

Pan-Africa Artisan Enterprise Development (PAED) Program

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Pan-Africa Artisan Enterprise Development Program 2004

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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
DTI	Department of Trade and Industry, SA
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
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 ATA's second matching grant program in Southern Africa. In its first matching grant program (1998-2001) entitled Regional Initiative for Southern African Enterprises (RISE), ATA provided technical and design assistance to artisans in Mozambique and Tanzania. The five-year (2001-2006) PAED program, a \$2.8 million matching grant, was awarded to further expand ATA's reach in the region, specifically in South Africa, Mozambique and Tanzania.

The needs of the craft sectors in these three program countries vary immensely. This is largely due to the varying skills and experience of artisan enterprises as well as the country's infrastructure within which they operate. To tailor the assistance to the capacity and needs of different artisan enterprises within the program countries, ATA adopted a tiered approach which is described at length in the following sections.

The key areas of services provided under the PAED program continue to be market-driven product development, market links, business skills training and capacity building. Product development and design assistance is provided to the artisans groups both through in-country workshops as well as long distance design assistance. Market links are provided through a combination of activities such as participation in major international trade shows, buyer visits to program countries and through the ATA website. Under the PAED program, in addition to the major US and European trade shows, ATA included SARCD A the largest South African trade show to reach craft buyers in South Africa. SARCD A trade show participation has provided the African artisans an opportunity to market their products in the South African market and make market links which can be more easily sustained due to their relative affordability.

Under PAED, business training is provided at three levels: in country, at ATA's Market Readiness Program (MRP) held in New York City and at ATA's Africa Market Readiness Program (AMRP) held in Johannesburg in conjunction with the SARCD A trade show. The MRP combines market seminars, individual design consultations, and guided tours of both the gift fair and retail stores.

On September 30, 2004, ATA completed its third year of the PAED program. At the country level, ATA implemented the program as per the country specific plan of implementation as discussed in the following sections. The focus in these first three years of the program has been on capacity building through scaling up production systems, organizational development for artisan groups and expanding services to reach a larger base of African artisans. In addition to working towards the overall goal of supporting artisan businesses in southern Africa, ATA worked towards its own institutional strengthening. With a total growth of 22% in ATA's income in 2004 fiscal year, ATA also grew in personnel and infrastructure. During 2004, ATA continued to deploy cost-effective IT tools to improve the organization's efficiency and effectiveness.

For Y3 of the PAED program, ATA fell slightly short of its match obligation. The main reason for this is that the funding cycles of the two largest match funding grants, from the Kellogg and Ford Foundations, do not match that of the PAED project. However, it should be noted that with the combination of these two large grants and several smaller donations the match requirements for Y4

have already been met. It should also be noted that for the last three years of the PAED project ATA has exceeded its match requirement cumulatively. (Please see Attachment 13 for a cumulative budget verses actual summary.) The Match funding awards for Y3 of 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

In fiscal year 2001, ATA submitted a proposal for a Matching Grant to USAID's Bureau for Humanitarian Response, Office of Private and Voluntary Cooperation. The proposal entitled "PAED" or "Pan-African Artisan Enterprise Development" 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 from 2001 to 2006.

The PAED program was designed to improve and expand the services delivered during the first matching grant program (RISE). By the end of RISE, ATA had clear insights into both the opportunities and constraints of the craft industry in southern Africa which proved to be tremendously helpful in strategizing and implementing the PAED program. In the first three years of the program, ATA has focused its 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. Since the craft sectors in each of the three PAED program countries are at different levels of development they are faced with different challenges. As result, ATA developed a country specific implementation strategy for each of the three program countries.

In South Africa the overall craft sector is much more developed than in Mozambique and Tanzania. It has a well-developed international trade infrastructure, sophisticated financial institutions and capital markets as well as good communications infrastructure and transportation network. Still, many crafters in remote rural areas do not have direct access to these resources and as a result there are several local organizations working to bridge the gap. Despite colonialism, apartheid and urbanization, indigenous cultures have survived due to the active promotion of cultural heritage by the government and local organizations. In South Africa, ATA is partnering with two local entities. In Durban, ATA partners with a for-profit enterprise called the BAT Shop. The BAT Shop focuses almost exclusively on product development, marketing and sales of crafts made in the Kwa Zulu Natal area. In Cape Town, ATA partners with CCDI, an NGO that works with artisan enterprises in Northern and Western Cape. As local partners both these entities help implement the PAED program on the ground.

The Mozambican craft sector is not highly organized. There is a lack of a strong infrastructure both in the artisan and export sector. As a result, ATA has been operating through an in-country office. The Mozambique field office is based in Maputo and in the absence of any government led craft development initiatives or local organizations serves as a focal point for all artisan activities and the voice of artisans in government forums and to the media.

In contrast to Mozambique, Tanzania has more market ready producers. However, 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 product quality, inefficient production processes and technology, insufficient knowledge of market structures, trends and expectations as well as lack of access to buyers, have left artisan enterprises struggling for survival. Under the PAED program, ATA worked directly with three enterprises and provided them with appropriate technical assistance to enhance their export competitiveness and to enable them to compete successfully in global markets. Since Tanzania's artisan and export sector is well organized and experienced, it was originally planned to end the Tanzania country program two years earlier than the Mozambique and South African country programs. Although the Tanzania country program officially ended on Sep 30th, 2004, ATA requested a no cost extension to ensure a smooth departure and more sustainable impact.

To expand market opportunities for African artisans, the PAED program was purposely designed to benefit from the continent's largest economy found in South Africa. South Africa attracts significant tourism and has an increasing number of craft buyers. The Pan-African market link of the PAED program was specifically designed to ensure that this market becomes accessible to all African producers thus expanding their market opportunities. In addition to major trade shows in Europe and the US, during the PAED program the African products have been shown at SARCDA the largest South African trade show.

Another crucial component of the Pan-African Market link is the AMRP. During the PAED program, ATA's Market Readiness Training program MRP that in the past was only held in NY, was adapted to better suit the needs of the African producers. The Africa MRP that is now held twice a year in Johannesburg provides training in a more regional context. Participation in this training program is open to producers all over the African continent.

The PAED program, due to its match requirement, continues to be one of the organization-wide priorities for fundraising. The cultivation of potential donors in foundations and corporations is often focused on the needs of the PAED program. This support has 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. The process and approach adapted by ATA for raising match funds for the PAED program complements ATA's overall effort as an institution to develop alternative funding sources and create linkages with non-USAID funding.

Section II. Project Methodology

Grant Program Goal: The overarching program goal is to alleviate poverty amongst artisans in southern Africa and thereby improve the quality of their lives.

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 the PAED program, 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 work 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 identify if the local production process can support large export ventures or local market demands. 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 trade shows, 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 product lines, identifies buyers and accompanies them to see products in the ATA booth as well as documents relevant trends for future product development.

Marketing: 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. The PAED program countries have artisan enterprises that have varied skill levels and needs. Basis the technical skill level, business management expertise and market experience of the PAED program artisan groups, ATA has 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 Y3, training was provided at three levels: in-country (local training), Africa MRP (regional training) and the US based MRP (international training).

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, during year 3 of the PAED program, Aid to Artisans continued to enhance and expand its training program and materials. During the first 2 years of PAED, ATA placed significant emphasis on standardizing the content of its core curriculum for the Market Readiness Programs (MRP) in New York and in Johannesburg. In 2004, the emphasis was on decentralizing training to reach greater numbers of artisan entrepreneurs, many of which were unable to attend the MRP in New York City.

To respond to the growing demand for training, while preserving the quality of its programs, ATA began its new fiscal year with a "Maker to Market Program Summit." The summit was held in November 2003 at the home office in Hartford. The planning and discussion session brought together key field personnel and local program officers to address two topics:

- a) How can ATA enrich existing training programs?
- b) How can ATA broaden its reach?

The Program Summit participants examined the quality and consistency of current programs along with the methodology and delivery to determine how the program might be adapted to various levels of artisan enterprises. The outcome of the "Maker to Market Program Summit" was that ATA committed to pursue relationships with local partners to help fund, administer, and/or deliver training programs therefore capitalizing on local partner familiarity with the local market, culture, resources and language.

Capacity development for regional trainers was another area of focus for the Training Department during the reporting period. ATA seeks training consultants with practical business experience in the marketplace and in the field. However, knowledge and experience alone do not produce a successful trainer. ATA looked at ways of training the trainers so they can effectively communicate the information and knowledge they already possess.

To assist with the understanding of what is necessary to be a good trainer and facilitator, ATA home office compiled guidelines for trainers. Gathered from various texts and professional resources, these include a description of the unique characteristics of adult learners, steps for planning an effective presentation, tips on enlivening lectures, alternative methodologies, and being a good facilitator. These were distributed to the field earlier this year and to all the core consultants for the MRP prior to the August program.

To keep training materials fresh and up to date is another challenge given the constant changes in market needs and demands. As part of ATA's Training resources development initiative, presentations and seminar materials are periodically revised and changed.

Local Market Readiness Program

The model for local Market Readiness Programs was the Africa Market Readiness Program, first begun in August 2002 and continued in 2003 at the SARCEA Gift, Toy and Décor Exhibition. These first two sessions were conducted for small craft enterprises. Recognizing that there were many micro producers in Africa who would benefit from the training as well, ATA diversified this program in March of 2004 with a 4-day session for intended micro-producers. In all, 15 attended: seven from ATA's programs in Tanzania, Mozambique, and South Africa through the BAT Shop in Durban. The remaining eight were from South Africa through funding from CREATE SA MAPPP SETA. Although the training modules carried the same titles, most were delivered on a more basic level in consideration for experience level of attendees. Trends, for example focused largely on Trends in South Africa, rather than in the U.S. The session on Promotional Materials, was based on an exercise to create "hang" or "swing tags" to create a sense of product identity and connection to the artisan's story.

During the reporting period, ATA conducted a number of other training programs. Please see Attachment 1 for a list of training events.

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

Key inputs to meet this objective include ATA's effort to deploy cost-effective IT tools not only to supplement its marketing efforts but also to improve the organization's efficiency and effectiveness.

The ATA website, www.aidtoartisans.org, continues to perform well, measured in both overall user traffic as well as new commercial clients. The site counts more than 250 new retailer and wholesaler accounts, which have produced strong qualified leads for ATA's sales team to follow. In terms of traffic, the site receives more than 3,000 page views a week (page views are complete page download, not just hits which can include images). 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.

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.

Several IT projects were completed this year and ATA's internal data network and individual employee workstations were further upgraded for better performance and virus protection. The outputs of this initiative include the upgrade of the ATA website, Internet connection and voice communication, the installation of the Virtual Private Network, firewall and hard/software set up in the field as well as the launch of ATA's first Intranet.

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

As described above, the Pan-African Market Link is open to all market-ready African producers for a fee, so they can access regional markets through ATA. However, so far the cost sharing by the producers has been very minimal. In Y4, ATA plans to expand the program reach and will be offering Market link services to producers more aggressively

Since training is a core component of every ATA project the majority of the trainees at the MRP 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. In Y3, AMRP was attended by a total of 19 participants who paid a fee for attending the training program.

At the country level, the key capacity building objectives include the strengthening of the craft sector and capacity building of local partner and/or 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 countries in section IV of this report and in the planning matrices included in the attachments.

Key Service Delivery Objectives include:

Objective 1: Expand market opportunities for African artisans.

The inputs towards meeting this objective include a combination of activities. In addition to participating in major tradeshows and developing specific products for local markets, ATA's marketing departments both in the home office and in the program countries worked closely with buyers and importers. Direct sales were made to retail outlets in the US, Europe and South Africa by ATA's sales representatives. ATA facilitated buyer visits to the country to make a direct links between the producers and the buyers.

In South Africa ATA further strengthened its relationship with Langata, the South African importer. Langata plays a crucial role in promotion and distribution of sales from the SARCDA show in Johannesburg.

Extensive trade show participation has expanded market opportunities for African artisans. Still the handcraft sectors in the three PAED program 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 each country. ATA classifies the artisan enterprises in three tiers 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, established export businesses, and are well-prepared for the international marketplace only lack access to appropriate buyers. These groups could benefit from and need technical assistance in US and Europe market-oriented activities in order to increase their export competitiveness and market access. Some of the SMEs in Tanzania, Zambia and South Africa fall into 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

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.

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 micro-enterprises 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, marketing, basic business skills and, basic organizational 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" has helped ATA design product development, training and marketing activities that suit the product, production capacity, 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 sequence will enhance the effectiveness of the PAED program.

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, design consultancies. As in previous PAED program years, 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 country level, the key objective included the development and expansion of marketing and sales opportunities for artisans leading to revenue generation as well as providing 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.

The key sustainability objective at HQ level is to continue to diversify ATA's funding sources and build strategic alliances. Under the present matching grant ATA has brought in a variety of new funding partners including many foundations as well as private 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, within the reporting period USAID funds comprised a large portion of ATA's funding base. The Percentage of ATA budget from USAID has decreased from 69% in 2003 to 66% in 2004.

At the country level, the key sustainability objective is that the Artisan enterprises continue to reach and expand markets after the PAED program 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.

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 microenterprises 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 carved wood. A total of 45 businesses covered under the program range in terms of organizational structure, size and market experience, but all have potential to grow in export, regional, and/or local markets.

Most of the producer groups in Mozambique are wood carvers and happen to be men. This is because it is men who have traditionally used woods for craft production. In Y3, ATA reached a total of 2500 artisans². Acknowledging the gender imbalance in beneficiaries, ATA started work in a new province called Inhambane, where traditionally baskets are made. Aid to Artisans contracted a consultant to determine the potential for craft enterprise development in this province specifically focusing on the basket industry. Fifteen artisans/groups were interviewed that represented an estimated 73 artisans [47% of whom are women] who support roughly 365 family members through the sale of their craft. Following the recommendations of the assessment, ATA started working with this group in Y3. See following country program section for more details.

Tanzania

In Tanzania ATA has worked with both small and medium enterprises (SMEs) and microproducers. While the artisan sector in Tanzania is more developed than that of Mozambique and has more market ready producers, the 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. ATA has made a concerted effort to identify and work with women producers. Last year after assessing the Zanzibarian craft sector, ATA started working with a local organization called MOTO that has over 200 women weavers as its members. These women are ukili basket weavers. In the past, ATA provided training both in product design and business skills to MOTO's producers, all of whom are women. In Y3, most of the assistance given by ATA was given in marketing and business and not as much in design. The main reason for that is the head of MOTO is a designer by profession and is happy with her own design capabilities.

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 continued to work with ADAT in Y3.

² These artisans are reached through activities that include direct assistance through design and business training and through the Artisan informational bulletin, *As Mãos Falam*, which is disseminated to artisans nationwide.

South Africa

In the first two years of PAED, ATA partnered with the BAT Shop, a for-profit enterprise and non-profit training center, to bring market-driven product development and trade show facilitation to South African craftspeople in the Kwa Zulu Natal Province (KZN). In Y3, ATA continued to partner with BAT in addition to a new partner in Cape Town. Project participants in KZN are predominantly women living in remote rural areas or per-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 as about 80% of the BAT Shop's producers provide their families' sole source of income through the sale of handcrafted products. In Y3 of PAED, ATA reached 1609 producers in South Africa, over 85% of which were women.

2. Comparison of accomplishments to those proposed for Y3 and variance.

As reported in the PAED Program annual report for Y2, the program design and implementation in Mozambique and South Africa has been the same as was proposed originally. However, 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 in order to work more effectively ATA adopted a different approach. (Please refer to the DIP and Y1 annual report for more details). The adapted 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. The second was to continue to work with micro-producers who do not yet qualify as SMEs. During Y3, ATA has continued 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 HIV/AIDS and related deaths. More details on the South Africa country program are in section IV.

Section III. Monitoring and Evaluation

Describe and discuss the changes to the following from those 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 artisans in Mozambique are not literate and only marginally numerate; although the project has worked on business visioning and longer term planning, individual 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. Due to the change in ATA's approach in Tanzania, the baseline figures and yearly targets changed.

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 PAED indicators in the light of the findings of the mid-term evaluation that was conducted in June 2004.

d. Benchmarks of project progress: Though total sales remain the critical indicator of effectiveness, there are several other benchmarks that map program progress. The key benchmarks for the project progress so far include; expansion of trade show portfolio, enterprises/businesses cost sharing for services provided by ATA, substitution of the expatriate Field Director by a local Director in Mozambique, expansion of ATA's reach in South Africa through new partners, inclusion of a women's weaving group in the Tanzania program to address gender issues, participation of producers from outside the ATA program the AMRP and diversification of AMRP to address the training needs of the artisans at different levels.

e. Monitoring plan: The monitoring plan for the PAED program 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 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, producer ability to meet demand, and importer plans to re-order on a systematic basis. Please see Attachment 2 for a copy of the Key Buyer Interview Form.
- Training test: In order to measure knowledge gained by AMRP trainee participants, ATA developed a medium-length business skills test that was used in Y3. See Attachment 3 for a copy of the test.
- Trade show reports: These are a standard tool to share information on trade show results. After each show cycle, marketing staff compiles 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 buyer 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 Program 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 causes for success and failure, draw lessons learned and make programmatic decisions and plan future activities.

Status of mid-term assessment for PAED:

The mid-term evaluation for the PAED program was completed in June 2004. ATA's Program Director, Mary Cockram, conducted the assessment both at the home office and in country. The evaluation focuses primarily on reviewing program implementation and early outcomes. The principal task was to determine whether the mid term targets are met and the program is on track for achieving its objectives. This involved finding out whether the assumptions for made for the PAED program are correct; partnerships are supportive; and activities are being implemented as scheduled. Both qualitative and quantitative results of program achievement against goals are noted in the Evaluation report being prepared by Ms. Cockram. The report will be submitted to USAID next month.

**Section IV: Review and Analysis of Project Results by
Country**

MOZAMBIQUE

4.1 Description for Mozambique for the report period:

a. Specific outputs achieved:

EXPORT Program: The success of Mozambican artisans in the international marketplace is dependent on the availability of trained and competent craft exporters which was non-existent at the beginning of the PAED program. The EXPORT Program was designed to help craft exporters succeed in doing business in the global market through direct contact with importers and wholesalers. This program activity was launched in Y2 and has continues to provide training on the fundamentals of running a successful business to the two participating craft exporters through Y3.

