

**Pan African Artisan Enterprise Development (PAED)
Annual Report, Year 2002-2003**

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Agribusiness Capacity and Sustainability of African Craft Businesses



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LIST OF ACRONYMS

ATA	Aid to Artisans
ANARTE	National Artisans Association (Mozambique)
AMRP	African Market Readiness Program
AIB	Artisan Information Bulletin
BAT shop	Bartel Arts Trust Shop (South Africa)
DIP	Detailed Implementation plan
CCDI	Cape Craft and Design Institute
EOP	End of Program
FOB	Freight on Board
FSC	Forest Stewardship Council
HQ	PVO Headquarters
JECA	Jozani Environmental Conservation Association
KZN	Kwa Zulu Natal, South Africa
LOP	Life of program
MRP	Market Readiness Program (NY)
M & E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MC	Marketing Coordinator
MM	Marketing Manager
NYIGF	New York International Gift Fair
NGO	Non- Governmental Organization

NAW	National Artisan Workshop
OD	Organizational Development
PAED	Pan-African Artisan Enterprise Development Program
PVO	Private Voluntary Organization
RISE	Regional Initiatives for Southern African Enterprises
RFD	Regional Field Director
SARCDA	South African Retail Chemist's and Drug Association
SMEs	Small and Medium Enterprises
USAID	United States Agency for International Development

Summary of Program, Administrative, and Financial Status

The Pan African Artisan Enterprise Development Program (PAED) is a follow-on program to ATA's first matching grant program in Southern Africa, entitled Regional Initiative for Southern African Enterprises (RISE). During RISE (1998-2001), ATA provided technical and design assistance to artisans in Mozambique and Tanzania. The five-year (2001-2006) PAED program was awarded a \$2.8 million matching grant to further expand ATA's reach in the region, specifically in South Africa, Mozambique, and Tanzania.

The craft sectors in these three PAED program countries include artisan enterprises with varying skills and experience. Thus, the PAED program provides technical assistance in market-driven product development and design, market links and market-readiness, business skills training, and capacity building through a tiered approach that tailors this assistance to the capacity and needs of different artisan enterprises within each of the PAED program country.

To expand the market opportunities for the African artisans, PAED program was purposely designed to benefit from the economic reality that South Africa is the continent's largest economy and therefore attracts significant tourism and an increasing number of craft buyers. Under PAED, in addition to the major US and European trade shows, ATA included SARCD, the largest South African trade show to reach craft buyers in South Africa. By participating in the SARCD trade show for two consecutive years, ATA has provided the African artisans an opportunity to market their products in the South African market and make market links, which, due to their relative affordability, can be more easily sustained.

PAED's success in promoting craft enterprises has hinged in part on its Africa Market Readiness Program (AMRP). Under PAED, AMRP is held once a year, in conjunction with SARCD trade show that is held in Johannesburg. AMRP combines market seminars, individual design consultation, and guided tours of both the gift fair and retail stores in Johannesburg.

These market opportunities and linkages are not restricted just to businesses in the program countries. The Pan African Market link component of the PAED program was designed so that artisans from other African countries could also participate in the program and benefit from it. This component of the program capitalizes on ATA's highly developed marketing services, by offering market access to qualified African businesses (from both within and outside the program countries) on a fee for services basis. In the first two years of PAED selected SMEs from Ghana, Tanzania and Zambia have contributed

towards the cost of the marketing services provided to them by ATA and therefore have helped ATA introduce cost-recovery practices as a means towards sustainability.

On September 30, 2003, ATA completed its second year of the PAED program. In the first two years of the program implementation ATA has focused its efforts on capacity building through scaling up production systems, organizational development for artisan groups and expanding services to reach a larger base of African artisans, thus meeting the majority of the objectives outlined in the proposal. In addition to working towards the overall goal of supporting artisan businesses in southern Africa, in Y2, ATA has also made concerted efforts to further strengthen ATA as an organization. With a total growth of 18% in ATA's income in 2003 fiscal year, ATA also grew in personnel and infrastructure. In 2003, ATA began deploying cost-effective IT tools to improve the organization's efficiency and effectiveness. To increase emphasis on ATA's longer-term and strategic fundraising, the Organization underwent some restructuring at the head quarter level. At the country level, ATA implemented the program as per the country specific plan of implementation, as discussed in the following sections.

For Y2 of the PAED program, ATA has met its match obligation. Match funding awards for the PAED program were received from the Ford Foundation, West Foundation, the International Finance Corporation, UMCOR, and many other private funders and individual donors. The PAED program, due to its match requirement, continues to be one of the organization-wide priorities for fundraising.

Section I. Background to Grant and Project Context

ATA submitted a proposal entitled "PAED" or " Pan-African Artisan Enterprise Development " to USAID's Bureau for Humanitarian Response, Office of Private and Voluntary Cooperation, for consideration in the fiscal year 2001 Matching Grant Program. The proposal addressed USAID's strategic objective that places emphasis on partnership, sustainability and managing for results. At the Mission level, the proposal responded to USAID South Africa's SO5, to increase market-driven employment opportunities in the SME sector. In Tanzania it responded to the Mission's objective of human rights and broad-based national and regional economic growth. In Mozambique, it matched with the objective to increase rural incomes and secondarily to increase private-sector-led growth. The request of \$2.8 million was granted to ATA in 2001 for period of 5 years, 2001 to 2006.

During ATA's work with artisans on business training, product development and market link connections, in the first Matching grant program (RISE), ATA got insights into both opportunities and constraints in the craft industry in southern Africa. As mentioned above, the PAED program was designed to improve and expand the services delivered in the RISE program. In line with what was proposed originally, in the first two years of the program, ATA has focused efforts on capacity building through scaling up production systems, expanding services to reach more artisans, and investing in the Pan-African training and marketing component.

The craft sectors in each of the three PAED program countries are at different levels of development and therefore have different challenges. The Mozambican craft sector is not a highly organized sector; there is a lack of a strong infrastructure both in the artisan and the export sector. As a result the production capacity is very limited and so is the market access. Artisans lack basic business knowledge and have a minimal education level. At the beginning of ATA's work in Mozambique, all these factors contributed to ATA's decision to operate through an in-country local office. The Mozambique field office is based in Maputo and it is working with businesses in the provinces of Maputo, Nampula and Sofala. In the absence of both a strong infrastructure and a Mozambican artisan organization, the field office serves as a focal point for all artisans activities - it coordinates local fair, buyer trips, trade show participation, design trips and workshops, conducts fund raising and is the voice for the artisans in government forums and to the media. Due to the lack of experienced craft exporters, ATA's field staff also performs many export related activities such as receiving buyer orders, distributing orders, storing inventory and conducting quality control. However in Y2, ATA started its Export training program to train craft export businesses in Mozambique. ATA realizes that the development of the export sector is crucial to sustain the links that ATA has established with importers and also to create new linkages.

Tanzania's artisan sector is better organized than Mozambique's and it has a more experienced export sector. Therefore it was decided to end PAED activities in Tanzania after three years in 2004. (the program would continue both in Mozambique and South Africa for five years). Although Tanzania has more market ready producers, these artisan enterprises have not had the financial and non-financial resources to develop their businesses and compete in a rapidly expanding and increasingly competitive global market. Poor quality of products, inefficient production processes and technology, insufficient knowledge of market structures, trends and expectations, and lack of access to buyers have left artisan enterprises struggling for survival. Under PAED, ATA is providing these enterprises with appropriate technical assistance to enhance their export competitiveness and compete successfully in global markets.

South Africa has a well-developed international trade infrastructure, sophisticated financial institutions and capital markets, good communications infrastructure and a good transportation network. However, crafters in rural areas have no access to these resources, with the nearest bank and fax facility often 200kms or more away. Homesteads are traditional with no water and electricity access in most instances. But despite colonialism, apartheid and urbanization, indigenous cultures have survived due to the active promotion of cultural heritage. Many craft objects that had been consumed exclusively by local communities have been adapted to fit an increasingly varied market. Contemporary domestic wares – basketry, beadwork, pottery and woodcarvings – reflect the transition of indigenous societies and cultures; yet remain firmly rooted in historic traditions. Zulu craftspeople have a high level of technical expertise that is recognized internationally. In South Africa ATA is partnering with the BAT shop for the five years of the PAED program. The BAT Shop is affiliated with the Bartel Arts Trust (BAT), an art development and

inaccessible rural areas or in peri-urban informal settlements. It is estimated that a million people move to the cities in search of employment annually, most are forced to live in informal shack settlements where conditions are extremely poor. As a local partner, the BAT shop has helped ATA access craft producers in these settlements as well as rural areas. In Y2, ATA performed preliminary assessments of potential partners in the Cape, to expand its reach in South Africa. Both Geographic expansion and Partnership Development in South Africa are key elements of the South Africa country program for the coming years.

Section II. Project Methodology

Program Objectives and approach: The key PAED program objectives are divided in three categories; Capacity building, Service delivery and Sustainability.

Capacity Building objectives include:

Objective 1: Improve ATA's ability to access, adapt, and use training materials specific to artisan enterprises.

Objective 2: Address the unmet training needs of artisans by developing new training components.

Towards meeting objective 1 and 2, Aid to Artisans continued to enhance and expand its own training materials. Within the reporting period, ATA undertook a review of its existing training resources in an effort to standardize core seminars for consistent delivery and to compile case studies for reference and discussion. Early in 2003, ATA developed standard programs covering the following topics: Expectations for Exporting, Building Buyer Relationships, The Export Distribution Channel, Product Promotion, Trends, and Product Line Development with the assistance of a consultant. All these materials were used at the SARCDCA training, and most were also translated in Portuguese for the Mozambican producers.

In addition, Aid to Artisans began an update of its Export Manual, which was last revised in 1996, and long used as a resource for new exporters. The new manual will provide a step-by-step guide through the export process along with examples of documentation. Completion is scheduled for later this year.

As mentioned above, in Y1 of PAED, for the first time, ATA conducted a condensed version of the Market Readiness Program at international trade fairs outside of the US as a way to open regional markets to artisans while reducing participant costs for travel and lodging. In August 2003, in conjunction with the SARCDCA show in South Africa, Aid to Artisans held its second five - day Market Readiness Program, which was modeled after ATA's existing program at the NYIGF.

In Y2, ATA also participated in **Sources™**, a trade show produced for the first time in New York in May 2003 by George Little Management, the same company as that for the New York International Gift Fair. Sources™ is intended for non-US producers who are

In Y2, ATA also participated in Sources™, a trade show produced for the first time in New York in May 2003 by George Little Management, the same company as that for the New York International Gift Fair. Sources™ is intended for non-US producers who are actively exporting to the US and interested in negotiating directly with US buyers. For two days prior to the opening of the show, ATA conducted a newly developed marketing training program for the exhibitors. This first-time program was a follow-up to the well-established Market Readiness Program in that it covered in greater depth the responsibilities of the exporter, especially regarding direct sales, customer follow-up, and marketing activities. There were no African exhibitors this year, however, this program offers a logical next step to those who have participated in the Market Readiness Program and continue to develop their product line and export capacity.

Objective 3: Capitalize on existing information technology to supplement ATA's marketing efforts.

In 2003, ATA began deploying cost-effective IT tools to improve the organization's efficiency and effectiveness. ATA hired an Information Technology Manager earlier this year who completed several IT projects in the reporting period. ATA migrated to Microsoft Outlook, a system that provides the staff with improved means for handling email messages, scheduling meetings and tracking contacts both in Hartford and in the field. ATA's internal data network and individual employee workstations have been upgraded for better performance and virus protection. A new server was installed to digitally store ATA's growing library of product, artisan, program and country images.

New ATA Web Site: ATA launched a new Web site (www.aidtoartisans.org) in June 2003, featuring enhanced design; expanded product, artisan and country content. The site has search tools to serve an increasingly diverse set of users including artisans, funders, wholesalers, importers, and field staff, thus contributing to its overall superior functionality. The completely overhauled ATA site sports improved navigation, increased content and password-protected features for commercial clients, such as wholesalers, importers and retailers. By August, the site featured detailed information on 17 countries, 45 artisans/producer groups and more than 300 products.

Web-based Marketing Tools: Two new marketing tools, built from the new Web database, have been installed and are currently in use. These tools allow the marketing staff to create single-page Adobe (pdf) stylized files of producer group and product profiles for distribution to clients, etc. ATA received 78 login requests in a period of 3 months, out of which 61 commercial accounts have been created to date, and that figure continues to grow. In the days ahead, ATA will improve communication between Hartford, the field and commercial clients through a number of Internet-based technology efforts. In addition, the organization plans to deploy new database tools to better track products, images, and program results. Work is in progress to further develop ATA Web site into great commercial functionality including the possibility of commerce for business and possibly consumer market.

In addition to the website, ATA has continued to develop and test ways to use the Internet and digital technology to successfully develop marketable product lines. Distant-designing is not only cost effective; it also enhances local capacity in design by encouraging artisans to develop products independently with guidance from designers without their physical presence.

Objective 4: Increase ATA's earned income and revenue received through cost recovery.

As described above, ATA has opened the Pan- African Market Link to non- program market-ready African producers for a fee, so they can access regional markets with ATA. However it is just the beginning and so far the cost sharing by the producers has been very minimal. In Y3, ATA plans to expand the program reach and will be offering the Market link services to producers more aggressively

Since training is a core component of every ATA project the majority of the trainees at the MRT are from ATA projects and project countries, yet approximately one third of our training participants are referred to us independently. Thus generating revenue and helping ATA break even on the training costs.

At the country level the key capacity building objectives include strengthening of the craft sector and the capacity building of local partner and/or local staff. The objectives for each country, along with activities to achieve those objectives and indicators to measure their success are listed separately for each of the program country in the planning matrices that are included in the attachments.

Key Service delivery Objectives include:

Objective 1: Expand market opportunities for African artisans.

Towards meeting this objective, ATA added new shows to its portfolio of trade shows. In Y2 of the PAED program, ATA participated in the largest wholesale South African trade show, SARCDCA for the second time. This year ATA's participation in SARCDCA was more substantial and effective. Incorporating the lessons learnt from last year ATA designed the booth and managed it in a more efficient manner. ATA exhibited a larger range of products and doubled the sales volumes from last year. ATA also secured a new South African importer, Langata, for promotion and distribution of sales from the SARCDCA show in Johannesburg. This accomplishment is crucial to the sustainable development of the South African market. The opening of the South African market through the creation of a permanent booth in the SARCDCA trade show has opened the door for more consistent orders for the artisans. To further expand market opportunities for African products in Europe, ATA also participated in Tendence, a trade show that is held in Frankfurt every summer. African products were exhibited at Tendence and Ambiente, both of which are held in Frankfurt by "The Frankfurt Messer ", the World's largest Gift fair. In the US, during Y2 of PAED, ATA expanded its trade show presence to the LA show and the San Francisco International Gift Fair in the US, in addition to the NY Gift Fair.

Extensive trade show participation has expanded market opportunities for African artisans, however ATA's experience has demonstrated that handcraft sectors in the three PAED countries include artisan enterprises with varying skills and experience. Thus, ATA has developed a strategy to provide technical assistance in market-driven product development and design, market links and market-readiness, business skills training, and capacity building through a tiered approach that tailors this assistance to the capacity and needs of different artisan enterprises within a country. ATA has identified three types of artisan enterprises that differ from each other based on their technical skill level, business management expertise and market experience¹.

- Tier One: These are primarily small and medium enterprises (SMEs) who have marketable product collections, have established export businesses, and are well-prepared for the international marketplace, but lack access to appropriate buyers. These groups could benefit from and need technical assistance in US/Europe market-oriented activities in order to increase their export competitiveness and market access. The Zambian SMEs that participated in the Pan African Market link component of PAED fall in this tier.
- Tier Two: These are usually small enterprises that have a basic organizational structure in place but require significant product development and skills training in order to compete in international markets. These groups could benefit mostly from local, tourist and regional market-oriented activities as well as appropriate market link/training activities to better prepare them for export. In Tanzania, some of the enterprises ATA is assisting fall under this category.
- Tier Three: These artisans are individual microenterprises and/or artisan groups that have basic technical skills but lack organizational structure, marketing experience, and basic management skills. These groups need comprehensive and intensive technical assistance in production, design, and marketing, basic business skills training, an early focus on basic organizational development, and local and tourist market development. Given time to strengthen their production and marketing capabilities, these groups can gradually be introduced to external markets particularly through partnerships with Tier One businesses. Most Mozambican producers are micro enterprises.

ATA's Tiered Approach to Artisan Enterprise Development will help ATA design product development, training and marketing activities that suit the product, production capacity and quality, marketing experience, and customer service needs of different types of artisan groups so that they can get the maximum benefit out of the PAED program. ATA believes that assigning artisan enterprises to various development tiers, designing technical assistance tailored to each development tier, and providing this technical assistance in a phased time sequence will enhance the effectiveness of the PAED program.

¹ Please note that there could be more (or less) than three tiers of artisan enterprises in a given country or community, and that it is the concept of different levels of skills and capacity that is important in this classification.

Objective 2: Continue to develop market-driven products for and with artisans.

Towards meeting objective 2, ATA continued with one of its long-standing and most effective services of design consultancies. In Y2, both international designers as well as African designers, who are knowledgeable in both design and market trends, were hired to provide short-term design and technical assistance to artisan businesses. New product lines were created for the international market, SA market and production issues were addressed.

At the country level, the key objective included 1) Develop and expand marketing and sales opportunities for artisans leading to revenue generation. 2) Provide artisans with the business skills needed to grow their businesses and production knowledge to meet demands. The objectives for each country, along with activities to achieve those objectives and indicators to measure their success are listed separately for each of the program country in the planning matrices that are included in the attachments.

Key Sustainability Objective at HQ level is to continue to diversify ATA's funding sources and build strategic alliances. Under the present matching grant, the PAED program, ATA has brought in a variety of new funding partners including many Foundations, private funders and individual donors. To meet this objective ATA has developed or renewed many relationships with non-USAID funding sources. This will contribute to the sustainability of ATA as an organization and, consequently, the sustainability of the services ATA provides to artisans worldwide.

However, in the reporting period, due to a number of new ATA programs that recently got funded by USAID, the overall ATA's funding base comprises of a large portion of AID funds. Percentage of ATA budget from USAID has increased from 66% in 2002 to 69% in 2003.

At the Country level, the key sustainability objective is that the Artisan enterprises continue to reach and expand markets after the PAED project ends. A number of craft sector development activities are being implemented towards this goal. The objectives for each country, along with activities to achieve this objectives and indicators to measure their success are listed separately for each of the program country in the planning matrices that are included in the attachments.

Project Methodology: The PAED program is using ATA's proven combination of design and product development consultancies with business training and market assistance to meet the program objective of helping artisans to generate income through sale of their crafts in the marketplace. Due to the competitiveness of international markets, it is imperative that artisans make a strong entry into the market with competitive, realistic, and fair pricing, excellent quality, and unique designs. Under PAED, assistance is provided at all stages of the design and production process.

Product development: ATA has a pool of design and technical consultants with extensive market experience work. These consultants work closely with artisans to adapt current products to market trends. Together with artisans, consultants modify existing products, revive traditional crafts, and create new products from existing skills, materials and design motifs. During and after the trip, field staff works closely with artisans to make prototypes. Design consultants and field staff pay special attention to the environmental impact of production, particularly the sources of wood in Mozambique. Production capacity is also assessed to ensure that the local production process can support large an export venture or local market demand. Often consultants institute quality control standards, help build or acquire more useful equipment, teach improved production methods, and set better delivery schedules.

Upon completion, consultants review samples and ATA's marketing department presents them to interested importers/wholesalers at trade shows. During the show, ATA gauges market reaction to products and uses this feedback to further refine existing products and create additional lines. When appropriate, ATA hires an experienced marketing expert to scout the fair on behalf of artisans. The scout promotes the product lines, identifies buyers and accompanies them to see products in the booth, and documents relevant trends for future product development.

Marketing: As described above, ATA's Tiered Approach to Artisan Enterprise Development enables ATA to build stronger artisan businesses by implementing a diversified marketing strategy that focuses on local, tourist, regional, and international markets. PAED program countries have artisan enterprises that belong to all three tiers. Basis the technical skill level, business management expertise and market experience of the PAED artisan groups, ATA has identified the tier to which they belong, and designed appropriate technical assistance to further enhance the success of and the sustainable growth in the artisan sector in Southern Africa.

For export ready producers, the goal of ATA's marketing effort is to link artisans to the private sector. Once a solid business relationship has been forged, the buyer takes over the key functions of providing market trend information, developing new products, and providing the channel for crafts to be sold at retail. Through direct interaction, many new business relationships have developed between artisans and buyers.

Training: ATA's experience has shown that in order to interest buyers and successfully sell to them, artisan enterprises need to clearly understand business practices and expectations. This is especially true in international markets, where orders are usually larger than in local markets. ATA conducts trainings that are led by consultants, field staff, and partner organizations as needed. Training content is based on the articulated needs of artisans and cover topics that ATA sees as their weaknesses. ATA uses a hands-on, interactive approach both in formal daylong seminars and in on-site consultations with a group of artisans at their workshop.

During Y2, training was provided at two levels: in-country local training and the US based ATA Market Readiness Training Program. The local inputs were periodic workshops /seminars and one-on-one consultation with PAED staff. During Y2 of PAED, eight Mozambicans, two Tanzanians and four South Africans attended ATA's Market Readiness Training Program in the US and South Africa.

Country wise target groups and gender equity issues:

Mozambique

Mozambique's dispersed settlement patterns and absence of national infrastructure has meant that the most appropriate ATA activities involve micro enterprises at the grassroots level in peri-urban and rural settings. In Mozambique, ATA has focused its assistance on designing and promoting the most marketable products – which are carved wood. A total of 45 businesses are covered under the program, and they range in terms of organizational structure, size, medium, and market experience, but all have potential to grow in export, regional, and/or local markets. Most of these producer groups are wood carvers, and they happen to be all men, since it is men who have traditionally used woods for craft production. In Y2, ATA reached a total of 1800 artisans. These artisans are reached through activities that include direct assistance through design and business training and through the Artisan informational bulletin, *As Mãos Falam* that is disseminated to artisans nationwide. However acknowledging the imbalance in beneficiaries, program staff identified several women's groups and conducted product development workshops for those groups. ATA contracted a textile designer who assisted ATA in designing marketable products for women producers. To further address this gender equity issue, ATA plans on diversifying its reach through the possible development of the basket industry, by introducing a new province into its program.

Tanzania

In Tanzania ATA worked with both small and medium enterprises (SMEs) and micro producers. While the artisan sector in Tanzania is more developed than that of Mozambique and has more market ready producers, these artisan SMEs have not had the financial and non-financial resources to develop their businesses. ATA is working on increasing their capacity for international marketing and sales. The groups that work with ATA are managed and maintained by men and women producing a range of crafts, including textiles, carving, basketry and ceramics. In Tanzania, ATA has made a concerted effort to identify and work with women producers. In Y2 of PAED after assessing the Zanzibarian craft sector ATA included a group of women who are ukili basket weavers. Training in Product Design was provided to a group of 20 women from 15 cooperatives that represent about 200 producers.

In Dar Es Salaam, ATA started initial work with a local NGO, called Artisan Development Agency of Tanzania (ADAT). ADAT, a Dar based NGO is involved in training of Micro and small scale women entrepreneurs (mainly producing handmade textiles). ADAT has 88 members, 95% of which are women. ATA plans on doing more substantial work with the ADAT producers in Y3.

South Africa

Under PAED, ATA is partnering with the BAT Shop, a for-profit enterprise and non-profit training center, to bring market-driven product development and tradeshow facilitation to South African craftspeople in the KwaZulu Natal Province (KZN). Project participants are predominantly women living in remote rural areas or peri-urban informal settlements who have had only limited educational opportunities and face the daily effects of living in a province with one of the highest HIV/AIDS infection rates in the country. The individuals involved in these programs play a key role in their communities; about 80% of the BAT Shop's producers provide their families' sole source of income through the sale of handcrafted products. In Y2 of PAED, ATA reached 957 producers in South Africa, over 90% of which were women.

2. Comparison of accomplishments to those proposed for Y2 and variance.

As reported in the Annual report for PAED Y1, the program design and implementation in Mozambique and South Africa has been the same as was proposed originally. But there was a change in the program implementation plan for Tanzania. ATA had originally proposed to work with an in-country partner in Tanzania but to work more effectively ATA adopted a different approach. (Pl. refer to the DIP and Y1 Annual Report for more details). The adopted/ new work strategy for Tanzania was two pronged. The first was based on the overall movement of ATA towards private sector development that has become a top priority for many countries in the developing world. And the second was to continue to work with micro producers who do not yet qualify as SMEs. During Y2, ATA has continued with this approach and most activities have been implemented successfully and project goals have been met. The program was implemented as planned in South Africa, however ATA's partner organization continues to suffer the loss of artists and weavers due to increases in AIDS and related deaths. More details on the South Africa Country program in section IV.

In Mozambique in an effort to strengthen the Mozambican craft sector, ATA has been working on developing a National Artisans Association, ANARTE. It is ATA's belief that the National Artisans' Association will give the Mozambican artisans the much-needed voice and will mark the beginning of formalizing the artisan sector in Mozambique. However during Y2, some of the planned activities that were largely focused on craft sector strengthening and on sustainable product development could not be implemented. And the ones that have been implemented as proposed originally have not been as successful as we had originally envisioned.

During the course of the work done so far in providing organizational development training to ANARTE, ATA has come to realize that there is limited ownership on artisans' part. And ATA believes that if there is a lack of commitment and motivation from the artisans' side, perhaps they are not yet ready to take ownership and to take this process ahead in a responsible way. As a result, ATA decided to stall all activities on ANARTE development and instead look at other ways of strengthening the sector. ATA will continue to focus on building individual business competence and confidence over the

next couple of years, ATA is, in essence, assisting the artisans to become better prepared and motivated to determine their willingness and commitment to develop ANARTE or a similar type of local entity that provides services to the artisan sector. ATA is also considering an alternative option: the development of a local NGO that provides services similar to ATA. This local NGO is different from ANARTE in the sense that it would not be founded and managed by artisans, rather an initiative most likely created and driven by ATA's current local staff.

The other crucial objective for Mozambique is to sensitize artisans on sustainable use of hardwoods. During Y1 of PAED, ATA implemented the first pilot project on forest management. ATA aimed at helping the Maputo wood carvers achieve Forest Stewardship Council (FSC) certification through the Djabula Community Forest Project. During Y2 ATA worked on developing the first artisan community accord in natural resource management of a precious wood, and supporting the process of forest certification for the Djabula Community Forest.

Efforts made towards the forest certification process for the Djabula Community forest during Year 2 have been met with a number of challenges. As mentioned in last year's report, ATA's initial partner's funding came to a halt and the local office spent the majority of Year 2 identifying a partner and developing a proposal to raise donor funds in order to meet our wood sustainability goals. Earlier this year Aid to Artisans began discussions with ICRAF (The World Agro forestry Centre) in Maputo in attempt to identify a partner organization that could help ATA continue with this initiative. After many discussions with ICRAF it was agreed that a minimum of three years are required in order to re-start the previous Licuáti project and make it a successful initiative.

Based on that agreement, ATA and ICRAF developed a joint proposal for a three-year period, which was submitted to DANIDA in April 2003. So far ATA has not got any formal feedback but there seems to be a keen interest on DANIDA's part in funding this proposal. In the meantime ATA has withheld all activities that were planned towards getting the forest certification

Section III. Monitoring and Evaluation

Describe and discuss the changes to the following from the originally presented in the DIP:

a. Baseline data: Baseline information and the data for the indicators to be monitored during PAED that was presented in the DIP, was determined by the final data collected under the RISE program. Both the mid-term and final evaluations conducted under RISE contributed to the development of indicators that provide useful and relevant information. As mentioned in the DIP, since ATA changed its work strategy in Tanzania at the onset of the program, the baseline figures and the indicators for Tanzania were changed from those proposed originally. (See DIP for more details).

b. **Targets:** Some of the targets that were proposed in the original proposal were changed in the DIP. In Mozambique, some of the indicators were overly ambitious, in particular the business plan and links to credit program indicators. Most of ATA's artisan clientele are marginally or not literate and only marginally numerate; although the project has worked on business visioning and longer term planning, business plans are still in the future for these micro enterprises. Likewise, links to credit are premature until the annual flow of orders smoothes out. And in Tanzania due to the change in ATA's approach the baseline figures changed and as a result the yearly targets changed too.

c. **Critical Indicators of Effectiveness:** After several years of considering other indicators, the critical indicator of effectiveness for the PAED program remains total sales. While many things can go wrong to prevent sales from happening, increasing sales do indicate that more saleable product is reaching the market, and repeat sales indicate that customer service is at least adequate. ATA will review the current indicators in the upcoming mid term evaluation to further refine them for effective, adequate and relevant information on program impact.

d. **Benchmarks of project progress:** Though total sales remain the critical indicator of effectiveness, there are several other benchmarks that map the program progress. The key benchmarks for the project progress so far include: Expansion of the tradeshow portfolio to include new tradeshows, enterprises/businesses sharing the costs for services provided by ATA, substitute of the Expatriate Field Director by a local Country Director in Mozambique, beginning of exploratory work to expand reach in South Africa, inclusion of a women's weaving group in the Tanzania program to address the gender issue.

e. **Monitoring plan:** The monitoring plan for PAED includes ongoing analysis of activities in the field combined with semi-annual planning exercises after each six-month market cycle and annual detailed analysis of indicators. Key sources of information for PAED are:

- *Key buyer interviews,* ATA developed a questionnaire to get buyer feedback and assess buyer satisfaction. This simple phone or email survey gathers information on client satisfaction, project ability to meet demand, and importer plans to re-order on a systematic basis. Please see appendices for a copy of the interview form.
- *Training test.* In order to ensure that training participants learn from their experience, ATA is developing medium-length business skills test that was used in Y2 as part of the part of ATA's Market Readiness Training Program.
- *Consultant reports:* Each consultant is required to submit a detailed report that includes: number and gender of artisan clients; daily log of activities; discussion of trip's success, obstacles and recommendations of next steps.
- *Trade show reports* a standard tool to share information on trade show results: After each show cycle, marketing staff compile a report detailing all marketing contacts, feedback from buyers/customers, total sales figures, and analysis of most successful products by units sold and dollar amount sold. This is used to refine the product development plan for the next six months.
- *Marketing reports:* The marketing team provides monthly reports to field staff and partners. The reports focus on new relationships and leads.

- *Field reports:* The field office and partners provide headquarters with a monthly update of activities. Information generally includes an update on orders in production, training, and fundraising efforts.
- *Financial statements:* Existing financials show costs and revenues associated with training, the Pan-African Market Link, and new earned income activities are used to determine future fee structures.

f. Evaluation plan: PAED has an internal mid-term evaluation and an external final evaluation planned. In addition, senior management staff (Executive Vice President, Vice President for Marketing, or Projects Director) visits the project approximately every 18 months for oversight and internal evaluation. The goal of all evaluations, both formal and informal, is to analyze past project performance and the causes for success and failure, draw lessons learned, and to inform programmatic decisions and activities for the future.

As described in the DIP, for formal evaluations, ATA has an evaluation scope of work that was originally modified from the PVC office SOW. The evaluator reads all relevant background material, including annual reports, data charts, field reports, marketing reports, and consultant reports, and then conducts interviews with home office staff and buyers prior to traveling to the region. While in the field, the evaluator spot checks data for accuracy, interviews field staff and a sample of artisans determined jointly by the evaluator and field staff.

Section IV: Review and Analysis of Project Results by Country

MOZAMBIQUE

4.1 Description for Mozambique for the report period:

Specific outputs achieved:

Progress toward indicators is addressed in section 4.2. Additional outputs include:

Business Training: Under Year 2, ATA conducted its first set of Regional Workshops, moving away from National workshops in order to reach more artisans within each member group and ensure better comprehension of business practices, such as costing and pricing, within each enterprise. The first set of workshops [one each in Maputo, Sofala and Nampula provinces] was conducted in February 2003. There were a total of 60 artisans [20% of whom were women] that participated, representing 31 enterprises. Traditional topics included market trends, product development, small bookkeeping and financial analysis, and defining the relationship between an artisan and an exporter. With each business session the artisans grow more, and most especially their attitudes change, which is demonstrated by the following words of an artisan spoken during one of the workshops.

“The way we display our products is very important for our business...we don’t win just for WHAT we present but for HOW we present.” Geraldo João, Cabo Delgado artisan

In addition, each provincial workshop included a panel of Mozambican business people, who explained how they started their businesses, the challenges they faced, as well as the successes they have obtained. In particular, the owner of a local glass company based in Nampula explained how he started his company with only \$1.50 back in 1989 and today he is managing a company, together with his wife, with more than 60 workers and a budget of around US\$83,000. This type of interaction with other members of the business community has been inspiring for the artisans and a very important contribution to their understanding of what it means to be a “real” business person.

“I never thought that people like me could become a big entrepreneur... NOW I will start to dream big about my business...” Vicente, Nampula artisan.

The second set of regional workshops, were conducted in September- October 2003. Difficulty with numeracy and comprehension of concepts are the biggest challenges. However with each repetition, the artisans become more and more confident in the processes and concepts and the importance of their practical application for the improvement of their businesses.

A session on HIV/AIDS was also introduced. For the Maputo province regional workshop ATA invited a person living positively with HIV/AIDS. She came with an HIV/AIDS counselor and together they presented to the artisans what HIV/AIDS means and how to prevent transition. This session was well received by all the artisans who had never been exposed to information on HIV/AIDS and with so much openness available to discuss the hard issues.

“I always heard people saying that condoms can actually bring the HIV virus ...now I can go back home knowing that NOT bringing a condom in my pocket and using it should the need arise can make ME bring home the HIV virus.” Manuel Mantacassa, Nampula artisan.

Annual Award: Now known as an annual tradition amongst the artisans who participate in ATA’s market link program, Annual Awards were also distributed for the Year 2002 during the February Regional Workshops. The categories remained the same as last year: top sales at Aid to Artisans’ local fair, *As Mãos*; product with highest volume sold during the local fair; most popular product in international market developed with Aid to Artisans’ design assistance; highest annual sales at international market level with Aid to Artisans’ design assistance; enterprise that met all deadlines with quality fulfillment; and most popular product in the international market developed locally by the artisan. See award certificate in the attachments.

Annual Product Design Competition : “Handmade in Mozambique” was held during June-July 2003, in Maputo. The purpose of the competition was to encourage and recognize talented Mozambican product designers, and identify new, potential designers to work with Aid to Artisans in the development of new home and gift products that can be made in Mozambique for the local market and eventually for the export markets. A jury of five

was identified, which included ATA's Regional Field Director, ATA's Marketing Coordinator for Mozambique, a buyer/owner of a local high-end gallery located within one of the top hotels in Maputo, a well-known Mozambican artist who has worked in various mediums producing an array of products from paintings to marble statues for the garden, and a South African designer who worked previously in Mozambique as an ATA design consultant. Submissions were judged on the following criteria: product marketability, cultural value, innovation and creativity, practicality of design and sustainability.

