost to the BWA. The clubs give the BWA the opportunity to directly educate members. Increasing meeting attendance and information in the libraries will continue to be the focus of the next six months.

6.8 Materials Bank

As discussed above in section 5.4, the materials bank has experienced a number of problems that have slowed its implementation, however the basic premise of the activity is still very sound. ATA is still strongly convinced of the need for a materials bank and of its ultimate success. Although it was not up and running as of the end of the period, most of the groundwork has been laid for it. ATA anticipates that the target of 50 transactions will be reached prior to the end of 1998 and will be reflected in the next report.

6.9 New Product Lines

In November 1997, eight product lines were developed during the visit of consultant Jane Griffiths in November 1997. A product development consultant will be sent in October to work with women artisans, identified by Mr. Smart, on developing their product lines as described in section 5.6 above. A total of twenty new product lines will be developed by the end of October, and the new products will be tested in the holiday craft fairs. These will be reflected in the next half-year report.

6.10 Buyer Meetings

Once the women artisans have developed new product lines with the assistance of the ATA product consultant, Mr. Smart will assist them by: facilitating meetings with local buyers; helping them apply for a booth at the holiday craft fairs; and introducing them to the managers of the Talent Support Fund craft shop in Bishkek.

6.11 Foreign Tour Agency Ties

Because of the difficulties exporting from Uzbekistan, developing a handicraft market among foreign tourists is an important opportunity for artisans and for BWA. Ms. Raisa Gareyeva, ATA's representative in Bukhara, has been working extensively on this and has established contacts between BWA chapters and four tourist agencies.

6.12 Print Craft Publication Series

As described above in section 5.5, the first booklet is currently in the final stages of editing.

6.13 Foreign Buyer Visits

As described in section 5.7, Richard Lawrence of Mediterranean Imports visited Uzbekistan in May, and his visit resulted in a \$10,000 order for the women of Shakrisabz.

7 Counterpart Cost-Sharing

As the below table reflects, a wide range of donors and other organizations have contributed resources to build the strength of various BWA chapters. We are still tabulating and documenting the full value of the contributions shown in the below table. However, Counterpart anticipates meeting its \$250,000 cost-share on this project by the end of 1998.

| Office | Donor | Item |
|---------------------|--|-------------------------------------|
| Tashkent | United Nations | Course |
| | Soros | Seminar |
| | EPOG | Printing Press, Computer & Supplies |
| Tash. Oblast | TACIS | Seminar |
| | United Nations | Course |
| Kokand | Soros | Library |
| | Soros | Culture Center |
| Fergana | Women's Chamber of Commerce | Seminar |
| | Chamber of Commerce | Office Space |
| Namagan | City Administration | Office Space |
| | City Administration | Cash |
| | German Artist's Chamber of Commerce | Seminar |
| | German Artist's Chamber of Commerce | Seminar |
| | City Administration | Rent- Prior Space |
| Andizhan | Embassy of Israel | Course |
| Ugrench | TACIS | Seminar |
| | Company Feruz | Furniture |
| Nukus | United Nations | Course |
| | United Nations | Micro-Credit |
| Bukhara | Soros | Library |
| | Netherlands' Embassy | Seminar |
| | German Center for Technical Assistance | Seminar |
| Karshi | German Artist's Chamber of Commerce | Seminar |
| | TACIS | Exhibition |

The donated courses and seminars mentioned in the table covered such topics as:

- Management of Change
- Hair Dressing Education
- Woman, Family & Business
- Problems in the School System and Professional Education
- Professional Exchange Programs

8. Impacts

In her comments on the indicators for this program, the external evaluator noted that:

“What is entirely missing from the indicators is inclusion of qualitative measurements and comments. The essence and achievements of the LEAD Project cannot be entirely reflected in the quantitative measurements that currently comprise the list of indicators. During the focus groups, there were several testimonials from BWA members about the role the BWA played in changing their lives, and how much they value knowing and networking with other businesswomen. Missing are the voices and the passion of the women who are totally dedicated to sustaining the efforts begun by the LEAD Project through the BWA.”

To address this issue, Counterpart will begin to gather testimonial impacts from members of the BWA about the ways in which the Association has had a real impact on their lives.