As described in last year's annual report, the EXPORT program includes participation in Aid to Artisans' 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. An outline of the Export Internship Program is included in Attachments 4.

Representatives from the two participating craft export companies, Artes Mondlane and DGA Studio (a start-up company) have both completed participation in ATA's MRP in the US and internship in the Maputo office. In October 2003, ATA hired a US based importer, Leslie Mittelburg, owner of Swahili Imports, to conduct a 3 day on site training program for the exporters. The two exporters along with the local ATA marketing staff attended this training which focused on buyer expectations and relationship building, communications, packing and shipping, essentials and maintaining buyer-agent-producer relationship. This was followed by small sample orders placed with the exporters.

Regional Training: One of the key components of the PAED program is to provide artisans with business training to ensure better comprehension of business practices. To that effect, ATA local staff continued to provide regional trainings to artisans in Maputo, Sofala, and Nampula Provinces during the reporting period. A total of 42 artisans from 35 enterprises participated in these workshops, 32% of whom were women. The workshops included topics such as market trends, product development, small bookkeeping, financial analysis as well as costing and pricing. In Y3,

two new topics were introduced to compliment the traditional ones; enterprise organization and legalization process [advantages and disadvantages] and hygiene and safety techniques at work.

Low or non-existent numeracy and/or literacy skills continue to be the biggest challenges. However, with each repetition the artisans seem to become more and more confident in the processes and the importance of their practical application for the improvement of their business.

In September 2004, ATA organized a set of regional workshop for Southern Mozambican artisans, extending it to the artisans from Inhambane Province for the first time. This new set of workshops was designed for new artisan enterprises that showed interest in participating in the ATA program. A total of 24 artisans were invited, but only 18 attended the workshops. All 6 women from basketry who were invited could not attend the workshop due to some unavoidable circumstances.

Since some of the participating producers were new to ATA, one of the sessions discussed the ATA/artisan working relationship, vision and expectations. The response was very encouraging and at the end of this two days workshop many artisans wanted to partner with ATA and as a result ATA signed MOUs with five 5 new groups.

"...before the contact with ATA I did not realize that my product has the potential to reach international market but, from this training I'm visioning that one day my xirundzo will travel long distances to Europe and to other far places in the world."
- Sarlina Nothisse from Cestaria de Massinga.

Publication of the Artisans' Informal Bulletin: To supplement and expand ATA's training effort and to ensure a consistent flow of information to a larger base of artisans, ATA publishes a bulletin for the artisan community called an Artisans' Informal Bulletin (AIB) known as "As Mãos Falam" (The Hands Speak). The bulletin is distributed quarterly in all ten provinces of Mozambique reaching approximately 2,500 artisans. Most of the training sessions developed during formal workshops are included in the bulletin so that the artisans outside the three program provinces, who do not participate in the training workshops, can also benefit from them.

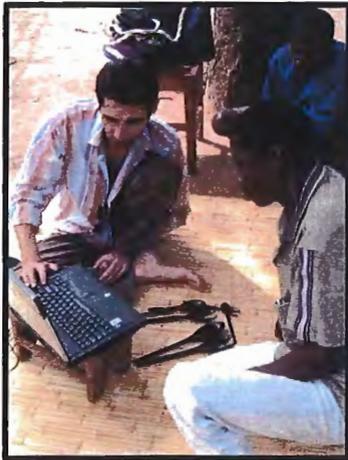
ATA has received not only very positive feedback from the artisans but also comments and suggestions for what topics they would like more information on. Many artisans who are outside the three program provinces have shown keen interest in attending ATA's formal training workshops.

Despite the low education levels of the artisans, the bulletin has proven to be a very effective tool in reaching artisans due to its illustrative style of communication. The bulletin is more than just a training newsletter, it has become a space where the artisan can share their experiences and learn from others. Some artisans have shared with ATA that the bulletin makes them feel connected to other Mozambican artisans, even those who are in far away parts of the country.

"It is like to hear the voice of our hands through a piece of paper that reach many other reading hands,"
- Joaquim Mwangi, an artisan from Cabo Delgado Province.

ATA encourages the artisans to send their profiles, thoughts and experiences to ATA so that they could be included in the bulletin. Many artisans have sent ATA their profiles expecting to have them published in the bulletin. It is very promising for ATA to see such enthusiasm and the need for sharing, coming from the artisan communities across the country. This has also given ATA an opportunity to learn from many non-ATA related success stories.

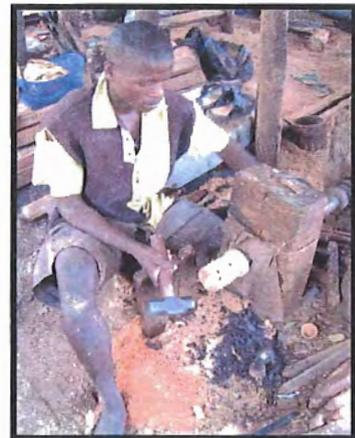
During the fiscal year 2004, ATA published 4 issues [October 2003, February 2004, May 2004 and September 2004]. Please see sample bulletin in Attachment 5



Product Development: ATA hired a consultant designer, Frederic Alcantara, to provide design assistance to selected producer groups to develop new product lines to be shown at the summer trade shows in South Africa, New York and Germany as well as others. Mr. Alcantara spent five weeks in the three provinces of Sofala, Maputo and Nampula to develop a total of 16 new product lines in both hard and softwood. In the picture on the left, Mr. Alcantara can be seen sharing a design on his laptop with one of the artisans.

Softwood: The consultant worked with 3 softwood producers based in Maputo. Specific products developed were contemporary blocks and puzzles, fantasy animals, elegant elongated animals. One of the best selling items in softwood were the seahorses developed for a producer named Dino, his products were very appreciated, especially by South African buyers. Please See Attachment 6 for product sheets.

Hardwood: The consultant worked with 13 hardwood producers that make up 5 producer groups in Nampula, 2 in Sofala and 6 in Maputo. The specific products developed in hardwood were serving pieces in darkwood including measuring spoons and sugar bowls. All these were received very well by the market. A producer can be seen turning wood in the picture on the right.



Annual Design Competition: The first annual design competition was held during Y2 in an effort to identify local designers, who by ATA's facilitation, could get involved in the process of innovation and product development for Mozambican crafts. The main objective of the competition is to create a local pool of talent that could continue to provide design assistance to the artisans once the PAED program ends. ATA's international designers will mentor these local designers during PD workshops following which the local designers will work with the artisans till the products are finished. Through this process, they will maintain communication with the international designers and try to solve any technical problems which may arise. In Y3, ATA conducted the second Design Competition. The jury this year was composed of 5 members; Evaristo Madime, ATA's Country Director, Chila Smith Lino, ATA's Marketing Coordinator, Anna Cecilia, an industrial designer, Leslie Mittelberg, owner of Swahili Imports a US based import company and Idasse Tembe a well known Mozambican plastic artist.

Like last year, the competition was advertised in the highest circulated National Newspaper called, "Notícias." All interested candidates were invited to a meeting at the National Museum of Art and the objective of the competition and its rules were explained to the attendees. This year's design competition was won by Cremildo Zandamela a young designer who works with iron materials mostly using recycled materials. The three winners were given certificates of achievement and the

following prizes; 1st prize - \$500.00, 2nd prize - \$300.00, 3rd prize - \$200.00. ATA will now work on involving them in the process of design assistance to the artisans group.

Market Readiness Training Program: Five Mozambicans including three artisans and two new ATA staff members attended the AMRP that was held in August 2004. The training was very beneficial for the two newly contracted Provincial Business Coordinators. All attendees returned full of enthusiasm after 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. Trainees at an AMRP session can be seen in the picture below. The quote below is from one of the Provincial Business Coordinators.

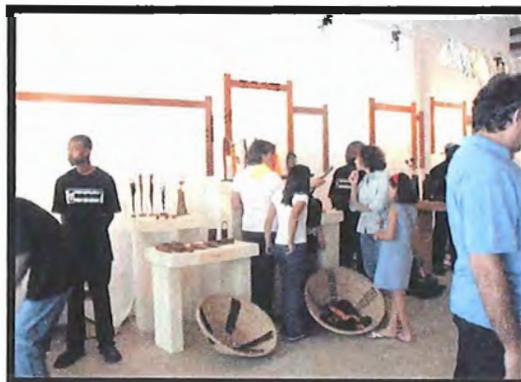


“That program was of great importance, apart from other topics presented, I got as relevant the following: Global trends and buying preferences related to gift and decorative accessories, product development and it’s importance, trade show and exporting and also the importance of good packaging.” - Magondeni Simango, ATA’s coordinator for the province of Sofala.

Annual Local Fair: ATA holds a local fair annually in the first week of December. The local fair, “As Mãos,” (which means “The Hands”) is well known for its unique, handmade and hard to find products. This fair was introduced so that the artisans would have an opportunity to sell in the local market and

show the quality products they produce. This was also to make the artisans see how important it is to sell their products in an organized manner with a fair price. In the picture below, artisans can be seen interacting with the customers directly. This also gives the local Mozambicans a chance to buy international quality crafts. The artisans sold home décor accessories, useful products such as pencil holders, toothbrush holders, sugar bowls, flower vases, candleholders etc. This year the local fair was based on products produced in the four provinces of Maputo, Nampula, Sofala and Inhambane.

Sales performance at the local fair was strong and doubled, compared to last year’s fair. The sales achieved a value of \$8,590. 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. Feedback from the artisans participating in this fair was very positive, with everyone satisfied with the response of the public to the products shown and the gain from sales.



Publicity of the local fair: Like in the previous years, this year’s local fair was also publicized through advertisements in local newspapers such as, Noticias, Que Passa, Correo da Manhã and Mediafax. A press release about the local fair was sent to the main mass media operations in Mozambique. As a result, most media operations covered the event. The national television, TVM, came to cover the event on the first day, December 5, 2003. The coverage was shown on the national news at prime time in which three of the artisans (Albino Wache, Filimone Mucavele and Augusto Juapo) were interviewed.

ATA got further coverage on TV when TVM invited ATA for another weekly program which talks about “small enterprises and great business” (Pequenas Empresas, Grandes Negócios). The program was aired on TV on December 12, 2003. In addition to some of the artisans, two of ATA’s local staff members (Abel Dabula, Country Coordinator and Chila Lino, Marketing Coordinator) were invited to participate in the program.



Maputo Tourism Fair: This 4 day long fair was held in May 2004 at the Maputo International Trade Fair. ATA’s Marketing Coordinator participated in this fair to represent Artisans in Mozambique working with ATA’s assistance. The objective for the tourism fair is to promote all areas related to tourism such as lodges, crafts, food, hotels, etc. There were no artisans involved directly in this fair and the sales were not very high. The fair was not promoted or publicized well hence the low attendance. Still, it provided ATA the opportunity to be on the tourism network and network with other players of the tourism sector. As a result, ATA is now being referenced in events related with tourism as an organization that can play an important role with crafts products on the national tourism strategy.

Technical Assessment on Wood Drying: ATA subcontracted Staffan Lundh a wood drying consultant from Tanzania to conduct a technical assessment on wood cracking issues and production process including wood drying. Mr Lundh also analyzed local artisans productions skills, techniques, tools and equipment and made recommendations on how to improve them. He also assessed the options available to using hardwood. Mr. Lundh made recommendations on the availability of Coconut wood and its possible usage for crafts.

In his report he describes in detail why it is risky to dry the wood too quickly and why the wood distorts, something that has caused problems in the past especially with items such as containers with a tight fitting lids.

Basis his recommendations, ATA bought tools worth \$20,000 that are now being used by the artisans and have helped immensely in increasing the production capacity. The artisans will eventually pay ATA back for the cost of the tools they received.

Diversification of the Raw Material Base: ATA decided to work with and develop the basketry sector in order to diversify the raw material base and discontinue the usage of precious woods.

In December 2003, ATA contracted a consultant Ms. Lorraine Johnson to determine the potential for craft enterprise development in the province of Inhambane, specifically focusing on the basket industry. The field work included interviewing artisans and/or craft groups and looking at organizational structure, financial and general management capacity, production capacity, raw material availability, accessibility and sustainability, product and/or skill potential, group vision, marketing activities, sales, working conditions and tools/equipment.



Fifteen artisans/groups were interviewed. These groups represent an estimated 73 artisans (47% of whom are women) who support roughly 365 family members, including themselves, through the sale of their craft. In addition, meetings were held with the coordinators of Projecto Chambone, a project of the Anglican Church working with a network of approximately 75 artisans [not included in the above statistics], and visits were made to Associação Malhale, the central markets in Inhambane city and Maxixe, as well as the craft market at Tofu beach. There are hundreds of basket weavers spread throughout the province, who usually

work alone, with an apparent concentration in the Khotso / Langa-Langa area. Basis the recommendations made by the consultant, ATA conducted an introductory training with the weavers to prepare them better for working with ATA. The workshop included topics such as ATA's background and objectives, ATA-artisan relationship, product and marketing mix, and some production capacity issues.



Following the training, ATA hired a South African design consultant, Richard Sparks to expand and further build this long standing tradition of Basket weaving in Inhambane Province and to make more saleable basketry. Mr. Sparks developed new baskets that were shown in Johannesburg and New York shows in summer 2004. The workshop was conducted in two phases. The first trip lasted for 5 days in the province of Inhambane. Dina Márcia Nangy, a weaver from the community, was hired by ATA to assist Mr. Sparks in the identification of the right groups who have the potential to produce.

Geographical Expansion of the Program: In August 2004, ATA started operations in Manica, a central province of Mozambique. ATA started work in partnership with ADEM, Manica Agency for Economic Development, to work with artisans groups in Manica village, Mssika, Inchope and Chimoio the capital of the province. ATA is currently working with 5 groups, involving 34 artisans, most of which are wood turners. Manica is one of the provinces with the biggest forest of hard and exotic woods, such as: ironwood, rosewood, mondzo, chanate, panga panga. There is also blackwood available but only in small scale. In addition to the wood turners there are groups working with soapstone, a material that is available in large scale in this province.

ATA started its work in Manica with a series of organizational development sessions with the groups. The initial training was to prepare them better for working with ATA. The workshop included topics such as ATA's background and objectives, ATA-artisan relationship, product and marketing mix, and some production capacity issues. In Y4, Manica artisans will participate in the regional trainings in Beira and Sofala, the local fair, product development, AMRP and summer shows.

Wood Bank: In the past, Maputo artisans have had difficulty arranging the quality and quantity of wood necessary to fulfil high volume orders. In order to make the purchase of wood in Djabula

community economically valid, it is necessary to buy large quantities. Artisans found 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.

Therefore in Y3, as a pilot project to address Maputo wood carvers' needs, ATA decided to open a "Wood Bank" for the artisan producers. ATA plans to open Wood Banks in other provinces where ATA works with similar needs. ATA hopes that the Wood Bank project will minimize the constraints that the artisans sector faces regarding general access to wood.



The pilot project was launched in Maputo metropolitan area where about 15 enterprises working with ATA. The Wood Bank was designed to facilitate the access to good quality wood at a better price, ensuring above all the usage of wood coming from a sustainable and legal source. ATA is pleased that the artisans and the community of Djabula, from where that wood comes from, have an agreement that is based on Government forest management rules. The first wood purchase to supply the wood bank warehouse was made in December 2003. About 10 cubic meters were sold to the artisans in a recordable time after the January shows.

The first and foremost impact of the Wood Bank was that orders were delivered on time, which ensured timely shipments. The second impact was the improvement in quality of the final product due to the usage of quality wood. Following this, three other purchases were made in April, July and August, summing up a total quantity of 30 cubic meters.

In July 2004, ATA won a grant from Kellogg Foundation to expand the project from a pilot into a business activity. Currently, ATA is working on the wood bank management structure and exploring ways how to get a private sector business to run the Wood Bank.

In March 2004, ATA partnered with IUCN South Africa to do an assessment for the Wood Bank. IUCN interest in the PAED program goes back a long way to the support that they gave to Mozambican artisans under the World Summit on Sustainable Development that was held in South Africa in 2002. As a result of this partnership, IUCN hired a group of consultants to develop an assessment of the potentiality of the Wood Bank as a business. The report on this is still pending.

Buyer's visits: In Y3, three buyers visited Mozambique. In May 2004, Francis Palmer, the Managing Director of Adesso a South African home ware wholesale store, came to visit artisans in Mozambique along with ATA's Regional Marketing Manager, Frances Potter. He selected 17 sku's and ordered a total of 450 items, which totaled to the FOB value of US\$2,954.

Leslie Mittelberg, owner of Swahili Imports, A US based import company, visited Mozambique in August 2004. She visited several artisans and implemented new designs for her range of products. Ms. Mittleberg placed a sample order and discussed the possibility of importing a full container in order to optimize the transport and other transactional costs.

Robert Walker, from Ashanti Designs, a South African Import company, visited Mozambique after having seen Mozambican products at ATA's booth at the SARCON trade show. He placed an order in the amount of \$35,000 and seems very keen on importing more Mozambican crafts.

Tools and Equipments: To enhance the production capacity of Mozambican artisans, ATA invested in raising funds to purchase tools and equipment. In September 2004, ten enterprises received different kits of tools and equipment such as hand drills, gauges, chisels, bench vises, bench grinder, belt sander, orbital sanders, belt saw and others. This initiative has already started showing good results as the artisans take less time to cut the wood in logs [by using the belt saw], less time to polish [by using the belt sander], have more precision finishing [by using good quality gouges and chisels].

The overall outcome is the impact on production speed, which consequently increases the production capacity and improves the quality.

Hiring Provincial Business Coordinators in Sofala and Nampula: Due to the high volume of incoming orders as well as the ever increasing number of artisans groups/enterprises interested in joining the PAED program, ATA hired two Coordinators for Nampula and Sofala provinces in June 2004.

As an extension of the Maputo office in the provinces these Coordinators will assist the artisans on organizational development [enterprise organization and legalization], orders management, bookkeeping, quality control [ensuring from the source that the products depart with good quality and conditions], production systems and other aspect related to the general management of their enterprises. This is also an effort to decentralize Maputo office's role. Having a local coordinator in their province all the time gives the artisans the opportunity share their point of views without spending money on phone calls to the ATA team located in Maputo.

Staff Training and Development: ATA's local staff in Maputo undertook a project management course in December 2003. This course introduced the staff to the support software called MS project. This software includes graphs that illustrate the period activities and maps of estimated costs.