The competition was announced in the local newspaper and the interested participants were invited to a public meeting at the National Museum of Art in order to explain face-to-face the objective of the competition, the rules/guidelines and the criteria to be used for judging the entries. ATA got a number of entries that were judged by the jury. It was also decided that the jury be allowed to interview each participant, alongside viewing their actual entry. This decision was key to the selection process as it enabled the jury to understand better the intentions and capacity of each participant in relation to their design submission.



Three winners were identified [a male student from the School of Visual Arts in Maputo, and two female pre-university students] and they won a cash award of US\$250 each plus participation in ATA's Market Readiness Program in South Africa in August 2003. None of the winners are professional designers and only one had some training in graphic and industrial design from the local School of Visual Arts. By participating in the AMRP, the winners were able to have one-on-one discussions with the ATA consultant and learn first hand about what it *means* to be a designer, how to approach their work with artisans and the steps and knowledge involved in producing a marketable product range. During the packaging session of the workshop, the

designers-in-training were asked to pair up with one of the artisan participants or craft enterprise owners to help them develop a hangtag for their business based on the lessons learned during the training session. One of the Zambian company owners was so thrilled with his new hangtag, that he proclaimed "*When I get back to Zambia, I am actually going to use this hangtag for marketing my products.*"

The winners shared their experience with artisans during ATA's regional workshop in Maputo in September 2003. They were each assigned to a specific artisan enterprise with the task of developing a product line [in consultation with ATA's local staff] for the enterprise that will be promoted and sold at ATA's upcoming annual local fair, *As Mãos* "The Hands," in December 2003. Each designer-in-training will receive a percentage of the sale from the artisan as payment for their design services. The assumption is that enough sales will be made to create a sense of confidence that inspires artisan enterprises to hire the local *designers* directly to help them build new product ranges. Although most likely premature, as this is a long-term process, it is hoped that the product lines developed for the local market will also be accepted by ATA's Marketing Department in

the US for international showing. The overall long-term goal of this effort is to ensure that at the end of ATA's project in 2006, there will be a database of local designers to which the artisan enterprises and exporters can look to in order to keep Mozambique "in the market" with new and appealing products on a regular basis, ensuring that current and new importers continue to order from Mozambique.

Nationalization: ATA's Regional Field Director[RFD] identified potential candidates for the Mozambique Country Director position that was to be instituted during Year 2 of PAED as part of our strategic plan to *nationalize* the Maputo office. After various team interviews, including local office staff and the home office, Evaristo José Madime was hired as ATA's Mozambique Country Director, substituting the Regional Field Director (US expatriate) as Director of ATA's PAED project in Mozambique. The RFD overlapped with Madime for a period of two months, ensuring a smooth and gradual transition of responsibilities to the new Director. Evaristo also traveled to ATA's US Home Office to receive orientation and participate in various sessions of ATA's Market Readiness Program that took place in August 2003. The Country Director assumed his new position as of September 15, 2003 when the RFD's contract ended.

EXPORT Program: Due to the absence of proper communication means and skills to successfully negotiate orders with international buyers, the success of Mozambican artisans in the international marketplace is dependent on trained and competent craft exporters. During Year 2, ATA's local staff in Maputo planned and initiated ATA's new Export Training Program [known as EXPORT] that will assist Mozambique in the development of competent craft exporters. An outline of the Export program is included in the attachments. The EXPORT program includes participation in Aid to Artisans' Market Readiness Program [MRP], mentoring with a international importer in order to understand the challenges it faces "doing business" in their country, and an internship organized at Aid to Artisans Maputo office. The program started in February this year with two craft export companies participating, Artes Mondlane and DGA Studio (a start-up company). By the end of Year 2, the EXPORT trainees had completed participation in ATA's MRP in the USA and completed 80% of the internship in the Maputo office. The mentorship part of the program was conducted by an ATA hired US importer at the end October 2003 in Maputo where she conducted practical training directly with the exporters. By the end of PAED, Aid to Artisans plans to have trained a minimum of five Mozambican craft exporters, with at least three of the five considered highly competent.

Market Readiness Program: During Year 2 of PAED, a total of eight Mozambicans participated in ATA's Market Readiness Program in the US and South Africa. Three artisans, the new Country Director and one of the co-owners of DGA Studio participated in the US MRP and three designers-in-training [*see above*] participated in ATA's SA MRP. The US MRP participants had the opportunity to meet with artisans from various countries around the world and exchange ideas. They all returned full of enthusiasm. The artisans and the exporter in particular were able to *complete* the vision that they had begun to create in their minds through information received during ATA's trainings in Mozambique by finally seeing the market firsthand and talking directly with buyers/importers. This is an

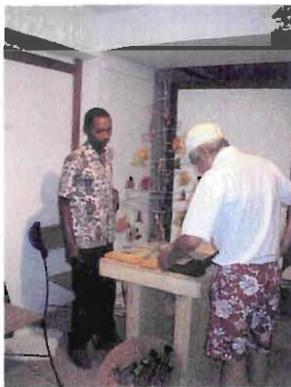
invaluable learning experience and critical for any enterprise that wants to successfully export and grow into a viable and sustainable business. The three artisans who went to the US returned to share their experiences in the February regional workshop in Maputo, while the three designers-in-training shared their experiences in the September Regional workshop in Maputo. The quotes below say, in little words, the impact the US MRP experience had on the artisans' business perspective and their motivation to succeed.

"The international market demands high quality products, not just talk. I saw with my own eyes what happens if the product arrives without quality...the buyers that I met were very open to tell me that there is no business for producers that do not understand the importance of quality. They will not re-order from such an artisan". - Domingos Colaço, Sofala Artisan



Domingo can be seen receiving the MRP certificate from ATA's executive Vice President, Jill Kassis in the picture above. The award presentation was held in NY on the last day of the Market Readiness Program.

Annual Local fair: Sixteen artisan enterprises participated in ATA's third annual local fair, *As Mãos "The Hands,"* which was held from December 13-15 2002 at the *Associação Moçambicana de Fotografia* [Mozambican Association of Photography]. Due to large orders from participation in international trade shows the previous August, it was necessary to hold the fair one week later than originally planned in order to ensure



adequate time for artisans to produce stock. Although artisans were pleased with show sales of US\$ 4,011.00, up 3% from last year's sales, ATA staff believes that many potential sales were lost due to the late date of the show [ATA expected sales of US\$5,000.00]. By the second week of December, many regular customers at ATA's fair had already left Mozambique on holiday. This, however, was a good lesson learned and plans are already made to hold the fair in 2003 during the last week of November or the first week of December. In addition to sales, artisans received direct market feedback as they sold their products to the customers. They received training in booth display, customer

service and receipt preparation. This component of the local fair preparation is critical to improving, the success of the show.

Publicity: The annual craft fair, *As Mãos*, held in December 2002 received publicity through advertisements published in the local newspapers *Savana*, *Noticias*, and a monthly magazine called *Que Passa*. Personalized invitations to key members of the Mozambican community, including local buyers and donors, were also distributed. The show was advertised in the local newspaper *Noticias* and it drew approximately 700 visitors. In addition, the RFD was interviewed about the competition on the local radio station *Radio*

Cidade. Mozambican products developed through the PAED project were published in the April edition of the South Africa *House & Leisure*.

Match funding outputs: The local office in Maputo successfully completed implementing its first funding award from the W.K. Kellogg Foundation and resubmitted a new proposal requesting US \$0.5 million to cover activities not only in Mozambique [at US\$340,000] but also South Africa [at US\$160,000]. The proposal is currently under consideration and its approval is pending. The two-year Ford Foundation grant runs through December 2003, and a 2-month no-cost extension has been requested in order to complete activities. During this reporting year the local office submitted a proposal to *Projecto para o Desenvolvimento Empresarial [PoDE]*, a local enterprise development project that is managed by the Ministry of Trade and Industry with various multi-lateral donor contributions, including the World Bank, requesting US\$179,000. The proposal is still under consideration, and if awarded will be the second grant from this funding source. The local office assisted in raising various funds with the home office by identifying areas needing funding and contributing to budget preparation and writing of proposals for submission to ATA's individual donor base.

b. Effect on target groups disaggregated by gender: By the end of the Y2, ATA had assisted 53 enterprises comprising 345 artisans, 35% of whom are women. Of the 53 enterprises, 23 are active in the program, which means they have a signed MOU with ATA and receive direct design assistance and market links, in addition to business and marketing training. Of those Mozambicans who participated in Aid to Artisans Market Readiness Training program in the US and South Africa, 38% were women. Overall, ATA's program reaches 1,800 artisans through its educational bulletin, *As Mãos Falam*, "The Hands Speak."

c. Problems encountered and how addressed:

ANARTE: ATA hired a team of two Mozambican consultants specialized in organizational development to assist ANARTE members to finalize their statutes, to define their by-laws, and to develop and conduct training on association management as well as how to organize and conduct their first general assembly. During the course of their work and after several meetings with the artisans and the consultants, it was concluded that ANARTE members are not yet committed to the development of their association and do not feel a sense of ownership over their association. In addition, there is an apparent lack of trust among the installing committee members and those members based in Maputo who were part of the consultative team meetings. This lack of trust is reflected in the non-payment of agreed upon member fees. Based on the assumption that the artisans' lack of interest and capacity to manage the development of ANARTE is linked to the fact that their own individual businesses are not yet successfully running, ATA has decided to provide individual training to members of ATA's market link program during Year 3 in order to ensure their ability to run successful businesses that earn sufficient profits that could be invested in, for example, membership fees in organizations such as ANARTE. Individual diagnosis of each enterprise was conducted and training recommendations and other needs noted. This diagnostic approach will form the foundation of training in Year 3.

Textile Groups: ATA contracted a South African textile designer with extensive experience in textile development, product development and interior design to assist two women textile groups² develop new techniques and products. The designer focused on preparing the groups for participation in ATA's annual local craft fair "As Mãos," which took place in December 2002. Various product lines were developed that included bathrobes (children and adults), unisex waistcoats (vests), handbags, aprons, cushion covers and pillow covers and traditional *capulanas* or kangas. But the groups were faced with a number of challenges that included lack of materials in Mozambique, those that are available are in short supply or prohibitively expensive. For example, even sturdy brown paper for making patterns is not available. This impacts negatively on local producers, who find a product that was viable in the past obsolete due to rising prices or the sudden unavailability of a formerly obtainable material. There is a general lack of cotton cloth made in Mozambique due to the closing or halt in production of textile mills in Mozambique. In the past, designers worked with local cotton to develop product lines that accentuated the uniqueness of the Mozambican cloth. Since the closing of the mills, it has been necessary to import cloth for certain product lines. ATA has assisted the groups in purchasing cloth in South Africa, however that has made the products more expensive and less saleable in the local market.

In addition to this, one of the groups, Tritique has had some internal organizational problems that have created a negative moral in the workspace. Those members who are the most active and serious have been thinking about parting after all these years and opening up their own enterprise. ATA supports this move and was also willing to transfer its support to the new enterprise. However, this idea never came to fruition and, at the same time, the cooperative stopped producing. With all of the above considered, strategic planning during Year 2 led to the conclusion that it was best to put a hold on any more investment in product development with the two textile groups. It will be necessary for both groups to demonstrate a sincere commitment to the development of their businesses and solving their raw material problems before ATA can offer future product development and design assistance.

Wood Sustainability: Efforts made towards the forest certification process for the Djabula



Community forest during Year 2 have been met with a number of challenges. As mentioned in last year's report, ATA's initial partner's funding came to a halt and the local office spent the majority of Year 2 identifying a partner and developing a proposal to raise donor funds in order to meet its wood sustainability goals. The World Agroforestry Centre [previously known as [ICRAF] was extremely interested in this initiative and approached ATA. This resulted in a joint proposal that ATA submitted to DANIDA, IUCN, the World Bank as well as to its current matching donor, the Ford Foundation, whose funding was introduced in the proposal as a match. Members

² Tritique and Mbeu are both located in Maputo.

of the Djabula Forest community with artisans can be seen identifying quality wood with the community officials in the picture above.

The project would set out to establish community woodlots for alternative sources of fuel wood and revenue generation and carry out reforestation for biodiversity restoration and enhancement; facilitate certification of the Djabula forest, including chain of custody. It would also assist craft enterprises in Maputo province with the development of marketable handmade products and promotional materials that highlight the product ranges as certified forest products. The funding is yet to be awarded, in the meantime, local staff has been assisting the artisans with short-term strategies in order to meet buyer orders. Maputo artisans have had difficulty arranging the quality and quantity of wood necessary to fulfil orders. In order to make the purchase of wood in Djabula community economically valid, it is necessary to buy large quantities. Artisans find it difficult to come up with the capital necessary to buy more wood than is needed for the particular order for which they are seeking wood. The local office has taken the initiative and purchased a license in the name of the artisans that enables the artisans to cut a large quantity of wood over a period of several months. ATA has also had to advance transport costs, and some material costs, in order to ensure that orders were fulfilled on time. This incident has led to a new strategy that is currently under design, that being the development of a 'Wood bank', beginning first as a pilot project to address Maputo wood carvers' needs and then perhaps extending it to other provinces where ATA works, that have similar needs.

Production Capacity: It has long been noted that Mozambican artisans have limited production capacity which not only causes delays in fulfilling orders but also limits the amount of orders they can accept. August trade shows are extremely stressful for the artisans as all of the buyers, be it in the US, Europe or South Africa, want their orders fulfilled immediately to ensure that the products will be in the shops during the holiday season, before Christmas. The artisans were lucky in relation to buyers at the SARCON trade show, as many accepted delivery only in early 2004 due to their strong interest in securing the product ranges for their shops. However, this type of commitment doesn't always manifest itself in this manner and it is crucial for the artisans to increase their production capacity as soon as possible in order to maintain and attract new clients. One of the strategies ATA used was to cross-train other groups who would be capable of producing the same product range should a large order be secured. In addition ATA decided to invest in purchasing the necessary tool and equipment for the artisans' enterprises to ensure improved production capacity and quality. Funding has been secured for the purchase and a strategy for the same is currently under development.

d. Impact on local institutions, local policy and people outside the project:

One of the founding members of an organization called *Artes Comunitaria* met with ATA local staff in order to learn more about ATA and to hear about what type of trainings we offer. *Artes Comunitaria* is a local initiative, classified as an association, which is still in its nascent stage. It plans to work with the artistic community to develop educational trainings earmarked for rural communities. Within this framework, it wants to provide support to artisans in their project areas. They requested training from ATA and were

invited to participate in the Maputo regional workshop that took place in September 2003 in order to strengthen their trainer's internal knowledge in relation to craft enterprise development. The impact of their participation is yet to be seen.

e. Unintended effects:

- After one of ATA's member artisans participated in last years IUCN exhibition at the World Summit on Sustainable Development, IUCN in Geneva requested Mozambican artisans to develop the trophies for the IUCN-Reuters Global Journalist Awards based on their covering of the Summit. The trophies were developed with four Mozambican artisans and they can be seen in the adjoining photo with the winners and Her Majesty Queen Noor of Jordan, in the center. This was an honor and unique opportunity.



- ATA was awarded the International Quality Crown Award in the Gold Category for our Mozambique program, by the Business Initiative Directions (BID). BID is headquartered in Madrid and works on building better business reputation based on quality culture in companies around the world. As per their web site, BID is known for its information and consulting services in the areas of quality culture, business communication, branding management and customer satisfaction. The International Quality Crown Award is part of their annual program, designed to recognize outstanding companies, organizations and businessmen in the business world. This year the award presentation will be held in London in December. Companies such as ISO (International Organization for Standardization) and the American Society for Quality, together with BDI, have established quality models for businesses and programs, basis which BID gives yearly awards to recognize business achievements. Currently BID promotes quality culture in 166 countries around the world. A copy of the award letter is included in the attachments.
- Aid to Artisans was contracted by the Aga Khan Foundation [AKF] in Mozambique to conduct a needs assessment of the artisan sector in Pemba and Ibo Island in Cabo Delgado, the northern most province in Mozambique bordering Tanzania. The report, entitled *Handcraft in Cabo Delgado: Recommendations for Investment*, focused on the potential of and the investment necessary to ensure future growth of the province's jewelry industry, a long time tradition learned from the Arabs during the 15th century. It also assessed the potential of the wood carving industry, and provided some background on basket weaving, which mostly is produced outside of the Aga Khan Foundation's key project areas in the province. ATA's former RFD conducted the study and submitted the report to AKF. Should the Foundation decide to implement the recommendations, it could mean the expansion of ATA's

support to the artisan sector in Mozambique by supporting the growth of the sector in Cabo Delgado and thus additional matching funds for the program.

4.2 Comparison of actual accomplishments to those originally proposed for Y3, state the reason for variance and discuss any anticipated problems in meeting final project objectives.

A planning matrix for the Mozambique program as presented in the DIP is included in the *attachments*. It outlines the seven main objectives of the program divided amongst three main themes, capacity building, service delivery and sustainability, and our status in meeting indicators. The key objectives for Mozambique were:

1. Strengthen organization of artisan and export sectors and address key weaknesses
2. Provide artisans with business development services
3. Increase the fundraising and financial management responsibility of local staff
4. Develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation
5. Scale up and expand the impact of Aid to Artisans' work in Mozambique
6. Artisan entrepreneurs continue to reach and expand markets after PAED project ends
7. Artisans able to develop quality products for international export independent of Aid to Artisans

In relation to Objective 1 and the indicators created to monitor our success toward meeting it, all the targets were met or exceeded expectation with the exception of one – *the percent of wholesale buyers who re-order within nine months*. Our target was to meet 75% and we achieved only 38%. The percentage decreased from Year 1 due to the fact that the number of importers increased from the previous year [from 6 to 11] but only placed orders near the end of the reporting year and therefore some of their orders are still in production with no opportunity to reorder within the reporting year. The challenges mentioned in relation to production capacity and tools and equipment addressed under the above section *problems encountered and how addressed* also influenced the time between reorders. In addition, it is critical to note that the number of competent exporters available to artisans [and importers] is still at zero as we will only count those exporters in training or trained as competent when they are receiving orders directly from the importers. Currently the exporters are exporting orders that are received and managed directly by Aid to Artisans. The order is only passed on to the exporter for shipping once it is complete and quality approved. The trained exporters will begin to receive direct orders starting only in January 2004 and beginning with an ATA order, a "safer" buyer in which to test their new capacity.

Due to the decision to suspend support to ANARTE, the indicators under objectives 1 and 6 that seek to transfer the implementation of ATA's annual local fair by the end of our project to ANARTE and the publication of ATA's artisan information bulletin are no longer

applicable unless ATA's future strategies re-institute support to ANARTE and determine that this transfer is still appropriate.

Under Objective 2, 75% of the targets were achieved. The indicator *percent of groups with an MOU that have a bank account* was not realized, with only 60% of the enterprises demonstrating bank accounts, just under the 70% target for Year 2. As long as new groups are being added that do not have bank accounts, the percentage will never remain static or constantly increasing. We surpassed our indicator target for Year 2 of those groups who have financial records as the result of reinforcement of the importance of record keeping during trainings and conversations when collecting monthly indicators, reaching a 90% success rate as opposed to a target of 15%. However, it must be noted that the high percentage reached indicates a positive impact of our training efforts when compared with our target, but not necessarily "successful" recording of the monthly data by the artisans.

Local staff is taking a more active role in developing proposals, especially with the hiring of the new Country Director, as ATA works toward meeting its indicators under Objective 3. However, there still needs to be a more aggressive approach to identifying possible local donors / private companies interested in funding our activities. Challenges within the local economy often limit private sector support. The local office has hired a full-time accountant which should be able to release some of the workload from the Director position, redirecting that energy toward fundraising. Once trained, the accountant will also aid in the development of proposal budgets and tracking of expenses.

ATA did not reach its targets under Objective 4, *to develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation*. During Year 2 of PAED, ATA had two designer visits in Mozambique, one in the area of hardwood for local, regional and international markets and one in textiles, which was designed specifically for the local market. Aid to Artisans Hardwood Design Consultant worked together with eleven enterprises based in three different provinces, to develop 25 product lines, developing a new look for the Mozambique range. The textile designer developed approximately six product lines working with two Maputo groups that were promoted in ATA's annual local fair. The design process is just that - "a process," and even though the majority of groups that received design assistance during Year 2 already had previous experience with this process, challenges still arose during implementation, and sometimes even after the designer had left the country. One group based in Sofala province did not manage to complete their sample order and thus their new samples never made it to the marketplace. The local fair sales were lower than targeted mainly because the show was held too late into December and some of the potential clients had already left the country on holiday. Low sales at the local fair, low production capacity and difficulties in securing wood led to total sales that were short of the initial target. Total sales gained from Aid to Artisans' marketing efforts for Year 2 was US\$99,324. Twenty-one of the 25 new product lines developed with Aid to Artisans' assistance were exhibited and accepted in the international market.

During the year, three buyers/importers visited Mozambique, SP International from the United States, who placed a sample order, and COMALTI – Progetti Alimentari from Italy and Nando's from England, both of whom just visited in August and still in the strategic planning phase.

Under Objective 5, *scale up and expand the impact of ATA's work in Mozambique*, ATA's target for Year 2 was to reach 2,250 artisans. The actual outreach in Y2 totaled 1,800 artisans. To expand its reach, in the last couple of years, ATA has been developing and distributing nationwide, an informational bulletin, *As Mãos Falam "The Hands Speak."* The bulletin was postponed during Year 2 of PAED until a more workable strategy of its production could be developed. It is anticipated that with the newly hired accountant assuming responsibility for more of the financial management and budget preparation activities, the Director, who is the key writer and editor of this bulletin, will be able to devote more time to the bulletin's production and thus ensure its quarterly distribution and increased reach during Year 3. The first revived issue is expected to come out in early November.

Due to the challenges explained in assisting in the formation of ANARTE and ATA's subsequent decision to suspend support to this entity, some of the targets under Objective 6, *artisan entrepreneurs continue to reach and expand markets after PAED project ends*, are no longer applicable. ATA will therefore take Year 3 to determine a strategy for the sustainability of its information bulletin and annual local fair. Regarding the forest certification target, ATA is still in the process of securing the funding needed to enable it to continue to work toward this long-term target, which includes are Year 3 target of completing the assessment of the Djabula forest.

ATA met 75% of its target for Objective 7, *artisans able to develop quality products for international export independent of ATA*, in relation to the number of new product lines accepted internationally, with 21 of the 28 new product lines accepted. Four of the total 25 product lines developed for international markets were never even shown in the market due to enterprises inability to get their samples to ATA on time for exhibition.

TANZANIA

Description for Tanzania for the report period:

a. Specific outputs achieved:

Progress toward indicators is addressed in section 4.2. Additional outputs include:

National outputs: In Tanzania, during Y2 of PAED, ATA made a concerted effort towards expanding the program reach in Tanzania and also to balance men's and women's products with what is marketable. The program was expanded to the island of Zanzibar, where ATA began working with various women's cooperatives that do basketry.

As reported in the Y1 report, during the first year of the program, ATA spent a fair amount of time assessing the craft sector in Zanzibar. Various groups were assessed for their raw material accessibility, their skills and production capacity, their willingness to develop

new strategies for increased production, commitment to growth of their business and openness in trying new ideas. A number of producer groups were identified in three main medium, wood, basketry and textile. Raw material availability, skill levels, production capacity were some of the factors that contributed to ATA's decision to work with basketry on the island. ATA's decision was also influenced by the interest shown in the baskets by one of the US based Importers (Swahili Imports).

During the exploratory phase, in the winter of 2002, ATA facilitated a buyer visit to Zanzibar with the objective of getting a buyer's perspective on which of the short listed producer groups had the maximum potential and would benefit most from ATA's intervention. Leslie Mittleberg of Swahili Imports visited Zanzibar and met with various producers. Leslie provided these women producer groups with some design input and placed a test order of \$ 4000 (FOB) with them. This turned out to be a good opportunity for both Swahili and for ATA to assess the groups' capabilities and challenges. Following Leslie's recommendations, in January 2003, PAED Marketing Manager, visited Zanzibar to conduct talks with the women and to figure out the best way to implement the program in Zanzibar.

Since ATA did not have a local partner in Zanzibar, it formalized an arrangement with Antje Forstle, an artist and designer formerly based in Stuttgart and Berlin, who relocated to Zanzibar in 1993. Antje had been working very closely with these women weavers for a number of years with assistance from two local Zanzibarians; Khadija, who in the past worked for a local NGO called JECA, the Jozani Environmental Conservation Association and Said Ali Nassor, a textile producer. Over the years the women weavers have formed cooperatives but funding and training needs have remained unaddressed. In the past, these women produced contemporary household decorative items, shoppers and hats using plaited palm strips, known as "ukili" and mostly sold in the local market.

These cooperatives are located in six remote villages; Charawe village, Cheju village, Amani village, Michamvi village, Chwaka village and Bububu village. Most of the woven products are for domestic use - for mats and shoppers. The



interest in the ukili weaving by tourists has prompted some of the women to use weaving to supplement their non existent incomes from subsistence farming and has also prompted the revival of some old traditional sophisticated weaves that have not been used for years. The material used is from the one of the *pandanus* palm species, which grows on mainland Tanzania and is shipped across to Zanzibar. It grows in abundance on the Rufigi area of southern Tanzania. Since the material is affordable for the women to buy and weaving needs no special tools, women can take a piece of weaving around with them and do it whenever they have a spare moment.

In June 2003, ATA hired Marisa Fick Jordaan, a South

African designer to conduct a product development workshop focusing on quality improvement and diversification of the traditional craft of ukili weaving in Zanzibar. The design work was done with a group of 20 women that represented 15 cooperatives that comprise of 200 women. The weavers at the workshop can be seen in the picture above. The ukili weaving is lovely and offers seemingly endless possibilities for product design. The main challenge the women are confronted with most is the general lack of basic skills and of tools. Marisa conducted the PD in two phases that comprised of two trips to Zanzibar. Antje and the two local coordinators facilitated the PD and provided all logistical support for the workshop. That included overseeing the development of samples, meet the sample shipping deadlines, quality control of products (samples) while in production and at the end of production prior to shipping.



Zanzibarian products at the ATA booth in SARCDCA can be seen in the picture on the right. Since ATA's intervention and with the encouragement of the initial orders, the three of them (Antje, Khadija and Said) decided to take the organization into their own hands and make it a privately run enterprise to hopefully make it sustainable. They call their business MOTO. In coordination with the Marketing Manager in Johannesburg, MOTO has received orders and is following-up on order fulfillment and shipping deadlines, quality control of products prior to shipping, development of FOB prices lists and coding for all products, packing of products and shipment.

In Dar Es Salaam, ATA continued to work with the two SMEs Marvelous Batik and Mikono. Memorandums of Understanding delineating project benefits and participant responsibilities for year 2003 were signed with the Tanzanian SMEs.

In addition ATA included a local NGO, called Artisan Development Agency of Tanzania (ADAT) to the program. ADAT, a Dar based NGO is involved in training of micro and small-scale women entrepreneurs (mainly producing handmade textiles). ADAT has 88 members, 95% of which are women. ADAT is a successor of Tanzania Business Women's Textile Project (TBWTP), which was sponsored by the Swiss Agency for International Cooperation. Since the phasing out of the donor support, ADAT managed to sustain its operations based on its own generated revenues. ATA plans on doing more intensive work with ADAT women in Y3.

Product Development: During Y2, two product development consultancies were conducted in Dar Es Salaam to produce new product lines that were later shown in various tradeshow. After reviewing the needs and skills of different producer groups, the most appropriate designers were selected to conduct in-country design workshops. In October 2002, ATA consultant Ms. Rhea Alexander conducted an in-country design consultancy to develop new, market-driven products for the two Tanzanian SMEs – Marvelous Batik and Mikono. In this three-week consultancy, she worked with the

artisans to produce product lines for the winter New York International Gift Fair that was to be held in February 2003.

In May 2003, Patti Carpenter, a NY based designer with an extensive textile design background, spent three weeks in Dar Es Salaam conducting design workshops worked with two SMEs: Mikono, Marvelous Batik, and ADAT.



In the picture on the left, Patti Carpenter can be seen discussing colors and market trends at a design workshop. Patti conducted a Color/Trend direction training session with each group with a one-year window of Fall/Winter 2003 and Spring/Summer 2004. She used several color trend forecast services including those from Dupont, which influenced the designs and color

ways of the new product lines. Patti took several magazines and catalogues with her to better illustrate the trends, she discussed these trends and explained to the groups how they can be translated into texture.

Prior to the Trade show participation, ATA worked with each producer group to define appropriate lines for exhibition at each show, ordered samples, photographed samples and prepared color product information sheets (see the appendices), and negotiated with producers on pricing, bearing in mind the cost of product and the price the market will bear. In the first round of trade shows (Jan/Feb shows), Marvelous Batik and Mikono had minimal sales at ATA's booth, however initial buyer reactions were positive and both companies had significant sales through an ATA Trade Network member. The quality of the product overall was commendable and received a good response. Two major catalogs, Eziba and Norm Thompson, as well as an established importer of African crafts named Mbare, requested samples of Marvelous products for consideration. Both SMEs and the other producer groups generated good sales in the summer tradeshows. Refer to section 4.2 for sales details.

Training: During Year 2 of PAED, two Tanzanians participated in ATA's Market Readiness Program in the US and South Africa. Deo Kafwa, Managing Director of Mikono Crafts, participated in the MRP in the US, in February 2003. He had the opportunity to meet with artisans from various countries around the world and exchange ideas. The first part of the training took place at Aid to Artisans home office where the artisans participated in a warehouse tour, sessions on packing, fulfillment and customer service, retail shop visits, a craft center visit, a U.S. customs presentation, and a session on the keys to successful fundraising. During the NY portion of the training, the artisans went on tours of the New York International Gift Fair and participated in sessions on understanding the process, expectations and variables of exporting to the US, building buyer relationships, channels of distribution for export, market trends, applying color trends to cultural traditions,

developing a product line for the US market, pricing strategies, promoting your product, and buyers' perspectives.

"I have so much new knowledge, my head is swollen with information. I am going to go back and do a two day seminar for all my producers to share this new knowledge", said Deo Kafwa at the end of the training program.

The second MRP participant Said Ali Ahmed was from Zanzibar, Tanzania who participated in AMRP in August 2003. Said shared with ATA that the all that he learnt at the training was going to help not just him but all the women cooperatives he works with in Zanzibar.

Match funding outputs: In Tanzania two matching grant funders contributed substantially to the program and enhancing the outputs. In March 2003, the West Foundation granted the PAED/Tanzania program \$ 43,000 to expand its work in Tanzania. In the past West Foundation only funded the Mozambique program, it is encouraging for ATA to know that the Foundation expanded its funding to include another PAED country.

The second match funder for Tanzania was IFC. The IFC funds contributed towards key project activities in the Pan African Market Link program that include exhibition of products in major international markets, product development, and an African Market Readiness Training (MRP) program held in conjunction with the South African trade show.

Direct buyer links: ATA made a successful link between the Tanzanian producers and a US based importer, Swahili Imports Inc. Swahili Imports is a renowned US based importer of African crafts, and a member of the ATA Trade Network. In the past Swahili imports has imported crafts from Kenya and from one of the PAED countries; Mozambique.

During the reporting period, Swahili Imports visited Dar es Salaam and met with ATA's producers both in Dar Es Salaam and Zanzibar. Swahili placed orders with the Tanzanian producers for the first time. Through Swahili's trade show marketing efforts in the US all participating producers were able to generate sales.

Swahili's level of involvement has grown considerably in the past year. In Y2 of PAED, Swahili booths, at the major US shows, carried product lines from three producer groups from Tanzania. And they are very interested in continuing their relationship with ATA's producers and are willing to provide design assistance to the groups. In an effort to further strengthen the buyer producer link, ATA has sub-contracted Leslie for a buyer visit again this year. She will be visiting Tanzania in end Oct – early Nov. This relationship is a strong example of the role ATA can successfully play in nurturing the link between producer groups and importers.

b. Effect on target groups disaggregated by gender

Men and women traditionally work in different media. In Tanzania men mostly work with wood and women are involved in textiles and basketry. In Year 2, ATA impacted 460 men

and 300 women, or a total of 760 artisans. It is encouraging to know that the number of women impacted by the program in Tanzania in Y2 grew by 57%.

c. Problems encountered and how they have been addressed

- **Language:** At the beginning of PAED, in addition to the enterprises in the mainland Tanzania, ATA decided to work with craft producers in the island of Zanzibar. During Y1, ATA conducted some exploratory work in Zanzibar. ATA's projects team visited and met with some producers in Zanzibar and found out that almost all of them are non-English speaking. Also a majority of them live in rural and remote areas and have no access to telephone or email. This posed a big challenge. ATA then decided to look for an implementing partner in Zanzibar. ATA identified a local non-government organization based in Zanzibar called Aid Net Zanzibar. ATA began a dialogue with Aid Net to see how ATA could collaborate with them to reach and work with craft enterprises in Zanzibar. ATA intended to work with Aid Net as an in-country central partner that would have provided an organizational infrastructure and worked on behalf of craft producers in Zanzibar. ATA negotiated with AidNet but didn't reach an agreement on how to work together. In the meantime ATA found out about a group of ukili weavers who were working with assistance from their local leaders who spoke English. In the end, ATA did not partner with AidNet, as ATA felt it was more effective to work with the group with its current leaders and not add another step to the chain.
- **Export Infrastructure:** Since ATA does not have a local office or an implementing partner in Tanzania, exporting of shipments and samples posed a challenge. Most of the producer groups had never exported before and did not have either the export licenses or the skills to export. To address this problem, ATA decided to sub-contract one of the SMEs to consolidate all ATA orders and ship them together. This was the most cost effective way of shipping products out of Tanzania. ATA paid the SME a 10% fee for their services and to act as an ATA export agent.
- **AT the beginning of PAED, ATA changed its work strategy for Tanzania.** Instead of working with only micro producers through the in-country local partner, ATA started to work on the development of small and medium size enterprises (SMEs). While the artisan sector in Tanzania is more developed than that of Mozambique and has more market ready producers, ATA soon found out that the selected artisan SMEs have insufficient infrastructure, inefficient production processes, and inadequate information about market functions. These challenges along with lack of entrepreneurship and limited production capacity have resulted in stunted growth for each of these SMEs. ATA has sub-contracted a US Importer (Swahili Imports) to do an assessment of our work with the SMEs so far and to ascertain how best to use the funds next year to maximize program impact, especially because the Tanzania program ends in September 2004.

d. Impact on local institutions, local policy and people outside of project

ATA's intervention in Zanzibar contributed to the formation of a local business called MOTO. MOTO provides alternative income to women who otherwise cut firewood for

their living. ATA's support and assistance to MOTO is contributing towards MOTO's efforts of making the ukili industry economically and environmentally sustainable. MOTO is reforesting palm trees and dyes the raw materials on solar cookers.

d. Unintended effects

When ATA started work in Zanzibar, the women cooperatives were not formally organized. To be able to work with them in a productive and efficient manner, ATA sub-contracted three individuals Antje, Said and Khadija. Together they were responsible for the preparation and follow-ups for product development workshops. Though the arrangement worked well, lack of proper management and appropriate organization of the groups remained a concern for ATA, both of which are essential to take the ATA intervention to the next level and for the long-term sustainability of its project.

