



BASIC INFORMATION			
Name of your project	Generation of self-sustainable added value on Alpaca fiber – Willma Kaytu Ocongate, Cusco		
Type of project	Humanitarian		
Primary host and international contacts for this project.:	<p>Sponsor in Peru: Cusco Rotary Club represented by:</p> <ul style="list-style-type: none"> • Carolina Herencia Guillen-President Email: Phone • Lili Huallpa Camero - Treasurer Email: amec.cusco@gmail.com Phone: +51 999 632646 <p>Internacional Sponsor:</p>		
PROJECT OVERVIEW			
Main objectives	To strengthen the economic resilience on Alpaca family producer from High mountains communities. This could happen through the development of fiber marketing with added-value to improve substantially and sustainable their incomes using the right technology of processing and transformation		
Benefit	<p>The Project will support directly 100 families belonging to alpaca's breeders' associations from Trinkí, Marampaquí and Huacaticgo from the Ocongate district in Cusco Region.</p> <p>Also, indirectly will support another 40 artisan families, who change the alpaca's fiber to textiles, getting artisan quality threads, and link the fiber production to the local, national and international market.</p>		
Area of focus	<input type="checkbox"/> Community economic development		
MEASURING SUCCESS			
Goals of this area of focus will your project support	<ul style="list-style-type: none"> • Developing opportunities for productive work and improving access to sustainable livelihoods. • Empowering marginalized communities by providing access to economic opportunities and services. • Building the capacity of entrepreneurs, social businesses, and locally supported business innovators. • Empowering communities to develop environmental and natural resource conservation skills for economic gain. 		
Measure your project's impact			
Measure	Collection Method	Frequency	Beneficiaries
Total number of direct beneficiaries	Grant records and reports Direct observation	Monthly compilation of the document de la documentación de los participantes, reportada trimestralmente.	100 familias alpaqueras organizadas en total con el proyecto.



Number of entrepreneurs supported	Grant records and reports Direct observation Interview	Monthly compilation of the participants documents, reported quarterly	90 alpaca's breeders know and manage at least 3 instruments about administrative and operative management.
Number of individuals trained	Grant records and reports Direct observation	The assistant documents will be continuously compiled during the training months, each year.	100 alpaca's family breeders asociated around the fiber processing.
Number of Alpaca's breeders who increase their family incomes from the alpaca's fiber processed breeders,	Cash – Flow Analysis of income from the processed fiber sale.	Biannual recollection of the information.. , Quarterly report of the advances.. Quantitative data from base line and anual evaluation.	100 alpacas's family breeders, totally organized with the project
N° of entrepreneurs, who Access to processed fiber technology (Tops, carded, washed and spun)	Vouchers of the equipment acquisition and registration of the fiber transformation operation	Compilation of Information and delivery document quarterly.	100 families access to an organized use of 03 modules about alpaca fiber processing.
N° of organized persons who use minimum 3 administrative management tools and give the service of fiber scaring and washing	Legal documents about their constitution in SUNAT, SUNARP and their business plan	Monthly compilation of the participants documents, reported quarterly.	90 alpaca's breeders know and manage at least 3 instruments about management,, administration and operation
N°of alpaca's breeders trained about alpaca's fiber scaring, washing and spun	1. Records of all participants in workshop of training 2. Evaluation file applied to the breeders about the management of	Monthly compilation of the participants documents, reported quarterly.	100 alpaca's breeders are trained during all the Project..



	fiber transformation process		
Number of kg/ family alpaca's fiber, changed on tops , carded and spun., from al associations	Records of classified process of alpaca's fiber production.	Weekly and monthly compilation of the participants documents, reported quarterly.	700 kg of total is changed on tops and spun for the market.
Number of families that increase their incomes from the sales of alpaca's thread.	Sales and Incomes recorded in Cash flow	Quarterly compilation of participants' document. Quantitative recorded data in Baselines and Annual evaluation.	100 families improve their incomes from the fiber changes and its linkage to the Market
Number of organized Alpaca's entrepreneurs related to the market of alpaca's thread	Records of registration and participation in Fairs and Business wheels.	Quarterly compilation of participants document, reported biennial.	80 entrepreneurs participate in Markets and sell their products as Alpaca's fiber tops and thread.

Do you know who will collect information for monitoring and evaluation?