Later in May 2004, the staff attended a business plan course. The main objective of this course was development of a business plan for the different artisan enterprises. The business plan comprises of three plans; marketing plan, financial plan and operational plan.

Match funding outputs:

Kellogg Foundation: During Y3, ATA was awarded a \$900,000 grant by Kellogg as match for the PAED program in Mozambique and South Africa. The grant is for a 2 year period; \$500,000 for Y1 (June 1, 2004 to May 30, 2005) and \$400,000 for Y2 (June 1, 2005 to May 30, 2006). The Mozambique country program gets a total of \$610,000.

Ford Foundation: In Y3, Ford Foundation awarded ATA a two year grant of \$150,000. (June 2004 to May 2006).

The local office assisted the home office in raising these funds by identifying areas needing funding and contributing to budget preparation and proposal writing.

West Foundation: ATA received its third grant from the West Foundation in Y3. A total of \$40,000 was awarded for Mozambique country program.

b. Effect on target groups disaggregated by gender: By the end of the Y3, ATA had assisted 45 enterprises comprising 473 artisans, 30% of whom are women. Of the 45 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. Overall, ATA's program reaches 2,500 artisans through its educational bulletin, *As Mãos Falam*, "The Hands Speak."

c. Problems encountered and how addressed:

Wood Sustainability and Wood Bank: Efforts made towards the forest certification process for the Djabula Community Forest have been met with a number of challenges. As mentioned in earlier annual reports, ATA's initial partner's funding came to a halt following which the local office spent a lot of time trying to identify a partner and raise funds to meet the wood sustainability goals. The project would set out to establish community woodlots for alternative sources of fuel wood and revenue generation, facilitate certification of the Djabula Community Forest and carry out reforestation for biodiversity restoration. At the end of Y3, the funding is yet to be awarded.

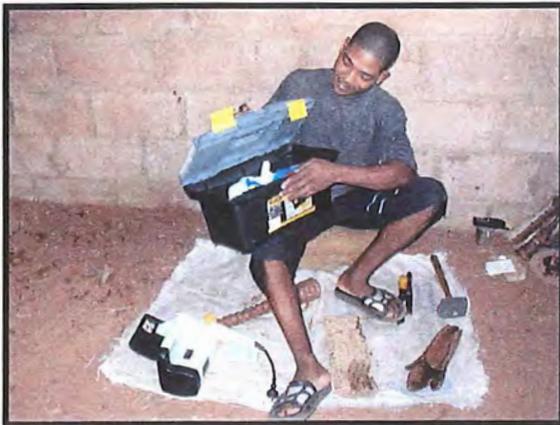
However in order to address the producers' challenge to meet buyer orders, ATA decided to take a new strategy. Maputo artisans have had difficulty arranging the quality and quantity of wood necessary to fulfill orders. In order to make the purchase of wood in Djabula community economically valid, it is necessary to buy large quantities. Artisans found 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.

Therefore in Y3, as a pilot project, to address Maputo wood carvers' needs ATA decided to open a 'Wood bank' for the artisan producers. ATA plans to open Wood Banks in other provinces where ATA works, that have similar needs.

Limited 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. In Y3 ATA continued with its strategy to cross-train amongst groups who would be capable of producing the same product range should a large order be secured. To make the process smoother and more efficient, ATA created a new position in the field that of a Provincial Business Coordinator. The physical presence of the Provincial Business Coordinators will ensure an efficient and productive cross training program which will increase production capacity.

In Y3, ATA established the Wood Bank (as described in earlier section) to address production capacity as well as purchased and distributed essential tools and equipment (as described in earlier section). In Maputo that enables artisans to access wood easily, quickly and consistently which saves them time as irregular and unreliable wood supply is not an issue anymore.

In addition ATA also invested in purchasing the necessary tool and equipment for the artisans' enterprises to ensure improved production capacity and quality.



Quality Control and Deadlines for Shipment: Related to the problem of limited production capacity are quality control issues and challenges in meeting shipping deadlines. ATA realizes that once the production capacity is increased artisans will not be pressed for time and will therefore pay more attention to quality issues and also be able to meet shipping deadlines. The hiring of the Provincial Business Coordinators, the wood bank, and the usage of new tools and equipment will all assist in doing so.

Exporter Interest on the Decline: Exporters currently in the EXPORT program seem to be discouraged due to the low sales volume. They are questioning their return on investment and reassessing if it is profitable for them to do 'craft export' as a business. The orders taken by the artisans currently are limited due to the limited production capacity (as mentioned above). In some cases, to meet the deadline of a large order, the artisans do a rushed job and produce products that are not of high quality, which get rejected by the local ATA staff and are not shipped. This results in delayed, smaller or cancelled orders, which is detrimental to the export business. As discussed in the section above, ATA is working to improve production capacity which will enable artisans to cater to large volume orders in a timely manner, thus ensuring regular business to the exporter.

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

Handcraft Strategy Development – PODE and World Bank:

ATA was approached by PODE- Projecto de Desenvolvimento Empresarial, a local enterprise development project that is funded by the Government and other donor contributions, to collaborate with them in a new program to develop the handcraft sector in the coming year. The project is focused on promoting Mozambican handcrafts, enlarging the supply base to meet market demands and expanding existing markets.

e. Unintended effects:

- In November 2003, UNESCO requested ATA to conduct a workshop for PALOP's Women held in Maputo. A variety of artisans' business, marketing and organizational needs were addressed. The workshop provided an overview of the various components that need to be in place in order for craft enterprises to grow successfully and it addressed the practical application of key business skills. Women from Angola, Cape Verde, Mozambique and São Tomé e Príncipe participated in this training.
- 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 raising additional matching funds for the PAED program.

- Exhibition of art crafts and cultural industries from Southern Africa: This exhibition took place in the US Chamber of Commerce, Washington DC, from 9 to 11 October 2003 and was a selection of 6 SADC countries. The objectives of this exhibition were:
 - To promote the commercialization of art, craft and cultural products made in Southern Africa
 - Facilitate market access and utilization of economic opportunities created by AGOA in the USA
 - Facilitate buyer – seller interface and artisan exposure for demand driven product development
 - Create awareness of African heritage.
 - ATA Marketing Assistant, Sonia Pinto, and artisan, Camordino [Dino] Jethá, participated in this exhibition. The Mozambique table was well represented with a wide range of wood carved and turned products. During the seminars, both Sonia and Dino were invited to speak about the craft sector development in Mozambique.
- BGOAF [Business Growth and Opportunities for Africa Forum] in Johannesburg: ATA was invited by Matemeku Managements and Logistics, on behalf of Kellogg Foundation, to participate in the Business Growth and Opportunities for Africa Forum as one of the Kellogg Foundation grantee. Kellogg's Foundation grantees participation in the BGOAF was divided in two areas, firstly in best practices in sustainable development exhibition through an exhibition into cultural industries market-style design and secondly, participating in workshops and roundtables about doing business in Africa and the art of networking. The ATA delegation was composed of the Mozambique Country Coordinator and two artisans [Albino Wache-hardwood crafter and Filimone Mucavele-softwood crafter]. The PAED Marketing Manager, Frances Potter, organized ATA product display together with the event organizers and facilitated the delegation contacts during the showcase. This gave the Mozambican products good exposure amongst the African business community.
- Mozambique Business Women Forum: This was a one day seminar held in September 2004, at the conference hall of the prestigious Polana Hotel in Maputo. ATA's Marketing Coordinator was invited to participate in this seminar and to exhibit ATA products. It was organized by Foundation of Community Development (FDC) and the embassy of Finland. The main objective of the forum was to help promote initiatives for women and empower them with skills that places them in a better position to 'compete' in the community

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:

- Strengthen organization of artisan and export sectors and address key weaknesses³.
- Provide artisans with business development services
- Increase the fundraising and financial management responsibility of local staff
- Develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation
- Scale up and expand the impact of Aid to Artisans' work in Mozambique
- Artisan entrepreneurs continue to reach and expand markets after PAED project ends
- 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 28%. The main reason for this low percentage is the fact that the number of importers has increased in Y3 and as long as new importers are being added to the denominator the percentage will not reflect a direct increase.

Under Objective 2, most of the targets were achieved. The indicator percent of groups with an MOU that have a bank account was not realized, with only 54% of the enterprises demonstrating bank accounts, was under the 80% target for Year 3. As long as new groups are being added that do not have bank accounts, the percentage will never increase. ATA surpassed the Y3 target for 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 61% success rate as opposed to a target of 20%. 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 are 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 and 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 Country Director, redirecting that energy toward fundraising.

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 3, ATA had one design workshop in Mozambique. As discussed in the section above the designer, Frederic Alcantara produced a number of product lines in both soft and hard wood. See above section for more details. Despite a varied range of product lines produced in the workshop, not all of the selected ones made it to the trade shows. Some groups did not manage to complete their sample order and thus their new samples never made it to the marketplace. This reflects in the number of product lines accepted in the international market. However it must be noted that even though some of these lines were not shown at the trade shows they are often selected by buyers through catalogues and during buyer

³ 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.

in the international market. However it must be noted that even though some of these lines were not shown at the trade shows they are often selected by buyers through catalogues and during buyer visits through the year. During the year, three buyers/importers visited Mozambique, please refer to the section above for more details on the visits.

During the reporting period the total sales target was not met essentially due to limited production capacity and inconsistent accessibility of wood. Even though the market responded favorably to the Mozambique products and there was a high demand, artisans were only able to cater to medium size volume orders. As discussed in sections above, ATA established the wood bank and invested in purchasing tools and equipment to enhance the production capacity so that the artisans can accept large volume orders. The total sales target for the year was \$175,000 while the actual total sales reached was \$151,104. ATA passed the local sales target for the year (\$7,000) with \$8,590 in sales.

Under Objective 5, scale up and expand the impact of ATA's work in Mozambique, ATA's target for Year 2 was to reach 2,500 artisans. The actual outreach in Y3 totaled over 2500 artisans. That is largely due to the national distribution the bulletin, "As Mãos Falam." "The Hands Speak." See section above for more details.

ATA fell short of the 80% target under 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 16 of the 18 new product lines accepted. Many product lines developed for international markets were never shown in the market due to artisan inability to get samples to ATA on time for exhibition. ATA is making a concerted effort to increase production capacity so this does not happen in the future.

Relationship with Local Implementing Partners:

- IPEX (The Exports Promotion Institute) partnership

Under the Kellogg grant ATA is establishing a partnership with IPEX, The Exports Promotion Institute, to expand the international market for Mozambican craft products. With this partnership, ATA will have booth space on the Mozambique booth in all important international trade shows.

- ADEM (Agency for the Economic Development of Manica) partnership

The expansion of ATA's work to a new province, Manica, required a partnership with a local organization to implement the program. ATA has started a partnership with ADEM (Agency for the Economic Development of Manica). Through this partnership, ADEM is responsible for all the logistical coordination of the project and for providing the artisans with funds for buying tools and equipment through micro credit. ADEM will also be responsible for the follow up of the lessons learned in the ATA workshops as well as the quality control of products.

TANZANIA

4.1 Description for Tanzania for the report period:

a. Specific outputs achieved:

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

In Tanzania, during Y3, ATA further consolidated its efforts with producers both in mainland Dar and in the island of Zanzibar. In Dar es Salaam, ATA continued to work with the two SMEs

Tanzania (ADAT⁴). During Y3, a combination of services were provided to these producer groups that included in-country product development, AMRP and MRP participation, in-country costing and pricing workshops and ATA facilitated buyer visits.

Product Development: In April 2004, ATA hired South African designer, Jenny Gifford, to conduct a two-week product development workshop in Dar es Salaam. Ms. Gifford is a textile artist who specializes in very high-end hand-dyed, hand-beaded and embroidered fabrics. Her designs draw on contemporary and historic African influences. The broad aim of the consultancy was to provide design, quality, and costing/pricing assistance as well as to develop new product lines that target South African, US and European markets. The products designed were featured in both SARCON and the NYIGF in the summer of 2004.



Ms. Gifford worked with all three producer groups in Dar es Salaam. Under Ms. Gifford's guidance and supervision, Mikono producers created a collection of functional wood products such as carved wooden spoons and bowls with animals carved into the lids made of blond Mkongo wood and dark Blackwood. A Mikono producer at work can be seen in the picture on the left.

Marvelous on the other hand created a classic, functional range of embroidered tabletop items in three commercial colorways. Ms. Gifford assisted Marvelous in producing beautiful apparel fabrics and embroidery patterns that were then

used and expanded into a variety of product lines. The main items included runners, tablecloths/toppers, napkins and placemats.



Ms Gifford also helped Marvelous to expand on its Batik product range. In the pictures on the right, traditional batiks being dyed and dried at Marvelous Batik.



Tradeshaw Participation:

The Tanzanian products were exhibited in major shows in NY, Europe and South Africa. ATA's marketing team worked closely with each producer group to define appropriate lines for exhibition at each show, ordered samples, photographed samples and prepared color product information sheets. (Please see Attachment 7 for product sheets). ATA assisted the producers with pricing, bearing in mind the cost of production and the price the market will bear. Though the overall sales for all the producers

increased during Y3, the direct sales generated at ATA's trade show booths were not very

⁴ 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.

increased during Y3, the direct sales generated at ATA's trade show booths were not very impressive. A total of \$213,000 was generated during the reporting period as against the target of \$235,000. These sales include sales made locally, orders received at trade shows and retail orders received through ATA's marketing representatives in the US, Europe and South Africa. See *Marvelous pillows at display at Ambiente in Frankfurt in picture on the left.*

Both *Marvelous* and *Mikono* seem to have generated the bulk of their sales locally. Local sales are made from their local shops, local fairs and other small direct orders. For example, *Marvelous Batik* produced conference bags for the International Philanthropy Fellows Conference in Nairobi. Ms. Flotea Massawe, owner of *Marvelous Batik*, was asked to personally sell her products at the conference, bringing in \$2,500 in sales. In July 2004, *Marvelous Batik* also secured a permanent shop in the Slipway Market in Dar Es Salaam that helped increase her sales.

Training: During Year 3, Tanzanians producers participated in ATA's Market Readiness Program both in the US and South Africa. Ms. Massawe of *Marvelous batik* participated in the MRP in the US, in February 2004. She 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.

During the reporting period two AMRPs were held in Johannesburg, [March 2004 and August 2004]. Four Tanzanian producers representing three different producer groups participated in these AMRPs. The main topics of seminar in the AMRPs are the same as the ones for the MRP in NY, but the content is adapted to suit the South African market. Please see Attachment 8 for the AMRP agenda. The majority of the sessions were conducted by African consultants. Topics such as "Understanding the Process, Expectations and Variables of Exporting" and "Building Buyer Relationships" were found very informative to the participants. The participants found these seminars very helpful, especially the part where a consultant laid down concrete steps one needs to take in order to be successful. Other seminars included a South African trend presentation which was also very well received.

All three participants went back to Tanzania filled with enthusiasm and new ideas.

Next time you see my product you will see a label on it!
Sarah Moyo, Tanzanian participant

Costing and Pricing Workshop:

ATA contacted Traidcraft,⁵ a UK based organization to conduct a Costing & Pricing Workshop, in Tanzania in January, 2004. This Costing & Pricing Workshop was commissioned by ATA and

⁵ Traidcraft is a UK based charity which seeks to alleviate poverty through trade, working at both micro and macro levels. As part of this mission, Traidcraft works with partner organizations in developing countries to provide export marketing assistance to small and medium sized enterprises.

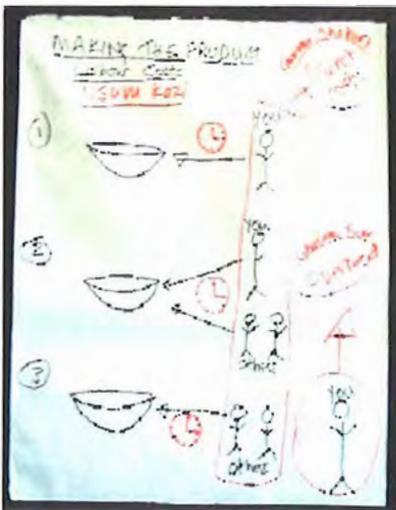
designed by Traidcraft and was the second workshop conducted of its kind. It was delivered successfully in Tanzania for the first time in November 2001.

There were 23 participants who attended the workshop, most having traveled from outlying areas of Dar es Salaam, with one group of 4 from Zanzibar. The facilitation of the workshop worked out well, with the split of English: Swahili delivery and discussion at about 25:75.

Some of the time was spent with participants completing costing worksheets individually, or in pairs, the facilitators were able to offer one-to-one assistance. This was accomplished with the assistance of Mr. Tabuyanjaa, ATA Local Coordinator, and Mr. Manyilika, the translator, both of whom went well beyond their roles in terms of energy and commitment. The costing worksheet had been re-structured prior to delivery, following key learnings from the workshop's previous delivery. It had also been translated, both factors greatly simplified the process of learning complex mathematical theory and practice.

The workshop concluded with a follow-up session that was much appreciated. During this session the participants were able to build on and extend their learning in the context of an informal seminar-style discussion. It enabled some of the shyer participants to speak out, and some of the advanced participants to explore challenging issues. Participants were provided with calculators, learning diaries, and handouts both of the case study and the overheads in either English or Swahili.

Participant evaluations of the workshop were positive, with both content and process praised. All participants rated the workshop as "excellent." Overall, 91% found the topics very relevant, and the performance of the trainers excellent.



They seemed able to absorb and debate the key concepts, skills and tools. The workshop provided a good balance of group work, individual work, presentations and games, which allowed participants to have fun as well as to learn.

'[I learned] the difference between costs and price.'

'[I liked] collective learning and learning by practice.'

- Quotes from participants.

In the slide to the left can be seen pictorial representation of exploring different ways to calculate labour costs. One of the most important themes raised early on was that of having the confidence to negotiate with buyers, rather than being intimidated into accepting undesirable prices. Knowing the real cost of your production was recognized as empowering by participants in this context.

Buyer Visits:

ATA facilitated a number of buyer visits to Tanzania during the reporting period. Buyer visits are crucial to nurturing links between producers and importers/buyers. It provides both parties an opportunity to meet face to face and set realistic expectations for their businesses. Jackie Hunter of

CCAfrica⁶, Binky Newman of Design Afrika⁷, and Jasperdean Kobes of Bamboula ltd⁸ all visited Tanzania. Some of these visits also resulted in small sample orders that were aimed at helping both the buyers and the producers better understand each other's strengths and limitations. For example, Jasperdean Kobes of Bamboula ltd, sampled an old product line that was developed during an earlier (Y2) Product development workshops.