The design consultant Marisa Fick Jordaan, spent a lot of time discussing this issue with the three of them. [Antje, Khadija and Said]. During their discussions, Marisa found an inclination on their part to form a business or an organization. Marisa encouraged them to go this route and provided them with guidance. She also left them the ATA Export Manual to better understand what was required to really make this initiative take off. She briefed them about ATA's training program and its relevance to their work. [Later in August, on Marisa's recommendation Said Ali Nasoor attended the AMRP]. This discussion really energized the three of them and helped them envision a business plan.

A month later, at the beginning of the second phase of the product development, they had established MOTO as a small business partnership between the three of them (Antje, Said and Khadija). During her second visit, Marisa gave them advise on Retail and Wholesale pricing and encouraged them to formally register the business as well as establish a business bank account. She also recommended that they set up an accounting system for their business at the outset. She gave them useful advise on costing and profit margin to cover their expenses as a business. Marisa Fick Jordaan's though was hired as a design consultant by ATA, played a crucial role in helping them on the business aspect of the project.



The MOTO small business structure has clear role definition for each of the three owners. Khadija and Said, two of the three owners of MOTO, can be seen discussing some logistical issues for the design workshop in the picture on the left. Said has contributed a shop space with a store and toilet on Gizenga Street, Stone Town's main tourist shopping street, while Antje is putting in capital and her production expertise. Khadija has

been working with the weavers for some time and she brings her expertise in this area to the business. Now MOTO has its own bank account with the three members having equal signing powers. The business also has employed two employees. Clearly all three of them have benefited enormously from the design input and business advice given by Marisa on her two PD visits. Even though the main objective of the consultancy was design training,

the outcome has been more holistic. Going into the future MOTO and its members plan to get the business more established. Currently the MOTO shop is selling ukili baskets from the MOTO shop. Their unique designs and different colors must make them appealing to tourists. Also Marisa's innovation in the sizes (smaller), shapes (chichi), and color ways has made the baskets less expensive and quicker to produce.

This is a wonderful example of how a business enterprise has arisen almost effortlessly from ATA's intervention.

2) It was encouraging for ATA to learn that there were inquiries on MOTO product from Associated Merchandising Corporation (AMC) that is based in Durban. AMC is the 2nd largest sourcing office with 57 offices worldwide. AMC is owned by Target Corporation, which is the 3rd largest retailer in the United States (Wal-Mart and K-Mart being number one and two). AMC supplies to retail stores such as Marshalls and T.J. Maxx, in addition to Target. Not only their order sizes are huge, they have very stringent packing and time requirements; and also they do not pay deposits. Their interest in the Zanzibarian products was very encouraging but a little premature. At this stage it would be difficult for MOTO to meet the packing and pricing requirements.

4.2 Compare actual accomplishments to those originally proposed for Y3, state the reason for variance and discuss any anticipated problems in meeting final project objectives.

A planning matrix for the Tanzania program as presented in the DIP is included in the *attachments*. It outlines the three main objectives of the program ATA's progress in meeting indicators. The objectives were:

1. To work directly with artisan-based enterprises.
2. To develop and expand marketing and sales opportunities for Tanzanian artisans.
3. Tanzanian artisans create marketable products for export independent of ATA.

In relation to Objective 1, ATA had a target of doubling the number of businesses it worked with in Y1. By adding MOTO and ADAT to its list of producers, ATA met its Y2 target. Mikono and Marvelous both got repeat orders, meeting the target.

Under Objective 2, ATA exceeded targets on the number of artisans assisted, but it fell short of the sales targets for Tanzanian artisans. Total sales for the year in Y3 amounted to \$ 132,500 against a target of \$165,000. The participating SMEs have insufficient infrastructure and production processes that led to delay in production of some of the samples. As a result, only limited product lines were exhibited at tradeshows. Tanzanian products did not make it in time to participate in the European show "Tendence" and as a result missed out completely on the European market. And that impacted the total sales for the year. ATA is focusing on enhancing the SME capacity to ensure timely delivery.

One of the product design workshops that were conducted in the fall of 2002 did not result in products that were appropriate for export. As a result the Tanzanian products

were not shown in the Winter shows in early 2003. This too impacted the sales results for the reporting period.

Towards Objective 3, three design consultancies were conducted in Y2. Products were exhibited at four major trade shows during the year: in New York during January and August 2000, in San Francisco and LA, and in SARCON. The design consultancies addressed some technical and design issues but ATA realizes that the Tanzanian entrepreneurs are a long ways from being able to design their own product lines.

As mentioned above ATA's experience of working with the Tanzanian SMEs in the past year has revealed that while the artisan sector in Tanzania is more developed than some of the other African countries and it has more market ready producers, the participating enterprises have insufficient infrastructure and inefficient production processes. This has limited their ability to put to practice the knowledge that they have gained from various training programs extended to them by ATA. ATA realizes that there is a willingness to learn on their part, however there is still a huge gap between their organizational capabilities and their goals. To bridge this gap and to further develop these enterprises, in the next quarter, ATA is going to develop individual business plans for each of these SMEs which will be tailor made to suit each individual SMEs needs.

As mentioned earlier, ATA has arranged for a US importer, Swahili Import Inc, to visit Tanzania and meet with each of these SMEs. Leslie Mittleberg, owner of Swahili Imports will be visiting Tanzania in the 1st week of November. The purpose of this visit is to assess and understand the key issues that have posed challenges in the past. Basis Leslie's findings and recommendations ATA will ascertain how best to use the funds next year to maximize program impact, especially because the Tanzania country program (under PAED) ends in September 2004.

In the meanwhile, ATA marketing department is planning on showing select product lines from these SMEs in the upcoming winter shows (NYIGF and Ambiente 2004). Their current product lines are being reviewed by ATA and the selection will be made basis quality, prices and production capacity.

For the next product development cycle, ATA is planning on hiring a South African designer instead of a US designer. ATA is developing a pool of local designers in Southern Africa to tap into the local talent that will not only be more accessible to the producers but will also work out to be more cost effective. The next product development workshop is tentatively scheduled for early January next year, but that may change basis how it fits into the overall timeline of activities that ATA decides to do in Tanzania in 2003-4.

4.3 Describe the nature of the relationship with the local implementing partner and detail the structure of the working relationship between ATA and the partner.

There is no local partner for the Tanzania country program. However MOTO (described above) has evolved as a very promising enterprise in Zanzibar and has worked as a

partner with ATA. In Dar es Salaam, ATA worked directly with the small and medium enterprises. A memorandum of understanding has been signed between ATA and the selected enterprises to clearly define role and responsibilities. (See MOUs in the attachments). This document outlines and defines the responsibilities for implementing the project activities. For on ground logistical support, ATA hired a local coordinator in Dar es Salaam who was the central link between these enterprises and ATA. The SMEs in Dar es Salaam have a very good working relationship with ATA.

4.1 Description for South Africa for the report period:

a. Specific outputs achieved:

Progress toward indicators is addressed in section 4.2. Additional outputs include:

Product Development

During Y2, a South African Designer, Richard Sparks, was sub-contracted to conduct a Product Development workshop with the BAT producer groups. He provided design input to craft groups in the Greater St. Lucia Wetlands Park World Heritage area in the Northern Maputo land region of Kwa Zulu Natal. In the past these groups had participated in BAT's product development & dye workshops, business training and mentoring program. The group selection was based on their need for design input, production readiness and the fact that they were located in the same geographic area (given the travel distances).

Kwamduku, Mangusi, Sodwana, the three participating producers groups comprised of women with varying degrees of skill in weaving with Ilala palm. All groups benefited from the discussions held on techniques, measurement, pattern and colour ways.



The consultancy was divided into three trips. During the first two trips of 3 days each, the consultant traveled with BAT's marketing staff, Judy Clements and Nonhlahla Ganbusche who assisted him in translation and other logistics during the PD workshops.

In the picture on the left, women from the Kwamduku group can be seen weaving during the workshop. A variety of different shaped baskets were discussed with the group and the group agreed to develop 3 different basket

shapes each in two sets of sizes. Richard designed the baskets keeping in mind the weaving technique of the group which is a tight and more traditional coiling technique. Even though the weavers had excellent weaving skills, it was challenging to replicate the exact size and shape. To ensure accuracy of size and shape, shape templates were produced in Johannesburg in advance. Achieving consistency of size and shape was a challenge that all the three groups faced. Richard explained to the groups in detail how to use the templates to achieve consistency. The third group, Sodwana worked on producing a range of different size rectangular boxes which could nest together for convenience of transport. However the first prototypes that were developed by the group were not

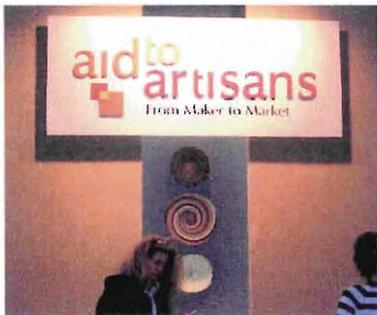
satisfactory and it revealed that the process was more complicated than originally anticipated. Wood templates were made in each size in Johannesburg and delivered to the group to ensure accuracy in sizes and shapes. But this process took longer than anticipated and as a result, samples from Sodwana group were not ready in time for the New York show.

The Mangusi group women developed bags with different ideas for handles and decorative details. Several different techniques outside of the traditional options were explored with good results. In the picture on the left, a Mangusi weaver shows bags from the product lines that were later shown at the NY show. On the third and the final trip, the consultant met three representatives from each group who came down to Durban for the final workshop. After a review of the prototypes and their prices, a selection was made for the summer trade shows. The product lines developed during this workshop, were shown at NY, SARCD A and



Tendence trade shows. See product sheet for South Africa in the attachments. BAT shop managed to secure 50% match from the Greater St Lucia Wetlands Park Authority for this activity³.

SARCD A –Christmas Gift, Toy and Décor Fair August 21 - 25 Johannesburg, South Africa



In 2003, ATA participated for the second time in SARCD A, South Africa’s largest gift show exhibitor. It holds four trade exhibitions annually – Aid to Artisans exhibited at its Christmas fair in Johannesburg because this is the largest that SARCD A stages. Since 2002, ATA doubled the size of its booth from 24 square meters to 48 square meters in 2003. Sales volume doubled as well. SARCD A sales totaled R 528,753 up from last year's total, R 269,918. The entrance to the ATA booth at SARCD A is shown at left.

ATA HQ staff worked with the SA partner BAT shop and PAED’s Johannesburg based Marketing Manager to prepare for the SARCD A tradeshow. This included identification and selection of an importer agent for ATA for the South African tradeshow, coordinating on samples with the producers from all PAED countries and preparation for the African Market Readiness Program. Trade show preparation: Prior to the show ATA marketing staff negotiated with trade show management; selected product to be exhibited; developed price lists and product sheets, promotional materials, and conducted pre-show marketing. ATA’s marketing staff reviewed samples for exhibition and edited the collections according to quality, market trends, pricing standards, and other criteria. All participating

³ This match was counted as part of the BAT match for the year.

producers from South Africa and other African countries coordinated with the ATA staff, both in the US and South Africa, to organize shipping of the final selected samples and other exhibition logistics. PAED's Marketing Manager along with the BAT staff managed the physical setup of the ATA booth and display of product; breakdown of booth; sales staffing; transport of goods.

Booth design

ATA subcontracted South African designers to design and construct displays for the extended ATA booths in the SARCD A exhibition. Marlene Ming, and Johnny van der Merwe of Joi Design, the designer and booth builder respectively were hired by ATA to work on the new booth layout. All the elements of last year's booth were incorporated into the new layout and several new pieces added. This year the SARCD A Trade Exhibition Committee once again recognized ATA for its excellent booth display with a Silver Award. A copy of the award is attached.

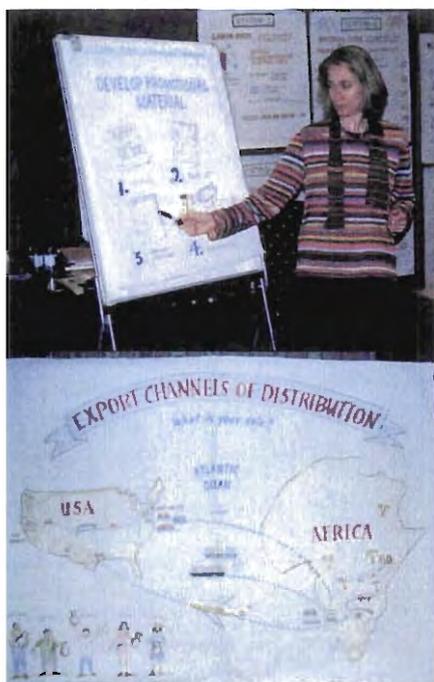
The ATA staff and representatives from the participating SMEs managed the booth. Three of BAT's Shop staff [Gwyneth Daniel and Magda van der Floed and Judy Clements], Chila Smith Lino from ATA's Mozambique office in Maputo, and Binky Newman, the importer for one of the Zambian SMEs worked on the booth. In addition, Aid to Artisans employed Joan Laine as a sales staff for the show, who has a long history in shows and retail.

Trainees' impressions after walking the SARCD A show:

- *I was impressed by how colors were being combined, the booth displays and grouping of products, and also the cleanliness of the stands -South African artisan*
- *the combination of tradition and modern opened my mind...everything being learned in the training came to life in the show - South African artisan*
- *I think I try to do too much...need to become more focused and not have a "scatter-gun approach" to color and form - Craft enterprise owner from Zambia*

African Market Readiness Program, August 19-23 in Johannesburg, South Africa

ATA's training staff in Connecticut worked with the field staff including the BAT shop staff to prepare and translate the materials for the Market Readiness Program. As mentioned earlier the African program is modeled after the program that ATA conducts during the New York International Gift Fair and was planned to overlap with the SARCD A Toy, Gift, and Home Décor Exhibition to allow participants to visit the fair as a live marketing research laboratory. Having SARCD A as a backdrop for the program was an excellent way for participants to observe trends in design, merchandising, product lines, and packaging. It was also helpful for them to see what goes on behind the scenes for exhibitors during booth set-up and break down. The BAT staff Director Marisa Fick Jordaan worked closely with the ATA staff in organizing the MRP.



ATA sub-contracted a US design consultant Mimi Robinson to conduct the training. She prepared visual materials for use during her seminar presentations on export distribution channels, trends, product development, design and promotion, and building buyer relationships. This year, the program was extended from three days to five days to allow additional time for new topics and individual time with the consultant. The program also included guided visits to retail shops, exhibits, and a local production facility. One of the most valuable components of the training was individual time spent with Mimi for product review, during which time participants were free to address more specific concerns. A complete agenda of the program is attached.

In all, the program had nine participants, including SME representatives from Zambia, a non-program country. Since English was not the common language of the participants (the three South African participants spoke

Zulu and the Mozambicans spoke Portuguese), Mimi tried to keep her seminars simple and more graphic as can be seen in the picture above.

Importer identification

Since ATA does not have a regional or local office in Johannesburg, it needed to identify a South African importer who could act as the primary contact for the Mozambican and Tanzanian producers and manage the import arrangements necessary to bring in products for the SARCD A show. ATA's PAED marketing Manager conducted a search after which, ATA secured an agreement with a South Africa-based craft import company named Langata to handle the import of orders to South Africa taken at the SARCD A show. Langata, the new importer is well known in South Africa and serves as an importer for various other South African companies. This reputation creates confidence among the buying community and often times creates more sales. This accomplishment was crucial to the sustainable development of the South African market.

ATA and Langata came to an agreement that for an importer's fee of 25%, Langata would be responsible for reviewing FOB pricing, estimating customs and tariff fees, and clearing samples through customs in South Africa. Langata was an enormous help to ATA in the preparation of the show price sheets as their familiarity with the South African customs and tariffs tables was invaluable. The wholesale pricing was worked out to include the importer's costs. As mentioned above, for the most part Langata factored in an importer's fee of 25%, however for some micro producers from Zanzibar, Langata lowered its importer's fee by 10% to keep the product prices competitive and not to out price them.

The producers were provided with shipping information regarding where to ship and on other airfreight-handling issues. During the show, ATA made arrangements to introduce

the producers to the Langata owners to build direct producer-importer linkage. The intention in establishing this relationship was to develop a connection between the producers in the region and a willing and capable South African importer. Langata plans to continue their participation in future SARCEA shows and ATA hopes that their link with the producers would be long-term.

This relationship allowed ATA producers to access Langata's established buyer client base. Langata included visuals from the participating producers in their catalog so that Langata's buyers may place orders prior to the show. In addition Langata showed some of the ATA products in their Langata booth both in Cape Town. Thus increasing the marketing exposure for participating businesses.

Other marketing outputs

In addition to the shows ATA's marketing team continued to develop market links for the South African producers. ATA's marketing representatives in the US and Europe, and a Regional Marketing Manager in Johannesburg, continued to follow up on various client leads from recent and prior shows. They have solicited the interest of a range of potential buyers for products from South Africa and delivered special requests and specific orders for several BAT producers. The ATA Marketing team continues to provide oversight on buyer inquiries, and facilitated linking them to the BAT shop.

Media Coverage

BAT Shop products featured in a number of magazine editorials during the reporting period. Magazines such as Elle Decoration (SA), The House and Leisure (10th Anniversary issue) featured BAT products. The features on the BAT Shop and its products in Craft SA and Craft Art SA have assisted in bringing both new wholesale as well as retail business to BAT. (See product appearances in the attachments). The BAT Director continued to be on the Elle Décor WOW panel, to jury and select unique South African products for various product categories. This initiative has assisted in creating awareness and growing acceptance of local handmade products in South Africa.

e. Effect on target groups disaggregated by gender

By the end of the Y2, ATA assisted 10 enterprises comprising 957 artisans, 92% of whom are women. In Y2, all these groups were provided design and technical assistance by the BAT staff and ATA hired consultants. Most groups received monthly or bi-monthly visits by the BAT staff, the more competent and motivated groups received short visits to check on orders or hand out orders. Other groups had one/two day workshops in skills transfer, production and general capacity building and mentoring.

f. Problems encountered and how they have been addressed

- The fluctuating RAND: Currency fluctuations⁴ in the SA Rand vs. US\$ had a negative impact on revenue generation and it continues to make pricing and

⁴ Change in exchange rate since 2001

quoting in foreign currency a risky business. The average rand rate obtained during Y2 was R7.45 compared to R10.75 in the six months to June 2002. The slowdown in the global markets has also had a negative impact. The local retail sector in South Africa has had a difficult year with sales down across the board. In this context both ATA and BAT were surprised at the growth in orders taken at August Sarcda 2003. To combat the fluctuating exchange rate, BAT staff has had to reprice most of their products but that resulted in high priced items that did not sell very well. Based on buyer reactions, sales staff observations, and sales information in the US and Europe, it was noted that some buyers wanted to re-purchase from last show but decided not to due to the high prices. The slowdown in the US economy and high prices of the South African products resulted in reduced sales at the US shows.

- In the past year the BAT Shop experienced continued growth in all areas of its activity, and although positive, this continues to place pressure on its small staff and limited infrastructure. Increasing demand for existing products and new product lines has meant greater demands in the areas of production planning, timely ordering and administration of materials (wire/beads/dye), production schedules, buying and quality control, and invoicing and dispatch. The volume of telephonic and email enquiries has continued to increase apace. In response to the increased workload, BAT hired an additional staff member – Magda van der Vloed –to manage production schedules and also to assist in taking orders and dealing with wholesale customer enquiries. Magda managed her own ceramics factory prior to moving to Durban and has brought skill and experience to this important position in the business. BAT also developed and implemented new production planning systems to track orders. BAT invested in buying 2 additional computers, the accounting software package and the appointment of a fulltime bookkeeper. This has improved efficiency in the accounting and invoicing department. Internet banking has also cut banking charges as 90% of producers are now paid online, also reducing the risk of crime in cash transactions. Rural producers are still at a disadvantage due to lack of banking infrastructure in rural KZN.

g. Impact on local institutions, local policy and people outside of project.

BAT shop played a very crucial role in the South African National Skills Development Strategy that is being implemented through the country's Sector Education and Training Authority (SETA⁵). Funds for this are generated through a levy on all Company payrolls and administered by the Department of Labor. BAT shop is working in collaboration with

Baseline	R10 = \$1
2002,Y1	R8 = \$1
2003,Y2	R7 = \$1

⁵ The MAPPP-SETA is a Non-profit making organization, responsible for the facilitation of education and training in the media, advertising, publishing, printing and packaging sector. MAPPP-SETA is founded on the Skills Development Act and the Skills Development Levy Act.

CREATE SA⁶, which has been established as a strategic project under the SETA to implement the strategy in the Cultural Industries.

The BAT Shop Director contributed to the development of a NQF Level 6 Learnership in Craft Product Development in partnership with rural crafters. This 12-month pilot commenced in March 2003 and is being implemented by the Greater St Lucia Wetlands Park Authority with oversight by CREATE SA. The 19 learners are graduates from all design disciplines and come from all over SA. The yearlong program combines rural development theory, adult education methodologies, applied design, market awareness and product development. Learners have been based at the BAT Centre with Marisa Fick-Jordaan and Gwyn Daniel contracted to lecture and mentor in this pilot program. Due to the success of the program CREATE SA have requested that the learnership be repeated next year for 20 new learners. The BAT Shop Director has been appointed on the CREATE SA Advisory Panel for the Craft and Design sector tasked to develop policies, principles, criteria and guidelines related to the program.

4.2 Compare actual accomplishments to those originally proposed for Y3, state the reason for variance and discuss any anticipated problems in meeting final project objectives.

A planning matrix for the South Africa program as presented in the DIP is included in the *attachments*. It outlines the three main objectives of the program ATA's progress in meeting indicators. The key objectives were:

1. BAT shop to respond effectively to market demands.
2. Building BAT shop's operational and training capacity.
3. Develop and expand marketing and sales opportunities for South African artisans.

Towards meeting objective 1 and 2, BAT shop staff attended tradeshow where they received first hand training on customer service and marketing. The staff also attended the MRP program in the US. Gwyn Daniel, BAT's Marketing and Export Manager, attended the 10 day NYIGF Market Readiness Training Program (MRP). This helped her gain a better understanding of the US market and export processes. This was her first experience of an International Trade show. The BAT Director, Marisa Fick Jordaan attended the January NYIGF, meeting with potential importers, new and existing clients and found the opportunity to explore trends in the marketplace invaluable.

ATA and BAT exceeded the targets under Objective 3 - to develop and expand marketing and sales opportunities for South African artisans leading to revenue generation, South African products were exhibited in the US shows and SARCD. In addition to the US

⁶Create SA is the creative industries skills development programme of the Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority (MAPP-SETA), undertaken in partnership with the Department of Arts and Culture (DAC) and funded by the Department of Labour's National Skills Fund. As a national skills development vehicle, CREATE SA provides demand-driven relevant quality workplace-based learnerships and skills programmes that combine educational and technical training to ensure the entrenchment of the legacy of life-long learning within the South African creative industries.

shows, earlier this year BAT products were exhibited at Tendence in Frankfurt for the first time.

BAT shop's SARCDAs participation was a highly effective marketing exercise that not only brought excellent sales but indicated a growth in new local retail outlets as well as a number of corporate clients sourcing hand-made products that are well designed and are of a consistently high quality. In addition to the improvement in the design of the 2003 catalogue, professional hangtags were designed and printed for both the Zen Zulu collection and for the Wetlands Craft products, assisting in building both brands.

Total sales gained from Aid to Artisans' marketing efforts for Year 2 was US\$ 493, 299 (FOB), an 80% increase on the original target sales figure of \$ 270, 000.

4.3 Describe the nature of the relationship with the local implementing partner and detail the structure of the working relationship between yourself and the partner.

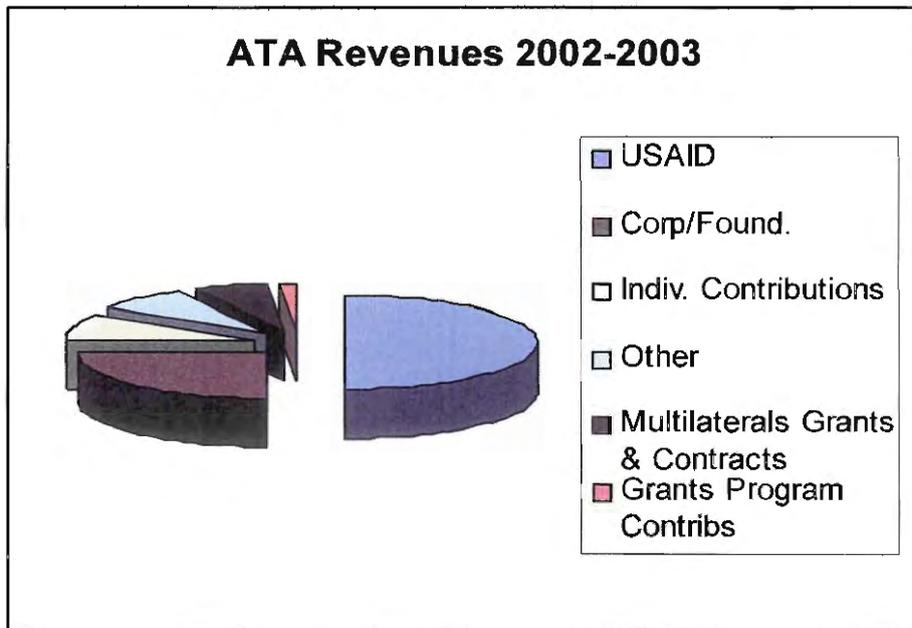
Aid to Artisans continues to partner with the BAT shop in South Africa. At the beginning of PAED, ATA and the BAT shop defined their mutual rights and obligations in connection with the BAT shop's provision of institutional and financial support and ATA's partnering relationship with the BAT shop's work in South Africa. The BAT shop offices in Durban, South Africa have been the base of operations so far for the PAED program in South Africa in addition to the Johannesburg based Marketing Manager. The BAT shop has assisted ATA in implementing the program in South Africa. And helped ATA in providing design and business training services to the artisans. ATA has worked with the BAT shop's producers and is working together with the BAT shop to identify other potential craft organizations to work with - to expand PAED's reach to South African artisans. BAT has also monitored the program and collected monthly data on indicators.

ATA and the BAT shop have started working together to strengthen relationships with craft organizations and expand the existing network. The PAED program has already shown tangible results in assisting with the capacity building of both the BAT Shop staff and artisans associated with and participating in the program. The partnership has run smoothly with no problems encountered and with a solid working relationship established.

Section V. Management Review and Analysis of Headquarters & Support Functions

For the fiscal year 2002-2003, ATA has grown in many aspects; in funding, staffing and infrastructure. At the end of fiscal year 2003, ATA had 29 Hartford employees, 5 Country Directors, and 1 Washington, DC representative, up from 27, 4 and 0 respectively in 2002. With the increase in the personnel, ATA's total income also grew to \$5.9 million in the 2003 fiscal year. [18% growth from the previous year]. This income was generated from different sources that include Corporations and Foundation, ATA's Grants Program Contributions, individual contributions and development event income. (Please see chart below). Over the years, ATA has made considerable progress in diversifying its base of

financial support, however in 2002-2003 as a result of ATA's programmatic success in financing projects through AID⁷ funding, the percentage of non-AID revenues dropped.



To lower ATA's reliance on USAID funding and improve its institutional sustainability, ATA restructured the development department at its headquarters. ATA has devoted considerable effort to creating a professional development department that is well integrated with the rest of the organization. Currently ATA fundraising staff includes a Director of Development who manages the annual fund program including special events and a part-time fundraising consultant who assists with raising money from corporations and foundations. The Director of Development is currently in the process of hiring a Special Event Coordinator who will assist her with special events. In addition, the annual fund program has a full-time assistant who does research and database input for that program. ATA also hired an institutional development consultant whose role is to assist ATA to develop a long-term strategic fundraising plan as well as short-term fundraising from corporations and foundations including PAED Match. This year ATA has concentrated heavily on its finding matching funding for the PAED program as well as seeking funds to increase its home office infrastructure including its technical and communications capabilities.

As part of ATA's overall Monitoring & Evaluation for the organization, in the reporting period, ATA has continued to research the long-term impact of ATA's work as part of the Ford Foundation-funded case studies work. ATA completed the travel for Armenia, Central

⁷ ATA secured funding for three large programs in the Americas in 2002-3, all of which are AID funded and their addition has increased the overall percentage of AID funding to ATA.

Asia, Ghana, and Honduras as part of this research. The final report will be compiled in year 2004.

ATA's success in promoting craft enterprises has hinged in part on its training programs. The **Market Readiness Program** is ATA's most popular program and is conducted twice each year at the New York International Gift Fair, combining market seminars, individual design consultation, and guided tours of both the gift fair and retail stores in New York City. Under PAED, ATA started to conduct a condensed version of the Market Readiness Program at international trade fair outside of the US as a way to open regional markets to artisans while reducing participant costs for travel and lodging. As described above, in conjunction with the SARCDCA show in South Africa, Aid to Artisans held a five-day Market Readiness Program, which was modeled after ATA's existing program at the NYIGF. ATA contracted both US and local consultants to conduct the seminars. As mentioned above, this was the second year of MRP at SARCDCA.

Since training is a core component of every ATA project the majority of the trainees at the MRT are from ATA projects and project countries, yet approximately one third of our training participants are referred to us independently. This reflects the high level of interest from artisans around the world to find an appropriate niche in the global market. To meet this growing demand and deliver high quality programs on a consistent basis, ATA has focused on gathering standard materials that can be used as building components for its formal seminars and that can be made easily accessible to artisans in the field.

Section VI. Financial Report

CORE

	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Two	199,615	214,454	310,440	366,055

Mozambique

	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Two	287,135	290,341	186,096	182,160

Tanzania

	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Two	97,397	33,346	88,864	33,186

South Africa

	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Two	46,340	61,452	54,553	123,158

1. Compare the proposed budget with actual and discuss any actual and/or anticipated variance from the proposed budget line items.

A summary of budget to actual is broken down into summary line items is included in the attachments. Country data sheets and the financial profile of ATA and the PAED project

are also included in the attachments. The total award from USAID for PAED Y1 was \$630,487 and the total match funds raised by ATA for PAED Y2 amounted to \$704,559.

Wide discrepancies do occur within line items, but overall the overrun was balanced by all the other line items that were under spent, the main reasons for these deviations from the original budget included:

1. Towards the middle of Y1, ATA created a new Marketing Position (MM) to back up for the PAED program in South Africa by providing direct oversight of all facets of the export and Pan-African Market Link components of PAED. The MM position is based in Johannesburg and during Y2, it involved travel to Mozambique and Tanzania. This position was not budgeted for initially. The MM also visited the US for the NYIGF in February and that travel cost too was not originally budgeted for.
2. Change in ATA's work strategy for the Tanzania program. ATA parted ways with its in-country partner in Tanzania in February 2002. Due to the absence of a local partner office in Tanzania the overheads to implement the program dropped substantially.

Examination of the bottom line of the CORE budget reveals that ATA spent little more than the budgeted amount for CORE. As mentioned above, wide discrepancies do occur within line items. In this case, ATA budgeted for \$104,708 to be spent in salaries in Y2 and spent \$117,142. The overrun was balanced by all of the other line items that were under spent. This overrun was largely due to new additional Marketing staff. Currently ATA has two marketing representatives one each for the US and European market, that were not originally budgeted for.

In Tanzania, ATA under spent, essentially due to reduced overheads and use of regional designers instead of US consultants.

In South Africa, the variance is largely due to the inflation and Rand exchange rate fluctuation. Also the activities accomplished for the SA program were at a larger scale and they cost much more than what they were originally budgeted at.

2. **Provide a brief discussion of fundraising plans and activities, main sources, status, and actual or anticipated problems.**

During the reporting period, the fundraising of the match requirement for the PAED program was done both by the HQ staff in CT and the regionally located staff. As described above, the structure of the home fundraising team was changed to increase emphasis on longer-term and strategic fundraising. The PAED program, due to its match requirement, continues to be one of the organization-wide priorities for fundraising, and the cultivation of potential donors in foundations and corporations is often focused on the needs of the PAED program. This support will come from private individuals, foundation and corporations. Individual support comes to ATA through its annual fund drive and also through several special events that are held each year. These events give ATA the opportunity to solicit corporate sponsorships and to cultivate private individuals for gifts to

the annual fund. Several major foundations and corporations also provide project country-specific funding such as Ford Foundation for Mozambique.

In addition to home office fundraising efforts, ATA works with local staff to facilitate regional fundraising efforts. ATA has decided to recruit the fundraising expertise and efforts of the previous Mozambique Country Director in the upcoming months. The PAED Regional Marketing Manager in South Africa also uses a portion of her time for initial funder meetings and follow-up, hosting guests at the SARCDCA show, and leveraging her local contacts with funding institutions.

ATA's primary sources for current match funding for the PAED program, per country, include:

Mozambique

Ford Foundation: Funding secured for Y2. Proposal to be submitted for Y3. (ATA submitted a concept paper).

W.K. Kellogg Foundation: Funding secured for Y2. Proposal to be submitted for Y3.

West Foundation: Funding secured for Y2. Proposal to be submitted for Y3.

DANIDA: Proposal submitted.

PODE: Proposal submitted.

Irish Embassy: Proposal submitted.

Private donations: Funding secured for Y2. Requests to be reissued on schedule with annual time of giving.

Tanzania

West Foundation: Funding secured for Y2. Proposal to be submitted for Y3.

International Finance Corporation: Funds secured through March 2004 for SME support. Further funding depends on IFC's Capacity Building Facility's funding priorities that have shifted recently.

New England Biolabs Foundation: Proposal submitted.

South Africa

Otis Elevator Company – 2003 contribution was allocated from discretionary funds. ATA intends to request early in 2004 while discretionary funds have not yet been dedicated. ATA will apply by on-line application for regular cycle of funding by next year April/May 2004 for funding in 2005.

