DIGITAL PARTNERS PROPOSAL

Project name:

“Mountain Marketplace in Latin America”

August 30th, 2002
Part 1: General Information

Organization name: The Mountain Institute
Project name: Mountain Marketplace
Geographic region: Latin America
Countries: Peru, Ecuador, Bolivia

Part 2: Lead contact information

Elizabeth Byers, The Mountain Institute, Mountain Forum Global Information Server Node
1828 L St., NW, Suite 725, Washington, DC 20036 USA
Tel: 1-202-452-1636; 1-304-636-6980 (direct line)
E-mail: ebyers@mountain.org; Fax: 1-202-452-1635
Web: www.mountain.org (The Mountain Institute)
www.mtnforum.org (Mountain Forum)

Part 3: Project Classification

Primary: Economic empowerment of women
Secondary: E-commerce

Part 4: Participating Organizations

Organization 1: CONDESAN - InfoAndina, Foro de Montañas en America Latina
Role they serve: Technical support, training, IT support, long-term partnership with the 6 pilot cooperatives
Contact: Ana Maria Ponce <A.Ponce@cgiar.org>, Tel: (51-1) 349 6017,
http://www.condesan.org
http://www.condesan.org/arracacha/anualReview.htm,
http://www.condesan.org/redar/TiendaVirtual.htm

Organization 2: ESCAES Ayabaca, Cajamarca, Peru
Role they serve: Local micro-enterprise facilitator, long-term partnership with the 4 of the pilot cooperatives
Contact: Delicia Coronado
E-mail: escaesayabaca@terra.com.pe
Phone: (51 44) 73 75 41

Part 5: Project Summary

25-word summary: Mountain Marketplace is a pilot initiative to build e-commerce capacity and open new markets for pro-poor women’s cooperatives in remote, under-served mountain areas.

What problem does this project solve and how? (50 words)
Problem: Lack of income, lack of access to markets, lack of IT know-how among poor, isolated rural women.
Solution: Through IT training and capacity-building, combined with market research, women entrepreneurs will be able to access new markets. Their incomes will improve, along with their ability to create better communities.
What distinguishes your project from similar efforts? (50 words)
Similar efforts, e.g., *Fair Trade*, differ from this initiative in: (1) remoteness of location -- many of our partners are without road access or electricity, (2) focus on IT solutions, and (3) scalability -- the Mountain Forum network already touches hundreds of partners in mountain ecosystems of the poorest countries.

How does this effort serve the needs of underserved communities (50 words)
Mountain women suffer from double marginalization -- first as mountain peoples isolated from economic and political power, second as women with little control over their lives. This effort will empower women entrepreneurs through access to technology that will change the way they interact with their communities and the outside world.

**Part 6: Management Plan**

**Biodata for Elizabeth Byers:**
Senior Program Officer at The Mountain Institute, West Virginia, USA. Coordinator of the global information services of the Mountain Forum, a network for equitable and ecologically sustainable mountain development, since 1996. Responsible for high-accessibility design of Mountain Forum IT systems to serve infrastructure-poor communities and users with minimal connectivity. Pioneered model of grassroots input to global policy development through the use of local NGO gateways. Prior to taking on the Mountain Forum coordination, Ms. Byers worked for twenty years implementing community-based conservation and development projects in remote regions of the Himalayas, East African Rift, Alps, Rocky Mountains, Appalachian Mountains, and Andes.