Even though the Tanzania program officially ends on September 30th, 2004, as part of ATA's exit strategy a number of services will be provided to the Tanzanian producers through the no cost extension period of nine months. (Oct 2004 to June 2005). A final in-country Product Development Workshop is one of the activities planned. Patti Carpenter a NY based designer, who has past experience of working with the Tanzanian groups, will be conducting a three week workshop in Oct-Nov, 2004. This PD is geared towards developing product lines keeping recent buyer interests in mind. The Africa Marketing Manager, Frances Potter, will also be visiting Tanzania in early November to further strengthen these links. She will overlap a few days with Patti and assist producers in getting ready to do business with these and other interested buyers.

Marketing Tanzanian Products in South Africa:

A number of contacts were made with buyers (both importers and retailers) in South Africa during the reporting period. Among the strong marketing contacts made were those with high end safari operators in Africa. Conservation Corporation Africa (CCAfrica) has lodges in Kenya, South Africa, Botswana and Tanzania. They are currently expanding their number of lodges in Tanzania. Since they mostly have products from within the country in the lodges, they will be looking at sourcing crafts in Tanzania in the near future. CCAfrica recently opened an office in Dar es Salaam, which should facilitate things for ATA producers there. Chris Browne the decorator of the lodges and Jacqui Hunter, the retail consultant for the lodge shops, both have already visited ATA's producer groups in Dar es Salaam. They were impressed by the variety of product lines ATA's producers have to offer. They were especially excited over the kikois at ADAT and the table linen at Marvelous. In the past, they have bought Kikois from Kenya but the quality and the prices of those available at ADAT made them really interested in doing business with ADAT.

It has taken a long time to get CCAfrica to visit ATA's producers in Dar es Salaam and it finally looks as if something will come of these prolonged advances. Chris Browne is scheduled to visit Dar Es Salaam later this year and ATA's Marketing Manager will try and accompany him on his visit.

Design Afrika, a Cape Town based importing business, has joined the Aid to Artisans trade network. Binky Newman, its proprietor, has for many years imported into France and South Africa baskets from the Choma Cultural Centre and Museum Trust. Through her contact with Aid to Artisans she visited Dar es Salaam and placed a large order with Kwanza Trading (this is the selling arm of Aid to Artisans' previous in country partner AMKA).

The upcoming consultancy of Patti Carpenter mentioned above is geared towards developing product lines keeping these buyer's interests in mind. PAED Marketing Manager Frances Potter will

⁶ Conservation Corporation Africa (CCAfrica) is a South African organization that has lodges in Kenya, South Africa, Botswana and Tanzania. They are currently expanding their number of lodges in Tanzania.

⁷ Design Afrika is a Cape Town based importing business.

⁸ Bamboula ltd is a US based importing agency that has imported African crafts for a number of years.

be visiting Tanzania early November to further strengthen these links. She will overlap a few days with Patti/PD and assist producers in getting ready to meet/ work with these buyers.

Other Marketing Leads in South Africa

Alan Fisher, one of the directors for Tiger's Eye, a South African business that owns many of the larger tourist retail outlets nationally and is also part of a tourism related list of companies, has expressed interest in possibly having an ATA branded section in its international airport stores. This would mean that ATA would be responsible for importing the products into South Africa and merchandising the products and making sure that the shelves were kept stocked.

At SARCDATA ATA was approached by Ashanti Design, a high end producer of beautifully designed products made from ostrich eggs, based in Cape Town. They are interested in ATA supplying them with blackwood spoons. These discussions are ongoing at the moment.

Match Funding Outputs: In Tanzania the main matching grant funder 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 SARCDATA trade show.

ATA's Small Grants Program: A \$750 small grant was awarded to MOTO for tools and raw materials. Marvelous Batik was awarded a small grant of \$750 to purchase a much needed industrial sewing machine.

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 3, ATA impacted 465 men and 150 women, or a total of 615 artisans.

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 on 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. To address this issue, ATA started to involve the local Dar Es Salaam based local coordinator in work in Zanzibar. During the reporting period, the local coordinator Mr. Tabuyanjaa, who speaks fluent Swahili, accompanied ATA visitors to Zanzibar that included buyers, staff and consultants. Mr. Tabuyanjaa will be accompanying the upcoming design consultant to Zanzibar.
- **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 while acting as an ATA export agent. However, in the recent past, producers have started to export their products out on their own.

- Even though the overall artisan sector in Tanzania is more developed than that of Mozambique and has more market ready producers, by the end of second year of the program, it was clear to ATA that there were other challenges at play that were impacting the sales results. The insufficient infrastructure, inefficient production processes, and inadequate information about market functions along with lack of entrepreneurship and limited production capacity resulted in stunted growth for each of the SMEs. Last year ATA sub-contracted a US Importer (Swahili Imports) to do an assessment of ATA's work with these SMEs and ascertain how best to use the funds in the Y3 to maximize program impact, especially because the Tanzania program ends in September 2004. The two main recommendations made by the consultant were to provide product design assistance in developing a line of products with an African theme to satisfy both export and regional markets and provide a business training program with emphasis on costing and pricing. ATA conducted the costing and pricing workshop in January of 2004 and scheduled designer Patter Carpenter for a consultancy at the end of Oct 2004.

- In Y3, ATA's work with the Zanzibar based enterprise, MOTO, was limited to business training and market link services. Unlike Y2, during this reporting period ATA did not provide design assistance to MOTO. MOTO clearly expressed that their main areas of need were in business development and not product design. During Y3, MOTO producers received business training, buyer inquiries and orders through ATA. One of the senior partners of MOTO, Antje Forstle, a German woman has a protective nature regarding the project. Her view of ATA as a threat rather than a source of assistance represented a real problem. However, there is interest in participating in trade shows. The consultant Ms. Leslie Mittleberg, who did an assessment of the Tanzanian producers, recommended that ATA stop investing in the MOTO/Ukili Weavers project until Ms. Forstle gives complete support. Still, MOTO has continued to receive marketing assistance as well as a small grant from ATA. ATA has been in constant communication with Ms. Forstle and has assisted and intervened whenever appropriate. ATA is also approaching MOTO one more time to see if during the no cost extension phase ATA could work more substantially with the MOTO weavers.

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

As mentioned in last year's report, 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.

e. Unintended effects

When ATA first started work in Zanzibar, the women cooperatives were not formally organized. ATA sub-contracted three individuals (Antje Forstle, Said Ali Nasoor and Khadija) for preparation and follow-up on product development workshops. Though the arrangement worked well, lack of proper management and appropriate organization of the groups remained a problem, both of which are essential for long-term sustainability. ATA helped them envision a business plan which resulted in the establishment of MOTO, a small business partnership between Forstle, Nasoor and Khadija. ATA provided advice on retail and wholesale pricing and encouraged them to formally register the business as well as establish a business bank account. ATA consultant, Ms. Marisa Fick Jordaan, recommended that they set up an accounting system for their business at the outset. She gave them

useful advice on costing and profit margin to cover their expenses as a business. Though the consultant was hired as a design consultant by ATA, she played a crucial role in helping them on the business aspect of the project. In Y2 MOTO small business structure opened the first MOTO shop on Gizenga Street, Stone Town's main tourist shopping street.

This past year, MOTO opened a workshop and showroom including a small ukili exhibit near Jozani National Park. It is conveniently located on the main road, and they intend on having people (mostly tourists) stop on their way to visit the monkeys and dolphins. The Ukili cooperative members visit the showroom every day to demonstrate their work. A live display of their skills and work is bound to interest tourists in a different way and make them understand and appreciate the artisans work. MOTO is also putting together material for a brochure for tour operators and hotels, to encourage tourists to visit the showroom as part of their tour package. In addition MOTO is also planning to make a number of brochures for international clients. This is a wonderful example of how a business enterprise has arisen almost effortlessly from ATA's intervention and is expanding its work.

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 and ATA's progress in meeting indicators. The objectives were:

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

In relation to Objective 1, ATA continued to work with all four producer groups and did not increase the number of enterprises to five as per the EOP target. The main reason for doing this was to further consolidate ATA's work with the current enterprises and not expand to new ones. Two of the four enterprises got repeat orders, falling short of the EOP target of 3 businesses with repeat orders. MOTO the Zanzibar weaving group did not receive repeat orders mostly because of their own reservations and unwillingness. US based Swahili Imports, who placed a large basket order with MOTO last year, did not repeat it in Y3 because they found it difficult to work with Antje Forstle, the senior partner of MOTO.

MOTO products that Design Afrika (a South African importer) liked and wanted to buy were also not delivered to them. Binky Newman of Design Afrika was interested in a number of products from MOTO and was keen on carrying the MOTO products in her booth at SARCD. This was discussed with Antje Forstle (MOTO) and agreed upon but the samples were not ready in time. Design Afrika was disappointed when their representative who went to collect the samples in Stone Town on an appointed day came back without any samples.

Under Objective 2, ATA exceeded targets on the number of artisans assisted, but fell short of sales targets for Tanzanian artisans. Total sales for the year in Y3 amounted to \$213,000 against a target of \$235,000. 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 trade shows. Only a few of the Tanzanian products made it in time to participate in the

European show Ambiente and as a result had limited exposure in the European market. And that impacted the total sales for the year.

One of the producer groups, MOTO, in Zanzibar did not share its sales figures with ATA this year because no design assistance was provided to them by ATA. And even though ATA assisted them in their marketing efforts, provided them business training and also gave them a small grant to buy tools, MOTO was reluctant to provide ATA with their sales figures. So the total sales for the year noted here does not include the sales made by MOTO.

A total of 4 artisans were trained in Y3 at MRP and AMRP, taking the actual to 11 exceeding the EOP target of 10.

Towards Objective 3, a design consultancy was conducted in Y3, the consultant addressed both technical and design issues. But only a few of the products developed were exhibited at major trade shows in the US, Europe and South Africa. The product lines were reviewed by ATA and selected basis their quality, prices and production capacity. ATA realizes that the Tanzanian entrepreneurs are a long ways from being able to design their own product lines. However, enterprises like Marvelous Batik are getting increasingly more involved in doing their own designs.

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.

SOUTH AFRICA

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

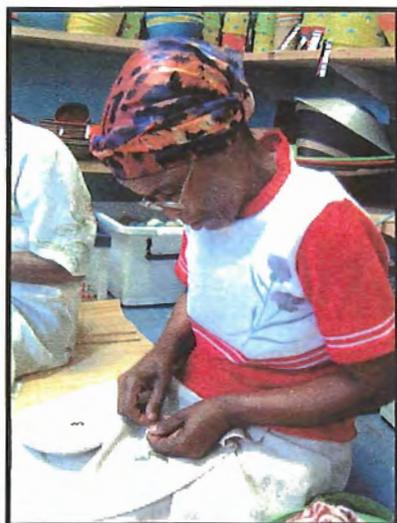
During Y3, ATA contracted International Design Consultant, Frederic Alcantara, to conduct a product development workshop over two weeks at the BAT Centre with selected BAT producers.

The growing local and international market for the BAT Shop range of Christmas ornaments informed the selection of participants. All the participating representatives of the various producer groups are production ready and were selected for their productivity, experience in working with product designers and ability to pass new skills on to other members of their groups. The BAT Shop found that it was able to compensate for a drop off in orders for higher priced products with the expansion of its range of Christmas ornaments that due to low price points and high volume was becoming increasingly popular.



The design workshop was attended by both male and female producers. The male participants form part of a group of six young men living in Durban who have been working with the BAT Shop on

their wire ornament products for many years and have since March 2003 delivered FOB orders to the value of \$19,800 to US based importer Eco-Brazil, an ATA Trade Network member and ATA leveraged buyer. The female participants are members of a group of 80 beaders from the Inanda Valley, who have worked consistently with the Bat Shop, since its inception nine years ago.



Mr. Alcantara worked on expanding the popular ‘Sea’ range of telephone wire and bead ornaments that were successful at SARCD A in 2003 . He also further refined a range of Christmas ornaments, with wire and glass beads, that had been developed by the BAT Shop over a period of time. An artisan doing bead work can be seen in the picture on the left.

The expanded range was exhibited in the NYIGF and SARCD A summer trade shows. Please see Attachment 9 for product sheets. Samples were also sent to Witty Fish Ltd in London to be shown at the TOP DRAWER trade show as well as to be presented to UK based retail stores. Liberty, the high-end retail store in London, has expressed keen interest. The range will also be introduced into the Canadian market by Importer Africa Charisma in the next few weeks.

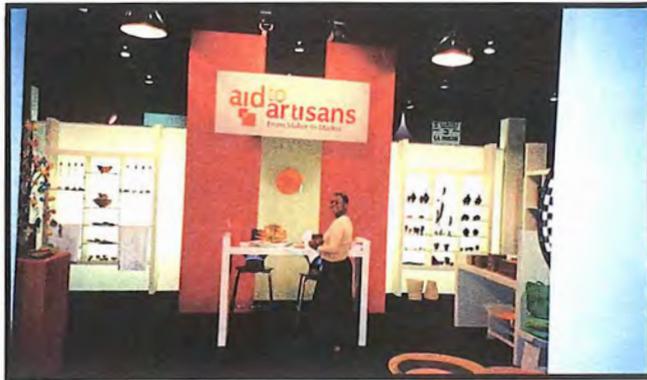
At the suggestion of ATA Marketing, the Bat Shop design team developed and expanded its range of bead and wire fashion accessories to be shown on the ATA booth in the NY Accessories trade show. ATA is planning on participating in the Accessories show in May 2005. Following the color direction sent by ATA, a comprehensive collection of 85 pieces in four color ways was launched at SARCD A to test the market. Orders totaling R30,000 were received from the local market for this addition to the Bat Shop product range.



SARCD A – Christmas Gift, Toy and Décor Fair
August 18-23 Johannesburg, South Africa

During Y3, ATA participated in SARCD A, the largest gift show exhibitor in South Africa for the third time. SARCD A holds four trade exhibitions in South Africa annually and ATA exhibits at the Christmas show in Johannesburg because this is the largest.

Since ATA’s first SARCD A trade show participation in 2002, ATA has doubled the space it rents from 24 square meters to 48 square meters. An additional 16 square meters was added to the rented booth space to accommodate Wetlands, a project based in northern Kwa Zulu Natal. The BAT Shop Director facilitated funding for their space and booth costs from the Greater St. Lucia Wetlands Park Authority and the Wetlands Craft product range, which is developed and marketed under contract by the BAT Shop.



ATA HQ staff and Johannesburg based Marketing Manager worked closely with the South Africa partner, BAT Shop, to prepare for the SARCDA trade show. For SARCDA, the BAT Shop was able to do its own product review, selection and sample production. It also developed comprehensive pricelists and catalogues. See attachments for a copy of the SARCDA brochure.

Four Bat Shop staff⁹ assisted with the physical setup and the display of products, breakdown of booth, sales staffing and transport of samples.

2004 SARCDA sales off ATA booth

Producer group	wholesale in South African Rands	F.O.B. in USD
BAT Shop - Durban - South Africa		
Bat wire work & Christmas ornaments	R120 000	\$18 462
Wetlands - woven plant materials	R130 000	\$20 000
Marvelous - Dar es Salaam – Tanzania	R1 917	\$157
Mikono - Dar es Salaam – Tanzania	R10 732	\$941
Mozambique - Maputo – Mozambique	R66 384	\$5 236
Total	R329 033	\$44 796

Exchange rate used U\$D1=ZAR6.5

The downturn in the local retail market, closure of certain established stores like Africa Nova and Bright House and with SARCDA exhibitors across the board reporting a drop of 30% in orders taken, the sales generated at SARCDA this year was less than last year's. The BAT Shop's total sales orders was less than last year, but despite the drop from the Y2 total, it was encouraging and above expectations. BAT Shop did get orders from new clients and a marked trend was that existing retail customers placed orders for smaller quantities, which is directly linked to the present retail climate. BAT telephone wire baskets at the SARCDA booth can be seen in the picture below.

ATA had a total of 39 buyers compared with 51 in 2003. This does not include those who placed orders with the BAT Shop and Wetlands. On the whole the show seemed quiet and slow this year. Many said that they were down about a third on the same time last year. Some of the reasons for this slowness might be:

⁹ Marisa Fick-Jordaan, Magda van der Vloed, Phumelele Zwane and Judy Clements.

- Strength of the Rand has made imported goods cheaper and so people are buying new fridges etc. while prices are cheap
- Many of the smaller home ware stores are closing because they cannot compete with the growth in large home ware chains – every retail chain seems to be opening extensive home ware sections
- Rand strength has reduced the number of tourists to South Africa
- Buyer nervousness – the year has been exceptionally quiet so far and buyers are expecting a quiet Christmas.
- Changing global trends.



Booth Design:

Marlene Ming and Johnny van der Merwe of Joi Design, the designer and booth builder whom ATA has subcontracted the previous two years, 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 a new shelving unit was added in addition to upgraded lighting. The ATA booth was again awarded with a Silver award for its booth display. See Attachment 10 for a copy of the certificate.

African Market Readiness Program:

In the first two years of the PAED program, the AMRP was held once a year in August in conjunction with the SARCD A Gift, Toy and Décor Exhibition. These first two training programs were conducted for small craft enterprises. In Y3, recognizing that there were many micro-producers in Africa who would benefit from the training as well, ATA

diversified this program in March of 2004 with a 4-day session intended for micro-producers. In March, 15 participants attended the training program. This included from ATA's programs in Tanzania, Mozambique, and South Africa through the BAT Shop in Durban and 8 South Africa through funding from CREATE SA.¹⁰ Although the training modules carried the same titles, most were delivered on a more basic level in consideration for experience level of the



¹⁰In Y2, the BAT Shop Director, Marisa Fick-Jordaan met with the Director of CREATE SA, Dawn Robertson to explore possibilities of ATA and CREATE to collaborate on some of the PAED activities. Dawn was invited to the SARCD A trade show last year where the discussions continued. During Y3, ATA staff pursued this avenue for local funding and offered AMRP participation in March 04 and August 04 for micro-enterprises with CREATE SA funding for South African participants.

attendees. Trends, for example focused largely on South Africa, rather than on the U.S. The session on promotional materials, was based on an exercise to create "hang" or "swing tags" to create a sense of product identity and connection to the artisan's story.