International Finance Corporation: Funds secured through March 2004 for SMEs. Further funding questionable. Funding priorities have shifted.

Ford Foundation: Funding secured for other countries for Y2. Proposal to be submitted for South Africa funding for Y3.

South Africa Government funds: ATA is exploring ways of accessing SA Govt funds.

Local funding opportunities: ATA has researched and pursued local funding opportunities, both corporation and foundation-based. Limited opportunities are available, and most institutions require a South African recipient. This constrains ATA's ability to fundraise locally, even if activities are being implemented within South Africa.

In all three countries, other potential funding sources are being researched and pursued.

Aid to Artisans anticipates challenges in raising matching funds in the coming years. With a restricted economy, most funding institutions are cutting their charitable giving or corporate responsibility allocations. In addition, funders in the southern African region often restrict their funding to local recipients. Without a field office presence in South Africa and Tanzania, finding funding on the ground is very difficult. Also, in consideration of staffing changes, ATA's access to the skills and dedication of the previous Country Director in Mozambique, who was particularly skilled in networking with local funders, will be much reduced, and ATA's new Country Director will take time to become versed in the local funding community.

In South Africa, in Y3, ATA plans on Geographic expansion and Partnership Development. ATA has performed preliminary assessments of potential partners in the Cape and one of the objectives of the partnerships would be to raise matching funds with the local partner. ATA aims to access funds from funders who restrict their funding to local recipients.

3. Provide a discussion of PVO cost-share, status, and any anticipated problems in meeting agreed cost-share, annual and total. Include corrective measure planned or taken.

At the close of Y2, ATA has raised \$704,559 in match money. This figure is the total for the cash raised from private sources and the dollar amount of what was contributed as in-kind. During the first matching grant, ATA learnt that donors or funders often put limits or conditions on their funding. The Ford Foundation is one example. They were interested in funding workshops and design trips, which were planned activities, but they also wanted ATA to work with artisan groups in Manica, a province where ATA is not working. To respond to the funder's interest in this case meant that ATA stretches its work to include a new province which may dilute the program as it would not allow ATA to use resources in an effective manner. ATA did not want to dilute the program neither did it want to lose the opportunity of raising matching funds for the program, so it secured funds from Ford with a very minimal exploratory kind of activity in the additional province thus learning a very important lesson: that is, how to balance the funders' interests with the interests of the program and still serve the artisans effectively.

As mentioned above, meeting the agreed cost share is going to be challenging in the coming years due to the state of the economy. But ATA has already done some forward thinking and is looking at more creative ways of getting access to funds. Recently ATA started dialogue with CCDI, Cape Craft and Design Institute that is based in the Cape, South Africa. CCDI is registered under section 21 and establishing a partnership with them will facilitate access to local/ regional funds that are restricted to local recipients. ATA changed the structure of the home fundraising team and is hoping that its increased emphasis on longer-term and strategic fundraising would help meet PAED's agreed cost-share.

Section VII. Lessons Learned and Long-Term Project Implications

1. Project costs and benefits

As noted in other sections of the report, the cost of working in rural areas where artisans are scattered has been high per client reached. As expected, the cost of the Mozambique program was considerably higher than the cost of the Tanzania program. This is due to the absence of a local ATA office in Tanzania and overheads to run it. In South Africa, the local partner, the BAT shop contributed financially and in-kind to the project costs.

2. Institution building assessment

During Y2 of PAED, institution building initiative was undertaken at both the country level as well as the headquarter level. As discussed above for ATA's headquarter capacity building, ATA focused on expanding and improving its key areas of expertise and services. This included improving ATA's ability to produce training materials and deliver training to artisans and business partners. Over the years ATA has provided design and market training to artisans both in the US and at the country level. In 2003, training materials, including its Export Manual that have been utilized at headquarters and in the field over the last many years, were revised and new training components were developed to respond effectively to artisans' specific training needs and the unmet training needs of the craft sector as a whole. With increased training capacity and a wide range of tailor made training programs, that include market readiness, export training, business training and training of local designers, ATA is building its strength and capacity in one of its key services that is much needed and in demand in the craft sector. As mentioned in section V, in the fiscal year 2002-2003, ATA headquarter has grown in funding, staffing and infrastructure. With deployment of cost-effective IT tools, ATA has started to improve its organizational efficiency and effectiveness. During the reporting period ATA also restructured its home fundraising team to increase emphasis on longer-term and strategic fundraising. (see sections above for more details). All of these activities contribute towards building organizational capacities of ATA.

In Mozambique, ATA has focused on strengthening the National Artisan organization (ANARTE). The creation of this local association was a result of ATA's believe that by continually bringing artisans together and providing them with an opportunity to network and dialogue they will recognize the benefits and power of working together. ATA believes that a local organization of some type could be key to the future development of the artisan sector in Mozambique. ANARTE was formed by ATA and it has grown since the time of its inception. However due to a lack of ownership on the artisans' part, ATA had to rethink if it should continue to invest time and funds in developing this organization. During the upcoming project year, ATA will begin to re-think the kind of support and type of organization needed to sustain the kind of effort ATA has initiated in Mozambique, as well as determine ATA's involvement in such an initiative. See Mozambique country section for more details.

In South Africa, BAT shop's involvement in the PAED program is such that the BAT staff is

getting trained on the job and BAT's capacity as an organization is growing. BAT staff was involved in the planning and implementation of AMRP and the SARCD A show and that has helped BAT shop to build its operational and training capacity. The BAT director and three additional BAT staff members worked on the booth this year gaining more experience. In addition BAT's Marketing and Export Manager, attended the 10 days NYIGF Market Readiness Program (MRP), which was her first experience of an International Trade show. BAT's Finance Manager, Margaret Daniel, attended a 3 month Small Business Management Course that focused on Marketing, Financial Planning and Human Resource Management, all of which has proven to be very useful to her and she has started putting theory into practice.

3. Estimate of Sustainability

ATA is working toward sustainability from three different approaches: building design capacity of the artisans and designers-in-training^b through product development and design and market-readiness training; building artisans' and craft exporters' business skills by providing business, market readiness and export training, and building market links, both locally and internationally, that will be transferred to and managed by craft exporters or local in-country organizations by the end of the project. Capacity building of the intermediary (craft exporters, export agents, local organizations) is the key to long-term sustainability of the market link for artisans long after the end of ATA's project. ATA realizes that it is essential to create an enabling environment for the entire craft sector to ensure long-term sustainability and therefore it is working at strengthening all the links in the chain and not just with the craft producers.

In Mozambique, with the lessons learned from the initiative to form a National Artisan Association, ANARTE [see previous section on ANARTE challenges], ATA is focusing its support on individual business training in order to build up managerial and business capacity of the artisans. By focusing on building individual business competence and confidence over the next couple of years, ATA is, in essence, assisting the artisans to become better prepared and motivated to determine their willingness and commitment to develop ANARTE or a similar type of local entity that provides services to the artisan sector. ATA is also considering an alternative option: the development of a local NGO that provides services similar to ATA. This local NGO is different from ANARTE in the sense that it would not be founded and managed by artisans, rather an initiative most likely created and driven by ATA's current local staff. It is assumed, however, that the sustainability of market links for artisans who participated in ATA's PAED program is not dependent on the development of a local NGO and/or ANARTE, rather the development of such an entity would empower and enable more artisans to gain a share of the global market for years to come.

In South Africa, ATA has worked towards capacity building of its local partner the BAT shop, with the objective of transferring the organization and implementation of the AMRP to the BAT shop by Y4 of the program. ATA believes that if a local organization such as

^b Please see the Mozambique country section on the implementation of the design competition strategy.

the BAT shop develops its organizational and operational capacity it can replace ATA at the end of the PAED program. Since most of the producers in Kwa Zulu Natal area are micro producers, they will require training and other marketing services in the years to come. ATA believes BAT can continue to provide the required services without ATA after the PAED program ends and help these micro producers grow.

In Tanzania, ATA introduced cost-recovery practices as a means towards sustainability. The participating small and medium enterprises in Dar Es Salaam contributed towards the cost of the marketing services provided to them. By encouraging artisan enterprises to make investment in their own successes, ATA aims that by the EOP, ATA would have established a system through which African artisans would be able to receive marketing services from ATA, buyers and other trade network members on a fee for services basis.

Since craft production is directly linked with raw material accessibility and availability, ATA has made efforts to sensitize artisans on sustainable use of raw materials. In the reporting period, ATA has facilitated reforestation efforts in Mozambique. See Country section for more details. In Zanzibar, Tanzania, the local business (MOTO) that facilitates ATA's work with Ukili weavers provides alternative income to women who otherwise cut firewood for their living. To make the ukili industry economically and environmentally sustainable these women are reforesting palm trees and dye the raw materials on solar cookers.

4. Benefit distribution

The level of participation of men and women has been discussed in previous sections. In Mozambique, benefits among the two gender groups is currently not evenly distributed due to the fact that wood has been the focus of product development and traditionally a male activity. In terms of benefit distribution in relation to our project inputs - product development and design assistance, business and marketing training and participation in ATA's market link program - once again the groups that receive assistance in all three areas have mostly been men, due to their participation in wood carving and turning. The Mozambique program reached a small number of women by assisting two textile women groups, but since these are both small groups and their products are not yet export ready ATA's involvement has been limited. As mentioned in the country section, in Mozambique, ATA plans on diversifying through the possible development of the basket industry, in order to reach more women producers. In South Africa, over 90% of the producers are women. See Country section for more details. In Tanzania, ATA has deliberately targeted women to participate in the project. In Y2, both the new producer groups that were included in the program in Y2 are women groups. See the Tanzania Country section for more details.

5. Local participation and leadership development

Local participation: In Mozambique, in Y2, twenty craft enterprises signed an MOU and remained active in the program. These enterprises represent 159 artisans, 16% of whom are women. Two craft export companies are actively participating in ATA's EXPORT program. A total of approximately 345 artisans receive business and marketing training,

and 1,800 artisans nationwide receive craft enterprise business development information and training through ATA's local information bulletin, distributed throughout Mozambique. In an attempt to expand sales and support to the sector, as well as diversify product ranges and lessen the demand on precious wood, ATA plans to conduct a basket assessment during Year 3 with the intention of expanding its program and thus artisan participation.

Leadership development: Through the product development process, improved bookkeeping and investment in their companies, artisans have begun to take a leadership role in the development of their own businesses. Aid to Artisans business development and market readiness training programs have assisted artisans earn the confidence necessary to play a leadership role within their own businesses, in relation to their workers, but also amongst their artisan peers. Some of the Maputo wood carvers in particular have demonstrated leadership qualities by taking the lead in procuring legalized wood for the fulfillment of their orders. An artisan based in Nampula also demonstrated a leadership role when deciding to split from the cooperative of which it was a member to open up his own private business in an attempt to improve their overall business success [fulfilling orders 100% within deadlines and meeting quality control standards] and relation with ATA. Moving from a position of security based on long years within a cooperative and no previous private business experience, managing workers and monthly expenses, is quite a risk for someone to take. ATA believes that it was due to the participation in ATA's training and market link program over the past five years that led the artisan to the level of confidence needed to make such a decision. These emerging leadership qualities are crucial to the sustainability of the enterprises and the continuation of their international market links. Aid to Artisans realizes that it needs to continue to encourage and highlight these potential leaders in order to maintain a motivating environment within the sector.

In Zanzibar, the program is being implemented with support from local participation. As discussed in the Tanzania country section, ATA is working with a total of 200 women weavers from 15 cooperatives. Each Cooperative has a representative (leader) who ATA works with directly. This group leader in turn trains the rest of the cooperative members. ATA's intervention in Zanzibar has resulted in a local business called MOTO, that evolved out of need and is now ATA's implementing in-country partner. This has been discussed in more detail in the sections above.

7. Innovation and technology transfer

ATA's product development and design input has led to the innovation and individual style that each producer group is now demonstrating. However, it is necessary to create alternative means to ensure new, marketable designs that satisfy buyer and consumer needs, as often times artisans are best at producing and not always skillful in designing.

In Mozambique, ATA initiated a design competition that seeks to develop local design capacity. ATA's training will be critical in strengthening local designers' abilities to design for a range of clients and markets, including local, regional and international. This new

strategy is in its nascent stage and therefore requires fine-tuning, investment and commitment on the side of Aid to Artisans in order for it to be successfully applied. In addition, ATA has begun, through its product development and design process, to expose the artisans to new and improved tools and equipment that can improve their quality and production capacity after years of struggling with limited capacity. The purchase of tools and equipment and technical assistance addressing quality issues around wood storage and production will therefore be the focus in Year 3. ATA believes that this will improve the production capacity of the artisans and limit the number of rejected products, thereby increasing sales.

ATA has used digital cameras in all three program countries to send product images to buyers and ATA's staff. ATA's marketing staff for market research has used the Internet and email as the preferred means of communication between offices and buyers. In addition, field offices and partners are beginning to send digital images of products to the home office for review before sending the actual samples. By reviewing images, ATA can request changes to products without the expense and time involved in international shipping.

4. Policy implications

There was no specific work in this area during the reporting period; however, in Mozambique insistence in the development of a strategic plan for the sustainable use of precious wood will have long-term implications for policy development.

In South Africa, the BAT Shop Director has been appointed to the CREATE SA Advisory Panel for the Craft and Design sector tasked to develop policies, principles, criteria and guidelines related to The CREATE SA program. This program combines rural development theory, adult education methodologies, applied design, market awareness and product development. (see country section for more details). The policies and guidelines developed from this program will impact the craft sector not only in the Kwa Zulu Natal area but other provinces in South Africa as well.

9. Collaboration/ Networking with other U.S agencies.

International Finance Corporation, supported the PAED program by awarding ATA matching funds for the Pan Africa market link component of PAED. In addition to cost sharing, collaborating with IFC has helped ATA to speed up the process of providing services to producers outside the project countries. Though the services ATA provides – i.e. product development and design, training, and market linkages – remain the same, under this collaboration, ATA has adapted these services to the specific needs of SMEs in order to enhance their export competitiveness.

In Mozambique, ATA collaborated with international NGOs, including NGOs from the US, to conduct a salary review research. Basis the findings of this research, ATA instituted base-salary increases for its local staff in Maputo. ATA's local staff salaries, including the new Country Director position, are now competitive with other international and US NGOs based in Mozambique.

10. Partnering with local entities

Discussed in the program country sections.

11. Replication potential of Project approach

Many of the newer initiatives being studied and implemented by ATA in the PAED program show potential for replication in other ATA project areas, as well as in non-project locations within the program countries. For example, ATA hopes to use Mozambique's EXPORT program as the basis for similar programs in other project areas worldwide. However, ATA realizes that no matter how successful an approach or activity is in one country, there will always be the need for adapting it to make it relevant and appropriate in the new country in which it is to be implemented. The replication in other project areas or countries can only take place nearer to the end of the project or activity, and after the approach and activity has been formally evaluated.

Section V: List of Attachments

DIP Planning matrices:

- Headquarters
- Mozambique
- Tanzania
- South Africa

Training and Trade shows:

- MRP agenda.
- SARCD A Silver Award certificate.
- Invitation cards for NYIGF and SARCD A.
- Product sheets for Mozambique, South Africa and Tanzania.
- ATA SARCD A Training certificate

Media coverage:

- US media features.
- BAT shop's media features. (South African magazines).

MOUs:

- Artisan MOU (Mozambique).
- SME MOU (Tanzania).
- BAT shop MOU (South Africa).

ATA financial Reporting

- Financial profile of ATA
- Country Data sheet

Others:

- ATA's award certificate for the local fair (Mozambique)
- Activities and schedule for the Export Internship Program.
- BID Award for Mozambique.
- ATA's key buyer Interview.
- ATA Newsletter, Summer 2003.

DIP matrices

- Headquarters
- Mozambique
- Tanzania
- South Africa

PAED planning Matrix – Headquarters

Goal: To alleviate poverty in artisan communities in Southern Africa.			
Major Planned Activities	Objectives	Indicators	Measurement and data Management Methods
HQ/ Capacity building			
<p>Review and analyze current training curriculum. Identify artisan training needs and adapt existing curriculum to a more user-friendly level. Network with peer organizations to improve and value add to the existing training materials.</p>	<p>Improve ATA's ability to produce training materials and deliver training to artisans and business partners.</p>	<p>Standard Artisan enterprise curriculum and training modules established and accessible to field and headquarters staff by Y2</p> <ul style="list-style-type: none"> Y2: In January 2003, the standardization of core field reference materials, the existing ATA training resources was completed and standard handouts and guidelines were provided to the field personnel to use. <p>Number of times curriculum used in the field.</p> <ul style="list-style-type: none"> Y2: The curriculum was used in South Africa MRT and tested in Mozambique. <p>Number of trainees that pay to go for training in Y2:</p> <ul style="list-style-type: none"> In NY, Jan MRT, 7 out of 26 Aug MRT, 4 out of 25 In SARCD, 3 out of 9. (paid subsidized fee). 	<p>Mid-term and final evaluations Standard Training modules</p>

<p>Hands on training for small producers through site visits to potential mentoring locations. Create a Market Readiness Training Program in South Africa. Training the partner organization to manage and implement the AMRT.</p>	<p>Diversify and expand ATA's training programs</p>	<p>Number of participants from outside PAED project countries.</p> <ul style="list-style-type: none"> • Y2: 3 (from Zambia) out of a total of 9 in AMRP. <p>Handover the AMRP to the BAT shop in Y4.</p> <ul style="list-style-type: none"> • Y2: BAT staff assisted ATA in organizing the MRP. Bat Director also conducted training sessions at the MRP. 	<p>Mid-term and final evaluations Trainee evaluation Standard training modules</p>
<p>Finalize relationship with an e-commerce partner, build an ATA wholesale website. Train ATA staff in customer training and to maintain the site. Conduct long distance design consultancies via the Internet.</p>	<p>Capitalize on existing information technology to supplement ATA's marketing efforts and develop product lines cost effectively.</p>	<p>ATA Internet site¹ developed.</p> <ul style="list-style-type: none"> • Y2: Site developed and launched in June 2003² <p>Target: 400 products on site by EOP.</p> <ul style="list-style-type: none"> • Y2: A total of 288 ATA products from all over the world are available on the ATA site currently. 	<p>ATA website inventory. Long distance design workshop reports. Quarterly website update and maintenance by US marketing department</p>

¹ The site will serve as a marketing tool to expand reach to buyers that are not reachable through the trade shows.

² Though the site is ready, it is still undergoing some redesigning and new features are being added to it.

<p>Trade show participation Cost analysis of trade shows. Promote ATA's tradeshow and training programs. Offer trades show and MRT participation to non-program businesses for a fee.</p>	<p>Increase ATA's total earned income.</p>	<p>Non-program businesses pay for 30% of Pan-African Market Link tradeshow expenses by EOP.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target Y2: 6% • Actual Y2: Non-program businesses paid 2.5% of the SARCD A trade show expenses. 	<p><i>Financial statements.</i> Tradeshow reports and cost analysis. Mid-term and final evaluation. Training reports</p>
<p>HQ/ Service Delivery</p>			
<p>Exhibit at major US, European, South African trade shows Promote ATA through PR events and its products through the website.. Promote MRT in US and SA Develop and promote the Pan-African market link program in the US, Europe and SA.</p>	<p>Expand market and sales opportunities for African artisans.</p>	<p># of craft businesses with exposure in international trade shows.³</p> <p># of African products on site.</p> <ul style="list-style-type: none"> • Baseline: Nil • EOP Target : 400 • Actual Y1 : 61⁴ <p># of new shows for Pan-African craft collection</p> <ul style="list-style-type: none"> • Target Y2: 2 • Actual Y2: 2 (SARCD A and Tendence). <p># of buyer visits per country⁵.</p>	<p>Trade show reports Website inventory Mid-term evaluation Final evaluation</p>

3 Baseline and target figures for each country are listed in the country matrices.

4 Cumulative total of Africa Products on site: 100 (for Y1 an Y2).

5 Refer to the country matrices for countrywise targets.

Public relations campaign.	Influence public impressions through appearances in trade, consumer and news media	<p># of media features promoting Africa as a source of innovative products.</p> <ul style="list-style-type: none"> • Baseline: 2 (during RISE) • Target Y2: 2 • Actual Y2: 2 <p># of product placements in a trade publication (catalogue, tradeshow directory).</p> <ul style="list-style-type: none"> • Baseline: 2 (during RISE) • Target Y2: 2 • Actual Y2: 2 	Articles or features in media. (US and regional press) Mid-term and final evaluation.
HQ/ Sustainability			
<p>Research, cultivation and stewardship of potential new partners. <i>Develop a plan to charge artisan enterprises fee for services.</i></p>	Continue to diversify ATA's funding sources and build strategic alliances. ⁶	<p># of new funding relationships developed or renewed with non-USAID funding institutions.</p> <ul style="list-style-type: none"> • Target Y2: 10 • Actual Y2: 27⁷ <p>Non-program businesses pay for 30% of Pan-African Market Link tradeshow expenses by EOP.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target Y2: 6 % • Actual Y2: 2.5% 	Financial statements Mid-term and final evaluations MOUs with peers

⁷ Not all of these relationships have resulted in generating funds, some are still pending and some have declined funding at the moment. In any case the relationship is being built.

PAED YEAR 1 Planning matrix - Mozambique

Goal: To alleviate poverty among artisans in Southern Africa by opening new markets.			
Major Planned Activities	Objectives	Indicators	Measurement and data Management Methods
<i>Mozambique/ Capacity building</i>			
<ul style="list-style-type: none"> Foster organization through artisan workshops and training Train exporters through mentor program Provide Organizational Development training to ANARTE, the artisans association (including development of statutes, Board of Directors, OD training, strategic plan development) Transfer export activities to private sector 	<p>Strengthen organization of artisan and export sectors and address key weaknesses</p>	<ul style="list-style-type: none"> # of competent exporters available to artisans¹. Baseline: 0 Target Y2: 2 Actual Y2: 0 ANARTE implementing annual local fair by EOP Target Y2: n/a Actual Y2: n/a # of trained exporters Baseline: 0 Target Y2: 2 Actual Y2: 2 (still in training) # of importers by EOP Baseline² : 4 Target Y2: 10 Actual Y2: 13 % of wholesale buyers who re-order within 9 months Baseline: 50% Target Y2: 65% Actual Y2: 38%³ 	<ul style="list-style-type: none"> Key artisan interviews Monthly marketing and M&E field reports ANARTE reports

¹ Competent means that the exporter is receiving the order directly from the importer. Currently the exporters are exporting orders that are received and managed directly by Aid to Artisans. The order is only passed on to the exporter for shipping once it is complete and quality approved.

² Baseline is RISE Y3 active importers.

³ The percentage decreased from Year 1 due to the fact that the number of importers increased from previous year [from 6 to 13] but only placed orders near the end of the reporting year and therefore some of their orders are still in production with no opportunity to reorder within the reporting year. The number of orders coupled with low production capacity of the artisan enterprises also influences the time between reorders.

<ul style="list-style-type: none"> • Train artisans in business management practices through in-country workshops, and MRT program in USA and SA, and production mentoring • Develop and produce training materials 	<p>Provide artisans with business development services.</p>	<ul style="list-style-type: none"> ▪ % of groups with MOU that have a bank account. Baseline: 56% Target Y2: 70% Actual Y2: 60% ▪ % of groups with MOU that keep written financial records. Baseline: 5.5% Target Y2: 15% Actual Y2⁴: 90% ▪ Business knowledge gained in SA or US MRT program⁵ Baseline: n/a Target Y2: 20-point increase Actual Y2: 20- point increase ▪ # of artisan enterprises/associations registered with the Ministry of Finance. Baseline: 0 Target Y2: 2 Actual Y2: 2 	<ul style="list-style-type: none"> • local training & MRT participation records • monthly M&E reports • mid-term and final evaluations • access to artisans' monthly and annual financial records • pre-post MRT Test
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⁴ 90% of the groups have some form of written records based on training with Aid to Artisans, yet not all of the records are accurate or complete

⁵ Knowledge gained (average increase between end of show result and 6 months afterwards) was measured by the craft business assessment tool, prepared by HQ and field staff in Y1.

<ul style="list-style-type: none"> • Train local staff on grant writing and fund raising strategies. • Mentor local staff to take on increasing responsibilities on financial management. • Phase out the US national at the end of Y2. 	<p>Increase the fundraising and financial management responsibility of local staff</p>	<ul style="list-style-type: none"> • # of local funders identified/developed or renewed by the local staff. Baseline: 0 Target Y2: 2 Actual Y2: 4 • # of proposals developed by the local staff (with HQ and RFD) Baseline: 0 Target Y2: 3 Actual Y2: 1 ▪ Local staff managing financial reporting independently by Y2 Target: By Y2 Actual: Started in Y2 	<ul style="list-style-type: none"> • Monthly field reports • Proposals developed and submitted to donors
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<p>Mozambique / Service Delivery</p> <ul style="list-style-type: none"> • Develop and promote the Pan-African market link program in the US, Europe and SA • Develop and expand local market opportunities through local annual holiday fair & promotion through local retail venues. • Participation in MRT in US and SA • Mozambican products displayed on the ATA's website and updated on a quarterly basis. 	<p>Develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation</p>	<ul style="list-style-type: none"> • # of craft businesses with exposure in international trade shows by EOP Baseline⁶: 10 Target Y2: 20, Actual Y2: 17 • # of businesses with exposure in Mozambican annual holiday fair. Baseline: 10 Target Y2: 26 Actual Y2: 16 • Annual local fair sales in USD Baseline: \$ 2,200 Target Y2: \$5,500 Actual Y2: \$4,011 • # of buyers visits Baseline: 3 Target Y2: 4 Actual Y2: 3⁷ • Total Yearly sales. Baseline⁸: \$ 33,000 Target Y2: \$125,000 Actual Y2: \$99,324 Cummulative EOP Sales⁹: \$950,000 Cummulative Sales to Date: \$159,324 	<ul style="list-style-type: none"> • Trade show reports • Website inventory • Buyer interviews • M&E Monthly Reports
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⁶ RISE Y3 figure as baseline.

⁷ A US buyer is visiting Mozambique in Oct 2003.

⁸ Baseline is RISE Y3 sales.

⁹ Cummulative sales for all five years of PAED.

<ul style="list-style-type: none"> Review artisan groups and sign MOUs with new groups Expand distribution artisan information bulletin (As Mãos Falam) 	<p>Scale up and expand the impact of ATA's work in Mozambique</p>	<ul style="list-style-type: none"> # of artisans served during the LOP. Baseline¹⁰: 1,350 Target Y2: 2,250 Actual Y2: 1,800 	<ul style="list-style-type: none"> Mid-term and final evaluations Monthly reports Training reports
<i>Mozambique / Sustainability</i>			
<ul style="list-style-type: none"> Trade show participation. MRT training in US and SA. Scouting and national account building. Export sector development activities. Training in booth management and responding to customer inquiries at the local fair. Sensitizing artisans on sustainable use of hardwoods Implementation of 1st pilot project on forest management 	<p>Artisan entrepreneurs continue to reach and expand markets after PAED project ends</p>	<ul style="list-style-type: none"> Annual Mozambique craft fair managed locally independent of ATA support. ANARTE to publish artisan information bulletin Maputo wood carvers achieve FSC certification through the Djabula Community Forest Project to promote their product. <p>Target Y2¹¹: n/a</p>	<ul style="list-style-type: none"> Review of exporter Purchase Orders After project annual evaluation (minimum of up to 2 years after EOP) ANARTE annual report on activities
<ul style="list-style-type: none"> Design consultancies both in-country and via Internet. Product development training workshops. Training in quality control and timeliness. 	<p>Artisans able to develop quality products for international export independent of ATA</p>	<ul style="list-style-type: none"> # of new product lines accepted in the international market. Baseline: 0 Target Y2: 28 Actual Y2¹²: 21 % of orders that meet buyer quality control standards. Baseline: 60% Target Y2: 70% Actual Y2: 65% 	<ul style="list-style-type: none"> Consultancy reports Annual reports Mid-term and final evaluations Key buyer interviews Marketing reports

¹⁰ Baseline figure is the total number of artisans reached during the three years of RISE.

¹¹ See Mozambique country section for more details.

¹² There was a total of 25 lines developed for the international market, but four of the lines never made it to the show due to internal disorganization of the craft enterprise.

PAED Planning Matrix - Tanzania

GOAL: To alleviate poverty amongst artisans in Southern Africa by opening new markets

Major planned activities	Objectives	Indicators	Measurement and data methods
<i>Tanzania/ Capacity Building</i>			
<ul style="list-style-type: none"> ▪ Identify, evaluate, and work with craft-based enterprises on a business services basis, possibly including AMKA's trading wing, Kwanza Collection Co ltd. ▪ Mentor business partners on customer service ▪ Provide services to AMKA on a fee for service basis. 	<p>ATA works directly with artisan-based enterprises that provide effective service to commercial markets.</p>	<ul style="list-style-type: none"> ▪ Increase in the number of enterprises selected. Baseline: Nil (ATA had been working with producers through its local partner AMKA at that time.) Target Y2: 4 businesses. Actual Y2: 4 businesses. ▪ Number of businesses with repeat orders. Baseline: Nil. Target Y2: 2 Actual Y2: 2 ▪ Number of artisans served during LOP¹. Baseline: nil Target Y2: 400 Actual Y2: 760 	<ul style="list-style-type: none"> ▪ Key buyer interviews, quarterly ▪ Trip reports, 2-4 times annually ▪ Company data reporting, 2x/year

¹ Artisans provided with business development training, product development and design & marketing services

<p>Tanzania/ Service Delivery</p> <ul style="list-style-type: none"> ▪ Product development and design consultancies, both in Tanzania and long-distance through the Internet ▪ Market linkage services, including trade shows in US, Europe, and SA; and sales representative work. ▪ Business training in South Africa and US 	<p>Develop and expand marketing and sales opportunities for Tanzanian artisans, leading to revenue generation.</p>	<ul style="list-style-type: none"> ▪ Total sales for the year. Baseline: Actual sales for 2001 for the 2 selected enterprises \$130,000.² Target Y2: 165,000 Actual Y2: 132, 577 ▪ Number of artisans trained Baseline: 5 artisans and entrepreneurs trained in US or SA in three years. Target Y2: 3 Actual Y2: 2³ ▪ Business knowledge gained in SA or US MRT program⁴ Baseline: n/a Target Y2: 20% point increase Actual Y2: 20% point increase 	<p>Trip reports, 2-4x/year Show reports, 2-6x/year Company data reporting, 2x/year</p>
<p>Tanzania/ Sustainability</p> <ul style="list-style-type: none"> ▪ Product Development and design consultancies both in-country and via Internet. 	<p>Tanzanian enterprises create marketable product for export independent of ATA.</p>	<ul style="list-style-type: none"> ▪ Number of new product lines accepted in International market. Baseline: Nil Target Y2: 12, Actual Y2: 10 	

² Total sales figure includes local as well as export sales. See country section for more details.

³ One producer who was to attend AMRP in August 2003, was held back because she will be attending MRP in NY in 2004.

⁴ Knowledge gained (average increase between end of show result and 6 months afterward) will be measured by the craft business assessment tool.

		<ul style="list-style-type: none"> ▪ % of orders meeting buyer's quality control standards. <p>Baseline: Nil Target Y2: 75% Actual Y2: 73%</p>	
<ul style="list-style-type: none"> ▪ Training in quality control and timeliness ▪ Training in customer service and MRT training in US and SA. ▪ Trade show participation and making market linkages. 	<p>Tanzanian enterprises provide effective service to commercial markets.</p>	<ul style="list-style-type: none"> ▪ % of wholesale buyers place repeat orders (within 9 months). <p>Baseline: Nil Target Y2: 70% Actual Y2: none⁵</p>	<p>Key buyer interviews, quarterly Company data reporting, 2x/year</p>

⁵ Importers placed orders near the end of the reporting year and therefore some of their orders are still in production with no opportunity to reorder within the reporting year.

PAED Planning Matrix – South Africa

Goal: To alleviate poverty amongst artisans in Southern Africa by opening new markets			
Major planned activities	Objectives	Indicators	Measurement and Data Management Methods
<i>South Africa / Capacity building</i>			
<ul style="list-style-type: none"> ▪ Customer service and Marketing training: BAT Shop staff attends trade shows. ▪ BAT shop staff to attend the ATA's MRT program in the US. ▪ ATA marketing staff fosters new buyer relationships. 	<p>The BAT Shop to respond effectively to market demands.</p>	<ul style="list-style-type: none"> ▪ % of wholesale buyers place repeat orders (within 9 months). Baseline: 100% Target Y2: 75% Actual Y2: 70% ▪ # of buyers visits to South Africa. Baseline¹: 6 Target Y2: 6 Actual Y2: 8 	<ul style="list-style-type: none"> ▪ Key buyer interviews ▪ Trade show reports ▪ Mid term and final evaluation.
<ul style="list-style-type: none"> ▪ BAT Shop Managing Director works in partnership with ATA Staff to plan and implement the AMRT at SARCD 	<p>Building BAT Shop's operational and training capacity.</p>	<ul style="list-style-type: none"> ▪ 25 trainees to attend the MRP² by EOP. Baseline: 0 Target Y2: 4 Actual Y2: 4 	<ul style="list-style-type: none"> ▪ Detailed training reports

¹ Baseline figure is the current BAT buyers.

² MRP, Market readiness program, both in NY and South Africa.

<ul style="list-style-type: none"> ▪ ATA and BAT Shop strengthen relationships with craft organizations and expand existing network within the crafts and export sector. 	<p>ATA builds a network of strategic alliances³ in South Africa</p>	<ul style="list-style-type: none"> ▪ Active participation of South African designers⁴ to use regional talent in providing design and technical assistance. Baseline:0 Target Y2: 4 Actual Y2: 3 ▪ # of Craft Organizations visited and assessed⁵ by EOP. Baseline: 2 Target Y2: 5 Actual Y2: 4 	<ul style="list-style-type: none"> ▪ MOU's ▪ Field Reports
<ul style="list-style-type: none"> ▪ BAT Shop staff receive training in digital imagery and product specification guidelines ▪ Training in how to use ATA's website ▪ Customer Service Training ▪ Quarterly update of the site. 	<p>The BAT Shop uses ATA website⁶ as a marketing tool to supplement BAT's and ATA's marketing efforts.</p>	<ul style="list-style-type: none"> ▪ South African product information section further developed in Y2⁷. 	<ul style="list-style-type: none"> ▪ Training evaluations ▪ Website review by US marketing department ▪ Mid term and final evaluations.

3 Strategic alliances with designers, exporters, producers and craft organizations to build a functional regional network.