**Biodata for Ana Maria Ponce:**

**Biodata for Sonia Salas:**
Engineer in Food Industries, Masters and Doctorate studies in Food Sciences. Over 18 years of experience in applied research and promotion of agroindustry, especially rural agroindustry and local development (investment, methodology design, project management, planning - evaluation, extension and technical assistance), within Peru, the countries of the Amazon basin, and the Andean countries. Presently at the International Potato Center, regional coordinator in the post-harvest, processing and marketing of Andean food in the Andean countries. Facilitator to the Andean Network for *Arracacha* Producers, which includes more than 5000 rural women working to effect social change through economic empowerment. Moderated the E-Conference "Rural Agroindustries in the Andes and the Challenges of Globalization", organized by InfoAndina in 1999, covering marketing, technologies and technical assistance issues. ([http://www.condesan.org/infoandina/Foros/agroindustria_rural/post.htm](http://www.condesan.org/infoandina/Foros/agroindustria_rural/post.htm))

**Part 7: Project Proposal**

**Executive Summary (600 words)**
Mountain Marketplace is a pilot initiative to build the capacity of pro-poor women's cooperatives in Peru, Ecuador, and Bolivia and use IT-driven solutions to link their unique mountain products to new and larger markets. This project will explore the feasibility of applying IT-assisted
entrepreneurship to remote, infrastructure-poor mountain communities, using the Mountain Forum network as a vehicle for outreach, scalability, and sustainability. Rural Andean women have been excluded from negotiation and decision-making processes, but are responsible for food security of their families. They also preserve traditional Andean knowledge about product processing. A "virtual marketplace" would serve as a platform to bypass traditional gender structures and create new avenues for social and economic change.

The project will begin with a workshop for six women's arracacha cooperatives and the management team. Arracacha is a traditional (ancient) and highly nutritious food product of the high Andes, made by grating arracacha tubers, mixing with honey or syrup, pressing into flat sheets, and drying. The sheets are then rolled and packaged for sale. At the start-up workshop, we will develop a detailed plan for implementation and collect baseline data. Cooperatives will choose representatives to participate in training and assume leadership roles.

The management team will carry out market research, including global linkages, e.g. to Fair Trade, and national/Andean linkages to agricultural product distributors. We will design the e-purchasing system in consultation with experts from Digital Partners. We will seek a low-cost secure merchant server to process credit cards on-line, and work out a transparent payment process with cooperatives. We will work collaboratively with Digital Partners experts to design the Mountain Marketplace website with an expandable, bilingual infrastructure and pilot project pages. We will research, purchase, and set up connectivity equipment (possibly satellite), solar chargers, and Simputers or palm pilots for the cooperatives.

Business management training and team-building, and training in use of IT equipment, will be followed by a test run of inputs by entrepreneurs, purchasing, and payments. We will revise the system to incorporate beta-test experiences, and launch the Mountain Marketplace. Monitoring of revenues, technical difficulties, beneficiaries, and social changes will continue throughout the project.

The project will directly impact 100 women in six cooperatives and their households (estimated 600 people) in remote, under-served communities of the Andes. Indirect impacts will be felt by the communities (estimated 2,000 people), as revenues are invested in health care, education, and entrepreneurial activities. Indirect impacts will be felt by sister cooperatives (5,000 women) in the Andean Women's Microenterprise Network and by members (3,000 people and organizations) of the Mountain Forum.

If successful, this pilot project will be ready to scale up almost immediately. Our client pool is already in place through the Mountain Forum members who have requested the service. The process can be replicated quickly with graduate "mentors" and new partners from the poorest mountain regions of the world. The economies of scale indicate that the Mountain Marketplace will become more successful as products are added, and relationships with distributors and consumers are expanded.

The Mountain Forum and its regional partner, InfoAndina, hope to make the leap from simple information exchange to active IT-driven market support for its many partner organizations. We feel that the potential of the Mountain Forum network has not yet been tapped -- it is a great network or partners working for equitable and ecologically sustainable development -- but it has not yet found a way to link its grassroots partners with solid economic benefits. We hope to build our own capacity to serve pro-poor entrepreneurs by benefiting from the expert advice, mentoring, and practical design help available through Digital Partners.