Contact person: Veterinarian and Animal husbandry Oscar Aragón Merma

Organization Innovar y Compartir Non-profit organización.

Previous experience and developed skills for this responsibility: Innovar y compartir has in its staff, the work experience developed through 25 years old working in project implementation of social and productive development in rural zones from Peru. All of them executed by Heifer Project International, in Peru. It has the knowledge and experience in Model PMD Pro implementation on social projects, which include tools that sustain the planning Monitoring and Evaluation system. The institutional experience has supported many consultancies linked to the Project management as Baselines, External Project evaluations and production training linked to the rural production development

LOCATION AND DATES

Where and when will your project take place?

Cusco- Perú

Intervention Zone : Communities of u Tinki, Marampaqui y Huacatingo del Distrito de Ocongate; Province of Quispicanchi, Cusco Region-Perú

Implementation date:: FY 2020 – 2021 (12 months: January 2020 – January 2021)

COOPERATING ORGANIZATIONS

Assitant Organization: Innovar y Compartir

Web site: www.innovarycompartir.org



Address: Calle 5, Mz A lote 5- Urb. Santa Elisa II Etapa – Los Olivos- Lima Perú **Datos de Contacto:**
Madeleine Muñoz Zegarra, (051)998865560, madeleine.munoz@innovarycompartir.org

Reason of selection:

Innovar y Compartir (IC) is a nonprofit association. It is made up on April 11th 2017, by Heifer Peru specialists. It has experience and continuous intervention for more than 33 years, on rural development by Heifer Project International. It is legally registered in public register (SUNARP, item Number. 13854325 and title 2017-00687180). It is on the same line that the National Political areas and subject priorities of the International Technical Cooperation in Peru.. At this stage, as a National Association, it follows the International Heifer Project Legacy in Peru, about the social Project sustainability and the contact network promotion, working with the private sector, government and academic institutions.. Finally, It is working to increase the impact and taking advantage of the opportunities generated to improve the incomes in Value chains, women empowerment and social capital inside the communities.
Actually Innovar y Compartir is working in 2 projects of the Cusco and Puno regions, with an average of 100 thousands annual dollars from Heifer Project International.

Project-rol: Project executive
Copy off Signed agreement Memorandum.

Rotary participants:

Role of the local rotaries in the Project:: Administrative and financial Management in the project execution
They will make site visits to have the direct observation about the advances and project goal fulfillment..

International Rotaries in the Project Financials and the Council Project members. Advanced review and approval goal report.

International role of the Rotaries in the project: Project financiers and members of the Council Project Review and approval report advances and goal fulfillment of the project.

BUDGET

What local currency are you using in your project's budget?

Soles

What is the U.S. dollar (USD) exchange rate? 3.34

What is the budget for this grant? USD 153,884.36 (Hundred fifty three thousands eighty eight and four with 36/100 Dollars)

#	Category*	Description	Supplier	Cost in local currency	Cost in USD



1	Livestock & Freight	Implementation of the community Business Plan. about the fiber alpaca's processing, equipment implementation for tops and carded. Equipment for thread from Alpaca's fiber Facilities adaptation for handmade mini-plants to change alpaca's fiber.	Prosynergy S.A, Yachaywasi Eco tecnológicos, Comesur Textil e Hilos	185,462.49	55,527.69
2	Horticulture & Freight	Farm equipment transfer to make local activities. Vehicle .Rental and maintenance of vehicles (van and motorcycle), Transport insurance. Include ticket costs, linked to the project execution, evaluation visit and project monitoring.	Services enterprises and vehicle maintenance in the district and region. Transport companies.	31,450.00	9,416.17
3	Agricultural Equipment & Supplies	Internships in organizations or enterprises which are working successfully on processing Alpaca's fiber This could sensitize the project participants. The training are giving to develop technical capacities in alpaca's breeders about fiber classification, shaking, washing, scaring, and carding spinning. And business management in Markets.	COMESUR Textile and threads , CECAP SUR, COOPECAN	48,416.00	14,495.81
4	Publications and signage.	Booklet making, and experience systematization.	Publications, Design agency and publicity selected from Price and product evaluations.	12520.00	3,748.50