4 Local designers who are qualified to offer product design and development worked with artisans.

5 Depending on the assessment, ATA would include select organizations in the PAED program.

6 The site will serve as a marketing tool to expand reach to buyers that are not reachable through trade shows.

7 The South African products have been added to the site and are updated periodically.

<p>SA/ Service Delivery</p> <ul style="list-style-type: none"> ▪ MRT in US and SA ▪ Participation in ATA's website ▪ Conduct market-driven product development with artisans using information technologies ▪ Develop and promote the Pan-African market link program in the US, Europe and SA ▪ Develop and expand local market opportunities through local fairs & promotion through local retail venues. ▪ Exhibit existing and new market ready BAT Shop products at US, European and SA Trade Shows. 	<p>Develop and expand marketing and sales opportunities for South African artisans.</p>	<ul style="list-style-type: none"> ▪ Craft businesses with exposure in international trade shows by EOP Baseline⁸: 3 Target Y2: 7 Actual Y2: 10 ▪ Increase in the # of importers. Baseline: 8 Target Y2: 7 Actual Y2⁹: 8 ▪ Yearly sales. Baseline¹⁰: \$ 200,000 Target Y2: \$ 275,000 Actual Y2: \$ 493, 298¹¹ 	<ul style="list-style-type: none"> ▪ Buyers feedback ▪ FOB sales ▪ Trade show reports ▪ Website inventory ▪ Buyer interviews ▪ M&E Monthly Reports ▪ Mid term and Final evaluation
<ul style="list-style-type: none"> ▪ Train artisans in business management practices through in- country workshops. ▪ MRT in NY and South Africa. ▪ Participation in the production mentoring program. 	<p>Provide artisans with business development services.</p>	<ul style="list-style-type: none"> ▪ % of orders meeting buyer quality control standards by EOP. Baseline: 70% Target Y2: 75% Actual Y2: 75% ▪ # of artisans served during the LOP¹². Baseline¹³: 700 	<ul style="list-style-type: none"> ▪ Regular visits to artisans and ▪ Monthly field reports ▪ Marketing reports ▪ Mid-term and final evaluations ▪ Key buyer interviews.

8 At the beginning of PAED, BAT shop worked with 3 producer groups that exported.

9 Cumulative for Y2 is 18.

10 Baseline figure is the current yearly sales for the BAT shop.

11 Total sales of R 3,453,090.20 @ exchange rate of R7= \$1

12 Artisans provided with business development training, product development & design, or marketing services.

13 Baseline figure is the total number of artisans reached currently by BAT shop.

<ul style="list-style-type: none"> Design and Production consultancies. 		<p>Target Y2: 850 Actual Y2: 957¹⁴</p> <ul style="list-style-type: none"> Business knowledge gained in SA or US MRT program¹⁵ <p>Baseline: n/a Target Y2: 20 point increase Actual Y2: 20 point increase</p>	
<i>SA/ Sustainability</i>			
<ul style="list-style-type: none"> Trade show participation and making market links. Training in customer service and MRT training in US and SA. The BAT Shop continues to provide increased export services to artisan sector in addition to existing domestic market. 	<p>The BAT shop provides training, design consultancies and market link services to artisans after EOP.</p>	<ul style="list-style-type: none"> ATA leveraged buyers working directly with the BAT shop on Product development and marketing by EOP. 	<ul style="list-style-type: none"> Review of BAT shop's Purchase Orders After project annual evaluation (minimum of up to 2 years after EOP)
<ul style="list-style-type: none"> Product development & design consultancies both in-country and via Internet. Training in quality control and timeliness. 	<p>Artisans are able to develop quality products for international export independent of ATA</p>	<ul style="list-style-type: none"> # of new product lines accepted in International market. Baseline: 10 Target Y2: 20 Actual Y2: 20 % of orders meeting buyer's quality control standards¹⁶. 	<ul style="list-style-type: none"> Consultancy reports Annual reports Mid-term and final evaluations Key buyer interviews Marketing reports

14 Only artisans who received ATA's services are added to the baseline and not all BAT artisans.

15 Knowledge gained (average increase between end of show result and 6 months afterwards) was measured by the craft business assessment tool.

16 Refer to the quality control indicator in the service delivery section above.

Training and Trade shows

- AMRP agenda.
- SARCD A Silver Award certificate.
- Invitation cards for NYIGF and SARCD A.
- Product sheets for Mozambique, South Africa and Tanzania.
- ATA SARCD A Training certificate

**Market Readiness Program
at the
Sarcda Gift, Toy, and Décor Exhibition**

Revised 07/31/2003

Monday, August 18 – Arrival, Rosebank Hotel

Rosebank Hotel, Tyrwhitt and Sturdee Aves., Johannesburg, SA
Tel: 27 11 447 2700, Fax: 27 11 447 3276

Tuesday, August 19 (Day 1)

- 8:15 Mini bus departs hotel
- 9:00 Arrival of participants – Greetings and Introductions – L. Johnson
- 9:30 Welcome, ice-breaker, participants expectations,
Review of objectives, Overview of program L. Johnson and
Mimi Robinson
- 10:00 Trends: a visual overview of current trends in color, design, and themes in the global
and South African market, Mimi Robinson
- 11:00 Overview of the SA Market – Marisa Fick-Jordaan
- 12:00 Lunch
- 1:00 Product Development: Discussion of the importance of new product development,
characteristics of a product line, sources for inspiration, the product development
cycle for exhibition, and sales Mimi
- 2:30 Break
- 2:45 Pricing (ex-works) as a part of the PD process, Mimi
- 3:15 Group Product Review: A review of the participants' product samples based on the
following criteria: uniqueness, product line development, consistency and quality,
price, value added. Mimi/Marisa
- 5:00 Magazine and Catalog reviews
- 6:00 Minibus departs exhibition hall
Evening reception at Potter residence

Wednesday, August 20 (Day 2)

- 8:15 Mini bus departs hotel
- 9:00 Arrival
- 9:15 "Understanding the Process, Expectations and Variables of Exporting,"
A discussion of the preliminary requirements for an organization considering export,
Mimi
- 10:30 break
- 10:45 "Role of the local Importer" Langata
- 12:00 Lunch
- 12:45 Depart for tour of Fragments: Hot Glass & Jet Machining Center

Overview of packing, production and QC, Matthew Hayden of Fragments
3:30 Local Store tours as pre-arranged Frances Potter
6:00 Minibus returns to hotel

Thursday, August 21 Day 3 (Show opens)

8:15 Mini bus departs hotel
9:00 Arrival
9:15 "What to look for in a trade show" - How to scout a trade show to obtain market information on trends, pricing, competition, display and merchandising techniques, Mimi/ Marisa
10:00 Review of show rules and etiquette - Lorraine Johnson
10:30 Break
10:45 Depart for tours of Sarcda Exhibition in small groups
12:15 Lunch
1:00 Return to conference room for general discussion/Mid-point assessment
Observations, impressions, trends, product categories, surprises at show
What additional information is needed that can be obtained while here?
2:30 break
2:45 "ATA Marketing Procedures for Trade Show Exhibits" Jane Griffiths
3:30 "Sarcda and other International Trade Fairs" Jane Griffiths
6:00 Minibus returns to hotel

Friday, August 22 (Day 4)

8:15 Mini bus departs hotel
9:00 Arrival
9:15 "Roles and Responsibilities In the Export Distribution Channel," Mimi Robinson
10:30 Break
10:45 "Building Buyer Relationships," Understanding buyer expectations and developing strategic alliances. Jane Griffiths
12:00 Lunch
1:00 "Promoting your Product: Identifying and Approaching Buyers,"
Knowing your customer, your target market, how to present your products, where to market your product, review of promotional materials brought by participants, Mimi Robinson
2:15 Break
2:30- Individually scheduled appointments with Mimi Robinson / others at show
6:00 Minibus returns to hotel

Saturday, August 23 (Day 5)

8:15 Mini bus departs hotel
9:00 Arrival

9:15 **Group wrap-up**, a group discussion of remaining questions, major new understandings, with time to record personal "next steps" and action items

10:30 break

10:45 Program evaluation, discussion of strengths and suggestions for future

12:00 Lunch

1:00 Live sales update

Frances Potter

2:00 Conclusion and distribution of certificates

Remaining time to visit show

6:00 Minibus returns to hotel

Sunday, August 24 - Departure

SARCONA 2003



**STAND EXCELLENCE
AWARD**

This is to certify that

Aid to Artisans

has won

SILVER

at the

SARCONA

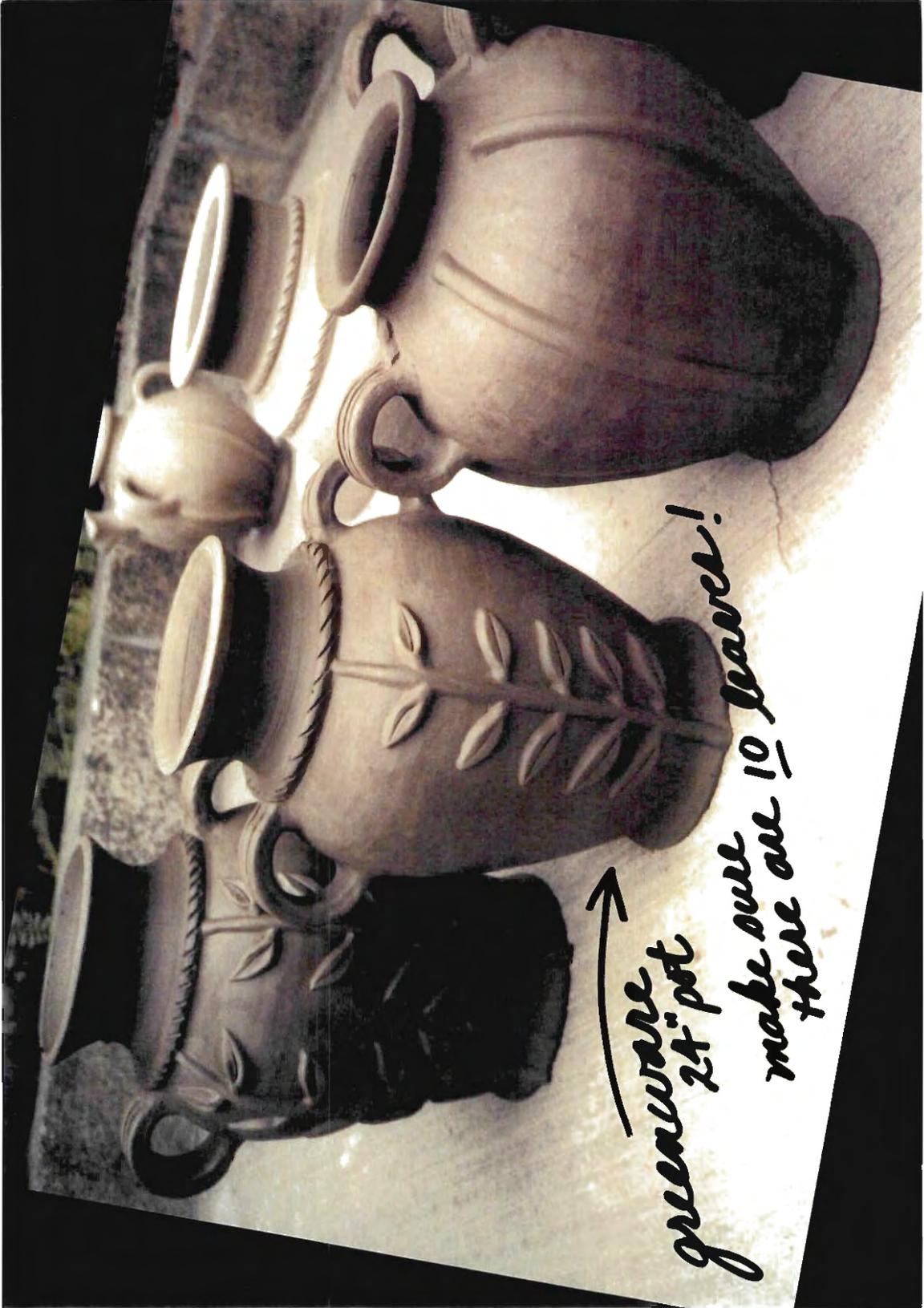
Christmas Gift, Toy & Décor Trade Exhibition

Handwritten signature of F. Solomon.

F. Solomon
Trade Exhibition Committee Chairman

Handwritten signature of R. Fortmann.

R. Fortmann
Trade Exhibition Manager



greenware
24" pot

make sure
there are 10 leaves!

aid to artisans

Small Market

331 wethersfield ave hartford ct 06114 860 947 3344 fax 860 947 4350

CALIFORNIA GIFT SHOW
los angeles convention center
world style booth 618-624
july 19-22 2003

NEWYORK INTERNATIONAL GIFT FAIR
jacob javits convention center
booth 5012-5024
august 9-14 2003

SAN FRANCISCO INTERNATIONAL GIFT FAIR
handmade / moscone center north
booth 6617-6619
august 23-27 2003

featuring fine home and accessory collections from:

Central Asia, Cambodia, Colombia, El Salvador, Guatemala,
Haiti, Honduras, India, Macedonia, Mozambique, Peru
South Africa, Tanzania, Vietnam

TENDENCE
frankfurt messe hall 9.2 stand E36
frankfurt, germany
august 22-26 2003

SARCD A CHRISTMAS 2003
gallagher estate
midrand, south africa
august 21-25 2003

greenware from Guatemala
www.aidtoartisans.org atausa@aol.com



Moore Pottery
P.O.Box 32152, Lusaka, Zambia
Owners: Christopher and Julia Mutale
T +260 1 23 5976
S.A. Importer: Langata cc
T 011 708 1715
F 011 708 2819
moore@zamnet.zm

Moore Pottery produces uniquely Zambian ceramics using 90% locally produced materials. It has been running for 42 years and has the capacity to produce 22 cubic metres of pottery monthly in its well equipped Lusaka factory. Moore exports to the US and Europe, but this is its first exhibition in South Africa.



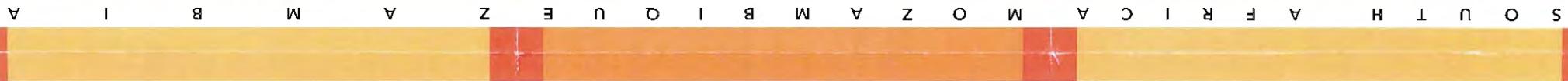
In Mozambique Aid to Artisans' Pan-African Artisan Enterprise Development [PAED] programme has been running since 1998. Now the companies Anhihova, Albino, Boaventura, Calipsum, Chamaria, Daudé, Dimande, Dino, Group Mucavele, Kutoma, Crafts, Mabanda, Millima, Nharro, Paulo and Santinho are each showing a contemporary view of Mozambique handicraft. They export to the US, Europe and within Southern Africa.

Aid to Artisans
Av. Base Ntchinga #725
Bairro da Coop, Maputo, Mozambique
T +258 1 417170 F +258 1 419505
chila@tvcabo.co.mz
Contact: Chila Smith Lino
SA Importer: Langata cc
T 011 708 1715 F 011 708 2819



The BAT Shop, established in 1995, works with producer groups throughout KwaZulu/Natal to create high quality home accessories and decor items for a global aesthetic. The ZENZULU range, handcrafted in telephone wire and beads, is a South African design classic.

45 Maritime Place
Durban 4000
South Africa
T +27 31 332 9951
F +27 31 368 5062
batacraft@mweb.co.za
Director: Marisa Fick-Jordaan



Aid to Artisans, a non-profit organisation, offers practical assistance to artisan groups worldwide, working in partnerships to foster artistic traditions, cultural vitality, improved livelihoods and community well-being.

Through collaboration in product development, business skills training and development of new markets, Aid to Artisans provides sustainable economic and social benefits for craftspeople in an environmentally sensitive and culturally respectful manner.

Because the goal of Aid to Artisans is to help artisans sell their work into local and world markets, we provide the following assistance:

- Product development and design consultation.
- Business training, both in-country and through our Market Readiness Programme in New York and Johannesburg.
- Marketing assistance through displaying artisan products at trade venues such as: the New York, Los Angeles and San Francisco International Gift Fairs; Tendence and Ambiente in Frankfurt; and SARCD in South Africa, thereby increasing market exposure for artisans' products.
- Direct grants to artisan groups through Aid to Artisans' Small Grants Programme.

All of these efforts have the same mission: to create sustainable employment for artisans worldwide.



For further information contact:
Frances Potter
Regional Marketing Manager
Johannesburg
T +27 11 788 8748 F +27 11 788 0024
francespotter@intekom.co.za
Geraldine Hurez
European Marketing Consultant
Paris
T +33 1 42 09 75 60 F +33 6 21 70 18 05
geraldinehurez@contactoffice.fr

Aid to Artisans
331 Wethersfield Ave
Hartford - CT 06114
T +1 860 947 3344 F +1 860 947 3350
www.aidtoartisans.org



**Mozambique
South Africa
Tanzania
Zambia**

Hall 3 Stands 29, 31, 33 & 34
SARCD Christmas 2003
21-25 August
Gallagher Estate,
Midrand, South Africa

Z A M B I A

Choma Museum and Crafts Centre Trust has played a major role in the development of rural crafts in Zambia since 1989. Associated with over 450 producers, the CMCC is Zambia's leading exporter of traditional crafts.

Choma Museum and Crafts Centre Trust Ltd
P O Box 630 189
Choma, Zambia
T +260 32 20103
cmcc@coppernet.zm
www.catgen.net/cm
Advisor: Bert Witkamp
SA importer:
Design Afrika
T&F 021 421 8317



Z A M B I A

Kubu Crafts Ltd started manufacturing beautiful furniture, decor accessories and gifts for businesses, homes and lodges in Livingstone, Zambia, in 1999. Under the guidance of owners Lucy Renew and Roelf Bosman the staff component has grown to 50 people. All indigenous timber used is Zambian Forestry Department approved.

Kubu Crafts Ltd
P O Box 60748, Livingstone, Zambia
T&F: +260 3 324093 M: +263 11 208946
kubucrafts@zamnet.zm
www.kubucrafts.com
Owners: Lucy Renew and Roelf Bosman
SA importer: Langata cc
T 011 708 1715, F 011 708 2819



T A N Z A N I A

The Artisan Development Agency of Tanzania (ADAT) is an NGO training women entrepreneurs in the production of textile products. Extremely high quality hand woven kikois and hand printed accessories are being shown outside Tanzania for the first time by Aid to Artisans.

ADAT
P O Box 77817
Dar es Salaam, Tanzania
T&F +255 22 270 0969
adat@ud.co.tz
Director: Sophia Maryogo
SA importer: Langata cc
T 011 708 1715
F 011 708 2819



T A N Z A N I A

Zanzibar based Moto, is a network of about 200 rurally based women. It produces contemporary decorative items, shoppers and bags using plaited palm strips, known as "ukili". Moto strives to preserve traditional weaving skills and increase job creation through ongoing training and product development. Moto exports to the US and Europe.

Moto
PO Box 152, Zanzibar, Tanzania
T +255 24 225 0524
M +255 747 48 12 33
antje@solarafrika.net
Contact: Antje Forstle
SA importer: Langata cc
T 011 708 1715
F 011 708 2819



T A N Z A N I A

Twenty people make up the Marvelous Batiks workshop under the dynamic direction of Flotea Massawe. Marvelous produces high quality batiked, screened and embroidered tableware, bags and cushion covers in 100% Tanzanian cotton. Already exporting to the US, Marvelous can also be approached to produce made-to-order items.

Marvelous Batiks
Box 1751, Dar es Salaam
Tanzania,
T +255 22 276 1260
M +255 (0)741 31 3784
marvbatic@yahoo.com
Owner/MD: Flotea Massawe
SA importer: Langata cc
T 011 708 1715 F 011 708 2819



T A N Z A N I A

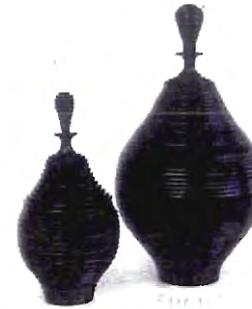
Mikono is one of Tanzania's largest craft producer and export companies. Representing more than 256 households, it is owned by workers and producers. Through its exposure to a wide range of international buyers, Mikono has worked to produce high quality, well designed crafts.

Mikono
P O Box 9363, Dar es Salaam, Tanzania
T +255 22 286 3011
mikono@raha.com
General Manager: Deo Kafwa
SA importer: Langata cc
T 011 708 1715 F 011 708 2819

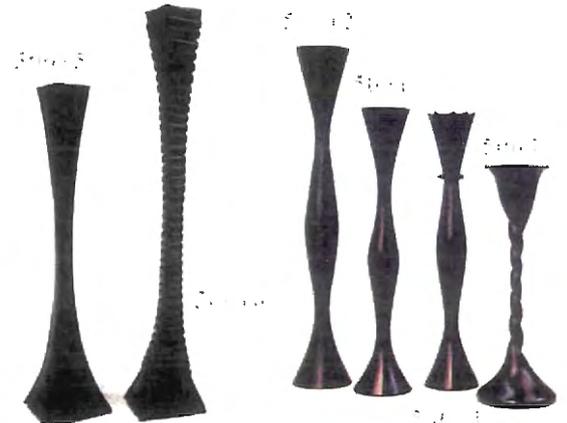
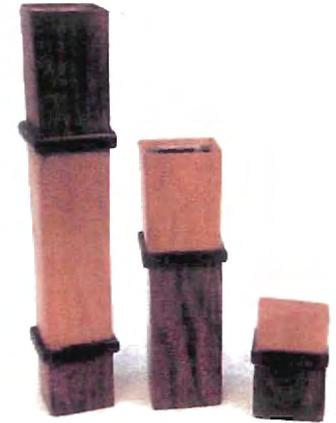


Mozambique

aid to artisans
From Make to Market



fall 2003



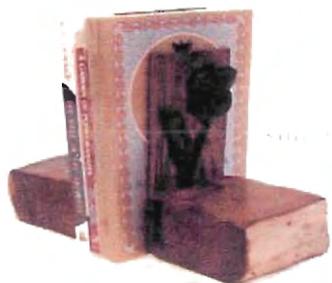
331 Wethersfield Ave.
Hartford CT 06114
860.947.3344
fax 860.947.3350

www.aidtoartisans.org
customerservice@aidtoartisans.org

Mozambique

aid to artisans
From Maker to Market

fall 2003



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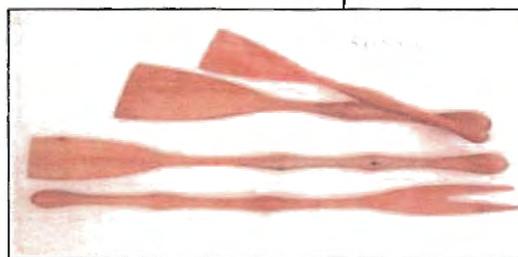
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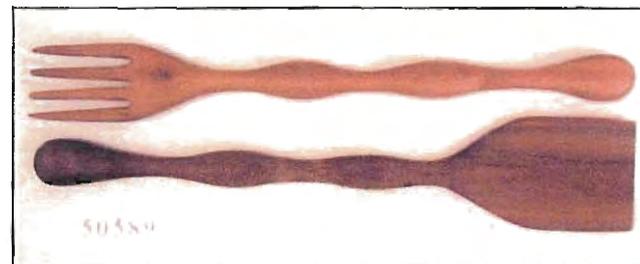
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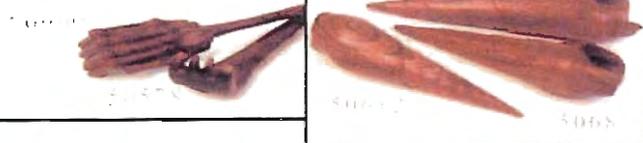
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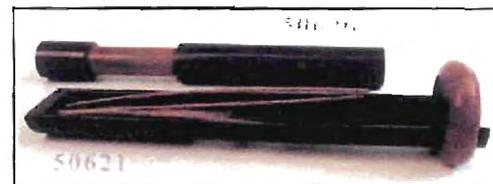


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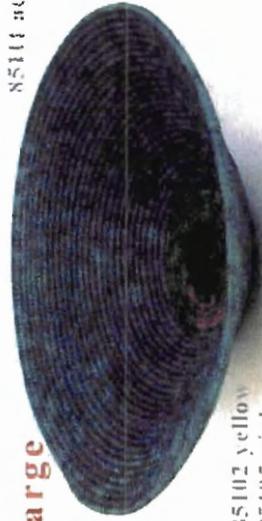
331 Wethersfield Ave. Hartford CT 06114
860.947.3344 fax 860.947.3350
www.aidtoartisans.org
customerservice@aidtoartisans.org

South Africa

aid to artisans
From Market to Market

large

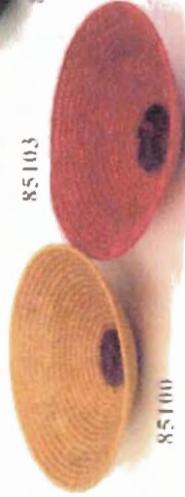
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85102 yellow
85105 pink
85108 orange

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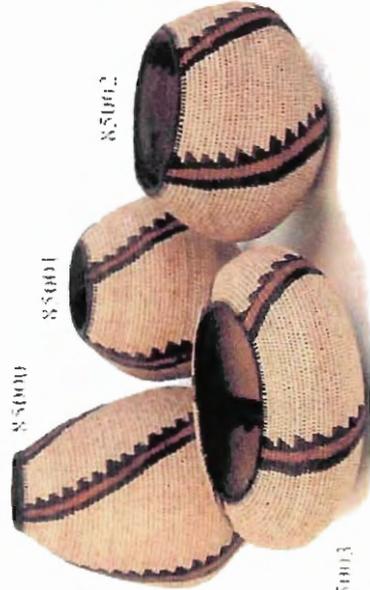
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medium



85104 pink
85107 yellow
85109 orange

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Hartford CT 06114
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fax 860-947-3350
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customerservice@aidtoartisans.org



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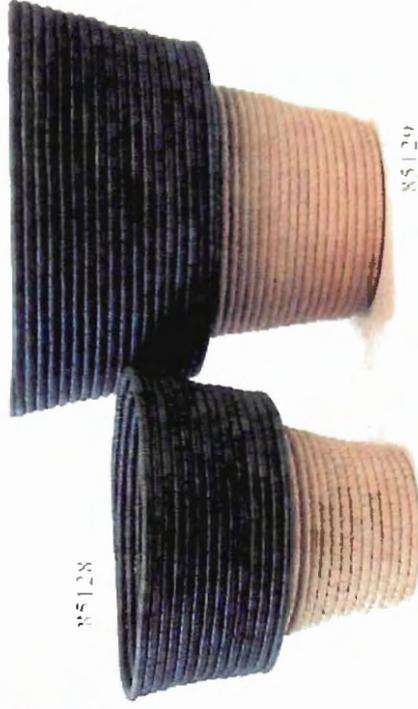
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fall 2003



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Tanzania

aid to
artisans
From Market to Market



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95088



95116 95115 95114

95113

95117
95118 (napkin)



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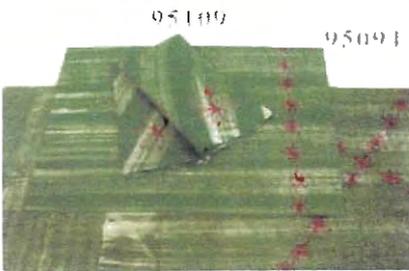
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fall
2003



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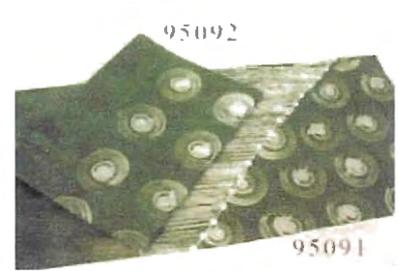
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95108 (napkin)



95078

95079



95080

95110

331 Wethersfield Ave. Hartford CT 06114
860.947.3344 fax 860.947.3350
www.aidtoartisans.org
customerservice@aidtoartisans.org



M a r k e t R e a d i n e s s

Program Certificate presented to:

at the

Sarcda Gift, Toy, and Décor Exhibition

August 2003

Lorraine Johnson, Country Director

Jill Hobson Kassis, Executive Vice-President

Media coverage

- US media features.
- BAT shop's media features. (South African magazines).

Notable Events

Aid to Artisans Honors Craft Leaders

Aid to Artisans (ATA), a nonprofit organization dedicated to helping artisans sell their products internationally, brought the worlds of high fashion and traditional craft together at its annual awards ceremony February 4th. The event, held at the Nicole Farhi boutique in New York City, honored four leaders in craft and featured a silent auction of Levi Strauss denim jackets hand embellished by nearly 30 designers, including Kate Spade, Todd Oldham, and Diane von Furstenberg.

Laila Tyabji, President of Dastkar, an organization working to sustain India's rich crafts heritage, received the Preservation of Craft Award. For more than 20 years, Tyabji has helped Indian artisans, especially women, to earn a livelihood from their indigenous skills. Her

goal, she says, has been to show that craft can remain rooted in tradition without being static.

Jack Lenor Larsen, world-renowned textile designer and weaver, received ATA's Innovation in Craft Award. Larsen has spent much of his career infusing contemporary textile design with traditional materials and techniques from around the world.

In the category of Artisan Advocate, the two honorees were Caroline Ramsay Merriam, founder of the Crafts Center in Washington, D.C., and Dr. Nguyen Van Huy, Founder and Director of the Vietnam Museum of Ethnology in Hanoi.

Based in Hartford, Connecticut, ATA provides world artisans with design and marketing savvy, helping them to tailor their work for sale in

the U.S. and Europe. With ATA's assistance, artisans in such far-flung countries as Romania, Honduras, and Mozambique have seen their creations land on the pages of *Metropolitan Home* and *Elle Décor* and on the shelves of major retailers such as Pottery Barn and Crate & Barrel.

In addition to sending designers into the field, ATA brings artisans to the marketplace. Twice yearly, it holds a five-day training "boot camp" at the New York International Gift Fair. Participants tour the show's 14 miles worth of products, as well as meet with importers and wholesalers.

ATA also helps artisans sell their work closer to home. In the isolated town of Jeremie located in southwestern Haiti, ATA established a small store to sell the wares of 300 impoverished women



Above: Through Aid to Artisans, women in southwestern Haiti have developed new products, including appliquéd tablecloths and napkins. Proceeds benefit the community.

sewers. Irish textile artist and quiltmaker Barbara Faibish was hired by ATA to help the women design and develop new products, including appliquéd tablecloths and napkins. Three years later, the store is under the local management of the Haitian Health Foundation, with profits going to the women sewers and their families, as well as 10 primary schools.

Whether the organization is bringing crafts producers to the market or vice versa, Clare Brett Smith, ATA president, believes its success over the last 27 years has been founded on earning the respect of buyer and artisan alike.

—Leah Kaplan

Leah Kaplan lives in Philadelphia and frequently writes about craft traditions.



Above: Jack Lenor Larsen with Clare Brett Smith, president of Aid to Artisans, at the organization's February awards ceremony. Larsen received the Innovation in Craft Award. Photos: Chantal Regnault.

Norm Thompson

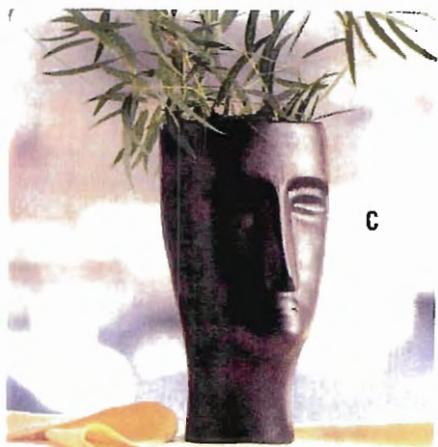
5/03

escape from the ordinary



C. Profile Planter/Vase makes an artistic, sculptural statement.

Handcrafted in El Salvador, this unique ceramic planter enlivens any indoor or sheltered outdoor space. Watertight. Approx. 10½" tall; 4½" across the top. #15971 \$29.00



A Salvadoran original

FINALLY!

C. Wooden dishes from Mozambique come with a world of opportunity.

Remarkable hand-craftsmanship lends uncommon beauty to these smooth sandalwood dishes. Your purchase helps support artist Jose Mabanda Fumo through Aid to Artisans (see story, below).

#15943 (4-Leaf Clover, 4¼"x3¾"x1¼") \$19.00

#15944 (Flower, 9¼"x3½"x1") \$24.00



Norm Thompson is proud to support Aid to Artisans (ATA)

ATA is a non-profit organization that provides economic opportunities to craftspeople in developing communities. By helping artisans move into the global marketplace, unique cultural traditions are preserved...and the artisans themselves earn a better living.

Pillow Talk

Throw pillows are the lapdogs of home decor—cute, friendly, eager to please, and easy to love. Toss them on a bed or a couch (even the floor), and the whole room relaxes.

comfort zone

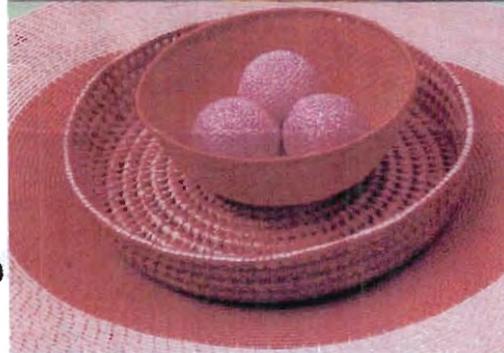
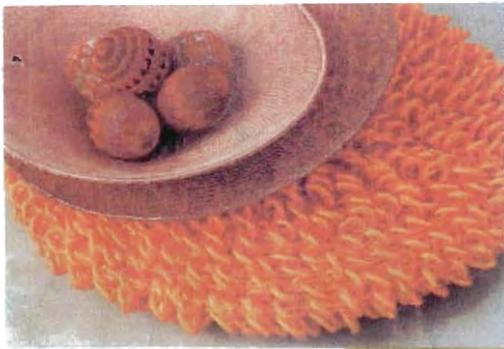


BLUE PRINTS

Matched cushions in uptight rows can make you feel it's a crime to use the furniture. No more of that. For the most refreshing bed ever, cover yourself up in blues: The pileup of patterns includes clean café-awning stripes, handsome

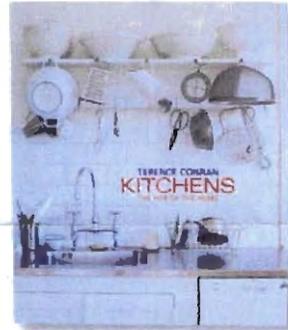
florals, and a mod, mod Pucci print. Flopping down to read or rest may seem like a dive into cool water. 1. Indian print, \$750, Ralph Lauren Home. 2. Thick and thin stripes, \$375, Ralph Lauren Home. 3. Wide-striped linen, \$425, Bergdorf Goodman. 4. Floral

squares, \$125, Maharam. 5. Botanical print, \$65, Thomas Paul. 6. Navy stripes, \$275, Ralph Lauren Home. 7. Solid blue, \$19, Crate & Barrel. 8. Geometric print, \$180, Emilio Pucci Boutique. 9. Silk damask, \$325, Aero. 10. Striped silk, \$38, Uproar Home.