Project Background and Justification: (100 words)
Rural Andean women have been excluded from negotiation and decision-making processes, but are responsible for food security of their families. They also preserve traditional Andean knowledge about product processing. A "virtual marketplace" would serve as a platform to bypass traditional gender structures and create new avenues for social and economic change. Producers
in rural zones have limited access to markets, in terms of both distance and technical knowledge. Information about the rich nutritional value of these products and their important role in the cultural tradition of the Andean people is largely unknown to potential consumers.

**Project Objectives** (100 words)
At the community level, the Mountain Marketplace seeks to build the capacity of pro-poor women's cooperatives in Peru, Ecuador, and Bolivia and use IT-driven solutions to link their unique mountain products to new and larger markets. At the regional and global levels, this pilot project will explore the feasibility of applying IT-assisted entrepreneurship to remote, infrastructure-poor mountain communities, using the Mountain Forum network as a vehicle for eventual outreach, scalability and sustainability.

**Use of Information Technology** (200 words)
The Mountain Forum strives to serve infrastructure-poor populations at the "cutting edge of low-tech solutions". This pilot project will explore the use of Internet and IT-driven market solutions for rural women's cooperatives in the Andes, for whom the Internet is currently inaccessible and largely unknown. With mentoring assistance from Digital Partners, we seek to implement the following IT solutions:

1. Establish Internet connectivity for the 6 cooperatives via satellite, dial-up, or other technology;
2. Create a Mountain Marketplace website where pro-poor mountain producers can link with markets and consumers. The site will include a global, expandable, bilingual infrastructure and pilot project pages for the *arracacha* cooperatives;
3. Develop an e-purchasing system on a secure merchant server that provides transparent, low-cost financial transactions between consumers and producers;
4. Set up remote data entry systems to input information from the local cooperative to the Mountain Marketplace website, including current inventory, product information, pricing, images, and human interest stories. These might include Simputers (if available by the time the project starts), palm pilots, or other reliable low-cost technology. Downloadable data would include purchases to be shipped, feedback from consumers, and revenues received.

**Project Beneficiaries** (100 words)
The project will directly impact 100 women in the six cooperatives and their households (an estimated 600 people) in remote, under-served communities of the Andes. Indirect impacts will be felt by the communities (an estimated 2,000 people), as incomes are invested in health care, education, and entrepreneurial activities. Indirect impacts will also be felt by sister cooperatives (5,000 women) in the Andean Women's Microenterprise Network and by members (3,000 people and organizations) of the Mountain Forum. The Mountain Forum network is also a beneficiary, since it will attain increased capability to serve its constituents.

**Project Sustainability** (100 words)
Sustainability at the local level will depend on our success in creating linkages to new markets. If successful, revenues will flow back to the cooperatives and the incentive to continue to use the IT-based solution will be high. Small commissions will be taken to help sustain the IT services. The cooperatives are well established and have received technical support from the International Potato Center since 1999. The web-based Mountain Marketplace will become part of the family of IT services facilitated by the Mountain Forum, which has operated since 1996.

**Project Methodology** (200 words)
The project will begin with a workshop for the women's cooperatives and the management team. We will develop a detailed plan for implementation and collect baseline data. Cooperatives will choose representatives to participate in training and assume leadership roles.
The management team will carry out market research, including national/Andean linkages to agricultural product distributors and global linkages, e.g., to Fair Trade.

The management team will design and set up the e-purchasing system in consultation with experts from Digital Partners. We will seek a low-cost secure merchant server to process credit cards on-line, and work out a transparent payment process with cooperatives. We will work collaboratively with Digital Partners experts to design the Internet-based Mountain Marketplace with a global, expandable, bilingual infrastructure and pilot project pages.

We will research, purchase, and set up connectivity equipment (possibly satellite), solar chargers, and Simputers or palm pilots for the cooperatives.

Business management training and team-building, and training in use of IT equipment, will be followed by a test run of inputs by entrepreneurs, purchasing, and payments. We will then revise the system to incorporate beta-test experiences, and launch the Mountain Marketplace.

Monitoring of revenues, technical difficulties, beneficiaries, and social changes will continue throughout the project.