In August 2004, AMRP had 20 participants: 12 from South Africa that came through ATA's partnership with CREATE SA and CCDI (with three directly from CCDI), five from Mozambique (including two newly hired Provincial Coordinators), and three from Tanzania. See Attachment 11 for a copy of the AMRP certificate.

South African Importer

During Y2, ATA secured an agreement with a South Africa based import company named Langata to handle the import of orders taken at the SARCD A trade show to South Africa. For an importer fee of 25%, Jill Flowers and Cheryl le Roux of Langata, have been reviewing FOB prices, estimating customs and tariff fees and clearing orders through customs in South Africa. They are also responsible for distributing ATA products. Despite some problems that are described in the following section point 'f,' Langata continues to be ATA's importer in South Africa in Y4.

Marketing in South Africa

Aid to Artisans, after participation in its third show at SARCD A, is gaining a favorable reputation locally for showing consistently high quality and innovative products from Africa.

South Africa has a buoyant and busy buying sector, despite the fact that there are not many importers of craft from Africa into South Africa – at least not that many operating above board operations. A couple of the most prominent local problems are:

- Many of the bigger retailers do not want to take on the added problem of importing from other African countries - at least not at the outset. The marketing effort with the products developed by Jenny Gifford with the Marvelous Batiks table linens is a case in point. The buyer, Loads of Living, wanted the products to arrive here ready packaged to LoL's specifications to go onto the store shelves – a practical impossibility from Dar Es Salaam especially for the small sized orders LoL wanted to place initially. This combined with the reputation that Africa has for slow and unreliable delivery creates a situation where importers have to take a higher risk.
- 2004 has been a strange year for marketing. Many of the smaller niche home ware stores are closing because of competition from bigger chain stores coming aggressively into the home ware market. This seems to be global trend. Many of our producers in Africa cannot produce to the thousands of items require in a range by the large chains. Locally we also compete with extremely cheap products from the East, which is not helped by the relative strength of the South African Rand. Another effect of all the huge home ware stores is that they tend to look the same.

Other Marketing Outputs

Regional Marketing: The most successful contact made this year was with Adesso, a Johannesburg based importer of high end decorative products. After seeing some Mozambican samples he made a trip to Maputo in May 2004. On a trial basis Palmer placed a \$3,000 order with ATA. If all goes well, he is keen to increase the size of his future orders. He had originally wanted the samples delivered before the end of June to show at August 2004 SARCD A but agreed to wait till January 2005 to show them in the March 2005 SARCD A, to accommodate Maputo Marketing staff's request for more time.

SADC Certificate of Origin: ATA applied for the SADC certificate for the first time in Y3. Products moving between the 13 SADC member countries have special reduced rates on tariffs. This is most significant in the case of wood products coming from Mozambique which used to carry a 30% import duty but if accompanied by a SADC Certificate of Origin carry a 0% import duty. Producers in Tanzania and those that ATA has worked with in Zambia were also informed about the certificate and they will be obtaining it for future exports to South Africa. When the samples for August 2004 SARCDA arrived from Mozambique they were accompanied by the SADC Certificate of Origin and therefore no duties were levied.

BAT Participation in Indaba Expo: In Y3, the Bat Shop staff applied the experience gained in Y1 and Y2 through their active participation in the ATA SARCDA booth when they were selected to exhibit the Zenzulu range of telephone wire products at the first Design Indaba Expo held in February at the Cape Town Convention Centre. They were one of 50 'high-end home grown' exhibitors selected from all the South African Design disciplines, including architecture, fashion, interior design, advertising and print media. The DTI was the main sponsor and through the additional funding the BAT Shop booth was able to secure a 9 square meter booth.

Media Coverage and Publicity

Bat Shop products have continued to be featured in a number of magazines and editorials. (see attachments). Marisa has continued to serve on the Elle Décor WOW panel, selecting a unique, South African designed, product for each issue. A feature article on the BAT Shop was done for the annual publication of the South African Marketing Council, distributed internationally through the South African Trade Missions and other agencies. The PAED program was also mentioned in this article. (See Attachment 12 for media coverage).

On the invitation of the French Institute of SA, Marisa submitted the latest 'Design Indaba' Zenzulu range of telephone wire products as her entry in the MADE IN AFRICA Design Competition arranged by the Association Francaise d'Action Artistique (AFAA) in the Ministry of Foreign Affairs of France, under their "Program Afrique en Creation." The range has been selected to form part of an exhibition of 50 products made on African soil from new and established African designers and soon to be showcased in the MADE IN AFRICA exhibition, which will be launched simultaneously at the International Craft Fair in Ouagadougou and the Design Biennale in St Etienne, France. The show then travels throughout Africa and to the major international design festivals over the next two years. Marisa is one of three South African laureates.

PAED Program Midterm Review

During Y3, the BAT Shop received an oversight visit and midterm review by ATA HQ staff; the Executive Director, Jill Kassis and Project Director, Mary Cockram. They met with BAT Shop staff, attended a staff production planning meeting and were able to conduct a field visit to the Siyanda informal settlement where many of the BAT Shop telephone wire weavers live. Two local researchers, from the University of Kwa Zulu Natal, were contracted to conduct independent interviews with a range of BAT Shop producers.

b. Effect on target groups disaggregated by gender

The predominantly female profile of BAT Shop producers remained the same in Y3.

BAT Shop producers that benefited from the PAED program comprised 48 enterprises made up of 927 producers. Sholiphi Sibiya, who attended the Y2 AMRP and BAT Shop training, had this to say about the impact on her life, "the workshops were life changing and has empowered me. Without this job my children would have been out of school." Many of the BAT Shop producers interviewed said that they have built homes and are able to pay for their children's schooling with the money they earn. Many remain the sole breadwinners and have no other avenues of income.

c. Problems encountered and how they have been addressed

Rising Materials Costs

To counter rising material input costs, the Bat Shop spent a lot of energy into sourcing better priced glass beads from local importers. Beads from Thailand are coming into South Africa at up to 40% less than those from the Czech Republic. This has assisted the Bat Shop in passing on the saving to the producers resulting in increased earnings while maintaining competitive market prices.

Currency Fluctuations and Strengthening of Local Currency

The rand has continued to increase in value against all currencies. In Y3 this continued to wreak havoc on pricing and losses were incurred due to the fluctuating exchange rate. Factoring margins, has been risky business and the resultant rise in prices added to the uncertain US market resulted in a sharp decline of orders taken at the NYIGF August show for South African products. South African products are finding it increasingly difficult to compete with low priced imports from other developing countries. Expanding the product range, continued product development and requesting some export clients to accept Rand quoted prices has been the only way to try and deal with the ongoing problem that is causing negative growth in the export manufacturing sector of South Africa. Working hard at maintaining BAT Shop's local client base continues to be a part of its strategy.

Shortages of Natural Materials and Water

The worst drought in 50 years gripped the Northern region of KZN for most of Y3. Shortages of sisal in the Ingwavuma area delayed production and led to price increases, as harvesting was not possible and sisal had to be bought in Swaziland. Water shortages throughout the area made dyeing difficult due to the high salt content in the tank water delivered by the Provincial authorities.

Advance with Purchase Orders

Last year Aid to Artisans paid the 50% advance deposits on the purchase orders received at SARCDAs and this was refunded to Aid to Artisans once the orders were received and paid for by the importer. One of the challenges that ATA has been dealing with is that the South African importers are not prepared to pay deposits on orders that take up to four months to deliver. For example, Langata did not get any deposits on the SARCDAs orders and when unfortunately many buyers (about 25%) cancelled orders that were delivered after Christmas, it left Langata with the products on its shelves. In addition, there were problems with the ceramic products from Moore Pottery in Zambia and chaotic shipping from Mikono in Dar es Salaam. Some of the wood products from Mozambique had to be fumigated as there items infested by borer beetles and therefore returned by a buyer. ATA was relieved when Langata agreed to continue to import and distribute the SARCDAs orders. This year Aid to Artisans again paid the advance deposit for the SARCDAs orders.

Some of the drawbacks of dealing with Langata are that it does not have the kind of high-end show room or financial stability that ATA would like. However, it has a reasonable reputation for delivery and there are no adverse comments regarding its business conduct.

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

In Y3 the BAT Shop Director was asked to give submissions and to comment on the development of a range of National and Provincial Economic Development strategies pertaining to the Craft Industry in South Africa.

The CREATE SA Learnership, “Product Development in Partnership with Rural Crafters: for Young Designers,” was successfully completed in Y3 and is being replicated in other provinces. Five learners were contracted by the St Lucia Wetlands Park Authority to assist in the fieldwork and manage the skills transfer workshops for the Wetlands Craft Program. They work closely with the BAT Shop which remains responsible for the product development and marketing of the products for 26 craft groups who participate in this program.

e. Unintended effects:

AGOA -3rd U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum held in Washington D.C. 8-10 December 2003.

Marisa Fick-Jordaan was invited by the AGOA Steering Committee of the Corporate Council on Africa to attend the AGOA Private Sector Forum. On the recommendation of ATA, she was asked to deliver a presentation on “The African Experience in Product Design and Development” at the Private Sector Session and Workshop on Handcrafts held at the Smithsonian National Museum of African Art. The BAT Shop was also selected to exhibit at the African Arts Showcase to which selected US buyers were invited. This was a great opportunity to network and share experiences with the 18 other African craft enterprises and to meet with new and existing buyers. The topics of the workshop and presenters from the private sector and US Government proved to be highly informative. A day visit by the participants to New York City presented an opportunity to meet buyers from the major retail store ABC Carpets and Home and to visit the annual Christmas Craft Market at Grand Central Station. The BAT Shop received 50% funding for the trip from the South African Business Linkages Program (SAIBL).

ZAMTIE Handcraft Export Development Program

Livingstone, Zambia 12-13 April 2004

In Y2 Chris Mutare, the Director of Moore Pottery in Lusaka, Zambia, participated in the AMRP and the Pan-African Market Link at SARCD. Motivated by this experience he returned to Zambia and facilitated an extensive survey of the craft sector in Zambia engaging ZAMTIE and organized an export development workshop for Zambian craft enterprises and micro-craft producers. Marisa was contracted by ZAMTIE to attend the workshop as a resource and to do presentations on the “Export Market for African Craft” as well as present a case study of the BAT Shop.

South African Craft Pavilion

New Orleans Jazz Fest, USA, April 20-May 4 2004

To celebrate South Africa’s 10 years of Democracy, the Department of Arts and Culture of South Africa partnered with the New Orleans Jazz Fest to host 30 crafters from South Africa at a National

Pavilion at the festival. The BAT Shop was asked to select and facilitate three crafters to attend the event as well as provide them with the opportunity to sell their products. Ms. Jordaan was also invited to attend as a chaperone to the Kwa Zulu Natal and Eastern Cape crafters and to do a presentation on the "Craft from Kwa Zulu Natal" as part of the Jazz Fest Education Forum. The participation was a resounding success with the BAT Shop crafters, Edna Ngxongo, Dumisile Mathe and Zodwa Maphumulo achieving sales of \$15,000, which accrued directly to them.

Santa Fe Folk Art Market

Santa Fe, New Mexico, July 17-18 2004

A capacity building and marketing opportunity was added to the Y3 calendar with the BAT Shop facilitating and co-sponsoring the attendance of four BAT Shop crafters at this inaugural event, organized by the Museum of Folk Art and the Museum Foundation of New Mexico. The Kellogg Foundation sponsored the Crafter's travel expenses. Marisa accompanied the crafters and managed the booths set-up, display and sales. She was also invited to participate in a Panel Discussion around "Craft and Development for an Export Market" at the Museum of Folk Art. BAT Shop crafters and their products were extremely well received with all stock sold to the value of \$26,000.

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 and ATA's progress in meeting indicators. The key objectives were:

- BAT Shop to respond effectively to market demands.
- Building BAT Shop's operational and training capacity.
- Develop and expand marketing and sales opportunities for South African artisans.

Towards meeting objective 1 and 2, BAT Shop staff attended tradeshows where they received first hand training on customer service and marketing. The BAT Shop staff also attended the MRP program in the US. Magda Van der Vloed, BAT Shop's Marketing and Export Manager, attended the 10 day training. This helped her gain a better understanding of the US market and export processes. This was her first experience with an international trade show. The BAT Shop Director, Marisa Fick Jordaan and three other staff members attended the SARCD A trade show, where they met with potential buyers, new and existing clients and found the invaluable opportunity to explore trends in the marketplace.

ATA and BAT Shop exceeded the targets under Objective 3, to develop and expand marketing and sales opportunities for South African artisans leading to revenue generation as South African products were exhibited in US and European and South African trade shows.

Total sales gained from Aid to Artisans' marketing efforts for Y3 was US \$556,000 (FOB), 71% over the Y3 sales target of \$325,000.

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.

During the first two years of the PAED program, ATA's sole partner in South Africa was the Bat Shop. At the beginning of the program, 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 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 (Durban) and assisted ATA in providing design and business training services to the artisans. The BAT Shop has monitored the program and collected monthly data on indicators.

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.

In Y3, in addition to continuing partnership with the BAT Shop in South Africa, ATA explored the possibilities of expanding its work in other regions of South Africa. As a result, ATA identified the Cape Craft & Design Institute (CCDI) located in Cape Town in the Western Cape Province. CCDI was established in November of 2001 by the Provincial Administration of the Western Cape and the Cape Technikon and received significant start up funds from the national Department of Arts & Culture. The establishment of CCDI was initiated by a craft sector study conducted by the Department of Economic Affairs, Agriculture & Tourism. The study found that the sector lacked in product development, marketing, financial assistance, information as well as technical and business skills development.

CCDI's vision is of "dynamic, creative, confident people producing innovative world-class handmade products reflecting the cultural diversity of the Western Cape. The mission focuses on individual creativity, acquisition of skills and knowledge, innovative market-driven products, market access, cultural expression and preservation as well as collaboration and skills sharing all of which impact on individual, regional and national job growth and income generation. CCDI assists roughly 350 craft enterprises, some of which are operated by a single owner while others have up to 100 employees. CCDI provides crafters an opportunity to network and learn through its monthly Craft Partnership Forum and to take advantage of the local market through selling of crafts at public events, festivals and trade shows. The institute also works to provide services in the areas training, product development, business development and overall sector promotion. Although CCDI's program is showing success, there are a few gaps. Aid to Artisans plans to fill these gaps through product development and design assistance and increased market access using intensified short-term training, product development assistance [working in partnership with South Africa designers in a mentorship role] and trade show participation.

ATA and CCDI have thus established a partnership that is mutually beneficial. CCDI brings strong ties and effective work in the craft sector while ATA brings its highly effective market linking and training ability. Both entities plan to work together to ensure the development of market ready products and sustainable craft enterprises in the Western Cape. Funds have been received separately by both CCDI (\$175,000) and ATA (\$245,000) from the Kellogg Foundation for a project that requires coordinated implementation. The CCDI office in Cape Town will be the base of operation for this effort. The collaboration between ATA and CCDI aims to take 12 producer *

groups/enterprise, from previously disadvantaged backgrounds, through an integrated product development, capacity building and market linkages program. ATA and CCDI will also work together in fundraising efforts and will work in collaboration through completion of the PAED program in September of 2006. CCDI plans to hire a South African to serve as the coordinator of the in-country ATA-related activities in order to maximize the outputs and ensure long-term sustainability of the market links, and thus the enterprises.

Thus far, CCDI has assisted ATA in pursuing funds from the South African Government, through CREATE SA, who agreed to pay for a total of 20 Africa MRP participants this past year (8 in March and 12 in August of 2004). ATA and CCDI are waiting to receive the finalized Joint Venture from CREATE SA along with payment for the 20 Africa MRP participants. Of the 20 participants, 6 were from CCDI.

Future activities between CCDI and ATA are in the process of being planned based on the activities laid out in the Kellogg grant agreements.

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

During the fiscal year 2003-2004, ATA has continued to grow both fiscally and physically. ATA's total income increased from 5.9 million in 2003 to 7.2 million in 2004 marking a 22% growth from the previous year. This income was generated from a variety of sources including the US Government, corporations, foundations, ATA's Small Grant Program, individual donors and fundraising events. In response to the high level of USAID funded programs, ATA continues striving to diversify its funding base in order to increase the percentage of non-USAID revenue. Through this effort to diversify the funding base, ATA is building relationships that will enable the organization to reach a higher level of institutional stability. ATA has concentrated heavily on raising funds for the PAED program match requirement and for increasing home office infrastructure including its technical and communication capabilities as well as its management structures.

To lower ATA's reliance on USAID funding and improve institutional sustainability, ATA has devoted considerable effort to creating a professional development department that is well integrated with the rest of the organization. ATA's Development Department is playing a significant roll in this effort to diversify ATA's funding base. The Development Department currently consists of a staff of three that includes a Vice President of Development who is responsible for identifying, evaluating, managing and guiding the resources needed to increase contributions and grants from individual donors, corporations, private foundations with primary emphasis on raising unrestricted funds to support programs and general capacity building. ATA is in the process of hiring a special events coordinator to add to the team who would be primarily responsible for of ATA's awareness building and fundraising events.

In the past year ATA has continued to concentrate heavily on raising match funds for the PAED program as well as seeking funds to increase its home office infrastructure including technical and communications capabilities.

In Y3, ATA hired a senior communications officer who supported the organization in its overall public relations efforts. This included providing strategic communications and media relations

support for all departments, in addition to writing, editing and producing ATA's major publications, the annual report, international calendar, newsletter, and brochures. In addition to meeting specific needs for organizational communications and publications, the communications officer also maintained the editorial content of the ATA Web site. In fiscal year 2004, ATA's first annual report was published which provided an overview of ATA's Program and Marketing efforts as it impacts programs and benefits artisans. Please see in attachments a copy of ATA's Annual report for 2003.

Matching ATA's fiscal growth has been its physical growth. In fiscal year 2004 ATA grew from 30 headquarter and 38 field employees to 36 headquarter and 62 field employees, indicating a significant growth in personnel from the start of the PAED program. In order to support this growth, ATA has had to realign headquarters and field organization, develop a senior management team and strengthen field structure, responsibility and training.

Currently there are two new positions in recruitment, the Vice President for Global Programs as well as the position of President. The Executive Vice President position has been eliminated. ATA is conducting an International search for the latter position. As ATA continues to grow, so does the drive to strengthen institutional efficiency and stability.

