

# FINAL REPORT CEDNA

PRODUCTIVE PROJECT 2018-2019

PERIOD: MAY 01, 2018 – MAY 01, 2019

## GENERAL INFORMATION

<b>Title Project</b>	: Strengthening of small productive businesses in rural areas of the Cusco region with articulation of business networks
<b>Executing org.</b>	: CEDNA (Center for Child and Adolescent Development)
<b>Duración proyecto</b>	: 1 year
<b>Periodo ejecución</b>	: 01 may 2018 – 01 may 2019
<b>Beneficiarios</b>	: 100 producers, organized in 5 business networks (20 per network)
<b>Ejecución</b>	: General Project Coordinator, Project Coordinator
<b>Presupuesto total</b>	: € 59,224.00

## 1. PROJECT BACKGROUND

### 1.1 ABOUT COOPERATION WITH VILCABAMBA FOUNDATION FROM THE NETHERLANDS

The Vilcabamba Foundation, in cooperation with its local organization CEDNA executes the Entrepreneurship and Labor Insertion program with its project Strengthening small productive businesses in rural areas of the Cusco region, with articulation of business networks.

### 1.2 ABOUT THE PROJECT

- **Problem**

The problem we have faced with the project are high rates of poverty and the development of low profitability productive activities in rural areas.

Poor rural families have productive units of less than 2 ha. These are scattered among each productive unit and there is limited access to them. The productive plots are located in places affected by the Peruvian demography, putting them at a disadvantage compared to other productive rural areas. The small size of production, which does not allow them to be individually competitive with the markets, which translates into low income generation among peasant families.

- **Project description**

The project aims to strengthen the productive and commercial associativity of small agricultural producers in rural areas for the sustained improvement of their economic income.

The project consists of strengthening associativity, productive management for commercial articulation under the methodology approach of business network contests plan that consists of providing economic incentives in favor of organizations that meet the project's evaluation criteria.

**The strategy of rural business networks** was implemented. The articulation of business networks is applied for the promotion and development of business networks in productive chains with market potential and progress towards a value chain. In particular, it is aimed at developing the interest, the knowledge base and trust so that the groups of producers interested in working together, integrate their efforts with the purpose of executing business plans that complement their productive capacities to obtain economic advantages in the short and medium term.

• **About objectives and achieved results of the project**

<b>OBJECTIVES AND RESULTS PROJECT (EXECUTION MAY 2018 - MAY 2019)</b>		
<b>Objetivos project</b>	<b>Results</b>	<b>Results % about the project goal</b>
5 business networks of small agricultural producers in the Cusco region strengthen their Associativity for joint work.	5 business networks	100%
100 small producers with scarce economic resources in the Cusco region, strengthened in their organization, promote joint actions to improve their economic activity at a productive and commercial level.	100 small producers	100%
100 small producers with scarce economic resources in the Cusco region, develop their skills and abilities, for technical management of production according to market requirements.	100 small producers	100%

**2. REALIZED ACTIVITIES**

**2.1 PRELIMINARY ACTIVITIES**

**1. MARKET STUDY**

Before the start of the project, a market research was carried out that was adapted to the needs of the job offer with adequate selection, promotion and motivation procedures to reach the conviction of the beneficiaries of the courses offered.

**2. IDENTIFICATION OF BENEFICIARIES (PRODUCTIVE ASSOCIATIONS)**

During the first months we carried out the identification of small productive organizations according to the selection criteria of our Methodology.

In total, we identified the number of 7 productive associations, all of them located in the district of San Jerónimo, of which only 5 met the selection criteria.

- Association of guinea pig producers "New Generation"
- Association of guinea pig producers "Suncco".
- Association of producers of oyster mushrooms "Patron San Jerónimo"
- Association of guinea pig producers "Conchacalla".
- Association of vegetable producers "Sumac Llankay"

Each of these organizations had an average of 25 beneficiary partners, with a total of 100 beneficiaries.

**3. SIGNING AGREEMENTS WITH STRATEGIC ALLIES**

An agreement was achieved with the Ministry of Production in Cusco.

It was possible to commit 5 Communities for which agreements have been signed with 5 productive associations.

#### 4. ELABORATION BASIC AND FINAL DATA BENEFICIARIES

The following methodologies were used to obtain baseline and final data:

- **Personalized interviews – Preparation of surveys.**  
Once the associations were identified, personalized surveys were carried out on each beneficiary. These findings made it possible to identify the socioeconomic situation and productive level in a personalized way.
- **Implementation of control and monitoring systems in the CEDNA student database system.**

#### 5. DESIGN OF CONTEST PLAN

Granting of monetary resources and non-reimbursable tools in favor of the producers' association as an incentive to promote associativity, quality improvement, productivity of its main economic activities, with the main objective of improving economic income through commercial articulation.