**Project Timetable:**

**Month 1:** Workshop with all partners to plan implementation (in Cajamarca, Peru).

**Months 2-6:** Market research: global linkages, e.g. to Fair Trade; national/Andean linkages to distributors).

**Months 2-3:** E-purchasing system set-up: Collaborative research with Digital Partners experts: find solution for secure merchant server to process credit cards on-line, possibly use IDRC or other existing server, or add capability to Mountain Forum website; also, work out transparent payment process with cooperatives, e.g. sending a check once a month; modest commissions probably paid for financial services.

**Months 2-4:** Mountain Marketplace web design: work collaboratively with Digital Partners experts to design Mountain Marketplace. Create global, expandable, bilingual infrastructure and pilot project pages for the arracacha cooperatives.

**Month 3:** Purchase connectivity equipment (possibly satellite), solar chargers & simputers or palm pilots for 6 cooperatives: Research on the most appropriate equipment with assistance from Digital Partners experts. Purchasing.

**Month 4:** Set up Internet connections at 6 cooperatives.

**Months 4-5:** Business management training and team-building.

**Months 5-6:** Training in use of IT equipment: connecting to Internet and entering data into the palm pilot or Simputer.

**Months 6-7:** Test run of inventory/quality inputs by entrepreneurs: Local cooperatives entering their product data into the system. Sample buyers purchase products. Local cooperatives see whether they can deliver the products and revise their inventory. “Test payments” delivered to the producers.

**Month 7:** Input of market links to e-commerce website.

**Month 7-8:** Revise system based on test runs.

**Month 9:** Launch pilot version of Mountain Marketplace.

**Months 1-12:** Monitoring of revenues, technical difficulties, beneficiaries, social changes.

**Month 12:** Report to donor, press releases.

**Months 13-24 and onward:** Continued operation and anticipated scaling-up with new partners.

**Project Outputs:** (200 words)

Community-level outputs will include increased revenue streams to local cooperatives, increased investment in local community welfare projects, increased entrepreneurial capacity, increased positive (non-exploitative) linkages with the outside world, increased status of women in the community, and shared knowledge of the process and its results (see monitoring below). Trained business management and IT teams will use new equipment (Internet connectivity and
Simputer/data entry device) to connect to the Mountain Marketplace from each of six cooperatives.

Regional- and global-level outputs include the design and structure of the global "Mountain Marketplace" website and payment processing system as part of the Mountain Forum's services to pro-poor mountain entrepreneurs. Andean products, and local knowledge about their use, will be better known at the international level. Additional outputs will include formal agreements between the Mountain Forum and marketers and distributors of mountain products. A final project report which includes the results of monitoring and evaluation will be provided to Digital Partners, along with press releases, human interest stories, and digital images as requested.

**Project Monitoring:** (100 words)
Monitoring will begin with a participatory baseline assessment during the project start-up workshop. Cooperatives will document their current revenue sources, distribution of revenues, and revenue investments. Throughout the project, records will be kept so that the revenue streams are transparent, and linked to investment sectors such as poverty reduction, health services, and education. Training and employment records will document skills development and job creation. Technical difficulties and achievements will be documented by the cooperatives and their trainers. At the end of the project, cooperatives will review the monitoring data and comment on individual and social changes or unanticipated results.

**Project Scalability and Replicability:** (100 words)
Our pool of clients is already in place through the Mountain Forum network, whose members have requested the service. These groups of mountain producers are already known by our regional network coordinators, so the complicated process of identifying, selecting, and cooperating with pro-poor producer groups is already well underway. The process can be replicated quickly with graduate "mentors" and new partners. The economies of scale indicate that the Mountain Marketplace will become more successful as products are added, and relationships with distributors and consumers are expanded.