BAT SHOP
 ORIGINAL HANDCRAFTED HOME ACCESSORIES
 THE BAT CENTRE, 45 MARITIME PLACE, DURBAN
 TEL: 27 31 332 9951 FAX: 27 31 3685062
 batcraft@mweb.co.za

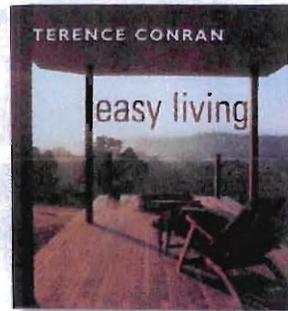
deco **READ**



KITCHENS, THE HUB OF THE HOME **TERENCE CONRAN**

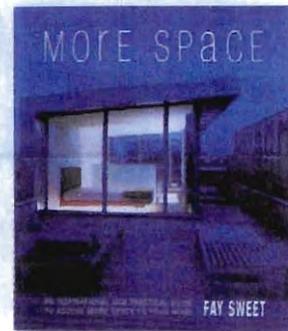
R530, CONRAN OCTOPUS

We love the relaxed approach of this book and its handling of the kitchen as a dynamic living space in which we eat, cook, pay bills, work and entertain.



EASY LIVING, **TERENCE CONRAN** R419, CONRAN OCTOPUS

If you believe that where and how you live is fundamental to your well-being, you need to read this book.



MORE SPACE **FAY SWEET** R420, CONRAN OCTOPUS

Whether it involves going up, down or out, *More Space* shows you how to expand your home to suit your needs.

WE SAY WOW TO SOUTH AFRICAN DESIGN

As champions of South African Design, EIFF DECO presents Autumn's WOW! products.

MARISA FICK-JORDAN is the passionate product developer behind The BAT Shop in Durban. Her WOW! product is an ilola-palm basket by Edna Ngxongo. Master weaver of these contemporary baskets, with colour obtained from roots, barks and fruits, her work has also been exhibited at the 'Bowled Over' exhibition at the OXO Gallery in London. With her fresh take on an age-old tradition, Edna is taking Zulu baskets into the modern world.

AVAILABLE FROM THE BAT SHOP, STARTING AT R2 000



LIENTJIE WESSELS is our Pretoria-based contributing editor, stylist and product developer extraordinaire. Her WOW! products were both developed by the Ngezandlazethu project in Manguzi: a beautifully proportioned carved wood spoon and a woven ilola-palm spoon holder. Both are utility objects yet striking in their simplicity and clean design.

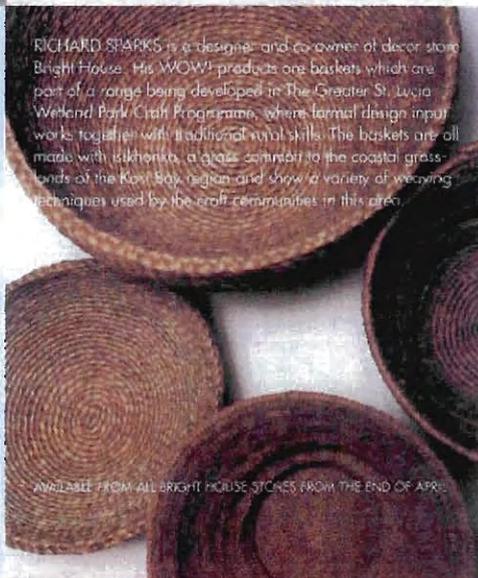
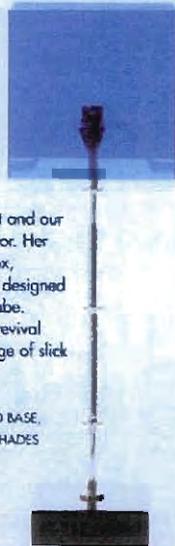


AVAILABLE FROM THE NGEZANDLAZETHU PROJECT IN MANGUZI
CARVED WOOD SPOON, R35, AND WEAVED SPOON HOLDER,
AVAILABLE IN NATURAL OR DYED BLACK, R40

SHELLEY STREET is a talented stylist and our Cape Town-based contributing editor. Her WOW! product is a flamed Perspex, chrome and Chinese-lacquer lamp designed by Justin Champion and Charl Grabe. Perspex is going through a major revival and this lamp is the perfect marriage of slick modern design and retro material.

AVAILABLE AT PA KUIA SHADE, R660, AND BASE,
R2 260, MADE TO ORDER IN DIFFERENT SHADES
AND COLOURS

SEE PAGE 171 FOR STOCKISTS



AVAILABLE FROM ALL BRIGHT HOUSE STORES FROM THE END OF APRIL

Memorandum of Understanding

- Artisan MOU (Mozambique).
- SME MOU (Tanzania).
- BAT shop MOU (South Africa).

MEMORANDO DE ENTENDIMENTO

entre

Aid to Artisans, Inc.

e

Este memorando de entendimento é assinado para , por, e entre **Aid to Artisans, Inc.** adiante (designada por "ATA") com sede em 331 Wethersfield Avenue, Hartford, CT 06032, USA e escritório regional da África Austral na Av. Base N'tchinga, 725, Bairro da Coop, Maputo, Moçambique, e _____ com oficina _____.

CONSIDERANDO, ATA ser uma organização sem fins lucrativos, oferece uma assistência prática a artesãos através de treinamento nas áreas de desenvolvimento do produto, produção e comercialização com o objectivo de providenciar uma sustentabilidade económica e benefícios sociais para os artesãos.

CONSIDERANDO, _____, que ocupa o nível "____"(para mais detalhes quanto ao nível, veja o apêndice) que trabalha com _____, deseja consolidar e desenvolver a sua empresa artesanal.

NESTES TERMOS É MUTUAMENTE ACORDADO QUE:

A ATA juntamente com o(s) artesão(s) acordarão em e aderirão, conforme viável, a um programa de trabalho.

A seguir serão os tópicos que poderão ser cobertos nos workshops da ATA. Os artesãos irão participar em algumas ou em todas as sessões. A participação dos artesãos será determinada pelo staff da ATA e será baseada nas necessidades e no potencial dos artesãos. As áreas de formação da ATA incluirão, mas não se limitarão a:

1. Desenvolvimento e Concepção do Produto Destinado ao Mercado: Membros do pessoal da ATA e consultores desenhadores e de mercado da ATA trabalharão em estreita colaboração com o(s) artesão(s)/empresa artesanal para o desenvolvimento e melhoramento da comercialização e da qualidade de seus produtos. Os produtos serão seleccionados pela equipa de comercialização da ATA antes de participação em qualquer evento comercial organizado pela ATA.

1.1. A empresa/artesão tem por obrigação, a responsabilidade de compartilhar com o montante de US\$16,00 nos custos pela criação de uma nova linha de produtos e/ou pela capacitação na área de produção,

2. Formação em Comércio de Artesanato: Formação sobre o custo/preço, técnicas de produção, controle de qualidade, embalagem, exportação, serviço de compra e gestão de comércio de artesanato.

2.1. A taxa de participação dos artesãos nos workshops da ATA realizados a nível nacional é de US\$ 9,00 por dia.

2.2. As taxas de participação de artesãos em outras formações da ATA fora de Moçambique, podem ser consultadas no apêndice.

3. Ligações Comerciais: A ATA irá trabalhar no sentido de fazer ligações comerciais a nível local, regional ou internacional para os produtos aprovados pela ATA.

3.1. A empresa/artesão, deverá pagar uma taxa de US\$20,00 para participar na feira anual local.

3.2. A empresa/artesão, deverá pagar uma taxa ainda não estipulada até ao presente momento, e logo que estipulada ser-lhe-á avisado com antecedência de 30 dias.

3.3. A empresa/artesão sujeita-se a uma multa pelo atraso na entrega das encomendas nos prazos estipulados a data da recepção(para mais detalhes, veja o anexo).

Em troca da formação e ligação de mercado, os artesãos irão responsabilizar-se pelo seguinte:

- Honrar o Memorando de Entendimento e honrar o desenvolvimento do seu negócio.
- Comunicação regular e pontual com a ATA e com os compradores quando, necessário.
- Participação em sessões de monitorização e de avaliação a serem levadas a cabo pelo pessoal e/consultores da ATA. Estas requererão o preenchimento de formulários de avaliação e encontros com quaisquer outros avaliadores.
- Partilha de informação comercial, incluindo o mapa mensal de registo financeiro.
- Partilha de qualquer outra informação que a ATA necessite para desenvolvimento do seu programa de formação artesanal em Moçambique e avaliação da realização do projecto.

ALTERAÇÕES

- a) De acordo com a monitorização mensal que a ATA faz, trimestralmente se fará uma revisão para reenquadramento do nível do seu grupo.
- b) A ATA reserva-se o direito de proceder as alterações as taxas acima referidas, avisando-o com 30 dias de antecedência.

DURAÇÃO DO MEMORANDO DE ENTENDIMENTO

Este memorando de entendimento revoga o anterior e entra em vigor a partir da data de sua assinatura, , no entanto produzirá efeitos retroactivos a partir de 1 de Março de 2001 e deverá cessar por uma das seguintes razões:

a) Este memorando de entendimento poderá ser terminado por qualquer uma das partes por escrito com 30 dias de antecedência. A nota tem de descrever todos os motivos e datas da retirada.

b) Pelo cumprimento do programa e objectivos do projecto.

COMO TESTEMUNHA, as partes aqui identificadas, através de seus oficiais devidamente identificados, assinaram este acordo em duplicado, devendo considerar-se cada um deles original, que entrará em vigor no dia e ano abaixo indicados:

Aid to Artisans, Inc.

Posição

Posição

Data

Data

Small and Medium Enterprise Pan African Market Link Program

**Memorandum of Understanding
Between**

Aid to Artisans

And

Mikono

This agreement represents the full understanding between Mikono with its headquarters at P.O Box 9363 Dar es Salaam, Tanzania and Aid to Artisans, Inc. (hereafter "ATA") with its headquarters at 331 Wethersfield Avenue, Hartford, CT 06114 USA.

This document outlines and defines the responsibilities for implementing the activities that are required to achieve the SME Pan African Market Link program objectives in 2003 of offering product development and design assistance, an African Market Readiness program and exhibition at the New York International Gift Fair (hereafter "NYIGF") in February 2003 & August 2003 and exhibition at the August SARCD A Christmas 2003 Trade Exhibition (hereafter "SARCD A"). The present document, when properly executed by duly authorized representatives of Mikono and ATA, constitutes an agreement between these two parties.

ATA's Small and Medium Enterprise Pan African Market Link project is funded by a variety of funders, including but not limited to, the IFC. In keeping with the terms of those grants and contracts, the standard provisions that apply to ATA are hereby incorporated and made party of this sub agreement.

Therefore it is mutually agreed that:

1. PROJECT IMPLEMENTATION

ATA agrees to offer product development activities, an African Market Readiness Training program and exhibition space at the NYIGF wholesale trade show in February & August 2003, and SARCD A Trade Exhibition in August 2003 to Mikono for the sum of \$350 US dollars. (If Mikono decides to not participate in the training program, the fee would be further reduced to \$ 250). The sum of \$350 represents a reduced rate for the training program and trade show participation. In order to receive this special rate Mikono agrees to pay in a timely manner as per the schedule outlined on page 6. For this sum, ATA and Mikono agree to be responsible for the following:

Product Development Activities

ATA will provide product design and development workshop(s) at your company's premises to assist in modifying your current product lines for target clientele at the NYIGF and SARCD A shows. A design specialist contracted by ATA will choose a product line or specific items from your current production to adjust for the target market,

and suggest improvements and provide new ideas for further development while working with your producers. The consultant will also merchandise this line and assist your company in preparing the samples for the show cycle.

Trade Show Activities

Negotiations with trade show management

ATA will be responsible for arranging and paying for the booths, utilities and general supervision.

Supplying finished booth space with appropriate display items

ATA will be responsible for providing backdrops, pedestals, lighting, drapes, signage and flooring for all shows.

Samples for exhibition at trade shows

Your company will be responsible for all costs associated with the production of all samples (including counter samples) prepared for each show. This may require the production of up to three separate sets of samples (one set per show) plus counter samples (if return shipping from the shows is considered cost-prohibitive by the individual company).

- NYIGF and SARCDCA: Produce, ship, and exhibit a full line or collection as reviewed and suggested by ATA at the ATA booth.

Labeling your samples

Prior to shipping your samples to NYIFG and SARCDCA, you will be responsible for printing and affixing to each one of your samples, a clearly identified sticker printed with the product code number. Labels should be affixed on the product and not on the packing materials. An extra set of your product code labels should be included in your sample shipment in case the labels detach during shipping. Labels should not include prices.

Arranging shipping of samples to and from the NYIFG and SARCDCA

Your company will be responsible for *arranging shipment and all necessary documentation* of your samples to and from the NYIFG and SARCDCA.

Your company will be responsible for your *sample shipment costs* to the NYIFG and SARCDCA trade shows, including import and fair handling charges. Your sample shipments must be sent Freight Prepaid.

Your company, not ATA, will be responsible for all costs associated with shipping your samples from the NYIFG and SARCDCA shows back to Mikono after the show closing if you want the samples returned to you. Your company is also responsible for arranging for local storage or for selling/offering your products outside exhibition hours after the show if you plan on not returning your samples to your company.

- NYIGF and SARCDCA management strictly prohibit selling off samples from the booth during the exhibition. All sales will need to be shipped as orders after the show.

Aid to Artisans will notify your company with the exact dates for shipping and receipt of your samples. If samples are not received by the advised date, your exhibition space will be forfeited. ATA will send you specific sample shipping instructions and information.

Set-up of the booth, merchandising and booth display

ATA merchandising staff will recommend the most marketable products from your line for you to send for exhibition in each show's booth. ATA merchandising staff will also be responsible for unpacking your samples as well as the initial placement of your products in the NYIGF and SARCD A booths. ATA will be responsible for booth merchandising and final display of your products. Aid to Artisans reserves the right of final approval of the product selection and booth display.

Breakdown of the booth and disposition of samples

ATA staff or hired personnel will be responsible for repacking your samples at the close of the NYIGF and SARCD A shows. Your company will be responsible for arranging the disposition of your samples (return transport, storage, selling off outside the show, etc.), therefore, it will be required that you advise ATA of your plans so that we may facilitate the return of your samples accordingly. If you do not advise ATA of this information, ownership of your products will be forfeited to ATA. ATA will advise you the deadline date by which we need to receive your instructions.

Pricelists

- New York: You will be responsible for sending to ATA your FOB price lists in US dollars. All price lists should also include your product codes, product description, dimensions, colors, minimum initial purchase order amount, and your sample order minimum order. ATA will also provide you with recommended sales terms. ATA will then be responsible for creating and printing a special wholesale template for the price list, developed specifically for the show. This list will be distributed to buyers at the show.
- SARCD A: You will be responsible for sending to ATA your FOB price lists in US dollars. ATA will then be responsible for creating and printing wholesale template pricelists in USD and Rand to be distributed to buyers at the show.

Production and mailing of show promotion flyer

ATA will be responsible for producing and mailing a promotional mailer to buyers for the NYIGF and SARCDAs shows.

Product visuals and business cards

Your company will be responsible for creating and printing product visuals (such as brochures, catalogs, product sheets) and business cards to be distributed to buyers at the show. We recommend you print 25 copies of your product visuals (catalogs) and 50 business cards for distribution at *each* show. You will be responsible for sending these materials with your samples for each show (or hand-carrying them to SARCDAs). ATA will advise you of exact dates by which we need to receive the product visuals and business cards.

Sales staff and customer service

ATA will be responsible for supplying sales staff for NYIGF and SARCDAs who will provide continuous coverage of your products in the booths for the duration of the fairs. The ATA sales staff will handle all sales inquiries and will take any orders on behalf of your company.

Fulfillment of sales orders

The NYIGF and the SARCDAs fairs are both wholesaler shows selling to individual retail stores. Your company will sell at wholesale prices. Therefore sales orders written need to be received and distributed by an importer. If you have an existing importer in the US or South Africa, we can negotiate if ATA will act as your importer. If you do not have an existing importer in the US or South Africa, ATA will act as your interim importer. If ATA acts as your importer, ATA will be responsible for payment of goods and final distribution to the retail customers. ATA will be responsible for compiling all sales orders into one purchase order and submit it to your company. The wholesale mark-up must be approved by ATA.

Inquiries from importers

If you receive an inquiry from an importer interested in establishing a direct import relationship with your company, ATA will supply you and the buyer with pertinent contact information.

Sales information and marketing leads

You are required to share with ATA all sales information and importer marketing leads (such as names of buyers, actions taken from leads) resulting from the NYIGF, and SARCDAs shows or from other sales inquiries resulting from ATA product development outside of the shows. The information will be requested from you on a quarterly basis for the duration of the SME Pan African Market Link program.

Training Activities

Your company representative is expected to attend and participate in the seminars and tours planned for the African MR program.

African Market Readiness Training (AMRT)

ATA will be responsible for organizing an African Market Readiness Training program (AMRT), which will include seminars, presentations and guided SARCDA trade show and store tours. The African MRT program will be a 5-day program (including the SARCDA dates of 8/21-24, 2003) held in South Africa.

ATA will be responsible for all AMRT fees and costs (i.e. training materials, transportation costs for the guided tours, presenter fees, fair entrance badges) which will cover one representative from your company to attend the AMRT program. Your company is limited to sending only one representative to attend the AMRT program who is expected to attend and participate in the seminars and tours planned for the program.

ATA will provide transportation for the AMRT group for the guided tours and transport to/from the hotel and the AMRT room at the SARCDA exhibition hall. ATA will send you further information regarding the African MRT program. ATA reserves the right to make any changes in the AMRT program content or schedule.

Hotel accommodations

ATA will be responsible for arranging and paying for hotel accommodations in the area of SARCDA for one representative from your company during the African Market Readiness Training program and associated activities. Hotel accommodations will be double occupancy rooms to be shared with other program participants.

You will be responsible for any hotel charges other than room charges, including but not limited to: telephone, fax or internet charges, room service or mini-bar expenses, laundry or valet services, video/movie rental, and transportation (other than what is provided by ATA as noted above).

Other costs for the African MRT and SARCDA

You will be responsible for all costs associated with airfare, visas, meals and personal insurance for your company representative to attend the AMRT in South Africa.

If you decide to send any additional company staff or representatives to attend the SARCDA trade show, you will be responsible for all costs associated with that person, including but not limited to - airfare, fair entrance tickets, hotel accommodations, transportation, visas, meals, and personal insurance.

2. USE OF PROPRIETARY INFORMATION

Each of the parties agrees that it will use reasonable efforts to protect the proprietary information of the other party. Disclosure of such information shall be restricted to those individuals who are participating in the project efforts identified herein.

Neither party shall be liable for the inadvertent or accidental disclosure of proprietary information if such disclosure occurs despite the exercise of the same degree of care as such party normally takes to preserve and safeguard its own proprietary information.

The provisions under this heading shall survive any Agreement termination for twelve months.

3. PAYMENT SCHEDULE

Total payment for your 2003 African MRT program, NYIGF¹ and SARCDA² participation is **US \$350.00** due on **March 15, 2003**. (Unless Mikono decides not to participate in the African MRT program, in that case the fee would US \$ 250 only). This fee is non-refundable.

If the total payment is not received by March 15, 2003, the booth space will not be held for you and product development activities will be cancelled.

Please remit payment via wire transfer to:

Aid to Artisans, Inc.
Account # 9369202201

Fleet Bank
781 Farmington Avenue
Farmington, CT 06032
USA
ABA# 011900571

In the alternative, payment may be made using MasterCard, Visa or American Express credit cards. Please provide the following information:

Credit Card (please check): MasterCard Visa American Express

Other - Please Advise Name of Card _____

Credit Card Number: _____

Expiration Date: _____

Name as it appears on Card: _____

4. DURATION OF THE AGREEMENT

This Agreement shall be in full force and effect from the date hereof and shall be terminated in writing upon the advent of any one of the following:

- a. Termination of funding or change in funding that augments or impedes the Small and Medium Enterprise Pan African Market Link project.

¹ Participation in two NY shows; February and August 2003.

² SARCDA show in August 2003.

- b. Any significant change in the financial capability of either party, which, in the opinion of the other party, seriously affects the party's ability to fulfill its responsibilities under this Agreement.
- c. Conclusion of the Small and Medium Enterprise Pan African Market Link project in March 2004.

IN WITNESS THEREOF, the parties hereto, through their duly authorized officials, have executed this agreement in duplicate, each of which shall be considered an original, effective as of the day and year shown below:

Signature: Deo Kafwa, Managing Director

Date

Handicrafts Marketing Company (T) Ltd. (MIKONO)
P.O. Box 9363
Dar es Salaam, Tanzania

Aid to Artisans, Inc.

Date

Memorandum of Understanding

Between

Aid to Artisans, Inc And The BAT shop

This Memorandum of Understanding (hereinafter "Agreement"), and its attachment #1 "ATA/BAT Shop Financial Understanding" are entered into by and between The BAT shop, 45 Maritime Place, Small Craft Harbour, P.O Box 6064, Durban 4000, South Africa and Aid to Artisans, Inc. (hereinafter "ATA") with its corporate headquarters at 331 Wethersfield Avenue, Hartford, CT 06114 USA.

WHEREAS, Aid to Artisans is a non-profit organization with programs in Africa, Europe, Central and Latin America and recently began the second phase of its program in southern Africa.

WHEREAS, The BAT shop is a for - profit, Craft Development and Marketing enterprise that provides services to rural crafters and helps them market their products.

WHEREAS, ATA and the BAT shop wish to define their mutual rights and obligations in connection with the BAT shop's provision of institutional and financial support and ATA's partnering relationship with the BAT shop's work in South Africa.

WHEREAS, ATA recognizes the BAT shop's experience in marketing South African products and wishes to join efforts to increase the range of services offered to artisan enterprises and the number of enterprises assisted.

ATA has received a grant # HFP- A-00-01-00023-00 from the US Agency for International Development for the purpose of assisting artisan enterprises in southern Africa. Implementation of this grant requires the signing of this subordinate agreement between ATA and the BAT shop. In keeping with the terms of the grant between ATA and USAID, USAID's standard provisions that apply to ATA are hereby incorporated and made party of this sub-agreement.

IT IS MUTALLY AGREED THAT:

1. Project Implementation

The BAT shop offices in Durban, South Africa will be the base of operations for ATA's Pan-African Artisan Enterprise Development (PAED) country program in South Africa in addition to the Marketing Coordinator who will be based in Johannesburg.

During the life of this PAED project # HFP- A-00-01-00023-00, as it relates to South Africa (October, 2001 – September, 2006), ATA will offer the BAT shop and their associated artisan enterprises:

- 1.1 Market – Driven Project Development and Design Workshops:** Artisan enterprises identified by the BAT shop and ATA will participate in design workshops. Members of ATA staff and ATA consultants will work hand in hand with the artisans/artisan enterprises to develop and improve the marketability and quality of their products. Products will be merchandized by ATA's marketing team prior to participation in any ATA-related marketing activities.
- 1.2 Craft Business Training:** Trainings will be offered in costing/pricing, production techniques, quality control, packaging, exporting, customer service and craft business management. Trainings will be conducted by ATA consultants and staff.
- 1.3 Market-link:** ATA will subsidize exhibit space at local, regional and international Gift Fairs for artisan enterprises who have received design and business training.
- 1.4 Institutional Strengthening:** Members of BAT staff will be trained with a goal of overall capacity building for BAT shop.

During the life of the PAED project # HFP- A-00-01-00023-00, as it relates to South Africa (October, 2001 – September, 2006), the BAT shop will provide the following assistance to the PAED program and ATA:

- 1.5 Coordination:** BAT shop will advise on activities, people and institutions and will coordinate day to day activities.
- 1.6 Identification:** The BAT shop will assist ATA in identifying artisan producers and assessing their training needs and in identifying and assessing South African designers.
- 1.7 Monitoring and Evaluation Efforts:** The BAT shop will share business information, including monthly sales figures and buyer contacts to help ATA monitor and evaluate their interventions.
- 1.8 Information sharing:** The BAT shop will share other relevant information ATA might need to develop its craft training program in South Africa and measure accomplishments of the project.
- 1.9 Protocol:** All communication with funding organizations, including USAID, will be routed through ATA, and/or communicated in conjunction with ATA..
- 1.10 Financial Understanding:** The BAT Shop and ATA will provide financial support for key activities as outlines in Attachment #1 "ATA/ The BAT shop's Financial Understanding". This support will be a combination of cash and in-kind donations.

BAT shop will invoice ATA quarterly for expenses and provide a financial report of expenses and in-kind contributions

1.9 Fundraising: ATA and BAT shop will jointly pursue funding leads and attempt to develop proposals that meet agreed upon objectives. ATA will take the lead on US funders and BAT shop will pursue SA funders.

2. Non Solicitation Agreement

During the term of this Agreement, neither party involved shall, directly or indirectly, hire or attempt to hire any employee of the other party by any means other than a subcontract arrangement with the other party for a period of six months after this agreement is terminated except by mutual consent in writing.

3. Use of Proprietary Information

3.1 The parties anticipate that in order to perform this agreement, it may be necessary for either party to transfer to the other information of a proprietary nature. Proprietary information shall be clearly identified at the time of disclosure; provided however, that all information relating to the cost/price structure is determined to be proprietary whether or not identified.

3.2 Each of the parties agrees that it will use reasonable efforts to protect the proprietary information of the other party. Disclosure of such information shall be restricted to those individuals who are participating in the project efforts identified herein.

3.3 Neither party shall be liable for the inadvertent or accidental disclosure of proprietary information if such disclosure occurs despite the exercise of the same degree of care as such party normally takes to preserve and safeguard its own proprietary information.

3.4 The provisions under this heading shall survive any Agreement termination for twelve months.

4. Restrictions

4.1 This agreement shall relate only to the Pan-African Artisans Enterprise Development (PAED project) and to no other effort being currently undertaken by the parties jointly or separately.

4.2 This Agreement may not be assigned or otherwise transferred to a party.

4.3 This Agreement shall not preclude either party from bidding or contracting independently from the other on any other Funding Agency or industry program

5. Duration of the Agreement

This Agreement shall be in full force and effect from the date hereof and shall be terminated upon the advent of any one of the following:

- a) By mutual agreement of both parties in writing.
- b) Any significant change in the financial capability of either party which, in the opinion of the other party, seriously affects the party's ability to fulfill its responsibilities under this Agreement.
- c) Termination of grant, or grants by Funder. Aid to Artisans may unilaterally terminate this agreement in whole or in part if Funder exercises their termination rights in accordance with the provisions of the referenced grant.
- d) This MOU will be in effect for the period of 4 years, October 1st 2002 to September 30th 2006.

IN WITNESS THEREOF, the parties hereto, through their duly authorized officials, have executed this agreement in duplicate, each of which shall be considered an original, effective as of the day and year shown below:

The BAT shop

Aid to Artisans, Inc.

Marisa Fick - Jordaan
Managing Director

Jill Kassis
Executive Vice President

Date

Date

ATTACHMENT 1 – ATA/ BAT shop's Financial Understanding

The objective of this attachment is to highlight direct support BAT shop and ATA have agreed upon. It is not a comprehensive list of the services each partner will provide or the value attached to those services.

All expenses submitted for advance or reimbursement, must be directly related to the PAED program. Expenses not listed below must be approved by ATA prior to being expended and/or reimbursed.

ATA's Direct Support to PAED

In acknowledgement that BAT shop will incur additional office related expenses while implementing the PAED program, ATA will provide the following support and financial contribution upon receipt of advance requests and financial report.

\$75.00/month for courier.

\$300.00/month for office supplies.

\$300/month for communication expenses.

\$1000/month towards the expenses of BAT staff.

In addition, ATA will provide some payment for domestic travel, as agreed upon.

BAT shop's Direct Support to PAED

BAT shop will provide/pay for local transport and translator services for ATA consultants and ATA staff (PAED Regional Field Director, Regional Marketing Coordinator, ATA Executive staff) in South Africa.

BAT shop will pay for computer support, copier access, utilities, communication expense for the PAED project if expenses incurred are above and beyond ATA's stated commitment detailed above.

BAT shop will provide furnished office and warehouse space to PAED program estimated at \$ 600 a month.

ATA financial Reporting

- Financial profile of ATA
- Country Data sheet

Financial Profile of the PVO

September 30, 2003

	Year 2
A. Total ATA Expenditures	2002-2003
Small Project Grants	38,675
Training	87,164
Program Management	4,626,379
Indirect Costs	829,612
TOTAL WORLDWIDE PROGAM	5,581,830
	Year 2
B. Sources of Funds	
AID Matching Grant	599,593
Private	
Host/Other Gov.	480,051
Other AID Grants/Contracts	3,274,554
Other US Gov.	
Other	
Corporation/Foundation	826,101
Individual Contributions	302,493
Misc.	99,038
TOTAL	5,581,830

Cooperative Agreement No. HFP-A-00-01-00023-00

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECT**

Project Information

Name of Organization **Aid to Artisans, Inc.**

Project Number **HFP-A-00-01-00023-00** Grant Contract Number

Start Date(MM/DD/YY) **10/1/01** - End Date(MM/DD/YY) **09/30/06** AID Project Officer's Name **Tom Carter**

AID Obligation by AID FY (\$000)			
FY	AMOUNT	FY	AMOUNT
2002 - 2003	\$ 199,615		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose **Agribusiness Capacity & Sustainability of African Craft Business**

COUNTRY INFORMATION

Country **CORE** Location in Country(Region, District, Village) **Hartford, CT**

PVO Representative's Name **Sonu Rangnekar** Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION

Year	2002 - 2003
AID\$	214,453.85
PVO\$	302,189.65
INKIND	63,865.74
LOCAL	
TOTAL	580,509.24

Purpose(if other than project purpose)

Status

FOR OFFICIAL USE ONLY

PVO TYPE **APPN** SUBPROJ **FUND TYPE**
CNTRY CODE **PROJ OFFC** TECH CODE **NON ADD1** **NON ADD 2**

AID 1550-11 (8-85)

Cooperative Agreement No. HFP-A-00-01-00023-00

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECT**

Project Information

Name of Organization

Aid to Artisans, Inc.

Project Number

HFP-A-00-01-00023-00

Grant Contract Number

Start Date(MM/DD/YY)

10/1/01

End Date(MM/DD/YY)

09/30/06

AID Project Officer's Name

Tom Carter

AID Obligation by AID FY (\$000)

FY	AMOUNT	FY	AMOUNT
2002 - 2003	\$ 279,334		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

Agribusiness Capacity & Sustainability of African Craft Business

COUNTRY INFORMATION

Country

Mozambique

Location in Country(Region, District, Village)

Maputo, Mozambique

PVO Representative's Name

Sonu Rangnekar

Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION

Year	2002 - 2003
AID\$	290,340.87
PVO\$	180,348.02
INKIND	
LOCAL	1,812.00
TOTAL	472,500.89

Purpose(if other than project purpose)

Status

FOR OFFICIAL USE ONLY

PVO TYPE	SUBPROJ	
APPN	FUND TYPE	
CNTRY CODE	TECH CODE	
PROJ OFFC	NON ADD1	NON ADD 2

AID 1550-11 (8-85)

Cooperative Agreement No. HFP-A-00-01-00023-00

PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECT

Project Information

Name of Organization

Aid to Artisans, Inc.

Project Number

Grant Contract Number

HFP-A-00-01-00023-00

Start Date(MM/DD/YY)

End Date(MM/DD/YY)

AID Project Officer's Name

10/1/01

- 09/30/06

Tom Carter

AID Obligation by AID FY (\$000)

FY	AMOUNT	FY	AMOUNT
2002 - 2003	\$ 97,397		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

Agribusiness Capacity & Sustainability of African Craft Business

COUNTRY INFORMATION

Country

Location in Country(Region, District, Village)

Tanzania

Dar Es Salaam, Tanzania

PVO Representative's Name

Local Counterpart/Host Country Agency

Sonu Rangnekar

COUNTRY FUNDING INFORMATION

Year	2002 - 2003
AID\$	33,346.06
PVO\$	25,431.58
INKIND	7,754.00
LOCAL	
TOTAL	66,531.64

Purpose(if other than project purpose)

Status

FOR OFFICIAL USE ONLY

PVO TYPE	SUBPROJ	
APPN	FUND TYPE	
CNTRY CODE	TECH CODE	
PROJ OFFC	NON ADD1	NON ADD 2
AID 1550-11 (8-85)		

Cooperative Agreement No. HFP-A-00-01-00023-00

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECT**

Project Information

Name of Organization

Aid to Artisans, Inc.