Rakhima Musinova, a 58-year-old woman, changed her standard of living due to in part from help from the Business Women’s Association. Rakhima was born into a middle-class family in Samarkand and her husband was born in a village near Samarkand. They lived a normal life until an illness struck her husband and left him unable to work. This created great hardship for the Musionva family. The money problems were so great their four children could not go to school because they had to work to support the family.

In 1996 Rakhima heard about the association and was happy to find people who were willing to help an unskilled person become an entrepreneur. She became a member of the BWA. When the Association learned of her problem it helped her open a mini-bakery and gave her 100 dollars in local currency. The money was used to buy flour, sugar, milk and butter. Originally she started baking ten cakes a day, now Rakhima is one of the most successful woman entrepreneurs in Samarkand – making up to three hundred cakes a day.

Since her success she has started to teach other woman the bakery business and currently has five pupils. She has also adopted a daughter who will take over the business when she retires.

Pure accident and help from the BWA has changed the life of *Lola Davlyatovna*. By chance Lola read an article about a competition called Best Entrepreneur. The competition provided the winners with a one-year business course in Germany.

Through assistance and guidance from the BWA, Lola won a spot and went to Germany. After her education she was able land a job with a German-Uzbek joint venture. Today she is the manager of a large enterprise named Besh-Agach and is an avid supporter of the BWA.

9 Re-defining Self-Sustainability

The external evaluator noted in her report that:

“It is very important to define sustainability as it relates to the LEAD Project. It is safe to say that if you asked BWA management what sustainability of the BWA means, you would not get a consistent answer.

“The indicators do not adequately identify milestones against which progress toward achieving sustainability of the BWA can be measured. My opinion, which is based on observations made during the assessment process, is that original expectations of project financial sustainability by the end of the grant were unrealistic. The scope of

the LEAD Project is too large and complex to reach financial sustainability in such a short time frame. The indicators for organizational development, on the other hand, are attainable and are progressing extremely well.”

As described above, during the past six months, tremendous progress has been made in the organizational development of BWA. This has been reflected in a significant increase in revenue. However, it is our feeling (and the recommendation of the evaluator) that for the long-term sustainability of the organization, it is more critical to concentrate on building the organization and developing services than to focus on continuing the past six months’ sharp increases in revenue. Regardless of increases in revenue, the organization will not be fully sustainable until its organizational structure is further strengthened and services are better developed. These are critical intermediate steps before revenue can be increased close to break-even levels on a sustainable basis.

The majority of the BWA members do not understand what an NGO is and what its function in society is. If the BWA is going to function as an NGO and perform the work of an NGO, such as performing advocacy work, its members must first have an understanding of what the BWA is trying to achieve.

The volunteers that do work with the association do so in many cases because it provides them hope. For instance a young volunteer in Nukus explained why she volunteers her time. She complained how she, as with most Uzbek young women, is not taken seriously. She volunteers because the association told her that she could achieve things with her life, not because the BWA provides her with a specific service.

Therefore Counterpart proposes to modify two indicators (the first two listed below) and add several new ones, as follows, so that the LEAD Project is not so focused primarily on income vs. expenses but on structure that in the long run that will support the BWA and nurture Uzbek women.

| Indicator | By 15 July 1999 | By 15 Jan 2000 |
|---------------------------------|--|---|
| Revenue / Expenses | 45% | 50% |
| BWA Income From Membership Dues | \$14,100 | \$9,500 (half-year) |
| Member Orientation | 50% of members have attended an orientation | 95% of members have attended an orientation |
| Meetings | All chapters have membership meetings at least monthly | On average, 50% of paid members attend monthly meetings. |
| Board of Directors | Board established and meeting regularly | Board members trained and committee structure established |
| Email | 5 chapters are using email regularly | 10 chapters are using email regularly |

10 The Next Six Months

The following are areas that will be important foci of activity during the next six months.

10.1 Board Of Directors

The BWA board at present is largely inactive. The majority of members do not know what an NGO is. Furthermore the board rarely meets.

During the next six months LEAD will help to reactivate the board of directors for the Association. The Association will recruit board members who are prepared to commit time to the BWA and participate in training.

The board will help find sources of revenues and give the BWA guidance. Presently the BWA relies very heavily on a single person (the President). If the President were to leave it would be devastating to the Association. For sustainability, an active and functioning board is critical.