5	Travel & Vehicle Operation	Project personal, Partner organizations and hired consultants from the Project..	Private natural or legal consultants, selected by an open announcement and an evaluation committee	29520.00	8,838.32
6	Technical Services & Evaluation	Include the cost of the program coordinator – accounting assistant, 2 local technicians, according to the specialty. 01 on fiber processing, 01 manager of marketing business from rural ventures.(participation of 6 months)	Hired personal after a selection process through an evaluator committee	139704.00	41,827.54
7	Office expenses and services.	Office rent and supplies Services (water, light, phone, and internet). Equipment maintenances	Service companies and office suppliers	26310.25	7,877.32
8	Technical Services & Evaluation	Computer equipments and administrative logistic.	,	0	0.00
9	Project management	It includes designed time cost for 01 administrative personal and 01 programmatic, designed by the district Rotary to coordinate and monitor the project executor management.	Rotary Distrital Staff	40591.02	12,153.00
Total Budget:				513,973.76	153,884.36
FUNDING					
#	Source	Details	Amount (USD)	Support*	Total
1	Innovar y Compartir	Cash contribution.	7,000	350	7,350
2	Ocongate, District Municipality	Valued contribution.	10,000		10,000



***Whenever cash is contributed to the Foundation to help fund a global grant project, an additional 5 percent is applied to help cover the cost of processing these funds. Clubs and districts can receive Paul Harris Fellow recognition points for the additional expense.**

How much World Fund money would you like to use on this project?: USD 153,884.36 (Hundred fifty three thousands eighty eight and four with 36/100 Dollars)

SUSTAINABILITY

PROJECT PLANNING

- **Describe the community needs that your project will address:**

In Peru the Alpacas' breeding is a common activity on high mountains zone, over 4000 m. over sea, representing the main economic support for 600.000 families, of which, the majority are in extreme poverty.

About the distribution of the alpacas' population and according to the race, Huarcaya become the predominant one inside the flocks (96%) and the Alpaca Suri, represent only 4%

The Alpaca fiber, because of its textile characteristics, become exotic, appreciated and with high demand on the national and international market, competing in quality with the 3 natural fibers in the world

On the other hand, it is evident that carded fiber (Tops) filters and thread, from alpaca's fiber have a high commercial value at the national and international Market. Nowadays there is a non satisfied demand at the national industry, which is composed mainly by big industries articulated with the international alpacas' fiber market, tops market, thread market, related with "fair trade"). However, most of the alpaca's families and organizations sale the alpaca's fiber without added –value to intermediate marketers, that means as a brush (fiber freshly sheared) or perhaps classified between 18 and 20 soles per kg,.

Most of the high mountains communities, from Cusco regions, over 4000 m.o.s, work with camelids (92%), as a main occupation, emphasizing that occupation in other economic sectors, has not significance. The main source of family income is the alpacas fiber production and marketing.

- The alpaca family breeders, don't know the process or added – value in alpaca's fiber.
- The intermediation affected the alpacas' breeders, who receive between 5 to 9 soles per pound (colors and White respectively)
- Lost of color diversity (20 different color tones),because of the market industry, which doesn't value the genetic resource, despite of the growth of the market niche about the natural fiber

In order to allow the own alpacas breeders, who can process and give added value to their own fiber, Rotary Club and partners will promote the capacities development, market opening and process equipment of scarring, washing, carding and spinning, allowing alpaca's fiber processing into tops, thread and improving the prices for the alpacas family breeders, according to the quality and type of fiber

The handmade thread production belongs to a value chain. This value chain is inside the production chain of alpaca's fiber. However this chain has its deficiencies and still has to be developed, it is a very old chain of the



sector, and it is possible to trust on the agents, which interact to run a common business. There is already a social and economic structure, this is why we predict success in the production of thread..

Economic At the beginning of this study, we can see that the craftsman had as a better income, an average of 900.00 Per year This income meant as a net income per labor hour S/. 1.00 p, on average. Knowing that the craftsman is partner of the alpaca breeder, but as a simple producer, doesn't have incomes because he doesn't change the raw material

The proposal business let the craftsman to get also a minimum utility that will cover his labor 2, 50 per hour. Also an alpaca breeder will be included on the thread process, so he will receive the same as the craftsman That means if we include the artisan and breeder in thread production there will have an income of 2.50 soles per each labor.

Social. The craftsmen from Ocongate, as in our entire Highland zone, have an ancestral identification on their habits, race, language and Andean values. Because of that, it is affirmed that the thread craft, is part of their identity and culture, hardly leave this activity.