Project Number

HFP-A-00-01-00023-00

Grant Contract Number

Start Date(MM/DD/YY)

10/1/01

End Date(MM/DD/YY)

09/30/06

AID Project Officer's Name

Tom Carter

AID Obligation by AID FY (\$000)

FY	AMOUNT	FY	AMOUNT
2002 - 2003	\$ 46,340		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

Agribusiness Capacity & Sustainability of African Craft Business

COUNTRY INFORMATION

Country

South Africa

Location in Country(Region, District, Village)

Durban, South Africa

PVO Representative's Name

Sonu Rangnekar

Local Counterpart/Host Country Agency

BAT Shop (Bartel Arts Trust)

COUNTRY FUNDING INFORMATION

Year	2002 - 2003
AID\$	61,451.76
PVO\$	85,423.19
INKIND	36,541.00
LOCAL	1,194.00
TOTAL	184,609.95

Purpose(if other than project purpose)

Status

FOR OFFICIAL USE ONLY

PVO TYPE	SUBPROJ	
APPN	FUND TYPE	
CNTRY CODE	TECH CODE	
PROJ OFFC	NON ADD1	NON ADD 2

AID 1550-11 (8-85)

**PAED Project
Budget to Actual Yr Two
To September 30, 2002 (r10/16/02)**

Line Item	Core Strengthening			PVO Budget	PVO Actual	Mozambique						
	AID Budget	Total Exp 9/30/2002	Balance			AID Budget	Total Exp 9/30/2002	Balance	PVO Budget	PVO Actual		
I. Program Elements												
a. Salaries	93,778.00	104,893.83	(11,115.83)	135,203.00	230,171.50	99,585.00	138,124.20	(38,539.20)	15,682.00	44,602.00		
b. Fringe Benefits			0.00			17,598.00		17,598.00				
c. Travel, Transp, Per Diems	10,094.00	810.14	9,283.86	11,062.00	11,892.33	31,975.00	28,319.44	3,655.56	30,845.00	3,000.00		
d. Subcontracts	0.00		0.00			11,217.00	0.00	11,217.00	11,217.00			
e. Other Direct Costs	7,674.00	20,066.76	(12,392.76)	10,994.00	15,008.01	28,075.00	27,957.20	117.80	38,119.00	24,466.00		
SUBTOTAL: Program Elements	111,546.00	125,770.73	(14,224.73)	157,259.00	257,071.84	188,450.00	194,400.84	(5,950.84)	95,863.00	72,068.00		
II. Training												
a. Workshops	9,528.00	15,217.94	(5,689.94)	5,665.00		7,854.00	15,614.89	(7,760.89)	7,854.00	22,319.72		
b. Salaries	10,930.00	12,248.42	(1,318.42)	11,076.00			0.00	0.00		2,507.00		
c. Travel, Transport, Per Diems	6,242.00	3,714.11	2,527.89	18,231.00	15,089.64	5,500.00	3,860.72	1,639.28	20,409.00	31,760.67		
d. Other	10,300.00	1,922.74	8,377.26	41,921.00	1,136.56	6,566.00	700.00	5,866.00	5,021.00			
SUBTOTAL: Training	37,000.00	33,103.21	3,896.79	76,893.00	16,226.20	19,920.00	20,175.61	(255.61)	33,284.00	56,587.39		
III. Procurement												
a. Consultancies	0.00	0.00	0.00			0.00	0.00	0.00				
b. Vehicles and Equipment	0.00	0.00	0.00			7,725.00	3,150.00	4,575.00	9,785.00	2,522.00		
c. Supplies	2,678.00	0.00	2,678.00	1,030.00		1,432.00		1,432.00	2,050.00	4,823.82		
SUBTOTAL: Procurement	2,678.00	0.00	2,678.00	1,030.00	0.00	9,157.00	3,150.00	6,007.00	11,835.00	7,345.82		
SUBTOTAL: Direct Expenses	151,224.00	158,873.94	(7,649.94)	235,182.00	273,298.04	217,527.00	217,726.45	(199.45)	140,982.00	136,001.21		
IV. Indirect Costs	48,391.00	55,579.91	(7,188.91)	75,258.00	92,757.35	69,608.00	72,614.42	(3,006.42)	45,114.00	46,158.81		
SUBTOTAL: Indirect Costs	48,391.00	55,579.91	(7,188.91)	75,258.00	92,757.35	69,608.00	72,614.42	(3,006.42)	45,114.00	46,158.81		
TOTAL PROGRAM EXPENSES	199,615.00	214,453.85	(14,838.85)	310,440.00	366,055.39	287,135.00	290,340.87	(3,205.87)	186,096.00	182,160.02		

PAED Project

Budget to Actual

Line Item	Tanzania					South Africa					Total Exp 9/30/2002	TOTAL PVO 9/30/2002
	AID Budget	Total Exp 9/30/2002	Balance	PVO Budget	PVO Actual	AID Budget	Total Exp 9/30/2002	Balance	PVO Budget	PVO Actual		
I Program Elements												
a. Salaries	10,352.00	8,426.93	1,925.07	10,352.00	10,445.00	2,472.00	20,766.67	(18,294.67)		25,355.000	272,211.63	310,573.50
b. Fringe Benefits	0.00		0.00			0.00	0.00	0.00			0.00	0.00
c. Travel, Transp, Per Diems	10,640.00	4,020.26	6,619.74	13,730.00	7,836.45	2,198.00	3,623.53	(1,425.53)	2,976.00	17,905.33	36,773.37	40,634.11
d. Subcontracts	2,266.00	0.00	2,266.00	2,266.00		0.00		0.00	5,150.00		0.00	0.00
e. Other Direct Costs	33,852.00	423.50	33,428.50	29,474.00	360.00	27,372.00	8,465.01	18,906.99	23,958.00	10,063.95	56,912.47	49,897.96
SUBTOTAL: Program Elements	57,110.00	12,870.69	44,239.31	56,822.00	18,641.45	32,042.00	32,855.21	(813.21)	32,084.00	53,324.28	365,897.47	401,105.57
II Training												
a. Workshops	1,803.00	5,942.18	(4,139.18)	1,803.00	712.00	901.00	9,144.68	(8,243.68)	901.00	30,784.82	45,919.69	53,816.54
b. Salaries	0.00	0.00	0.00		1,257.00	0.00	0.00	0.00		1,771.00	12,248.42	34,788.67
c. Travel, Transport Per Diems	8,693.00	6,220.34	2,472.66	8,152.00		1,957.00	4,024.12	(2,067.12)	4,429.00	3,651.60	17,819.29	18,741.24
d. Other	5,150.00	0.00	5,150.00	515.00	1,590.00	0.00	0.00	0.00		787.73	2,622.74	3,514.29
SUBTOTAL: Training	15,646.00	12,162.52	3,483.48	10,470.00	3,559.00	2,858.00	13,168.80	(10,310.80)	5,330.00	36,995.15	78,610.14	113,367.74
III Procurement												
a. Consultancies	0.00	0.00	0.00			0.00	0.00	0.00			0.00	0.00
b. Vehicles and Equipment	0.00	0.00	0.00			0.00	0.00	0.00			3,150.00	2,522.00
c. Supplies	1,030.00	0.00	1,030.00	1,030.00	2,576.00	206.00	0.00	206.00	3,914.00	1,630.84	0.00	9,030.66
SUBTOTAL: Procurement	1,030.00	0.00	1,030.00	1,030.00	2,576.00	206.00	0.00	206.00	3,914.00	1,630.84	3,150.00	11,552.66
SUBTOTAL: Direct Expenses	73,786.00	25,033.21	48,752.79	67,322.00	24,776.45	35,106.00	46,024.01	(10,918.01)	41,328.00	91,950.27	447,657.61	526,025.97
IV. Indirect Costs	23,611.00	8,312.85	15,298.15	21,542.00	8,409.13	11,234.00	15,427.75	(4,193.75)	13,225.00	31,207.92	151,934.93	178,533.21
SUBTOTAL: Indirect Costs	23,611.00	8,312.85	15,298.15	21,542.00	8,409.13	11,234.00	15,427.75	(4,193.75)	13,225.00	31,207.92	151,934.93	178,533.21
TOTAL PROGRAM EXPENSES	97,397.00	33,346.06	64,050.94	88,864.00	33,185.58	46,340.00	61,451.76	(15,111.76)	54,563.00	123,158.19	599,592.54	704,559.18

Other attachments

- ATA's award certificate for the local fair (Mozambique)
- Activities and schedule for the Export Internship Program.
- BID Award for Mozambique.
- ATA's key buyer Interview.
- ATA Newsletter, Summer 2003.

aid^{to}
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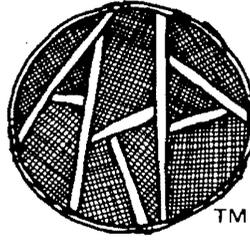
From Maker to Market

PRIMEIRO CONCURSO ANUAL
“FEITO A MÃO EM MOÇAMBIQUE”
DE DESENHO DE PRODUTOS

Certifica-se que Cacilda Helena Chivai é co-vencedora do concurso anual de desenho de produtos do artesanato promovido pela Aid to Artisans. O prémio é constituído pela participação no programa de formação da AJA “Market Readiness Program” na África do Sul e um valor monetário de USD 250.00

Dia 17 de Julho de 2003

Lorraine Johnson, Directora Regional



Aid to Artisans

**EXPORTER INTERNSHIP PROGRAM
ATA MOZAMBIQUE**

Dear Exporter,

ATA's Exporter Internship Program is designed to help the craft exporter succeed in doing business in the global marketplace through direct contact with importers/wholesalers. The activities of a craft exporter are ongoing and do not lie only with the receiving and shipping of an order. The internship will provide the craft exporter with experience in carrying out the following tasks that are fundamental to running a successful export business.

- » Developing promotional materials of product lines (lines developed by artisan groups independently or through exporter/buyer design input)
- » Promoting product lines to international buyers/importers (through trade shows, catalog/brochure, website, samples)
- » Communicating with the buyer/importer
- » Receiving and confirming purchase orders (POs) or sample orders; and bank transfers (50% deposit)
- » Writing and distributing POs to artisan groups, together with 50% deposit
- » Monitoring production and quality control of orders distributed to artisans, to stay within buyer deadlines
- » Receiving completed orders from artisan groups and conducting final quality control
- » Labeling and packing orders for export shipping
- » Preparing all export documentation (including packing list, commercial invoice, certificate of origin) and arranging the international shipment (payments of air freight & airport tax)
- » Arranging transportation of cargo to the port of exit
- » Faxing of export documentation, including airway bill number, to buyer for import purposes
- » Confirming arrival of shipment
- » Preparation of final invoice, including shipping fees, collecting payment from the buyer and distributing final payments to the artisans

Contact: Aid to Artisans, Av. Base N'tchinga, N° 725, Bairro da Coop, Maputo. Tel. 417179 Fax 419505
E-Mail: ljohnson@ata.virconn.com

Some of the above tasks are ongoing, while others are dependent on the market and purchase order cycle. As a result, the schedule of activity for the internship will not run during consecutive days, rather a tentative schedule has been developed with room for flexibility in order for the exporter to experience all aspects of the buyer-fulfillment process. The participant(s) will work together with our Marketing staff. Below is a preliminary schedule of participation:

February	Orientation to ATA work and internship process Communication (this is an ongoing activity between the exporter, the artisans and the buyers) Receiving and distribution of POs from international shows in the US <u>Timetable:</u> 2 days per week during the entire month
March	Follow-up on order fulfillments Product Development process <u>Timetable:</u> 1 day per week during the entire month
April	Receiving products and conducting quality control Packing Preparation of Export Documentation and shipping Product Development process <u>Timetable:</u> 2 days per week, and on an as-needed basis.
May	Pricing & Costing preparation Promoting new products to existing clientele in preparation of upcoming shows Receiving and distribution of POs from international show in UK (Top Draw) <u>Timetable:</u> 1 day per week
June	Pricing & Costing preparation Shipping of samples for August trade shows Development of promotional materials <u>Timetable:</u> 1 day per week
July	Preparation for trade show Follow-up on outstanding orders to be shipped <u>Timetable:</u> open
August	Trade show experience (preparation process, booth display, customer service) SA MRT Training Trade show follow-up <u>Timetable:</u> To be determined

Your company may have different employees who perform the varying tasks that may make it more practical for you to identify which employee should receive training in which task. It is important that all employees are aware of all the tasks involved, even if they are not directly responsible for any particular one. This will enable your company to run smoothly. It is expected that whoever is trained through this program returns to their company to share their experience with their colleagues in order to ensure success.

We look forward to receiving a response from you with regard to your interest and ideas that will make this experience fulfilling and productive for us all. Please respond in writing by January 30, 2002.

BID BUSINESS INITIATIVE DIRECTIONS
 General Yegüe, 11 - 28020. Madrid, Spain - Tel. +34 915 97 33 69* - Fax. +34 915 55 56 02

Madrid, September 9, 2003



To: Mary Cookram

AID TO ARTISANS
 Attn. General Manager
 Av. Base N'Tchinga, Nº 509
 MAPUTO
 MOZAMBIQUE

Dear Sir:

The International Selection Committee of B.I.D., Business Initiative Directions, made up of a group of companies and prestigious professionals, has decided this year, during the 15th International Quality Crown Convention London, 2003, to present the **International Quality Crown Award** in the **Gold Category** to AID TO ARTISANS.

The awards presentation will take place in **London, United Kingdom**, during the International Quality Crown Convention on Monday, December 1st, beginning at 18:30 in the evening, in the Convention Hall at the Thistle Tower Hotel, one of the most modern and spectacular hotels in the United Kingdom. It will be attended by other companies from all over the world who will receive the awards in the gold, platinum and diamond categories, together with outstanding leaders from different business fields, quality experts, personalities in the realm of culture and members of the diplomatic corps. The most significant moments of the participation of your company C.E.O. or General Manager in the event will be covered by reporters, television cameras and photographers for the media.

With its corporate programs, B.I.D., Business Initiative Directions, provides continuous endorsement to companies in 166 countries awarded in previous years which have benefited from the promotion generated by the B.I.D. International Quality Award. The award serves to increase public awareness of your company's commitment to quality.

Attending the convention offers your company an opportunity to convert the award into a communication symbol. For this purpose, we are enclosing participation conditions and the scheduled program.

Thus, to confirm your attendance at the ceremony, please send the completed Registration Form (see the back of the enclosed sheet of information) by fax to Madrid, Spain.

Sincerely,

Jose E. Prieto
 President

Note: This letter is not valid for visa application at the embassy.

The convention delegate should be the proprietor, general manager or director of your company whose personal credentials and guarantee are required to obtain a visa to travel to U.K.

Please send Registration Form to: Business Initiative Directions, Madrid, Spain
 Fax: (+34) 91 555 56 02 - (+34) 91 556 20 29, Tel: (+34) 91 597 33 69
 e-mail: convention@bid-crown.com, Web page: www.bid-crown.com

BEST AVAILABLE COPY

ATA key buyer interview

Date:

Buyer:

Interviewer:

Our goal at ATA is to link producers with markets, and as part of that process we would like to talk with you about your business with _____ (country or business). The sales information you give us will remain confidential as we add all the sales by country and report on it only by country. We also want to know the things that are working well and those that are not, so that we can use this information to plan activities.

In the last six months, how many shipments have you received from _____? ____
What was the value of those shipments (US\$ FOB)? _____

Did you place any orders in the last six months? Y N
For how much at US\$ FOB _____

Do you intend to re-order? Y N

How many lines are you carrying from _____ now? What are they? Did you do the design?

On a scale of 1-10, with 10 being completely satisfied and 1 being never ordering again, how satisfied are you with the orders overall?

Quantity of communication

Quality of communication

Timeliness of communication

Packaging

Packing

Timeliness of order

Quality control

Breakage

Design

Other: _____

Overall satisfaction (if not answered earlier)



aid to
artisans
From Maker to Market
Summer 2003

Trade Show Triumphs

JFK and Artesanías de
Colombia

Artisan Features

Volga River Trading
Company

Field Director Profile

Creative Turkmen
Hands



Designer in the Field:
Mimi Robinson

Aid to Artisans is a nonprofit organization dedicated to creating economic opportunities for craftspeople in developing nations. ATA's staff, design and business consultants, volunteers and an active board of directors help handcraft-based businesses compete in the global marketplace. Our work is made possible by support from government institutions, foundations, corporations and individuals, and by the participation of importers and retailers.

How We Do It

Through ATA's efforts, artisan groups around the world have become self-sustaining. Many of their products have sold in recognized retail stores, mail order catalogues and in publications including *Metropolitan Home*, "O", *Elle Décor*, *House & Garden*, *Better Homes and Gardens*, *Bon Appetit*, *Lucky*, *Home Style*, *Victoria*, *Natural Home*, *The New York Times Magazine*, *USA Today* and *The Washington Post*.

Because ATA's goal is to help artisans sell their work in local and export markets, we provide assistance in all stages of that process, from product development and design, to training, to actual market experience. We make the Market Link.

Product Development and Design – ATA sends highly accomplished product designers to work with artisan groups to adapt existing products, to revive traditional crafts, or to create new products from local, indigenous design motifs.

Training – ATA consultants and staff help ensure that artisan producers can improve their production to meet larger orders and deliver product in a timely way. Our training includes market trends, quality control standards, how to build or acquire better equipment or production facilities, faster and easier production methods, and how to cost and price products to guarantee an adequate return.

Twice a year, ATA conducts a Market Readiness Program at the New York International Gift Fair, the largest gift and decorative accessory trade show in the world. We also offer this Market Readiness Program in South Africa at the SARCDFA gift fair and, currently, at the Delhi Gift Fair in India.

Linking Artisans to World Markets – One of the most valuable resources ATA brings to artisan groups is direct access to buyers and importers. ATA exhibits artisan products in New York, San Francisco, Los Angeles, Frankfurt, Germany and Johannesburg, South Africa. ATA seeks importers to whom we can introduce well-designed and competitively priced home furnishings. ATA also brings buyers directly to artisans by hosting periodic buyers' trips to the countries in which we work.

The Grants Program

ATA supports artisans through the ATA Grants Program, which makes approximately 40 grants per year to artisan groups around the world. Governmental agencies and foundations find it too difficult and time-consuming to administer grants in small denominations.

As a small organization, however, ATA has the flexibility to manage small grant procedures effectively and to fill this funding vacuum.

aid to
artisans

Distribution of Funds



Results

Since 1976, ATA has helped create jobs and increase income for craftspeople worldwide; strengthened existing and created sustainable new craft businesses; and helped to preserve the cultural traditions that make each country unique.

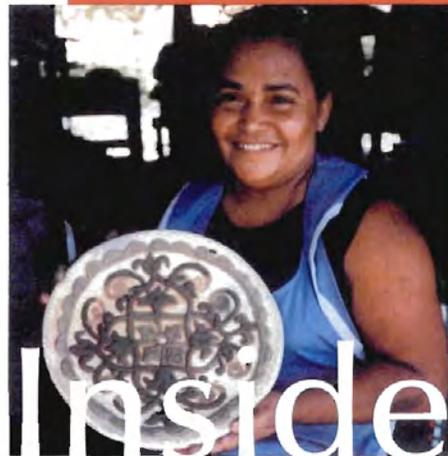
Some specific, measurable examples:

- At the national level, ATA's project with Ghanaian artisans contributed to the increase in craft exports from \$500,000 in 1990 to \$4 million in 1998.
- At the business level, ATA's 1995–1997 project with Armenian artisans resulted in increased craft exports from \$0 in 1993 to \$500,000 in 2002, and employment for 500 women artisans.
- At the project level, ATA's work with artisans in Peru from 1995 to 2000 resulted in \$18 million in project-related sales and increased craft-related employment by 60%.
- Through ATA and its Trade Network, artisan products have sold in stores that are household names: Neiman-Marcus, Saks Fifth Avenue, Crate&Barrel, Pottery Barn, Pier 1 Imports, Smith&Hawken, Orvis and many others.

Editors: Brent DiGiorgio, Clare Brett Smith
 Designer: Huffaker Graphics, Cromwell, CT
 Cover photography: Mimi Robinson

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From the Field



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- 19 For Sale
- 20 Artisan Profile: Bile Abonakaleme of Ghana

AID TO ARTISANS, a nonprofit organization, offers practical assistance to artisan groups worldwide, working in partnerships to foster artistic traditions, cultural vitality, improved livelihoods and community well-being. Through collaboration in product development, business skills training and development of new markets, Aid to Artisans provides sustainable economic and social benefits for craftspeople in an environmentally sensitive and culturally respectful manner.

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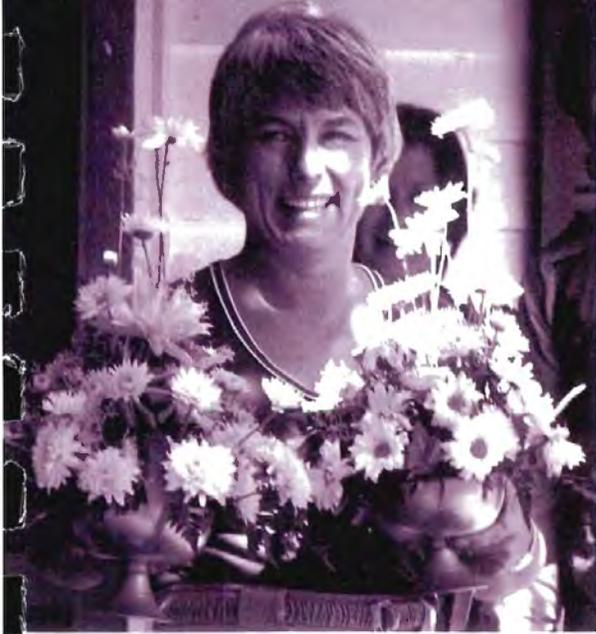
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Trade Show



Triumph of Carol Ross

"I never in my wildest dreams imagined that I would have the life I've had. It just happened," notes ATA board member Carol Sedestrom Ross, Director of Craft Marketing for George Little Management, an international trade show management firm. And many artisans around the world are glad "it just happened," for as ATA President Clare Brett Smith relays, "If artisans were to pick one person who has been most helpful in their lives, it would be Carol Ross."

A former art teacher, this *cum laude* graduate of the University of Michigan School of Art acquired her fondness for craft when she formed her own firm, Little Jo Designs, specializing in women's clothing made from handmade fabrics. She displayed the clothing at the largest craft fair in the Northeast, located in Bennington, VT, and sold everything she made.

She then approached B. Altman & Co., the now closed but then very fashionable Fifth Avenue department store. "It was a tradition-breaking situation," Ross recalls, for as the buyer was placing her order for a dozen in this color and a dozen in that color, Ross had to gently remind her that these were hand-made fabrics, and that no two would ever be exactly alike. "We proved to them that if done right, there was a great deal of interest in ethnic materials."

Altman wanted Ross to move to India to continue her production for them, something she could not do with two young children in tow. So, Ross turned her attention back to the crafts fair that had brought her such success. She became the first president of American Craft Enterprises, the marketing arm of the American Craft Council, and, in that capacity, moved the Bennington Fair to a larger venue in Rhinebeck, New York.

It was a stroke of genius. In addition to being closer to the New York market, the Rhinebeck Craft Fair soon became a source for the most beautiful American crafts in the Northeast and, arguably, the country. "We took it from

brown pots,
lumpy weaving
and hippie

In 1977, Carol Ross delivered bouquets (above) to the best booths at the Rhinebeck (NY) Craft Show, which she developed. From those early days, Ross was courted by George Little Management, the country's largest trade show firm. Today, she heads craft marketing for GLM, which hosts the New York International Gift Fair (below). In between, Ross helped Joan Mondale redecorate the vice presidential mansion. At right, she presents Mondale with *In Her Hands*, a book by ATA supporters Paola Gianturco and Toby Tuttle.



Photos courtesy of Carol Ross and George Little Management, Inc.

leather to a place where you could get the best crafts available."

Most people with limited vision might have satisfied their desire to improve the craft sector with the Rhinebeck achievement. But not Carol Ross. She saw an even broader market for contemporary craft and in 1977 developed the Winter Market for American Crafts in Baltimore, which in 2003 enters its 26th year. Until that time, crafts had been available only during summer outdoor fairs in rural areas. As a result, many retail buyers were reluctant to commit to merchandise that was only available to them on a seasonal basis. In the Baltimore show's first year, Ross recalls, "I got lucky again."

Enter Joan Mondale, wife of the then newly inaugurated vice president. On the campaign trail, Mondale said that she wanted to "start a national campaign on behalf of American artists and craftspeople." When Ross invited her to Baltimore, she accepted and the first Winter Market for American Crafts received national publicity.

Ross would later help Mrs. Mondale redecorate the vice presidential home with American crafts. She also helped First Lady Roslyn Carter choose handcrafted American tableware and decorations for each of the 144 place settings at the annual luncheon for "Wives of the Senate."

In 1985, Ross initiated a joint project with George Little Management (GLM) that took a collection of American crafts to gift shows in Paris and Frankfurt. In 1990, Ross launched a second joint venture with GLM, developing the Handmade section of the New York International Gift Fair. She joined GLM two years later as its Director of Craft Marketing.

Today, as an ATA board member, Ross guides us through the trade show waters and provides invaluable counsel. The woman who started helping only a handful of artisans now helps more than 3,000 craft exhibitors every year.



Historically, religious services have been the magnet that draws communities together. Right on the heels of religious services, fairs of all kinds have had the same effect on people around the world. This is true especially for artisans who have customarily sold their goods in public markets.

Bring the concept of the age-old fair into the 21st century, magnify it 1,000 percent and you begin to visualize the modern trade show, which is the primary venue at which Aid to Artisans sells handmade products to world consumers. Exposure has always been important for successful product launches, and the New York International Gift Fair, which attracts 50,000 buyers twice yearly, is the darling of all trade shows ATA attends.

For many years, it was the *only* trade show ATA attended, but with markets becoming both more global and more specialized, this is no longer true. Today, ATA participates in five wholesale trade shows on three continents and attends other specialty shows, like SOURCES, which pairs importers with producers, or the High Point International Furniture Market, which we scout on behalf of artisans who can embellish case goods, or the Accessories Market, which we scout for companies that may be able to use our artisan production services to create, for example, women's handbags. And then we have the International Contemporary Furniture Fair, the Children's Club Show, the Stationery Show ...

No matter how electronic our world becomes, it is still the face-to-face meeting that is most successful in product marketing. Harkening back to the days of old, perhaps some of the best ways to sell are still those used centuries ago — products ever so neatly displayed, an artisan standing proudly before his or her goods, and a warm "How may I help you?" — that will get the best results.

Trade Shows

Happy 42nd Birthday



“Throughout Latin America ... millions of men and women suffer the

daily degradations of hunger and poverty. ... I have called on all the people of the hemisphere to join in a new Alliance for Progress – *Alianza para Progreso* – a vast cooperative effort ... to satisfy the basic needs of the [Latin] American peoples for homes, work and land, health and schools.” — President John F. Kennedy, March 13, 1961

With these words, President Kennedy launched a commitment to the nations of Colombia, Peru, Venezuela, Bolivia and Ecuador. The goal of Kennedy’s Alliance for Progress was “to build a hemisphere where all men can hope for a suitable standard of living and all can live out their lives in dignity and in freedom.”

Although history records that Kennedy’s Alliance for Progress experienced both successes and failures, for Aid to Artisans, it created an organization — Artesanías de Colombia — that 40 years later is partnering with us in Colombia to help artisans achieve Kennedy’s goals of employment and income for Latin American workers.

But even before Aid to Artisans began working with Artesanías de Colombia, ATA’s president, Clare Brett Smith, bought the product lines of this organization and others formed during the Alliance for Progress period. When Smith owned her own handcraft import company, Primitive Artisan, in the 1960s and 1970s, she sold many products by Artesanías de Colombia, Artesanías de Peru, Artesanías de Bolivia and Artesanías de Ecuador.

Although ATA has just started to work in Colombia with a \$4.2 million grant from USAID, we were so impressed with the organization’s products and those of two other groups, that we selected a sampling and offered them at the February 2003 New York International Gift Fair. A Colombian product was one of the most popular products ATA sold in New York.

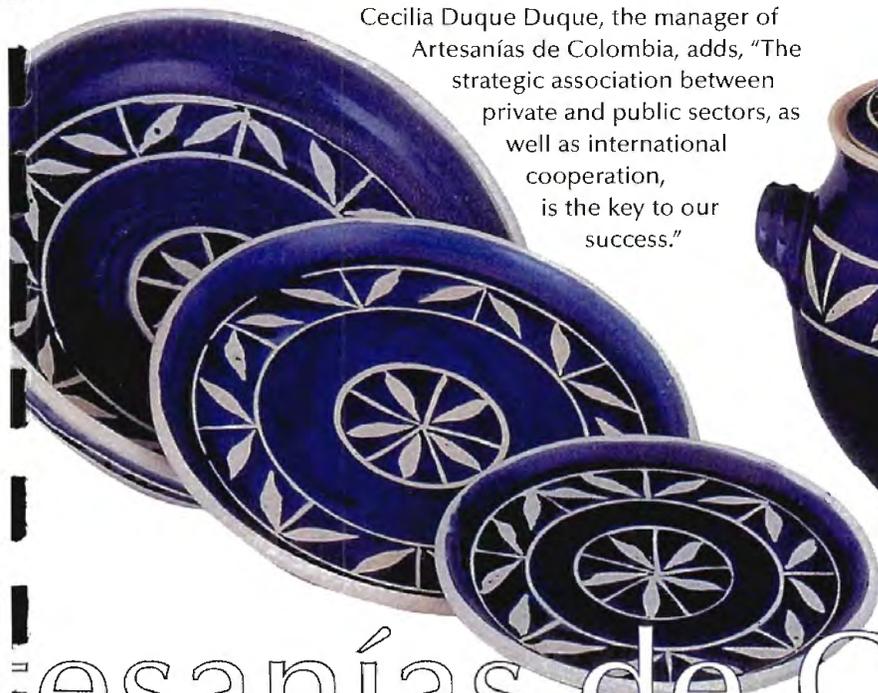
Photos courtesy of Artesanías de Colombia and John F. Kennedy Library



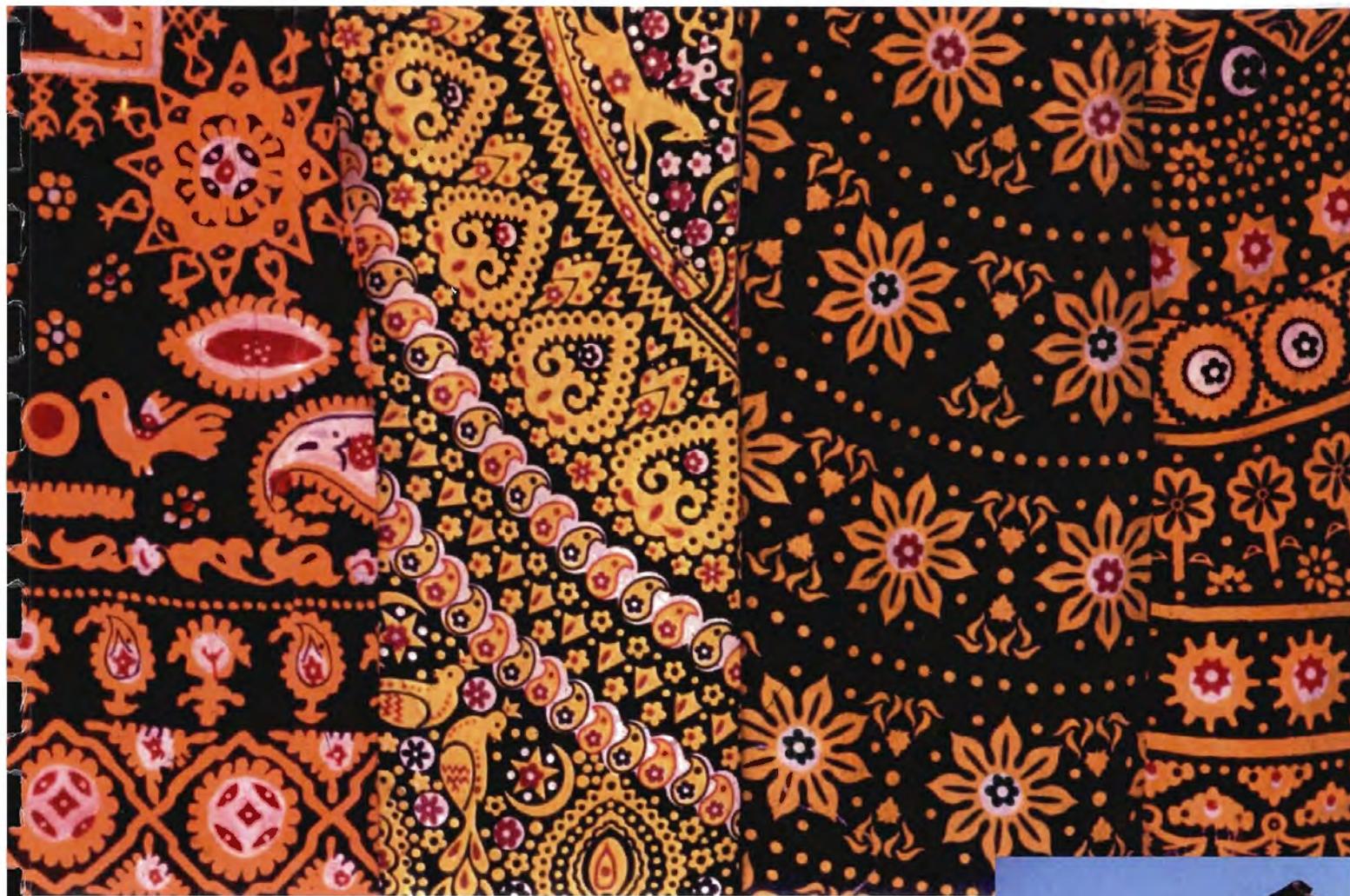
These products, and the economic success they bring to the artisans who create them, help achieve some of Kennedy's goals to create world peace and income for our Latin American neighbors. As the most recent Artesanías de Colombia catalogue explains, "Handcrafts are products that celebrate the past, express the present and foresee the future, a future of peace."

Cecilia Duque Duque, the manager of Artesanías de Colombia, adds, "The strategic association between private and public sectors, as well as international cooperation, is the key to our success."

So while the history books report qualified successes for Kennedy's Alliance for Progress, for Artesanías de Colombia, the program was an *unqualified* success in forging business relationships that four decades later sustain artisans seeking a living outside the country's infamous drug trade.



Artesanías de Colombia



Turkmen Hands

"The unique aesthetic of the Turkmen culture is not always obvious. However, enter the Sunday market, and the glory of their past and the potential for their future are evident. They are the true artists of Central Asia. The hand-knotted carpets created with the traditional "gul" design are endemic to the market. They are now being woven in blues, coral, Bordeaux and the traditional Tekke reds. Turkmen kitsch lurks in the hand-knotted shopping satchels and small wrist purses that poke out here and there in riotous colors and patterns. Jewelry in all of its resplendent, overwrought, mixed metal, glass-infused way can be found in abundance. There are hairpieces, buttons, Koran bags, beads, amulets and necklaces in a multitude of traditional shapes carrying omens for prosperity, longevity, childbirth, marriage and good health. Step into another long row and it is easy to spot a bright patch of knitted slippers made of synthetic fibers gleaming in colors suitable for royalty. In a small section near the exit, felted carpets are strewn about. They are carefully crafted in bold traditional patterns always bordered in black and thick enough to last through many winters.... Sunday after Sunday waves of people come to buy, sell or trade. The feast, it seems, never ends." — Designer Michele Wiplinger



Turkmen carpets, like the one on the facing page, keep inhabitants of the traditional Central Asian yurt (above) warm during cold winter nights.

Aid to Artisans staff has not had an opportunity to return to Turkmenistan since it completed a project there in 1999. So we were glad to read in ATA consultant Michele Wiplinger's report on her recent trip to that country, that "Crafts are alive and well in every household in Turkmenistan."

We sent Wiplinger to Turkmenistan to assess current production of artisan groups who are members of the regional Central Asia Craft Support Association. Wiplinger also identified shipping options and helped artisans with product development for the Western market. As Central Asia is known for its felt, Wiplinger worked with three groups of felters including one that is guided by Giubandurdyeva Bolek.