#### 6. DESIGN OF ACTION PLAN BY ASSOCIATION

In order to obtain specific information, the SWOT analysis tool was applied in each association, which made it possible to identify the internal characteristics (Weaknesses and Strengths) and their external situation (Threats and Opportunities) of each association.

According to this information and with reference to the baseline survey, we were able to carry out the Operational Plan of activities for each association.

### 2.2 RESULT 01: SMALL PRODUCERS WITH SCARCE ECONOMIC RESOURCES IN THE CUSCO REGION, STRENGTHENED IN THEIR ORGANIZATION, PROMOTE JOINT ACTIONS TO IMPROVE THEIR ECONOMIC ACTIVITY AT A PRODUCTIVE AND COMMERCIAL LEVEL

#### Result description

The organizational management capacities of productive organizations were strengthened, developing awareness-raising activities on the importance of business-focused associativity and management of organizational management tools, for which we worked with the business network strategy manual. The main organizational management tools were implemented such as: internal regulations and improvement plan. Likewise, socioeconomic surveys of each productive organization was carried out, from which the improvements achieved with the implementation of the project can be measured.

For greater motivation, internships were realized, so that through experiential learning, based on the observation of jobs and successful experiences, they could replicate these experiences in the field of intervention.

Permanent visits to the Associations took place as part of the activities of the technical team in order to follow up on their commitments.

## 1. STRENGTHENING ASSOCIATIVITY

Workshops were held on the importance of associativity in the 5 associations. The director of the Ministry of Production of Cusco was invited, who provided free training.

### Subjects realized

- Voluntary membership.
- Essential common goal.
- Mutual trust and selection of partners.
- Administrative and communication transparency.
- Planned association process and as a result of collective strategy.
- Culture of cooperation and commitment of partners.
- Permanent attitude of healthy competitive relationships with another company.

## 2. DESIGN OF TRAINING MATERIAL ON MANAGEMENT AND ADMINISTRATION TOOLS

Training materials, booklets on the basis of the contest, importance of associativity, importance of business networks were designed. This material was designed according to the productive activity of each association and distributed to the 100 participants of the project.

## 3. STRENGTHENING AND IMPLEMENTATION OF ORGANIZATIONAL MANAGEMENT TOOLS

Workshops were held to implement management tools such as: planning, control, supplier records, inputs and outputs, customers and minute books for registration and control in each association. All this has allowed us to obtain indicators and statistics, to establish a strategic planning according to the needs of each association.

In the minute book we were able to implement the internal regulations of each association. This tool is essential to resolve conflicts that arise within associations. It is so important that if it did not exist, it would be very difficult to sanction a partner for any improper act, since there would be no normative or regulatory support to protect a sanctioning decision.

## 4. VISITS SUCCESSFUL BUSINESSES IN THEIR BRANCHE

Successful organizations in the same branche as our beneficiary associations had to be identified and evaluated before visiting them. The evaluation criteria were: organizational level, infrastructure, technology, quality production and potential buyers.

### The visited businesses:

- With the **guinea pig producer associations** (3 associations), the network of guinea pig breeders “Casa Blanca” from the Ocongate district - Quispicanchis Province was selected and visited. This organization develops the production process of guinea pigs in a technical way and has managed to build a processing and beneficiation plant for guinea pigs. The main product they offer is vacuum packed guinea pig for hotels and main restaurants. This organization is located 3 hours from Cusco, for which 3 buses were hired to transport more than 60 guinea pig producers the beneficiaries of the project.

- With the **vegetable producers** (1 association), a company located in Huillcapata - District of Cusco, 40 minutes from the intervention area, was selected and visited. This company differentiates itself from the rest for carrying out technical production management and has modern infrastructure. For this visit an average of 25 vegetable producers participated.
- With the **producers of Oyster Mushrooms** (1 association) we selected the Company: Center for the production of Mushrooms Biozetas Cusco located in the Conchalla Community - Anta District, 2 hours from Cusco. This company is characterized by its technical infrastructure and the development of value-added products based on oyster-type mushrooms. This company is the only one in the Cusco region that offers certified oyster-type mushrooms to the main restaurants and supermarkets in Cusco. On average, 25 mushroom-producing beneficiaries traveled.

In total, we were able to visit 3 top companies with a total of 110 beneficiaries. An additional achievement was to manage the contribution of the organizations of 70% of the travel cost.

## 5. VISITS SUCCESSFUL BUSINESSES IN THEIR OWN NETWORK OF ASSOCIATIONS

Visits took place between the associations of their own networks as *an integration strategy and to consolidate trust*. The visits consisted of guided visits to the productive businesses between the 5 organizations. This has also made it possible to evaluate the internal competitiveness among the beneficiary associations. In total 25 producers were visited, 5 from each association.

## 6. STRENGTHENING OF LEADERSHIP CAPACITIES AND CONFLICT RESOLUTION

A workshop was held on the role of the promotion leaders of the 5 associations led by a specialist in leadership and personal development. In this workshop, the bases of the contest was also presented for proper promotion through community leaders and managers. Also a total of 10 promotion leaders have been appointed.