To improve ATA's organizational efficiency and effectiveness, during the reporting period, ATA deployed cost-effective IT tools. As mentioned in earlier sections, several IT projects were completed this year and ATA's internal data network and individual employee workstations were further upgraded for better performance and virus protection. Please refer to attachments for more details.

As part of ATA's overall Monitoring & Evaluation for the organization, ATA finished the field research for the Ford Foundation-funded field research on seven of ATA's past projects. This included revisiting artisans, exporters, and buyers with whom ATA worked in the past twenty years. The effort has proceeded slowly and it is still a work in progress but the cases are posted on ATA's website, www.aidtoartisans.org as they are available.

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 in New York and in Johannesburg combining market seminars, individual design consultation, and guided tours of both the gift fair and retail stores in New York City. Since training is a core component of every ATA project the majority of the trainees at the MRP are from ATA projects and project countries, yet approximately one third of our training participants are referred to us independently. In 2004, about 37% of the total cost for training and travel expenses were recovered from the fees paid by participants.

Section VI. Financial Report

CORE

	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Three	215,144	229,200	308,983	183,941

Mozambique

	AID Budget	AID Actual	PVO Budget	PVO Actual

Year Three	232,979	263,645	184,635	172,231
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Tanzania

	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Three	100,642	54,480	91,855	34,007

South Africa

	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Three	52,839	94,326	63,908	81,529

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 and is included in Attachment 13. Country data sheets (Attachment 14) and the financial profile of ATA (Attachment 15) and the PAED program are also included in the attachments. (The financial profile of ATA in Attachment 15 is an estimate. The final A-133 will be submitted to USAID upon completion.) The total award from USAID for PAED Y3 was \$601,604 and the total match funds raised by ATA for PAED Y3 amounted to \$471,708. This match amount is short of the match target because the funding cycle of two large grants that were raised during the reporting period, do not match with PAED project's. Both Kellogg (\$900,000) and Ford Foundation (\$300,000) funds came in towards the end of Y3 and therefore will be reflected as match in the following years. With the combination of these two large grants and several small donations, the match requirements for Y4 have already been met. A cumulative budget verses actual summary for the first three years of the project can be found at the end of the budget summary in Attachment 13. This summary shows that although the match requirements were not met in Y3, the cumulative match raised exceeds the cumulative match requirements.

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:

- With ATA's effort to expand its work and presence in South Africa, the activities accomplished for the SA program were at a larger scale and they cost much more than what they were originally budgeted at.
- AMRP was held twice during the reporting period, instead of once as originally budgeted.
- In South Africa, the variance was also due to the inflation and Rand exchange rate fluctuation.
- Towards the middle of Y1, ATA created a new Marketing Manager position to back up the PAED program in South Africa by providing direct oversight to all facets of the export and Pan-African Market Link components of the PAED program. The Marketing Manager position is based in Johannesburg and during Y3, it involved travel to Mozambique and Tanzania. This position was not budgeted for initially.
- Mozambique and Core expenses were higher than those budgeted originally because two of the awarded match funds came in towards the end of the program. The Kellogg grant was awarded in July 2004. While the Ford grant for Mozambique was awarded in June 2004 and Ford grant for South Africa was awarded in August 2004.

- Like the first two years of the PAED program, ATA again under spent in Tanzania. This was again essentially due to the change in ATA's work strategy for the Tanzania program. As reported earlier ATA parted ways with its in-country partner in Tanzania in 2002. Following which due to the absence of a local partner office in Tanzania the overheads to implement the program dropped substantially.

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 and regionally located staff. 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 has in the past 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 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. In Y3, ATA's donor cultivation in Africa has been geared toward raising match funding for activities in Mozambique and South Africa, as the majority of fundraising for the last year of Tanzanian activities were cultivated from the home office. In Mozambique, ATA has continued to gain support from the Ford Foundation and the Kellogg Foundation and this continued, long-term commitment to Aid to Artisans demonstrates the success and impact of ATA's work to date. The relationships built with these two foundations for ATA's work in Mozambique under both RISE [ATA's first matching grant] and PAED has enabled ATA to gain their support for activities in South Africa. During Year 3, ATA secured a grant from each foundation that will support the PAED program in both Mozambique and South Africa for two years, through the end of PAED in September 2006 [Kellogg Foundation: US\$900,000; Ford Foundation: US\$ 300,000].

The Kellogg Foundation's support for South Africa is linked to ATA's new partnership with the Cape Craft and Design Institute [CCDI]. ATA has been developing new relationships as part of PAED project goals to provide services to a new region of South Africa. The Cape Craft & Design Institute (CCDI) is a joint venture between the Provincial Administration of the Western Cape and the Cape Technikon. CCDI is a not-for-profit entity that was initiated by the provincial Department of Economic Development and Tourism in November 2001, and now carries out its mission under the auspices of the Cape Technikon.

Through our relationship with the Kellogg Foundation, ATA was able to introduce CCDI and the result was a Kellogg Foundation grant directed also to CCDI, aimed at not only supporting CCDI's own work but to help CCDI contribute to the activities conducted under ATA and CCDI's new partnership. Therefore, ATA's match funding through Kellogg Foundation will be leveraged by the Kellogg Foundation through a direct grant to ATA's new partner, CCDI.

In addition to the Maputo field staff and ATA's regional fund raising consultant, the Marketing Manager in South Africa also uses a portion of her time for initial funder meetings and follow-up, hosting guests at the SARCON trade show, and leveraging her local contacts with funding institutions.

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

CORE

W.K. Kellogg Foundation: Funding secured for Y3, Y4 and Y5: \$45,000

Mozambique

Ford Foundation: Funding secured for Y3, Y4 and Y5: \$150,000

W.K. Kellogg Foundation: Funding secured for Y3, Y4 and Y5: \$610,000

West Foundation: Funding secured for Y3: \$40,000

October Hill Foundation: Funding for Y3 and Y4: \$20,000

Ewings Family Y3: Funding for Y3: \$5,000

South Africa

Ford Foundation: Funding secured for Y3, Y4 and Y5: \$150,000

W.K. Kellogg Foundation: Funding for Y3, Y4 and Y5: \$245,000

J.P. Morgan Chase: Funding for Y3 & Y4: \$25,000

Otis Elevators: Funding for Y2 and Y3: \$5,000

UMCOR: Funding for Y4 and Y5: \$40,000 (proposal submitted).

Proposal to be submitted for South Africa funding for Y4:

South Africa Government funds: ATA is exploring ways of accessing SA Government 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 South Africa, ATA has joined in partnership with CREATE SA, a National Skills Fund strategic project of the MAPPP-SETA implemented in partnership with the Department of Arts and Culture, The National Arts Council and the National Film and Video Foundation. As a national skills development vehicle, CREATE SA provides demand-driven relevant quality workplace-based learnerships and skills programs that combine educational and technical training to ensure the entrenchment of the legacy of life-long learning within the South African creative industries. In our initial partnership phase, CREATE SA sponsored 20 South African artisans [approximately valued at US\$31,000] to attend our AMRP training during March and August 2004.

In June 2004, ATA's Executive Vice President, Program Director for Africa, Regional Representative for Africa and Marketing Manager for South Africa joined as a team to visit potential donors within South Africa as a means to expanding and strengthening our work and raising matching funds. Some of the key donors visited included Tshikululu Social Investments [TSI], a non-profit CSI consultant group that manages corporate social investment funds of several major companies in South Africa, including Anglo-American, De Beers Consolidated Mines, AngloGold and First Rand Foundation. TSI was very impressed with ATA's work in general and showed

commitment to working with ATA in some way to support the craft sector in South Africa. The team also met with South Africa's Department of Trade and Industry [DTI] to explore a possibility for working in partnership most likely at the SME level, supporting enterprises that are participating in their cultural industries trade and investment program. Meetings were held with the Nedcor Foundation, Nedcor Bank's CSI program, and possibilities also exist for a future collaboration. During Year 4 of PAED, ATA will follow-up on these key contacts, most likely with TSI and DTI as the top two priorities. ATA has learned that in order to develop long-term and even short-term relationships with South African-based corporations, CSI-focused organizations and government programs, it is necessary to have a physical presence in South Africa. The result of these meetings led to the decision for ATA to set up some type of entity that would give us the legal framework to receive South African funds that not only can match needs but also support our long-term goals.

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 Y3, ATA has raised \$471,708 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.

It was challenging for ATA to meet the agreed cost share due to the state of the economy and high turn staff turnover in the Program Development Department. As mentioned above to meet this challenge, ATA put renewed energies in its regional fund raising efforts. ATA's local staff played a crucial role in cultivating donors and raising funds. Funders like Kellogg and Ford Foundation who in the past funded only the Mozambique program this year expanded their funding to include South Africa.

ATA will continue the regional effort to raise matching funds in the coming years. ATA's partnerships with local entities such as CREATE will also leverage funds for the program. ATA's partnership with CCDI is a good example of that. CCDI, Cape Craft & Design Institute that is based in the Cape Town, South Africa is registered under section 21 and establishing a partnership with them will facilitate access to local/regional funds that are restricted to local recipients. In addition to that, to have a more direct access to the government funds in South Africa, ATA is in the process of setting up a Trust in South Africa. ATA is hoping to have the South Africa Trust up and running by the end of the year.

In ATA's overall effort to expand ATA's network and partnerships and to raise funds, ATA is establishing an ATA International Foundation. The funding needed to launch this Foundation has been found. There is already strong interest in this Foundation both from European designers and new donors. The ATA International Foundation will provide ATA the access to funders that won't/can't give funds to a US entity.

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 Y3 of PAED, institution building continued at both the country 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. 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 in high demand in the craft sector.

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. All of these activities contribute towards building organizational capacities of ATA.

3. Estimate of Sustainability

ATA is working toward sustainability from three different approaches; building design capacity of the artisans and designers-in-training¹¹ 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 be 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, to ensure the sustainability of the current services and their impact, ATA has been working on training exporters through its EXPORT program. Last year two trainees joined the EXPORT program and worked as interns at the local ATA office. In Oct 2003, an on the ground training program was conducted for the exporters in Mozambique by a US based importer. See the Mozambique Country section for more details. Following which the two trainee exporters started to manage small orders independently on their own, but under the guidance of ATA local Marketing staff. This is providing them with the practical experience and getting them ready for future orders.

In South Africa, ATA has worked towards capacity building of its local partner the BAT Shop, ATA believes that if a local organization such as 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 the BAT Shop can continue to provide the required services without ATA after the PAED program ends and help these micro-producers grow.

Though initially ATA had envisioned transferring the organization and implementation of the AMRP to the BAT Shop by Y4 of the program, ATA has had to rethink this strategy given the size

¹¹ Please see the Mozambique country section on the implementation of the design competition strategy.

of the BAT staff and its growth rate. ATA is in the process of doing exploratory work in South Africa. It intends to network with local South African organizations who could facilitate ATA in establishing AMRP and other training initiatives in South Africa.

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 will reach a larger number women producers due to the addition of a new province to develop the basket industry. In South Africa, over 90% of the producers are women. See Country section for more details. In Tanzania, ATA added a weaver group that consists mostly of women to participate in the project.

5. 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. ATA business development and market readiness training programs have assisted artisans to earn the confidence necessary to play a leadership role within their own businesses, in relation to their workers, but also amongst their artisan peers. 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 Tanzania, Flotea Massawe has demonstrated exceptional leadership skills and qualities in developing her business. Recognizing her efforts and enthusiasm, ATA has helped her with a number of activities outside the program that would help her grow faster. During the mid term evaluation, Flotea shared her vision with ATA.

"I have a dream, a vision of making Marvelous a center where I am like an ATA consultant training other Tanzanians. I can express myself. I know what I can do. I know the value and quality of my work. I can help others learn."
– Flotea Massawe, with some of her employees in the picture below.



7. Innovation and technology transfer

Innovation is the key element of the ATA's design workshops. Especially in places like South Africa where the producers are constantly battling against copied designs that are sold at lower prices. The designers encourage the producers to keep the process of innovation alive to produce unique products and to compete in the market successfully.

To ensure alternate source of inspiration and design direction to producers, ATA is trying to link producers to local talent available in their country. In Mozambique, for example, 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 will help producers to remain innovative in their approach. ATA is looking at training the South African designers in a more formal way to create a pool of local designers that the African producers can draw upon both for innovation in design and training in technology usage.

Where appropriate, ATA is helping enterprises and producers to use technology to the extent possible. 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.

8. 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.

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

The International Finance Corporation (IFC), 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. The last leg of the IFC funding came to an end in Sep 2004.

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

- Attachment 1 Summary of Training Events
- Attachment 2 Key Buyer Interview Form
- Attachment 3 Pre/Post MRP test
- Attachment 4 Exporter Internship Program
- Attachment 5 Sample Artisan Bulletin, "As Mãos Falem"
- Attachment 6 Mozambique Product Sheets
- Attachment 7 Tanzania Product Sheets
- Attachment 8 Africa MRP Schedule, Summary of Topics & Presenter Profiles (Mar/Aug 2004)
- Attachment 9 South Africa Product Sheets
- Attachment 10 SARCD A Silver Booth Award
- Attachment 11 Sample Africa MRP Certificate
- Attachment 12 Media Coverage
- Attachment 13 Budget Summary
- Attachment 14 Country Data Sheets
- Attachment 15 ATA Financial Profile
- Attachment 16 Sample Mozambique Artisan MOU
- Attachment 17 BAT Shop MOU
- Attachment 18 CCDI MOU (in progress)
- Attachment 19 ATA Trade Show Calendar
- Attachment 20 IT Upgrades
- Attachment 21 Project Matrix

Other Attachments:

- SARCD A Brochure
- ATA Annual Report 2003
- ATA Brochure
- ATA MRP postcard

Aid to Artisans Summary of Training events, 2004

January - Costing and Pricing (Traidcraft Exchange)

Attendance: (23)

Countries represented: Tanzania

January - New York Market Readiness Program

Attendance: 27 (16 female, 11 male)

Countries represented: Colombia, El Salvador, Guatemala, Macedonia, Mexico, Peru, Nepal, Tanzania, South Africa

March - Johannesburg African Market Readiness Program for micro producers

Attendance: 15 (10 women, 5 men)

Countries represented: Mozambique, Tanzania, South Africa

May - New York, Sources Orientation

Attendance: 8 (6 female, 2 male)

Countries represented: Colombia, El Salvador, Macedonia

June - Washington, D.C. Women for Women Field Directors

Attendance: 8 (7 female, 1 male)

Countries Represented: Kosovo, DRC, Afghanistan, Nigeria, Rwanda, Bosnia, US

August - New York Market Readiness Program

Attendance: 29 (23 women, 6 men)

Countries represented: Bolivia, Colombia, el Salvador, Macedonia, Peru, Thailand, USA

August - Johannesburg Africa Market Readiness Program (micro producers)

Attendance: 20 (9 women, 11 men)

Countries represented: Mozambique, Tanzania, South Africa

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 – Pre/Post Training Assessment for PAED

Participant Name: _____ Business/Group name: _____

Training and dates attended _____ How long in business? _____

Assessment: (Please circle one)

- a. Pre-assessment
- b. Post training assessment
- c. 6 month assessment

Part I –Traditions and Trends in designs and colors reflect consumer tastes and buying patterns. Read the statements below and determine if they are true or false.

1. A trend may be short-lived. True False
2. A trend often has a very big initial impact True False
3. Traditional, ethnic designs will provide consistent, long-term sales. True False
4. Making products based on current trends is a good way to attract a buyer's attention. True False
5. Themes from nature, such as leaves, flowers, and butterflies are not common in the US market. True False
6. Give one example of where you can research trends. _____

Part II - Product Development

7. Why is new product development important to your business?
 - a. New products can help to increase your profits
 - b. New products help you to respond to market demands
 - c. New products require minimal investment
 - d. All of the above
 - e. a and b
8. What are the characteristics of a well-developed product line?
 - a. Products are varied and unrelated, showing how many different things you can make
 - b. Products are available in different sizes and price points
 - c. Products have a unifying theme
 - d. All of the above
 - e. b and c

9. What must you consider to determine a price for your product?
- cost of raw materials and labor
 - the price your buyer is willing to pay
 - overhead expenses
 - profit
 - all of the above
10. Where can you get ideas for new products?
- copy the designs of your competitors
 - go to trade shows for inspiration
 - ask your customers for new ideas
 - all of the above
 - a and b
 - b and c
11. To assure quality control for production you should have
- Just one finished sample to give to the customer
 - One finished sample for the artisan producers and one for the customer
 - One finished sample for the customer, one for the artisan producers and one for yourself.
 - A photograph of the sample

Part III - Product Categories give structure to the market, reflect consumer lifestyles and also influence buying patterns. Match the products listed on the left with the list of product categories on the right. Categories may be used more than once.

Products

- ___ Christmas tree ornaments
- ___ Place mats and napkins
- ___ Serving bowls and baskets
- ___ Wreaths
- ___ Scarves
- ___ Guest towels and soaps
- ___ Plant containers
- ___ Lawn ornaments

Category

- Tabletop
- Home textiles
- Floral and garden
- Bath
- Seasonal
- Personal accessories

- 20. ___ Eyeglass case
- 21. ___ Cushion or pillow covers

Part IV - Product Promotion

Marketing and promotional materials should present which of the following:

- | | | |
|---|------|-------|
| 22. As many products as possible | True | False |
| 23. Photographs or drawings of the products | True | False |
| 24. Product codes | True | False |
| 25. Prices | True | False |
| 26. Product description | True | False |
| 27. Product dimensions | True | False |
| 28. Contact information | True | False |
| 29. A distinct company identity | True | False |
| 30. Delivery terms | True | False |
| 31. Products with at least 4 hang tags | True | False |

V. Trade shows and international markets

- 32. International markets buy everything; as long as you go to a show you can find a buyer. True False
- 33. In Europe and the US, people pay a lot of attention to prices. True False
- 34. My competitors are from all around the world, not just in my country True False

List 3 different things you can learn from visiting a trade show

- 35. _____
- 36. _____
- 37. _____

If you are an exhibitor, what is your **main goal** in booth design?