10.2 Membership Training

As mentioned earlier, the majority of members do not understand what an NGO is. The LEAD project in the next six months will develop a training program for its members. The training will focus on what NGOs are and their role in society. This should help clear up existing confusion within the Association regarding membership expectations of the BWA's role and function in society.

10.3 Meetings

LEAD will continue to support the BWA meetings in all chapters and focus heavily on this area. It will look for ways to increase the quality of information shared while boosting attendance.

10.4 Advocacy

The BWA, with LEAD, will continue to advocate micro-credit in Uzbekistan. Micro-credit is still looked upon by the BWA members and BWA staff as the most positive thing that could happen to the Association. Legalization would help members with cash flow problems while providing the Association some fee income for providing the loans.

10.5 Membership Development

The BWA will continue the struggle to develop membership. It is important to continue to recruit for new members; this is what keeps the BWA new and exciting.

Outline of Book Contents for Uzbek Craft Guides LEAD Project

Two booklets of approximately 20 pages each will be created and will cover the following topics:

TEXTILES

- I. Introduction with information about history of silk route and ancient trading cities of Uzbekistan
- II. Sections on each technique
 - A. Ikat
 1. history and traditional uses (including use in clothing then and now)
 2. methods (description of dyeing, weaving techniques)
 3. styles, patterns and their significance
 4. modern uses/adaptations
 - B. Suzani
 1. history and traditional uses
 2. methods (drawing patterns, etc.)
 3. regional patterns/stitches and their meanings
 4. modern uses and adaptations
 - C. Gold Embroidery
 1. history and traditional uses
 2. methods and raw materials used
 3. significance of particular patterns
 4. modern uses/adaptations
 - D. Shakrisabz (and the Soviet attempt to collectivize/industrialize embroidery)
- III. Resource directory including listing of craft NGOs & individual artisans, craft stores and galleries, museums with strong textile collections, museum shops
- IV. Photos, sketches, and map of regions

CERAMICS AND TILES

- I. Intro mentioning silk route and rich history of area
- II. General history (something brief!) of ceramics in Uzbekistan
- III. Sections on different schools of ceramics (Rishtan, Gizhduvan, etc.): their history and distinguishing characteristics, significance of forms (ie, the Rishtan bridal basin), colors, symbols
- IV. History and significance of tile, where tourists can see the best examples, info on the restoration tile factory
- V. Resource directory including listing of NGOs & individual artisans, craft stores and galleries, museums with strong ceramics/tile collections and museum shops
- VI. Photos, sketches, and map of regions

Uzbek Craft Guide Marketing Plan

Target groups for distribution include:

Uzbekistan (distribution organized and managed by BWA):

Travel agencies/Intourist

Hotel shops

Craft shops and galleries

Museum shops

ATA partner NGOs

Regional (distribution facilitated by ATA/Central Asia and organized/managed by BWA)

ATA partner NGOs

ATA retail craft shops in Bishkek and Almaty

ATA regional craft fairs (books sold at a BWA table at the fairs)

US/Europe (distribution organized and managed by ATA/USA)

ATA tour group (September 1998)

ATA members (announced through ATA newsletter)

Appropriate importers/buyers

**Outline for Uzbek Craft Web Page
LEAD Project**

- I. Listing of web page contents
 - A. Uzbek crafts
 - B. Suggested travel in Uzbekistan
 - C. Bulletin board
 - D. About USAID, Counterpart, ATA and the LEAD project

- II. Uzbek crafts
 - A. Embroidery/Textiles
 - 1. Excerpted text from guides (including meaning of designs, etc.) illustrated with photos
 - 2. Listing of master craftsmen
 - B. Ceramics/Tiles
 - 1. Excerpted text from guides (including info on different schools of ceramics, etc.) illustrated with photos
 - 2. Listing of master craftsmen
 - C. Metal chasing
 - D. Wood carving
 - E. Calligraphy and miniature painting
 - F. Directory of places people can go for more info in-country (ATA partner NGOs, BWA offices) .

- III. Suggested travel in Uzbekistan
 - A. Sample itinerary with quotes and photos from ATA trip
 - B. Travel agency contact info
 - C. Helpful hints for the traveler

- IV. Bulletin board area for general exchange of info

- V. About ATA and Counterpart International
 - A. Mission statements
 - B. Info about USAID and goals of project
 - C. History of work in Uzbekistan
 - D. Links to ATA and Cpart web sites