Bolek has been making felt for almost all of her 62 years. During the Soviet era, she made felt only for her family. But since the collapse of the Soviet Union more than a decade ago, Bolek, like many others, depends on her craft for a livelihood.

Wiplinger helped the three groups with quality control issues during critique sessions in which she assessed the crafts of each group and made suggestions for improvement. "They learned that a good product is all about detail, which means quality at every level."

To reinforce the quality message, Wiplinger explained the rigors of sewing and embroidering well and discussed color, design and sizes used in Western markets. She gave all felters color swatches of yarn in combinations used in North America and Europe. The felters also learned to offer their goods at various price points, ensuring a broader market.

The Turkmen trip was very successful. Perhaps speaking for most, felter Gozel Annamerdova told Wiplinger, "This consultancy was very helpful for our group as we learned how to make new designs from the same products and how to use traditional embroidery. We learned how we could change color combinations in our traditional embroidery to fit them to other markets. We learned how to finish the product to make it quality."

After assessing all of the major crafts in Turkmenistan, Wiplinger identified two craft media as having adequate

capacity and a good, saleable product: jewelry making and felt making. As she concluded, "The products [these artisans] create have market appeal: whimsical buttons decorated with bright bits of glass and stones; and sumptuous, warm, appealing felt carpets that will work in most Western homes. ... The support of these crafts locally, regionally and internationally is critical to the survival of the Turkmen culture."

ATA is grateful for support from the Eurasia Foundation, which has made our work in Turkmenistan possible.



Artisan Features

So that our readers can get to know our artisan partners better, we continue a tradition we began last summer and provide you with profiles of some of the newer artisan groups with whom we are working. As you read more about our artisans' lives and culture, perhaps you'll gain a better understanding of and appreciation for their craft.

Red Artesanal – El Salvador

When Ernesto Rusconi was just a teenager in 1969, he remembers vividly an empty military shell his father found and gave to him, not as a souvenir of the El Salvador/Honduras war that year, but as a source of raw material that could, perhaps, tap the creative juices in his son.

And tap it did. After receiving the shell from his father, Rusconi fashioned it into a decorative flowerpot. At an early age, it was clear

that Rusconi would be working with or creating beautiful objects. What wasn't clear, however, was how far his creativity would take him.

Almost 35 years later, Rusconi is creating not only beauty, but employment for more than 60 artisans, who feed, clothe and educate their families with the money they earn producing products for Red Artesanal, a company Rusconi formed two years ago with his wife, Carmen, to market Salvadoran crafts. Red Artesanal works in all media, from ceramics, to wood, basketry and metal products.

Acta – Honduras

Cultural anthropologist Alessandra Foletti has been working with approximately 200 women potters for nearly 15 years in Honduras. The potters, most of whom are Lencan, a group indigenous to the region, recreate hand-burnished pre-Colombian designs that Foletti discovers in her anthropological research. ATA has helped the group market these goods, having shown them in New York, High Point and Frankfurt, where they have been some of our most successful items.

Potters working with Foletti also produce contemporary pieces, like those of designers Gary di Pasquale and Mimi Robinson, who recently returned from a design trip to Honduras. In this trip, Robinson focused on working with measurements documented through drawings, which she reported was a new

concept to the women. Robinson believes that the inconsistency in product sizes may be the result of poor eyesight in these primarily elder artisans. To reach a variety of price points, Robinson suggested that the women divide their product line into a high-end studio line (made completely by hand) and production pieces (using molds) for larger, more price-sensitive buyers.



Marvelous Batiks – Tanzania

Flotea Massawe, an entrepreneurial Tanzanian fabric artist, formed Marvelous Batiks, a 14-person workshop, out of her home. When we first met Massawe, she sold goods from a small shop attached to her house. With Aid to Artisans' help, she is now showing her textiles to buyers from Europe, the United States, as well as from her native African continent.

Creating her own business single-handedly was not easy, as Massawe was limited in financial resources, market access and access to necessary raw materials. Despite these impediments, Massawe created a viable business and is a participant in Aid to Artisans' Small and Medium Enterprise Program, funded by the International Finance Corporation, an arm of the World Bank.

Marvelous Batiks produces screen prints, stencils, batiks, tie and dye and embroidery. Their local market is comprised mostly of clothing, but their



international sales are tabletop, pillows and other decorative home textile accessories.

Massawe not only invests in her own training, she invests in her staff as well. While some of her employees had limited skills when they first joined her company, Massawe has provided them training in embroidery, cut and sew techniques and block printing. Her concern for her workers goes well beyond the workforce, as she continually teaches them to stay healthy in light of the AIDS epidemic in Africa.

"She's been like a sponge, absorbing everything she needs to know," explains Sonu Rangnekar, ATA's project officer for Africa. "She is measuring her success in what she's learned, not in immediate sales," Rangnekar continues. "She values ATA's vision and is not impatient for quick orders. She knows it takes time."

Intellectual Women's Association of Lipkovo – Macedonia

In the small ethnic Albanian village of Lipkovo near the Serbian and Kosovar borders, lives a group of 135 women who use their hand skills to support their families. The town was at the center of the armed conflict in Macedonia in 2000, and many homes and buildings still bear the marks of mortar shells and bullet holes.

Dije Arifi, an architect by training, organized the Intellectual Women's Association of Lipkovo to help women whose homes and livelihoods had been affected by the violence in the region. Almost all women are housewives with limited possibilities to work outside the home.

Handcraft seemed to be the perfect solution. Much of it can be done from home, and those who joined the association had been crocheting, knitting and sewing all of their lives. It is tradition in Lipkovo for young girls to begin preparing their own wedding trousseaus at an early age.

Arifi recognized the hand skills and knew they could be marketable if the women could produce products that people outside their village might buy. She received a donation from an earlier USAID project and purchased office equipment and several sewing machines. They now had equipment, but needed design help.

In September 2002, Aid to Artisans sent consultants Keith Recker and Lynda Grose to work with the women to produce pillows and stuffed crocheted animals, which they sold at a holiday bazaar last December. Grose designed a line of tabletop linens, bed linens and pillowcases that are being offered for the first time at the August 2003 New York International Gift Fair.

Nikone Handcraft – Laos

From a family of traditional Lao weavers, Rasanikone Nanong, a new ATA board member, owns Nikone Handcraft in Vientiane, Laos. The company, a family enterprise, focuses on silk home furnishings and already exports to Germany, Japan, the United States and Singapore. In addition to exporting her creations, Nanong has a shop in Vientiane visited by tourists and locals alike. Supplementing her work with handcrafts, Nanong also offers interior design services, having completed projects for many foreign embassy personnel in Laos.

The recipient of a 1998 United Nations award for development for her promotion of Laotian textiles, culture and crafts, Nanong works with more than 150 weavers in and around Vientiane. She organizes production so that women can stay home to weave, as they have done traditionally. Her staff brings raw materials to the weavers and also conducts quality control tests in the weavers' homes.

Despite the effects of globalization and the encroachment of modern life, 80 percent of Laotians remain subsistence farmers who cannot survive solely on rice production. Crafts, especially silk weaving, continue to be an important source of income for many. In village houses, usually built on stilts, one can still see looms under the homes where women weave when not working in the fields.



Volga River Trading



Photos courtesy of Volga River Trading Company

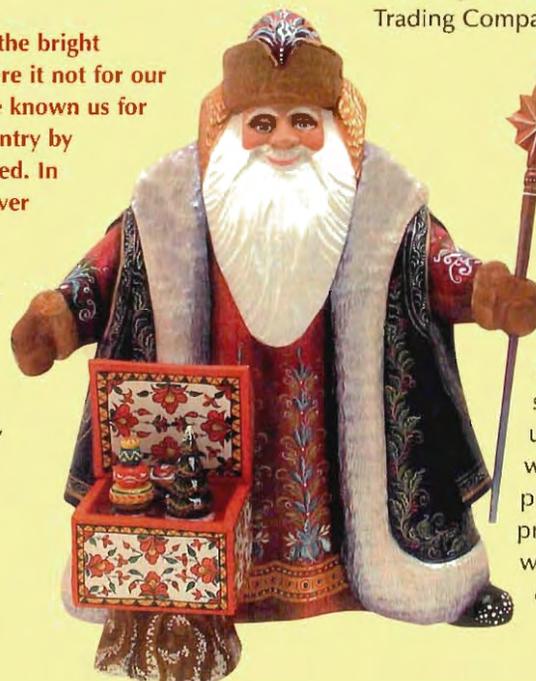
Aid to Artisans could not help world artisans secure the bright employment and economic futures they dream of were it not for our Trade Network members. All are importers who have known us for years and who sustain our work after we leave a country by continuing to buy from the artisans we have developed. In this issue, we tell you about (and thank) the Volga River Trading Company.

Having lived in Burlington, VT for more than three decades, April Werner and Ben Bergstein were, as Bergstein notes, "in a transition in our lives," when the couple became active in a sister city program the town of Burlington has with Yaroslavl, Russia. Avid collectors of folk art in their travels, Werner and Bergstein were always drawn to high

quality handcrafts. When visiting Russia on one of their sister city journeys, the couple met an artisan "working in a hole-in-the-wall place," and making ceramic whistles shaped like animals. Werner recalls contemplating, "maybe I can turn this into something."

Before taking the plunge into the giftware industry, Werner and Bergstein got passes to the New York International Gift Fair. "We went up and down all the aisles and were in the Handmade section in the 5,000 hall [a section of the fair]. We both turned the last corner of the last aisle and said to ourselves, 'We have the gist of this, we don't need to go down this aisle.'" But having made the trip from Vermont, they decided to take those last few steps. They are glad they did. For it is in those last few steps that they met Aid to Artisans.

Although they had just formed a Russian craft import company, the Volga River Trading Company, Werner and Bergstein weren't sure they were ready to display at the New York show.



"We weren't sure we had a viable business. We were able to get training on how to do trade shows in ATA's booth," Werner recalls. "ATA had experienced designers and sales consultants who told us all about the industry. It was given to us on a silver platter and it allowed us to proceed much quicker than if we had to slog through it ourselves."

Company



Profile

Bergstein notes that, "Had we not gone down that aisle and met ATA, I don't think we would have been able to jump in so quickly. It was all happenstance. Everything just fell into line." Volga River started cautiously on its own, with a booth at the Boston gift show, and gradually graduated to the New York International Gift Fair.

Working with more than 100 artisan groups today, Bergstein recalls a time in 1992 when they were only working with "a handful." It was "very odd in the beginning, with the transition to a market economy only starting," Bergstein notes. Russians, and to some extent Americans, were treading lightly. "Artists would come to our hotel room or we would go to their house. Money and product would change hands. It was all very hush, hush."

It was a time when the government *beryska* shops were closing. During the communist era, Bergstein explains, "the government told people what to make and how much to make. People who had hard currency could only buy in these shops. Nothing was within the control of artisans."

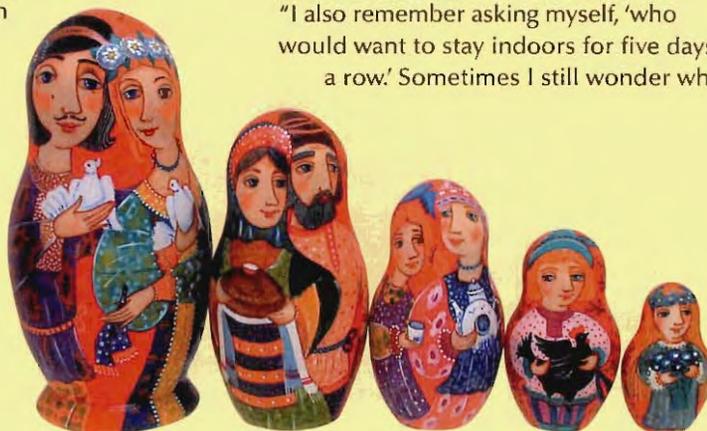
Werner remembers those days of craft factories when "people just churned out the same thing over and over again. We weren't interested in those products. We wanted to work with people who were going to break out creatively on their own." Today Werner sends lists of ideas she gathers from customers to the artisans whose crafts she buys. "Any one of them can look at the lists and try what they want to try. It triggers them to do something they haven't done before," Werner explains.

"Our initial successes were with ATA-designed product," Bergstein relays. In a recent project in Russia, ATA had developed beautiful Christmas ornaments and nativity sets using the painting and carving skills of Russian craftspeople. "Today we are known as the Christmas ornament people and do very well in the high-end market," Bergstein notes.

With clients like Saks Fifth Avenue, the Washington National Cathedral shop, and, they are hoping, Neiman-Marcus, Volga River goods can be found from New York to Beverly Hills, and in many places in between. With the urging of ATA Marketing Director Colleen Pendleton, the Volga River Trading Company owners have recently traveled to Kyrgyzstan and now offer wool felt products in their new Burlington retail store.

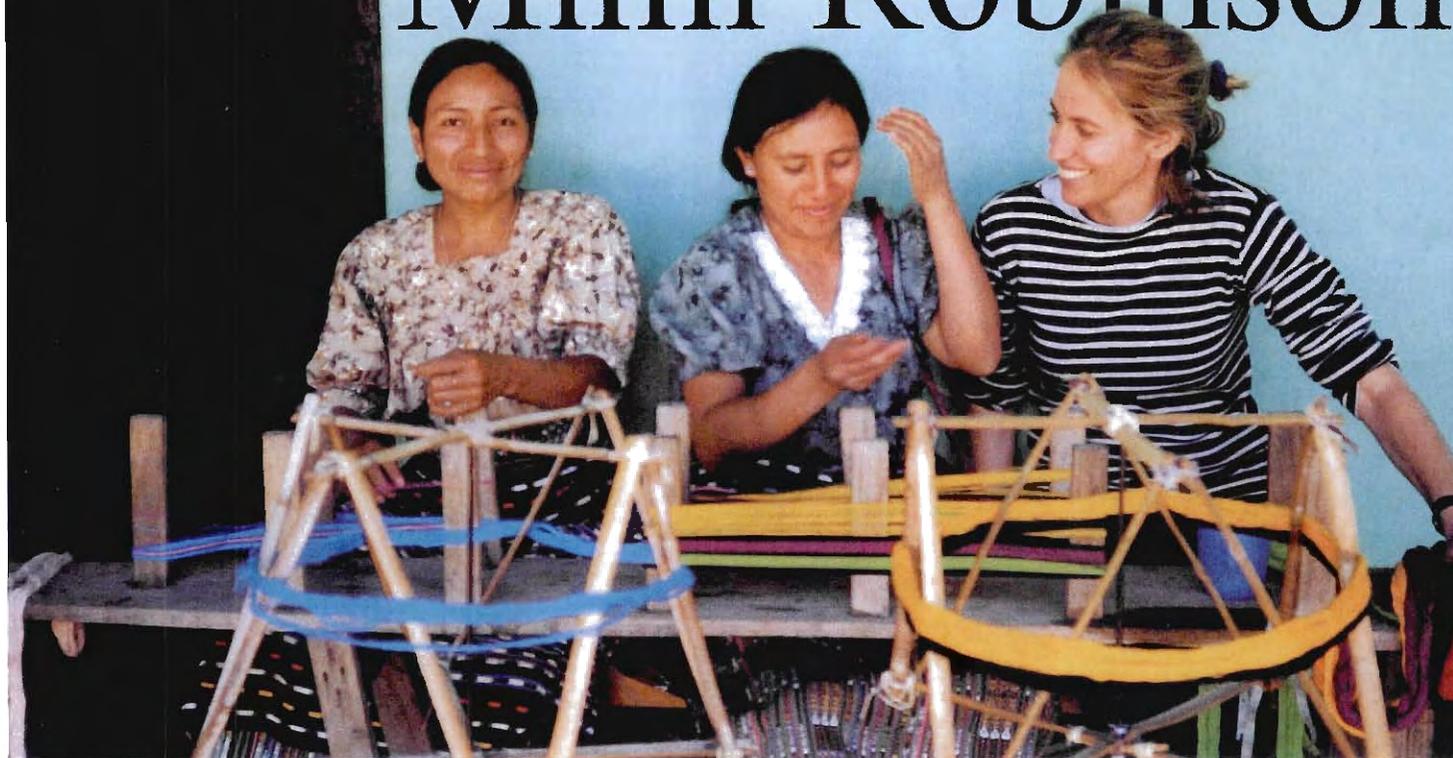
Still, it is those first few days, and those last few steps down the 5,000 aisle that Bergstein remembers fondly. Well, at times fondly.

"I also remember asking myself, 'who would want to stay indoors for five days in a row.' Sometimes I still wonder why."



Designer

Mimi Robinson



A new store? A new catalogue? Fermina is neither. She is an artisan that Robinson befriended while working on an ATA project in Ayacucho, Peru.

"One day Fermina and I were standing before a group of pots she was going to paint. She looked at me in a quandary and asked repeatedly, 'What color should I paint them? What color should I paint them?' I like to facilitate the artisans' creativity not tell them what to do," Robinson recalls, "so we walked to her backyard with the Andes in front of us and beautiful wildflowers in bloom, and I said 'Look what's in front of you.' She ran back to her studio and together we developed a terrific new color palette for the unfinished pots."

It is a story that Robinson could repeat time and time again, for she has traveled around the world for ATA creating products that have always sold well. "ATA has a great model. People proud of their traditions make things of beauty with their heart and can feel good about themselves at the end of the day because they have helped create or supplement a family income."

In most of the countries to which ATA has sent Robinson, she found that "everyone makes something." The important question is, however, will that "something" sell? In most cases it will sell, with just a little tweaking. In other cases, the handcraft skills are evident but the end product must be reworked to sell globally.

She's designed for Crate & Barrel. She's created for Pottery Barn. She's sold to Target. But perhaps designer Mimi Robinson's most important work has been for Fermina (above).

In Guatemala, for example, artisans had great weaving skills and knitting skills but needed a product that would sell in local and international markets. Robinson designed children's booties and matching hats in the vivid colors Guatemalans prefer. "It's a new product for them. But they can walk down the hill to their local market and sell them and they can also sell them in the international market."

In the rural Chulucanas region of Peru, Robinson worked with artisans who created high-quality pottery. But, as Robinson explains, "There was a limited market because of their inaccessibility and the fact that some of their beautiful traditional designs had been modified for the market using garish colors. They were making pottery that couldn't be reproduced elsewhere, which was good, as they had something truly unique. With some minor modifications we made them saleable internationally."



Robinson notes that the Chulucanas pottery has been shipped to Italy and other European countries. "Here in the States, it's great to walk into Cost Plus and other stores and see it on the shelf."

Even more gratifying for Robinson is the fact that the potters "now come up with designs of their own. It's important that they be able to carry on. It's then that we create jobs and prosperity. I really believe in the community building that results."

Sometimes that community building is the most difficult task. When we sent Robinson to Ayacucho, Peru, "We were really trying to bring back a new generation of potters. Ayacucho experienced a decade of bitter warfare between opposing political groups. Because of that warfare, many talented artisans left the town, moving to Lima for safety and opportunity. Consequently, "we had to rebuild the ceramics tradition the town once had. I have a great respect for cultural heritage."

That cultural heritage is what Robinson believes helps sell ATA products. Robinson likes to develop product hangtags that give the history of a product and the people who make it. "The story can actually sell the product," Robinson states, explaining that, all being equal, if a person has a choice between buying a product crafted by hand or a product reproduced *en masse*, many people like to buy the product that is handmade.

"Look at the direction our world is moving in," Robinson concludes. "People churn things out that are eventually just thrown away. ATA products are made with hand, heart and soul. They're made by real people. That's what makes this work so meaningful. It's totally gratifying and I'm always learning."



Guatemalan artisans, with whom Mimi Robinson has worked, ply their craft in the photos above. To the right, Termina and her fellow Peruvian potters bless the kiln before firing.



In Brief...

Go Away With ATA

ATA is pleased to work with Lisa Lindblad Travel Design on a trip to Oaxaca, Mexico, November 15-23, 2003. This will be an artisan-focused trip that will take travelers through some of the most beautiful countryside in Mexico to visit several village artisans working in clay, textiles, stone and wood.

Due to the intensity and specificity of this journey, we are limiting the number of travelers to eight. Together with superb guide, and friend of Aid to Artisans, Eric Mindling, you will travel mostly by Jeep, and be housed in an eclectic mix of accommodations, ranging from the basic and simple, to the very comfortable and charming. Almost everything is included, with the exception of international airfare and internal roundtrip airfare between Mexico City and Oaxaca. A coastal region trip extension is also available. For additional details, please contact Lisa Lindblad Travel Design at (212) 876-2554.

ATA will also host a trip to India in February 2004. Tour this fascinating country with expert guides. Highlights include a tour of the Agra Fort where the aging Emperor Shah Jahan, imprisoned by his son, watched from a distance the fulfillment of his life dream – the building of the Taj Mahal in memory of his wife; tour the the Taj Mahal; visit the hauntingly beautiful city of Fatehpur Sikri (a World Heritage Site), the Amber Fort, Delhi, Varanasi, one of the most important Hindu pilgrim sites in India and Sarnath, the seat of Buddhism; view the River Ganges from its shores; tour the Jain temples, and have a wonderful time. We've had great interest in this trip, so reservations will fill quickly. To make your reservation or for more information on this trip, please call ATA Development Director Natalia Hanks at (860) 947-3344, or email her at natalia_hanks@aidtoartisans.org.

ATA Sponsors Macedonian Design Competition

In a May 29 reception held at the United States Embassy Residence in Skopje, Aid to Artisans Steering Committee Chairperson Linda Butler and her husband, US Ambassador Lawrence Butler, congratulated the winners of the first annual "Made in Macedonia" Design Competition. The competition was sponsored by Aid to Artisans, the Macedonian Ministry of Culture and the Macedonian Ministry of Economy. The purpose of this competition is to encourage and recognize talented Macedonian product designers, and identify new designers to work with ATA in developing home and gift products that can be made in Macedonia for the local and export markets.

Sixty-seven Macedonian designers and producers participated in the competition. Of these, three received an honorable mention award and three were selected as the winning designers. The Grand Prize winner, Jovica Baru, won for his line of wooden toys. The other two design prizes were awarded to Jovan Petrovski, for his line of children's winter wear, scarves and accessories with traditional Macedonian accents, and to Biljana

Klekacoska, for her innovative silver and enamel filigree collection.

The three winning designers were awarded a \$1,000 three-week contract to design a line of products for the local market, which will also be reviewed for inclusion in international gift and decorative accessory trade shows. These designers will also have the opportunity to "shadow" and collaborate with ATA designers. In addition, the Grand Prize winner will receive an invitation to attend ATA's ten-day Market Readiness Training in Connecticut and New York City.

Receiving the honorable mention awards were Biljana Stefkovska-Savic, for figures in papier-mâché; Julijana Savic-Dineva, whose drawings will form the basis for a line of embroidered pillows; and Tome Dzambazovski for his line of embroidered accessories. All three received a \$300 contract to develop a small product line for Aid to Artisans.

"We are very pleased to have the opportunity to recognize Macedonian designers. The high number of applicants is a testament to the design talent in Macedonia, and I know that selecting winners must have been a big challenge for the members of the jury. I am looking forward to seeing the wonderful Macedonian products that are developed as a result of the collaboration between these winning designers and Aid to Artisans," Linda Butler said.

Submissions were judged on the basis of product marketability, cultural value, innovation and creativity, practicality of design and sustainability. ATA's work in Macedonia is made possible by USAID.

eBay Supports ATA Grants Program

With a generous grant of \$30,000, the eBay Foundation has nearly doubled the size of ATA's Grants Program, and will allow ATA to help more artisan groups around the world with small grants that are often all they need to create employment and income for their members.



The mission of the eBay Foundation dovetails nicely with ATA's mission of promoting economic self-sufficiency and connecting the artisans with whom we work to the global marketplace. In supporting "effective non-profit organizations that help create a world where people have the skills, tools, motivation and community support to help themselves," eBay is developing individuals' "economic and social well-being" and "connecting them to a broader, global community."

ATA distributes grants, ranging from \$500 to \$1,500 twice yearly to help artisan groups buy raw materials, equipment or training to help them improve capacity. In the last grant cycle completed in May, ATA distributed 18 grants totaling \$15,000. With the new eBay funding, ATA will be able to provide an additional 30 to 40 grants to world artisan groups.

ATA Signs MOU with USAID

On June 10, 2003, at the Partnership for Prosperity Conference in San Francisco, Clare Brett Smith, president of Aid to Artisans, signed a Memorandum of Understanding with USAID which describes the newly formed "Public-Private Partnership" whose primary members are The American Express Foundation, UNESCO, FONART and ATA. The partnership, called the Lead-Free Alliance, will work to promote the production of lead-free pottery in Mexico.

In his speech at the event, Adolfo Franco, USAID Assistant Administrator for Latin America and the Caribbean, said, "Aid to Artisans is a perfect example of how NGOs (non-governmental organizations) have played a significant role in collaborating with communities for change and in helping local residents get the training they need to adjust to change effectively. It is working with its other partners ... to attain the mutual goal of an affordable, widely-used lead-free ceramic glaze for Mexican artisans." From left to right are Tony Garza, U.S. Ambassador to Mexico, Smith, Franco and Juan José Bremmer, Mexico's Ambassador to the U.S.



In Memoriam: Robertson E. Collins

ATA was saddened to learn of the death of Robertson Collins, known to all as Robbie, in Singapore last month. He died suddenly in May of dengue fever, a particularly vicious disease known all too well in Southeast Asia.



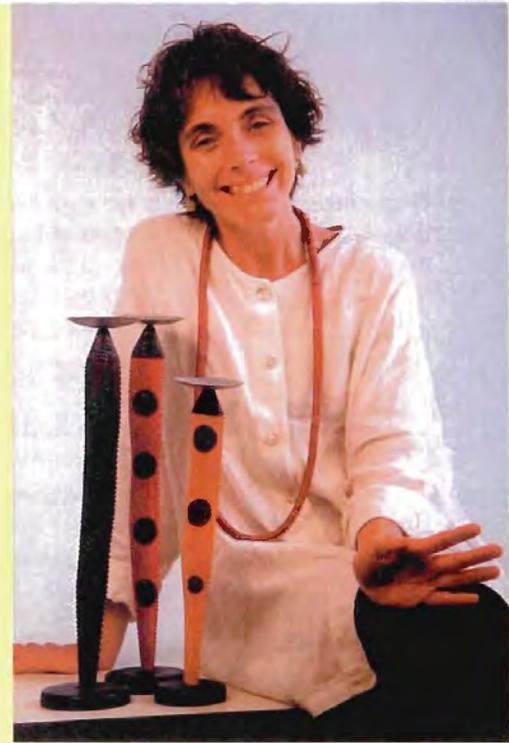
Robbie was a "gentleman traveler" in the same sense as "gentleman farmer" in that he was a literary fellow in the tradition of keenly observant but outwardly light-hearted traveler/adventurers of the nineteenth century. His letters about his travels were a feast for his many friends. In fact, he was also a consummate travel professional and had planned major tourism and preservation developments throughout the world, although more often in Asia than elsewhere.

There were always surprises about Robbie. As a very young man he had been movie star Ginger Rogers' public relations person. He was an architecture enthusiast and, just this past summer, restored a Pony Express station in his original hometown, Jacksonville, Oregon. We say original hometown because Robbie was at home in many parts of the world, although Singapore was home at the time of his death.

ATA came to know Robbie through the PATA foundation, a charity arm of the well-known Pacific-Asia Tourism Association. ATA was the beneficiary of PATA grants for many years and they were often both imaginative and site-specific; we particularly remember the work he championed in the pottery village of Kasongan, Indonesia. As one of ATA's most valued International Advisors, he advised us over the years on Nepal, Bangladesh, Cambodia, Vietnam, India, Indonesia, Malaysia and many of the islands of the Pacific.

Field Director Profile:

Lorraine Johnson



Aid to Artisans has always been fortunate to have wonderful employees who care about our mission and the artisans we help. This year, the leaders of two of our projects are pursuing new avenues in life: Lorraine Johnson and Karla Hostetler. For five years, Johnson has directed our programs in Africa, and for four years Karla Hostetler has led our program in Haiti. They have learned a lot and we have learned much from them. As we wish them well, we want to share their stories of hope and inspiration with you. In this issue, we profile Johnson. In our next edition, we will profile Hostetler.

Perspective

For some
the land is moist
grass green
soil rich
And life is sweet

For others
the land is dry
grass brown
soil sand
And life is sweet

This poem by Lorraine Johnson, ATA's regional field director for Southern Africa, epitomizes her love for the continent and the people she has worked with for 16 years. First a Peace Corps volunteer and then a workshop coordinator for Save the Children, Johnson came to ATA after completing a Master's Degree in International Administration and writing two books on Mozambique. With her impeccable credentials, Johnson joined ATA in 1998 and has been responsible for administering our African programs ever since.

During the 1980s and early 1990s, Mozambique was torn by war. People fled the country in droves, seeking safety and living in refugee camps in Zimbabwe. "I was shocked to meet Mozambicans in these camps, smiling and dancing, far from their homes and culture. I wanted to see what made them such a strong and resilient people," Johnson notes.

After accepting the ATA position, Johnson traveled to Mozambique to launch our project, which would eventually expand to include Tanzania and South Africa. "The artisans in

Mozambique had no concept of product collections or a complete product line. They made their goods and sold them at the local market. They were skeptical of us," Johnson recalls, because people had come before ATA promising much but delivering little.

But when ATA-inspired products were shown at the August 1999 New York International Gift Fair, Mozambicans were convinced. For the orders started to pour in, and the artisans began to understand why ATA had stressed so much in training that "your buyer is your boss. They began to understand why we kept insisting that product samples be perfect and that if a candlestick shown was 23 inches tall that the candlestick delivered had to be 23 inches tall," Johnson notes.

From her experiences with Mozambicans in the Zimbabwe refugee camps, Johnson knew they were a strong people. Just how strong she would soon learn. In her first product development trip, Johnson visited a workshop where she had to refuse a producer's offer to work with us. "But then, behind an elder," Johnson remembers, "came a young boy who asked meekly, 'Can I work with you?'"

That boy was Filimone Mucavele, a young woodworker who would take the market by storm. A year after meeting ATA in 1998, Mucavele's uniquely carved and styled wooden candlesticks (above photo) would be one of our best selling products. "He was obviously young and inexperienced; today he is sturdy, strong and knows what he wants. It's an interesting transition to watch," Johnson said. And one that Johnson has watched repeatedly in the past five years.

But it is that image of Mucavele emerging from behind an elder that Johnson recalls most. "It took courage for him to do that in front of an elder," Johnson relays, explaining that in Mozambican society, respect for the elderly is very important. Since working with ATA, Mucavele has moved from his parents' house, built a cement block home and hired employees and subcontractors to help him meet his orders. "He recognized opportunity when he saw it."

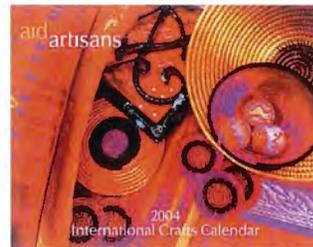
And life is sweet ... for both student and teacher.

For Sale

Make a Date in 2004

Now you can because the 2004 Aid to Artisans' International Craft Calendar is here! In 12 gorgeous monthly photos featuring a symphony of color, ATA treats you to a visual feast of its many products. We also tell the stories of many of the artisans whose products of wood, fabric, metal and glass are featured in the calendar. All proceeds benefit Aid to Artisans. Order yours today!

2004 International Crafts Calendar 10" h x 13" w \$14.00



Felted Fantasies

Considered by some as the birthplace of felting, the high plains of Kyrgyzstan have the sweep and wild romantic spirit of Montana. Artisan Kalipa Asanakunova has taken this traditional craft to a level of charm with these fairy and bird ornaments. Traditional felt combined with a unique dyeing technique and beaded accents make Kalipa's work a real success story with ATA buyers.

10332 Small bird \$12.00

10333 Medium bird \$16.00

10334 Large bird \$18.00



Wooden Wonders

Several artisans in Mozambique make beautifully turned candlesticks like the ones we offer to you here. Originally working with East African blackwood, which is classified as a precious wood species, Mozambican artisans, with ATA's help, have recognized that they must use an alternative wood species which retains the excellent carving qualities to which they are accustomed, but is not endangered.

50089 Medium candleholder 10" tall \$56.00

50090 Large candleholder 12" tall \$66.00



A Stitch in Time

These beautifully embroidered pillows and tablecloth are made by the artisans of the Self Employed Women's Association (SEWA), a trade union of more than 200,000 women in India. Using common themes and symbols of India, SEWA artisans painstakingly stitch each pillow and tablecloth by hand. These are truly unique creations and will grace any sofa, chair, bed or table in your home.

71028 Embroidered pillow 18" square \$75.00

71029 Embroidered bolster 17" w x 4" d \$60.00

71030 Embroidered tablecloth 52" l x 50" w \$173.00



Jersey Bags

With recycled cotton jersey material, talented Macedonian women craft these eye-catching bags. Because the material is soft, it stretches so you can fill this purse with almost anything. And the price won't stretch your wallet!

80420 Jersey shoulder bag/Cream 9" h x 11" w \$70

80421 Jersey shoulder bag/Black 9" h x 11" w \$72



To purchase any of the above items, please use the order form enclosed in this magazine.

Artisan Profile...

Bile Abonakaleme (Ghana)

Sabila (Bile) Abonakaleme has worked with Aid to Artisans since 1990. He originally made baskets for the local market in Kumasi, using elephant grass from the bamboo family. The baskets are used in Ghana for storing foods and for holding items when going to market.

With training assistance from Aid to Artisans Ghana (ATAG), ATA's sister organization in that country, Bile has benefited from product development seminars and has expanded his product line to include different styles and colors. Notes Percy Appau, ATAG's field coordinator from 1994 through 1999 and now a student of multi-media design at the University of Oregon, "Bile was weaving using the standard reds and blues that are common in Ghana. ATAG introduced him to new colors so that he wouldn't be making the same old thing," and would have fresh products for both the local and international markets.

ATAG also helped Bile with sizing issues. Rather than making a basket in whatever size he felt like producing, Bile learned to standardize his products so that what he delivered matched the size of the product sample he showed a customer.

This summer, the Greater Hartford Arts Council invited Bile to its six-week "Neighborhood Studios" program, which brings master artists and artisans together with young people from



the greater Hartford area. Bile taught the young people participating in the program how to make baskets similar to those he makes back home. ATA board member and fiber artist EdJohnetta Miller hosted both Bile and Appau in her home during their Hartford stay.

Starting as a one-man shop, Bile now employs others and subcontracts work to local producers. With orders from stores like the American chain TJMaxx, Bile has built his own home and improved life for his family. As Appau concludes, "He's come a long way." ■

aid to
artisans
From Maker to Market

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