- 39. _____

List 5 important elements for a booth display

- 40. _____
- 41. _____
- 42. _____

43. _____
 44. _____

VI. Buyer/Seller Relationships True or False

45. You should not give your customer any bad news because it will only make him unhappy. True False
46. You should respond to communication from your buyer within 2 days True False.
47. If you cannot deliver your product on the date you promised, you should just send it when you can because your buyer is understanding. True False
48. It is easier to get a new customer than keep an old one. True False
49. When your customer places an order, he/she will expect you to improve the product from the sample you exhibited. True False.
50. Buyers don't like to be bothered with questions. True False

VII – The Export Distribution Channel

Identify who is responsible for each of the tasks listed. You may use some roles more than once or not at all.

Retailer Artisan/producer Importer/Wholesaler End Customer Exporter

Responsibility

Who is responsible?

51. Is responsible for quality control _____
52. Sells the product in a store _____
53. Promotes the product to international buyers _____
54. Promotes and markets the products at trade shows _____
55. Packs and labels orders for export shipping, and prepares export documentation _____
56. Packages the product for distribution to the retailers _____
57. Pays for international shipping costs and insurance _____
58. Purchases the product at wholesale trade shows _____
59. Orders product from artisans _____

Part VII - Understanding Export Pricing Terms

Match each of the pricing terms below with the correct description. You may use a term more than once or not at all.

- | | RETAIL | F.O.B. | LANDED | WHOLESALE | C.I.F | EX-FACTORY |
|-----|---------------|---------------|---------------|------------------|--------------|---|
| 60. | | | | | | The price of the product as it leaves the workshop or factory _____ |
| 61. | | | | | | The price of the product as it leaves the country of origin _____ |
| 62. | | | | | | The price at which the product is sold to the retail store _____ |
| 63. | | | | | | The price at which a store will sell the product to the end customer who will use it in their home. _____ |
| 64. | | | | | | A general rule to determine RETAIL PRICING is to determine the F.O.B. price and multiply it by _____. |

Aid to Artisans - Post-Training Assessment Scoring Sheet

Project name: _____

Business/Group name: _____

Training and dates attended _____

How long in business? _____

- | | | |
|------|-------------------------|-----------------|
| I | Traditions and Trends | _____ out of 6 |
| II | Product Development | _____ out of 5 |
| III | Product Categories | _____ out of 10 |
| IV | Product Promotion | _____ out of 10 |
| V | Trade Shows & Intl Mkts | _____ out of 12 |
| VI | Buyer Relationships | _____ out of 6 |
| VII | Export Distribution | _____ out of 9 |
| VIII | Export Pricing | _____ out of 5 |

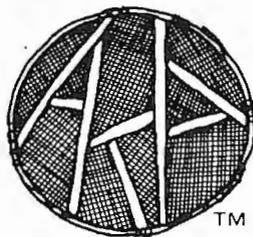
SCORE _____ out of 63

- | | |
|----------|---------------------------|
| 46 – 50 | excellent (90% retention) |
| 41 - 45 | very good (80% retention) |
| 35 - 40 | average (70% retention) |
| Below 35 | needs review |

Part VII - Export Readiness

(circle one)

65. Do you sell products outside of your own country? Yes No
If so, where?
66. Do you have customers in the US? Yes No
If yes, please list
67. Does someone in your business speak English well? Yes No
68. Does your company have a bank account? Yes No
69. Do you have an export license? Yes No
70. Can you make products that are consistently alike? Yes No
71. Can you guarantee that quality will be maintained if you increase production? Yes No
72. Do you have producers training in international sales / exporting? Yes No
73. Can your company survive for two years without making a large profit or by just breaking even? Yes No
74. Are you able to change your product to meet the demands of the US market? Yes No



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.

As Mãos Falam

Um boletim informativo para o artesão

Maputo, segunda-feira, 03 de Maio de 2004, Nº. 010

Aid to Artisans * Avenida Base N'tchinga, nº. 725 - R/C * Telefone nº. (258-1) 4171 79
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O segundo ano do
programa PAED
em Moçambique

Pág.1

Legalização das
empresas de artesanato-
A próxima grande
prioridade do Projecto
PAED

Pág.2 e 3

Feira Local de
Dezembro de 2003

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Retrato de um artesão:
Pág.4

O segundo ano do programa PAED em Moçambique

1. Actividades realizadas

a) Formação em Gestão de negócios

A formação constitui um vector importante para o sucesso do programa PAED [Programa Pan Africano para o Desenvolvimento das Empresas de Artesanato], e como tal a Aid to Artisans emprega o maior número de recursos na realização de actividades com esta relacionadas. Durante o ano 2 do programa PAED cujo o início foi em Outubro de 2002 e durante a parte inicial do ano 3, a ATA organizou dois ciclos regionais de formação [workshops] que tiveram lugar nas cidades de Maputo, Beira e Nampula.

Nestes workshops participaram artesãos de todas as províncias de Moçambique, com excepção de Gaza. Estes workshops permitiram não só a aprendizagem de técnicas de gestão mas também, permitiram que artesãos de várias áreas [madeira, jóias, pedra sabão, têxteis e outras] pudessem trocar experiências relativas a produção e comercialização de produtos de artesanato.

Ainda no ano passado, a ATA foi contratada pela

UNESCO para organizar e conduzir um workshop para mulheres artesãs dos PALOPs [Países Africanos de Língua Oficial Portuguesa] sobre gestão de empresas de artesanato. Valeu bastante as participantes puderem trocar experiências entre elas, mas acima de tudo a aprendizagem que puderam colher com a experiência da ATA.

b) Marketing

A nível local, a ATA organizou de 6 a 8 de

Cont. na pag.2

Frase: "Primeiro aprenda a ser um artesão, isso não o impedirá de ser um génio".

Eugene Delacroix

EXPLOSÃO ARTÍSTICA EM MOÇAMBIQUE

Os materiais utilizados são naturais mas simultaneamente, há uma grande preocupação para salvar e proteger a natureza. A União Internacional pela Preservação da Natureza louvou as iniciativas dos artistas em Moçambique pela sua preocupação em proteger o meio-ambiente. A União tem estado a trabalhar nos distritos de Gorongosa e Matutuine desde o final dos anos 1990 em projectos que visavam aumentar a consciência da população local sobre as ameaças ao ambiente.

O "Festival de Artes em Comunidade" no dia 25 de Abril de 2003 no Centro Franco-Moçambicano em Maputo foi um bom exemplo dos resultados desta iniciativa. Os obras apresentadas, de alta qualidade, foram variadas, nas vertentes de cestaria e madeira.

Este ressurgimento cultural é um bom indicador da saúde da sociedade moçambicana moderna, que aprende a criar com qualidade, respeitando o muito que o seu país lhes oferece, criando valor económico (produção nacional) e financeiro (aumento da riqueza pessoal).



Criação de Micro-Empresas

Objectivos da Apresentação

Objectivo Geral

No fim desta apresentação os participantes deverão compreender o conceito de empresa e os passos necessários para a sua constituição e licenciamento.

Objectivos Operacionalizados

Entender o conceito de uma empresa, como um sistema organizacional destinado a produzir resultados.

Identificar as formas jurídicas de constituição de empresas, aplicáveis para uma micro-empresa.

Identificar os passos necessários para a constituição e licenciamento das empresas.

Discutir as vantagens de ter uma empresa legalizada.

O Desafio de Criação de Micro-Empresas

* Poucas actividades existem na vida que são tão estimulantes como as de criação da sua própria empresa. São poucas as actividades que permitem desenvolver tão profundamente a sua autonomia própria, a criatividade latente em todo o ser humano, o exercício da sua própria responsabilidade e a sua capacidade de decisão.

Formas Jurídicas de Empresas

- Sociedade Anónima
- Sociedade por Quotas
- Cooperativa
- Empresário em nome individual

Sociedade Anónima

- Características:
- Mínimo 10 accionistas (sócios)
- Responsabilidade Limitada ao nº de acções
- Designação inclui: Indicação «SARL»
- Escritura Pública
- Forma Jurídica de Grandes Empresas

Sociedade Por Quotas

- Características:
- Responsabilidade solidária dos sócios
- Capital social mínimo: 1,500,000.00Mt
- Nº de sócios: Mínimo 2 sócios
- Designação inclui: «Lda»
- Gerência: 1 ou mais Gerentes

Sociedade Cooperativa

- Característica:
- Mínimo 10 sócios
- Associações sempre abertas á entrada de novos sócios
- Carácter mutualista, sem fins lucrativos

Responsabilidade limitada ao capital subscrito
Escritura pública

Empresário em nome individual

- Característica:
- Único indivíduo ou pessoa singular
- Designação seguida do nome do empresário « ABC... de Lucas Abel»
- Não precisa capital social e escritura pública
- Responsabilidade abrange o património do proprietário

Depois desta discussão, o que acha, está preparado para criar a sua empresa?

- * Retrato – Robot do empresário ideal
- Possuir capacidade de concretização
- Possuir ideias claras
- Possuir capacidade de auto-selecção

Possuir capacidade de concretização

- Orientar-se para a acção
- Concretizadores - capazes de fazer

Quadro Resumo dos Actos Necessários á Constituição de Empresa (Sociedades, Assoc. , Coop.)

Actos	Entidade	Prazo	Custos
Certidão Negativa	Conservatória do Registo Comercial (CRC)	3 Dias	78 000,00mt
Depósito Capital Social	Qualquer Banco	Imediato	Nada
Escritura Pública	Cartório Notarial	Máximo 5 Dias	Variável. Depende do Capital Social
Registo na CRC	CRC	Depende da CRC Aprox. 5 Dias	Variável. Depende do Capital Social
Publicação dos Estatutos	Imprensa Nacional	Variável	Variável. Depende do Tamanho de Estatutos
Declaração de Início de Actividade	Repartição de Finanças	Imediato. Espera 15 Dias pelo Cartão NUIT	Nada
Inscrição dos Trabalhadores no INSS	INSS	Imediato	Nada
Relação Nominal M. Trabalho	Direcção do Trabalho Local	Imediato	Custo de Impressos

Quadro Resumo - Criação de Empresas em Nome Individual

Actos	Entidade	Prazo	Custos
Certidão Negativa	Conservatória do Registo Comercial (CRC)	Máx. 3 Dias	78 000,00mt
Declaração de Início de Actividade	Repartição de Finanças Local	Imediato. Espera 15 Dias pelo Cartão de NUIT	Nada
Matrícula nos Livros de Registo da CRC	CRC	Imediato	1 090 000,00mt
Certidão de Matrícula na CRC	CRC	Máx. 15 Dias	Nada
Abertura da Conta Bancária	Qualquer Banco	Imediato	Nada

Quadro Resumo dos Actos de Licenciamento

- * Documentos Necessários
- * Requerimento ao Presidente do Município ou Direcção de Comércio.

Capacidade de pôr uma ideia em prática

Possuir Ideias claras

- Focalização em objectivos concretos
- Visão e missão
- Ideia clara quanto aos objectivos a atingir.

Capacidade de auto-selecção

- Tomar decisões
- Definir prioridades
- Capacidade de levar adiante as suas iniciativas pessoais
- Assumir Riscos

Afinal o que é uma empresa?

- * É uma organização composta
- Máquinas
- Dinheiro
- Materiais
- * Destinada á produção de bens para a venda

Conceito de Empresa

$$1 + 1 = 2$$

$$(1 + 1) = 3$$

- Certidão Negativa
- Certidão do Registo Com.
- Contrato de arrendamento
- Planta das instalações e Memória Descritiva
- Fotocópia do BI

Cont. na pag.4

Mozambique

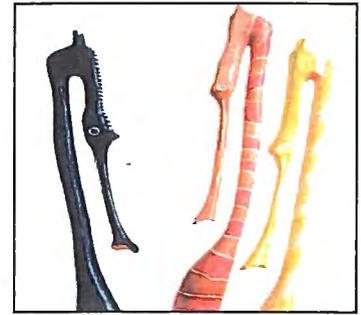
spring 2004

aid artisans
From Maker to Market



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mozambique
fall 2004



50744



50726



50725



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50721



50640



50614



50612



50613



n/a



50699



50698



50697



50696



n/a



50717



50715



50716



50714 Small
50713 Medium
50712 Large
50711 Tall



50720 Small
50719 Medium
50718 Large

mozambique

fall 2004



50604



50722



50723



50724



50707
Set of two



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50618



50675



50617 Small
50673 Large



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50605



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50751



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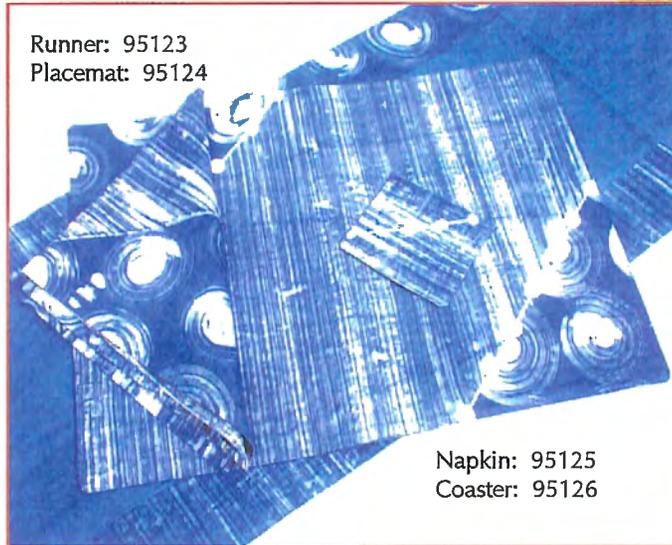
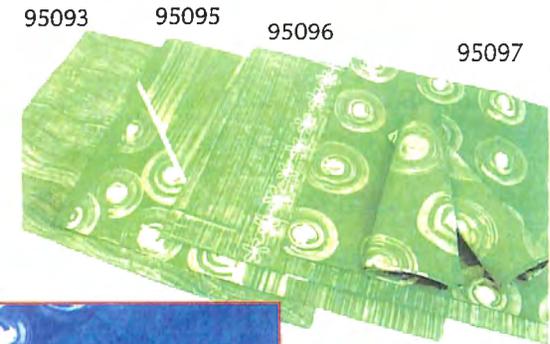


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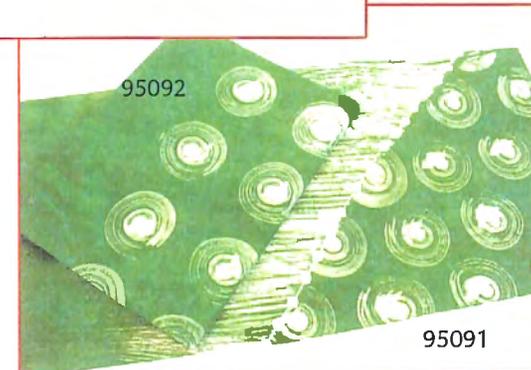


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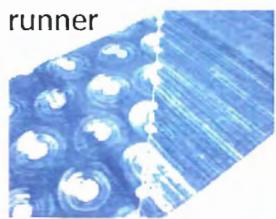
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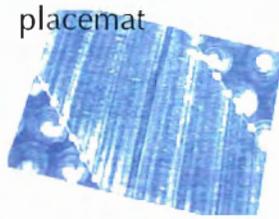
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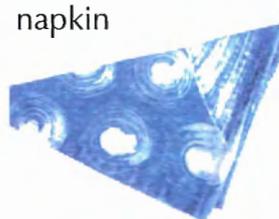
tanzania
fall 2004



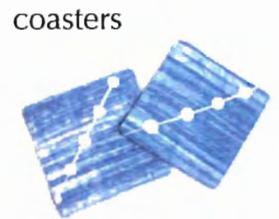
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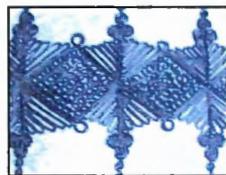
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placemat



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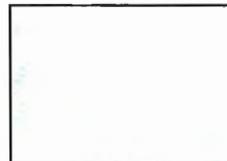
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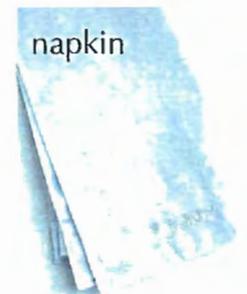