An alpaca's fiber thread at low price, less than the market one, with a basic technology, will let them to reach faster than their soul and blood want to express. The 100% alpaca thread, at a competitive price, well done, very regular and high production would excite them to express and revalue their culture through their woven..

The communities of alpaca's breeders are convinced, with strong will, that when they commit, they fulfill their responsibilities. After that, we have the agent commitment, between the fiber collector, the maquila, the dyer, the sketching, the twisted, the open and the carding operators Finally having a competitive alpaca's fiber yarn to the market.

Technology. This Project aims to get handmade products, under a basic technology. A very old aspiration from the highland alpaca's breeders. Needless to say when a new central government authority come to this, zone, the first thing that they ask, is a factory that could process the alpaca's fiber. This situation is repeated in Puno, Huancavelica, and other alpacas' regions

Because of that, the Project place elemental machines to have not only better products, more regular and at less cost, but also to promote an important impact inside the South American camelids chain, that will be favored by the technological process of fiber, to access on new and most demanding markets

- **How did your project team identify these needs?**

The sustainability is based on an existing thread market, with a known unsatisfied demand. The economic circuit is achieved, that means that we have already operators in each link that makes the operation possible. So the Ocongate breeders only would have to be inserted on it, where they have to be, that implies as craftsmen suppliers of handmade yarn.

The determination of the needs is based on the secondary information from the national statistic, the regional poverty situation and vulnerability of the intervention zone.



To get the primary information, many techniques and participative instruments are used to determine the problematic, actors' identification and future visión since the perspective and distrital authorities, families, leaders and local entrepreneurs.

• **How were members of the benefiting community involved in finding solutions?**

Strength is the sustainability of institutional alliances, which promote the collaboration between the different actors from the handmade productive chain. Strengthen this relationship: Enterprise – alpaca's breeders- public and private institutions will be the keys to business

The cooperating entity that support the organizations must be clear on its mission and where must be and how far should it go The craftsmen will do not by themselves, so the professional staff of the institution have to take action.

The intervention must be based on the Business Plan, considered the most important tool. Immediately must be selected the coordinator, that within his leadership characteristics must have another like wide call, knowledge about the geographic zone and habits, and definitely, to have clear the business focus and reach a close contact with the customer Since the business start, we must have clearly the role and the customer's importance. This concept must be driven by the coordinator and transmitted to the recipients. A success key must be the trust that could develop between buyers and alpacas' breeders. His mission must be to strengthen this relationship. By the other hand alpaca's breeders promote the training aimed at improving skill to satisfy the requirements from the known customer. Likewise, by the buyers side, the products must be presented in the best way, telling the truth about its real potential

PROJECT IMPLEMENTATION

#	Activity	Duration
1	The self-sustainable organizations give services on scarred and washed alpacas' fiber.	
1.1	Do an internship of community authorities by the mini-plants of alpacas' fiber process	Trimester 1
1.2	Assess each community about constitution and/or strengthen of the associative community organization	Trimester 1 y 2
1.3	Assess each community organization to have the RUC and receipt of payment.	Trimester 1 y 2
1.4	Implement the mini plant of alpacas' fiber scarred, washing and drying, from each community.	Trimester 1 y 2
1.5	Make the administrative management and operative instrument of the mini plants.	Trimester 2
1.6	Training on administration for each community organization about alpacas' fiber process mini-plant's management and operation	Trimester 2 y 3
1.7	Assess about the selection process of operators for each mini plant	Trimester 2 y 3
1.8	Training the operators and families of each mini plant about alpaca's fiber scarred, washing and drying process	Trimester 2 y 3
1.9	Monitor the operators and administrator development of each mini-plant	Trimester 2
2	Added- Value generation, Sustainable Marketing of tops and thread	



2.1	Do an internship of family breeders by the mini-plants of alpacas' fiber process	Trimestre 1
2.2	Assess each family to define the business plan and implement according to its potential and interest.	Trimester 2
2.3	Training each family about thread presentation (catalogs, tags, etc)	Trimester 2 y 3
2.4	To give each family the equipment according the added-value of the business plan for top, carding and thread	Trimester 2 y 3
2.5	Training on business plan for each community	Trimester 2 process 3
2.6	Technical Assistance to each family about tops and thread production process as appropriate.	All the trimesters
2.7	Intermediate in the marketing process of fiber added-value on fair trade .	Trimester 3 y 4
3	Monitoring y evaluation	
3.1	Design a M&E Plan and make the baseline	Trimester 1
3.2	Make quarterly technical execution reports and Project budget.	Final of each Trimester of the year
3.3	Do coordination meetings and a Project operative evaluation	Each trimester with monthly intervals
3.4	Make the results evaluation at the end of the Project.	Trimester 4

Will you work in coordination with any related initiatives in the community?