**Project Staffing:** (100 words)
The project will be staffed by leaders of the local cooperatives, who will work with their communities to select and train business management team and IT teams for each cooperative. These leaders include Maria Rosa Rodriguez (Bolivia), Sra Carmela Encalada (Ecuador), and Elcira Llatas, Maria Santos, Bertha Julca, Elcira Diaz, and Irene Flores (Peru). Delicia Coronado in Cajamarca, a local facilitator for micro-entreprises, will assist with the business management training. Technical and IT support will be provided by InfoAndina/International Potato Center (Ana Maria Ponce and Sonia Salas), and the Mountain Forum/The Mountain Institute (Elizabeth Byers and Jason Espie).

**Partnerships that will be fostered or created:** (150 words)
The Mountain Forum will significantly strengthen the existing partnerships between its global and regional networks and the Andean *arracacha* cooperatives. The level of trust and cooperation that will be required to move from technical support and information sharing to a practical business partnership is substantial. We will develop new relationships with Digital Partners and the most appropriate of its sponsored projects, e.g., the Simputer developers in India. We will develop formal partnerships with pro-poor marketplaces such as *Fair Trade* and *Aid to Artisans*. At the national level, we anticipate new business partnerships with agricultural product distributors in Peru, Ecuador, and Bolivia. Finally, if the project is successful, we expect to receive large numbers of requests for inclusion in the Mountain Marketplace from mountain producers throughout the world.

**Current sources of funding:** (75 words)
Current sources of funding include core support for the Mountain Forum network from the Swiss Agency for Development and Cooperation and The Mountain Institute. The *arracacha* cooperatives are currently receiving agricultural extension support through funding from the
Canadian International Development Research Centre for the “Development of Rural Agroindustries and Markets” project through the International Potato Center.

Benefit from SEL (150 words)
The Mountain Forum and its regional partner, InfoAndina, hope to make the leap from simple information exchange to active IT-driven market support for its many partner organizations. This pilot project will allow us to explore whether it is possible to link socially responsible but isolated producers of outstanding mountain products with regional and global markets. We feel that the full potential of the Mountain Forum network has not yet been tapped. It is a valued network of partners who exchange information and experiences about their work in equitable and ecologically sustainable development -- but it has not yet found a way to link its grassroots partners with solid economic benefits. We hope to build our own capacity to serve pro-poor entrepreneurs by benefiting from the expert advice, mentoring, and practical design help available through Digital Partners.

Impact (75 words)
The project will directly impact 100 women in the six cooperatives and their households (estimated 600 people) in remote, under-served communities of the Andes. Indirect impacts will be felt by the communities (estimated 2,000 people), as incomes are invested in health care, education, and entrepreneurial activities. Indirect impacts will also be felt by sister cooperatives (5,000 women) in the Andean Women's Microenterprise Network and by members (3,000 people and organizations) of the Mountain Forum.

Part 8: Project Budget

<table>
<thead>
<tr>
<th>Mountain Marketplace budget 2003</th>
<th>Digital Partner</th>
<th>Digital Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot project: Andean women's cooperatives</td>
<td>funds</td>
<td>funds</td>
</tr>
<tr>
<td>by TMI</td>
<td>by CONDESAN</td>
<td>Digital Partners</td>
</tr>
<tr>
<td>Workshop with partners</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td>E-purchasing system set-up</td>
<td>$1,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Mountain Marketplace web design (bilingual)</td>
<td>$5,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Market research</td>
<td>$2,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>Purchase/setup IT equipment for 6 cooperatives</td>
<td>$2,000</td>
<td>$16,000</td>
</tr>
<tr>
<td>Business mgmt. training and team-building</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>IT training and team-building</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Test run of inventory/quality inputs</td>
<td>$500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Revise system based on test runs</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>Monitoring, evaluation, and reporting</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,000</strong></td>
<td><strong>$32,500</strong></td>
</tr>
</tbody>
</table>

Notes:
1. We anticipate scaling the project up in 2004-2005, with additional grant funding.
2. Trouble-shooting support to maintain the system in 2004-2005 will be provided by the Mountain Forum and InfoAndina.