### 2.3 RESULT 02: SMALL PRODUCERS WITH SCARCE ECONOMIC RESOURCES IN THE CUSCO REGION, DEVELOP THEIR SKILLS AND ABILITIES, FOR TECHNICAL MANAGEMENT OF PRODUCTION ACCORDING TO MARKET REQUIREMENTS.

#### Result description

Actions were developed that contribute to increasing production and improving quality. In this sense, training actions and permanent technical assistance were developed for the implementation of good practices in the production process.

The small farmer producers received training that allows them to know in detail the advantages and challenges of a family-business, in such a way as to ensure the generation of income in a permanent and sustainable way.

#### 1. IMPLEMENTATION PROGRAM: STRENGTHENING TECHNICAL-PRODUCTIVE CAPACITIES

SWOT workshops were executed in each of the organizations in order to determine the reality, internal and external conditions regarding the organizational level, production level and markets. In accordance with this, the annual operating plan and priority actions plan were developed in the short and medium term.

## 2. ELABORATION OF MATERIAL ACCORDING TO THE RESULTS OF SWOT ANALISIS

Production management brochures were developed by processes with information identified from the SWOT analyses. Also brochures with information of the competitions between the business networks and their benefits were designed. A total of 300 brochures were delivered to all members of the associations.

### The following material have been developed:

- Competitions between associations.
- Bases of the competition between associations.
- Business network processes.
- Advantages of working in networks.
- Follow-up forms for promotion leaders.
- Brochures in productive management.

## 3. TECHNICAL ASSISTANCE TO SMALL PRODUCERS

Workshops and visits to their small businesses have been established according to the action plan in each association. A control and monitoring system has been implemented that will make it possible to measure the number of visits and workshops for each beneficiary.

Technical assistance has been carried out by the promotion leaders accompanied by CEDNA personnel, according to the competition plan. The promotion leaders are direct participants of the contest plan who have access to monetary incentive awards for compliance with the action plan, personal visits to the small businesses, effective calls etc.

## 4. CONTEST BETWEEN BUSINESS NETWORKS

During the project, the competition between business networks was held. The best associations, best promotion leaders and best entrepreneurial partners have been awarded. Because the associations are located in different sectors, a raffle was organized to determine the place of the event and the associations.

As a strategy to guarantee transparency, an external evaluator was hired who was in charge of evaluating the 5 business networks, and taking samples that were equivalent to the consolidated result for each association. For the evaluation of the entrepreneurial leaders and partners, the project coordinator was chosen who permanently visited and monitored the associations during the project.

## 2.4 SUPPORT, FOLLOW-UP AND MONITORING

Our digital control system allows personalized follow-up and monitoring, which also allows evaluating each student in relation to the baseline information of the student.

### 3. MAIN RESULTS, CONCLUSIONS AND LESSONS LEARNED

#### MAIN RESULTS

- 100 small producers trained.
- 5 business networks implemented and operational.

#### MAIN CONCLUSIONS

- Production and productivity in an associated and efficient agriculture is higher than in medium or small individual agriculture, and better supporting the onslaught of market globalization by increasing its competitiveness in relation to large national and international companies.
- Technical assistance is not enough to achieve ideal results. The productivity, production and quality of the product will depend on the technological level that each productive plot has, such as technical infrastructure, tools, quality inputs, etc.
- Adapt to their realities, schedules, cultures and customs.

#### MAIN LEARNED LESSONS

- Achieve that the producers are proactive and that the leaders guarantee trust to their associates.
- Assume new perspectives, which have to do with the construction of associative systems, based on values and economic changes.
- Participation of specialist strategic partners in each production and marketing process.
- Permanently carry out technical assistance and visits to strengthen activities and thus avoid possible problems such as the spread of some diseases or pests.
- Due to the different productive activities, we had a specialist in each productive activity.

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#### ANNEX: PHOTOS

**PROJECT PRESENTATION BEFORE COMMUNITY AUTHORITIES**



**PROJECT PRESENTATION AT COMMUNITY ASSEMBLY**





SIGNING OF AGREEMENTS WITH THE COMMUNITY PRESIDENTS



**PRODUCER OF GUINEA PIGS, BENEFICIARY OF THE PROJECT**



**VEGETABLE PRODUCER, BENEFICIARY OF THE PROJECT**



MUSHROOM PRODUCTION AREA OF BENEFICIARY OF THE PROJECT



VISITS TO COLLECT BASELINE INFORMATION BY THE COORDINATOR OF THE PROJECT



TRAINING WORKSHOPS





**STRENGTHENING BUSINESS NETWORKS**



VISITS TO SUCCESFULL BUSINESS IN MUSHROOMS WITH MUSHROOMS PRODUCERS OF THE PROJECT



VEGETABLE PRODUCERS ASSOCIATION