Actually there are not local initiatives that promote alpaca's fiber process, because of the exclusion and the Access to communities over 4000 m over the sea. However, the Ocongate district government has prioritized its multi-year plan, of public investment a small amount to support the fiber process for 2020. However, it is not enough to solve the historic problems. Also, there is not any other proposal to keep supporting the local South American camelid sector,.

The Project of alpaca's fiber process will generate impact on local initiatives, according to the added-value generation. This will allow increasing the public investment level and benefiting the alpaca's breeder communities, which undertake this work process..

There is a project proposal driven by the Cusco Region government, which will promote the alpaca's fiber process, but it is still on evaluation, this proposal would reinforce and continue the Cusco Rotary Club's work.

Please describe the training, community outreach, or educational programs this project will include.

Through a project launch, will be made its public presentation, where the local actors will participate (local authorities, NGO &/or interested district and private Enterprise) also men and women leaders from participant families. They will announce the Project objective and general characteristics, supported by Rotary. The Project dissemination media in the Region and District will develop respecting the procedures and norms given by Rotary.

A training program will be given to get experts on thread, carding and tops. The program will impart knowledge about fiber classification, shaking, scaring, washing, carding spin and spinning of alpacas' fiber at productive level. About marketing, the emphasis will be on the knowledge about quality control, finishing, presentation and marketing of the final product. This will help to improve the Market articulation and the income generation.

Finally the knowledge and the technical assistance, training programs with local leaders, fiber process equipment operation, management, enterprise association, community promoter formation. The last one will ensure the sustainability at the end of the Project

What incentives (for example, monetary compensation, awards, certification, or publicity), will you use, if any, to encourage community members to participate in the project?

A motivation and sensitization internship will be made for successful organizations on alpaca's fiber process. An inter-community contest will be implemented, where we will give incentives to contribute to the fiber process. The communities better organized could have support on a Business Plan formulation and design that will be presented on a public contest from Pro – Compite, that could get more investment in 2021 .

Enter the name of the group or members from the community, who will monitor the Project activities, when the financial activities would be finished. It is not necessary that the persons or groups are rotaries or from Rotary clubs. .

When the project will be finished, the conduction of the operations will be by the next actors:

- Leaders and manager trained on management on business initiatives ,
- Community promoters formed through the Project in coordination with their organizations (Recipient community farmer recipient and producers associations).
- Technical personal from the District Municipality of Ocongate, will be operating in the zone with budget form economic development or Pro-compite.
- Technical from CITE textil Camelides, who will continue with the training on families about textile subjects and market articulation.

List any community members or community groups that will oversee the continuation of the project after grant-funded activities conclude.

Visual material will be made to give an orientation on management of fiber process mini – plants to get thread. An historic systematization about the experience could help to identify learned lessons along the project execution process.

Community promoters and thread experts, formed through the Project, will be the support of advices and assessment required by the families

FUNDING

Have you found a local funding source to sustain project outcomes for the long term? If yes, please describe this funding source.

- Suppor programs to local ventures, financed locally with government funds from the District Municipalities, at the local economic development area (Funds from InviertePe and



Procompite) will help with financial resources to the communities which process alpacas' fiber and rural business.

- Agroideas program. It allows the financing of public funds to improve animal production, through business plan contest, that will increase the quality and quantity of the alpacas' production. .
- The CITE program Textile Camelids – It will contribute with training and complement services Access, like dyed threads, market opening, product marketing and textiles training. .

Will any part of the project generate income for ongoing project funding? If yes, please explain.

Funds will be generated from potential ventures with the Project. The alpaca breeders' communities will give capital (raw materials) which let them generate income to change the fiber in thread and other ones at middle and long term. The same community association, by the thread sales and other, will give a percentage to reinvest for growing up and to consolidate the business