95137



placemat

95135



95136

**aid to artisans'
AFRICA MARKET READINESS PROGRAM
[MRP]**

*at the March 2004
SARCD A GIFT, TOY & DÉCOR TRADE EXHIBITION*

FRIDAY March 12		SATURDAY March 13		SUNDAY March 14		MONDAY March 15	
8:00	Leave Hotel	8:30	Leave Hotel	8:00	Leave Hotel	8:15	Leave Hotel
8:45	WELCOME * ATA Presentation * Icebreaker, Review of Objectives and Overview of Program & Expectations Lorraine Johnson [LJ]	9:00	SHOP TOURS Includes the Bus Factory, Bright House, Art Africa, Kim Sacks Gallery, Loads of Living, Life, and others [as time permits] LJ/FP	8:30	TRADE SHOW What to look for in a trade show Review of show rules and etiquette LJ/FP	9:00	TOUR OF PRODUCTION BUSINESS Fragments: Hof Glass & Jet Machining Center Matthew Hayden
10:00	- BREAK -	1:00	LUNCH	9:00	TOUR OF SARCD A Depart for exhibition [LJ/FP]	11:30	- BREAK -
10:15	TRENDS A visual overview of the current trends in color, design, and themes in the global and South African market Overview of the South Africa Market Trainer - Richard Sparks - Bright House co owner and designer	2:00	FEEDBACK on store tours	11:00	- BREAK -	11:45	PRODUCT REVIEW CONTINUES Dawn van Derwalt, Verna Jooste
12:30	LUNCH	2:15	COSTING & PRICING as part of the product development process Lorraine Johnson	11:15	EXPORTING Understanding the Process, Expectations and Variables of Exporting Zoe Dean-Smith, Gone Rural	1:00	LUNCH
1:30	PRODUCT DEVELOPMENT The importance of new product development, characteristics of a product line, sources for inspiration, the product development cycle for exhibition, and sales Richard Sparks [Trainer]	4:15	Review of Catalogs and Magazines	12:30	LUNCH	2:00	INDIVIDUAL TIME Walk SARCD A exhibition or time to look through magazines, continued product reviews if necessary
2:30	PRODUCT REVIEW a review in group of the participants' product samples based on: uniqueness, product line development, consistency and quality, price, and value added Richard Sparks, Dawn van Derwalt, Verna Jooste	5:00	Mini-Bus Leaves for Hotel	1:30	BUILDING BUYER RELATIONSHIPS Understanding buyer expectations and developing strategic alliances Nkhensani Monganye, Designer & Owner of Stoned Cherrie	3:00	WRAP-UP Includes Action Plans
5:00	EVENING GATHERING at Frances Potter's home			2:45	- BREAK -	3:30	Post Test
				3:00	PROMOTING YOUR PRODUCT Identifying and Approaching Buyers INCLUDES a practical application of developing handtags as a promotional material Phil Reiss, Gone Rural	4:15	Evaluation of ATA MRP training
				5:00	Mini-Bus Leaves for Hotel	4:45	Closing and Distribution of Certificates
						5:15	Mini-Bus Leaves for Hotel

aid to artisans'
AFRICA MARKET READINESS PROGRAM
[MRP]

at the August 2004
SARCD A GIFT, TOY & DÉCOR TRADE EXHIBITION

FRIDAY August 20	SATURDAY August 21	SUNDAY August 22	MONDAY August 23
8:00 Leave Hotel	8:30 Leave Hotel	8:00 Leave Hotel	8:15 Leave Hotel
8:45 WELCOME * ATA Presentation * Icebreaker, Review of Objectives and Overview of Program & Expectations Lorraine Johnson [LJ]	9:00 SHOP TOURS Includes the Bus Factory, Bright House, Art Africa, Kim Sacks Gallery, Loads of Living, Life, and others [as time permits] LJ/Gwyneth Daniel	8:30 TRADE SHOW What to look for in a trade show Review of show rules and etiquette LJ/Gwyneth Daniel	9:00 TOUR OF PRODUCTION BUSINESS Fragments: Hot Glass & Jet Machining Center Matthew Hayden
10:00 - BREAK -	1:00 LUNCH	9:00 TOUR OF SARCD A Depart for exhibition LJ/Gwyneth Daniel /Dawn van Derwall	11:30 - BREAK -
10:15 TRENDS A visual overview of the current trends in color, design, and themes in the global and South African market Trainer - Leslie Milleberg, Owner/Importer Swahili Imports Overview of the South Africa Market Trainer - Cathy Cleary or Marisa Fick Jordaan	2:00 FEEDBACK on store tours	11:00 - BREAK -	11:45 PRODUCT REVIEW CONTINUES Dawn van Derwall, Richard Sparks
12:30 LUNCH	2:15 COSTING & PRICING as part of the product development process Lorraine Johnson	11:15 EXPORTING Understanding the Process, Expectations and Variables of Exporting Trainer: ?	1:00 LUNCH
1:30 PRODUCT DEVELOPMENT The importance of new product development, characteristics of a product line, sources for inspiration, the product development cycle for exhibition, and sales Richard Sparks [Trainer]	4:15 Review of Catalogs and Magazines	12:30 LUNCH	2:00 INDIVIDUAL TIME Walk SARCD A exhibition, take time to look through magazines, or continued product reviews if necessary
2:30 PRODUCT REVIEW a review in group of the participants' product samples based on: uniqueness, product line development, consistency and quality, price, and value added Richard Sparks, Dawn van Derwall	5:00 Mini-Bus Leaves for Hotel	1:30 BUILDING BUYER RELATIONSHIPS Understanding buyer expectations and developing strategic alliances Trainer: ?	3:00 WRAP-UP Includes Action Plans
5:00 EVENING GATHERING at Frances Potter's home		2:45 - BREAK -	3:30 Post Test
		3:00 PROMOTING YOUR PRODUCT Identifying and Approaching Buyers INCLUDES a practical application of developing hangtags as a promotional material Phil Reiss, Gone Rural	4:15 Evaluation of ATA MRP training
		5:00 Mini-Bus Leaves for Hotel	4:45 Closing and Distribution of Certificates
			5:15 Mini-Bus Leaves for Hotel

aid to artisans'
Africa Market Readiness Program
[MRP]

at the August 2004
SARCD A Gift, Toy, and Décor Trade Exhibition

Summary of key topics to be presented & their objectives

- ▶ **Trends:** a visual overview of current trends in color, design, and themes in the global and South African market with an overview of the South African market. Includes a review of the latest magazines and catalogs.

OBJECTIVES

- provide participants with an understanding of global trends and buying preferences, specifically as they relate to the US gift and decorative accessory market
- provide participants with an understanding of trends and buying preferences, specifically as they relate to the South African gift and decorative accessory market, including, for example, interior design trends for tourist lodges
- provide participants with resources for conducting their own market research

- ▶ **Product Development:** The importance of new product development, characteristics of a product line, sources for inspiration, the product development cycle for exhibition, and sales.

OBJECTIVES

- consider why and how product development is essential to a craft business
- identify the components of a successful product line
- review the product development process
- plan a timeline for product introduction

- ▶ **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.

OBJECTIVES

- provide and encourage ideas for new product development for the local/tourist and export markets, based on market demands
- facilitate self-assessment of at least one of each trainee's products or product ranges, and his/her organizational "market readiness" for export, applying direct learnings from ATA's trend and product development seminars
- build producer confidence and assist producers in identifying new ways to gain business through product development

► **Shop Tours:** Guided tours of retail stores and selected craft businesses.

OBJECTIVES

- provide participants with a hands-on introduction to the South African market for handmade gifts and decorative accessories for the home, office and garden
- provide participants the opportunity to apply and test learnings by identifying trends and product development strategies and market information through observations during shop tours

► **Costing & Pricing:** Determining direct and indirect product costs and a final competitive price for your product.

OBJECTIVES

- to learn and understand how to calculate costs involved in the product development process
- to learn and understand how to determine your product price, as part of the product development process
- to conduct a hands-on group analysis of costing and pricing a specific product produced by one of the trainees

► **Direct Exposure to the SARCD A Gift Fair:** "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. Including a review of show rules and etiquette.

OBJECTIVES

- provide participants with an introduction to the South African market for handmade gifts and decorative accessories through direct exposure to the SARCD A gift fair
- identify current South African trends and buyer demands for product uniqueness, quality, color and price
- identify various ways products are promoted, from booth display techniques to promotional materials
- provide information on how to prepare for participation in trade shows

► **Exporting:** "Understanding the Process, Expectations and Variables of Exporting," A discussion of the preliminary requirements for an organization considering export, the roles and responsibilities in the export distribution channel, and their application to the artisan/ producer group

OBJECTIVES

- facilitate a self-assessment of a producer's products and internal organization as a means to determining their "market readiness"
- evaluate one's expectations and common misconceptions of the marketplace
- understand how the market is organized and the typical product categories in the gift market
- Learn the 10 golden rules of exporting

- ▶ **Building Buyer Relationships:** Understanding buyer expectations and developing strategic alliances.

OBJECTIVES

- learn and understand the characteristics of a good producer/supplier
- learn and understand the *rules* of establishing a mutually beneficial relationship between a producer/exporter and an importer

- ▶ **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. Includes a practical application of developing hangtags as a promotional material.

OBJECTIVES

- determine who is your client and target market
- learn how to present your product and where to promote your product
- identify the roles and responsibilities in the export distribution channel

- ▶ **Tour of production business:** Fragments - Hot Glass & Jet Machining Center. An overview of packing, production and quality control.

OBJECTIVE

- visit a successful craft business to learn how strategic design, quality control, production, packaging and packing brings success

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

OBJECTIVES

- provide an opportunity for participants to identify major learnings as a result of ATA's MRP training and what changes, if any, they plan to make upon return to their businesses
- provide an opportunity for oral critique of training sessions and clarification on any outstanding issues and/or questions

Presenter Profiles

1. Lorraine Johnson

Lorraine Johnson holds a BA in Education and a Masters in International Development. She has worked for Aid to Artisans for over seven years, first as ATA's Project Officer for Africa and the United States and then later as ATA's Regional Field Director based in Mozambique. Her work included strategic planning, fundraising, craft business training, product development, production and marketing oversight and program, financial and human resource management. Lorraine has worked in Africa for over 10 years, including serving as a US Peace Corps Volunteer in Liberia. She is the author of *Who We Are: Voices from Mozambique* and *We Are People: Voice from Mozambique*. She currently works as ATA's Regional Representative for Africa, providing strategic direction, project design, and fundraising for ATA's programs on the continent, as well as facilitates ATA's Africa Market Readiness Program [AMRP] training in South Africa.

2. Marisa Fick-Jordaan

Founder and director of the BAT Shop in Durban, Marisa Fick-Jordaan has been involved in all the aspects of craft development and marketing since 1995. She has extensive experience in product design and development, marketing, fundraising, retailing and wholesaling, both locally and for export. Marisa has developed a number of craft projects in Kwa Zulu/Natal and serves on the panel of Elle Decoration to identify and give recognition to the best of South African design. Selected to attend Aid to Artisans' Craft Organisation Leader Exchange (COLE) program in 1999, she has since worked extensively with Aid to Artisans. Aid to Artisans and the BAT Shop have partnered in the Pan-African Artisan Enterprise Development (PAED) program of which this African Market Readiness Program forms a part. Marisa consults to CreateSA on its design learnership program. In 2003 Marisa worked in Zanzibar to assist an emerging basketry business with design and business input.

3. Richard Sparks

Richard trained as an industrial designer after graduating from the Johannesburg College of Art. He worked in England for eight years, where amongst other things, he was a senior designer at the Conran Design Group. Back in South Africa he designed most of the Cadac product range including gas appliances, cooler boxes, lamps etc. Richard says of his work that his most successful product designed to date has been an infant car safety seat of which several million have been manufactured. In addition to consultancy work he has been involved largely in designing and manufacturing ranges of products for the home accessory market from his factory/workshop in Johannesburg. As co owner of the up-market home ware store, *Bright House*, he has been involved in the manufacture of furniture, lighting, ceramics and accessories in wood. Richard has been involved in providing design input to a group of rural craft communities in Northern Maputoland, as well as basket makers in Inhambane, Mozambique. He is consults to CreateSA on its design learnership program and like Marisa serves on the Elle Decoration panel.

4. Lianne Burton

Lianne Burton is a marketing strategist and currently provides support to local design and décor oriented clients. She has ten years of experience in magazines and publishing, including launch editor of ELLE DECORATION magazine. She previously

was a Marketing Director of a major publishing house until three years ago when she launched her own marketing and communications consultancy company aimed at the design industry. She has worked with Loads of Living — a significant independent retailer in SA. Her current major client is Decorex SA, one of the larger trade show management firms in South Africa. Her expertise is working with medium-sized companies who target the South African market.

5. Dawn van der Walt

Dawn van der Walt is a designer and owner of *One Woman Walking*, a company she started back in 1995. *One Woman Walking* specializes in hand printed and hand dyed fabric with an upmarket ethnic appeal, using both commercial and natural dyes. Dawn, who has been involved in this industry for the last 22 years, studied graphic design at the Pretoria Art School and textile printing and colour separation through a commercial company, Ivo Prints, in London. Her portfolio includes product development and design work with two women's textile groups based in Mozambique, which she conducted as an Aid to Artisans' Design Consultant.

6. Gwyneth Daniel

Gwyn Daniel is a fashion graduate from Technikon Natal, Durban. She spent four years working before returning to enrol this year in a Bachelor of Education honours course at the University of Kwa Zulu/Natal. In the four years she worked - one was in retail in Johannesburg. In 2001 Gwyn joined the BAT Shop in Durban. During this time she was involved in all aspects of craft development and skills training – including working with CreateSA's designer learnership program. While she was at the BAT Shop she attended Aid to Artisans Market Readiness Program in New York.

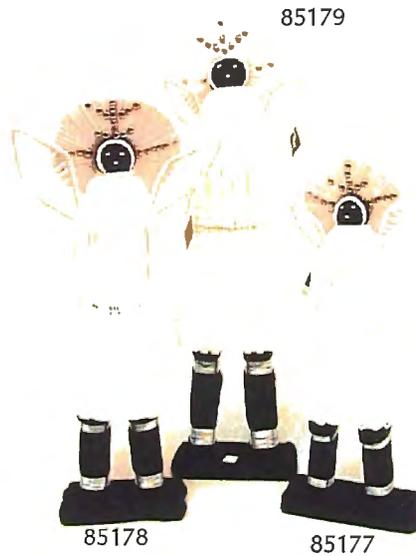
7. Leslie Mittelberg

Leslie Mittelberg is the founder and CEO of Swahili Imports Inc., an Oregon based wholesale company specializing in handmade African products with over \$1,000,000 in annual sales. She is directly responsible for working with African artisans in various countries in Africa and designing products for export. During her business she has developed sales strategies which use gift shows and websites. Leslie has also organized and negotiated sales to major retail stores, catalogues and small retail outlets throughout the USA.

8. Matthew Hayden

Matthew Hayden is the co-owner of Fragments Hot Glass, a design studio that produces a range of glass and chimes, Christmas ornaments and traditional African musical instruments for export. Fragments has created ethical employment for 15 to 45 unskilled women who left Kwa Zulu/Natal to search for work in Johannesburg. The women have received training in glass working and basic office skills. The level of skills achieved by the women has made them an essential ingredient in the success of the studio.

South Africa spring 2004



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South Africa spring 2004

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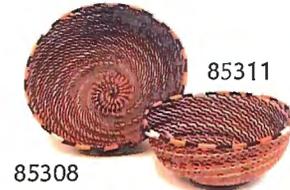


Imbengi Baskets
come assorted
designs. Codes
for sizes:
13"D: 85300
14"D: 85301
15"D: 85302



85306

85316



85308

85311

85320



85319



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85312



85304



85321



south africa

fall 2004



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85177 Small
85178 Medium
85179 Large



85181



85180

south africa

fall 2004



Imbengi baskets are available in 3 sizes: 13" 85300, 14" 85301, and 15" 85302.

Choose from the basic designs below expecting slight variations, as each one is handcrafted just for you.



1



2



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4



5



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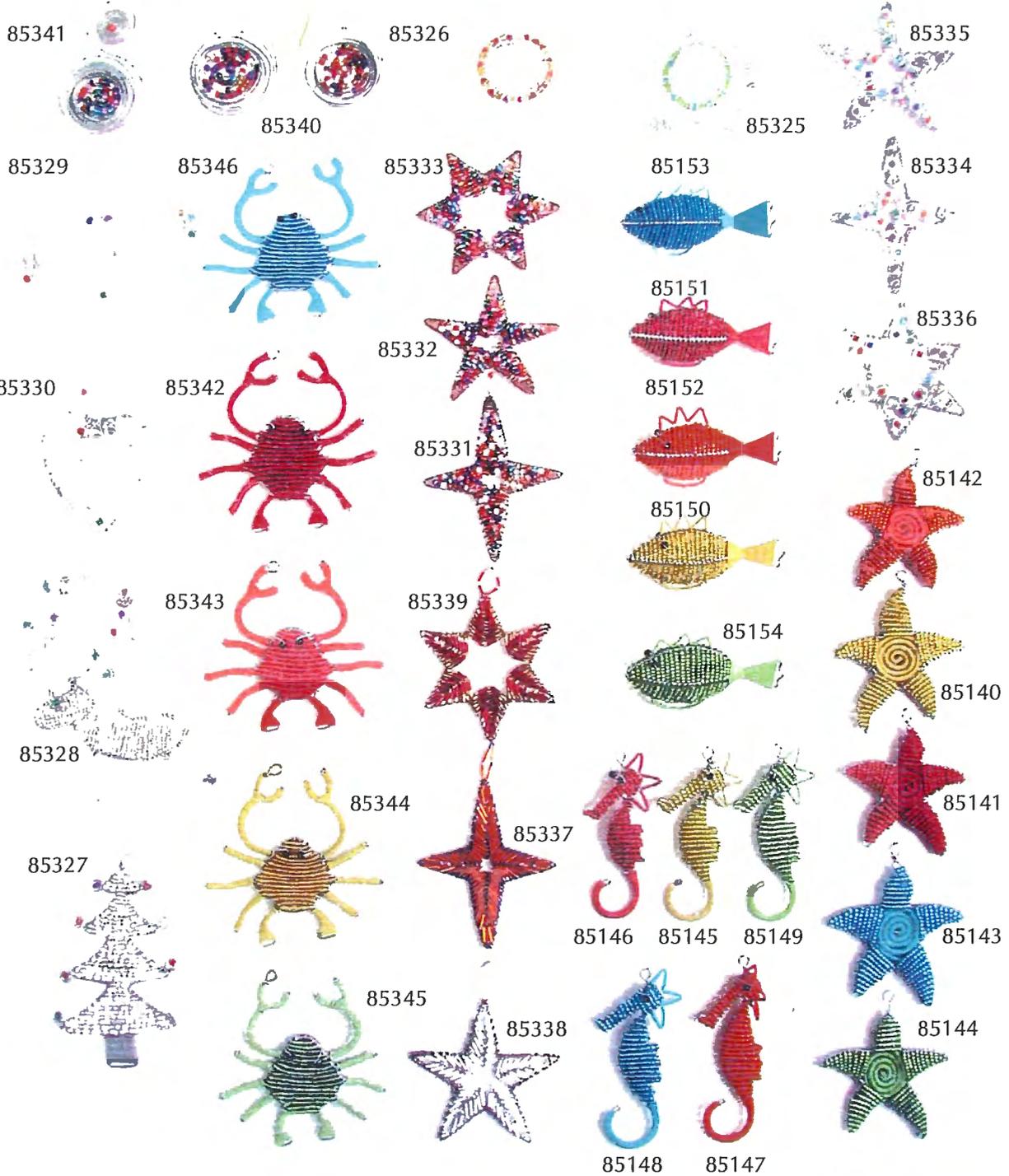
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11



Design Excellence

SARCDA CHRISTMAS 2004



CREATIVE ● STYLISH ● CONTEMPORARY ● QUALITY ● EXTRAORDINARY

This is to certify that

Aid to Artisans

has been awarded the

Silver Award

for stand excellence
at SARCDA Christmas 2004

A handwritten signature in black ink, appearing to read 'Rina Fortmann'.

Rina Fortmann
Trade Exhibition Manager





Market Readiness

Program Certificate

presented to:

at the

Sarcda Gift, Toy, and Décor Exhibition

March 12-15, 2004

Lorraine Johnson, Consultant

Jill Hobson Kassis, Executive Vice-President



aid^{to}
artisans
From Maker to Market

Market Readiness

Program Certificate
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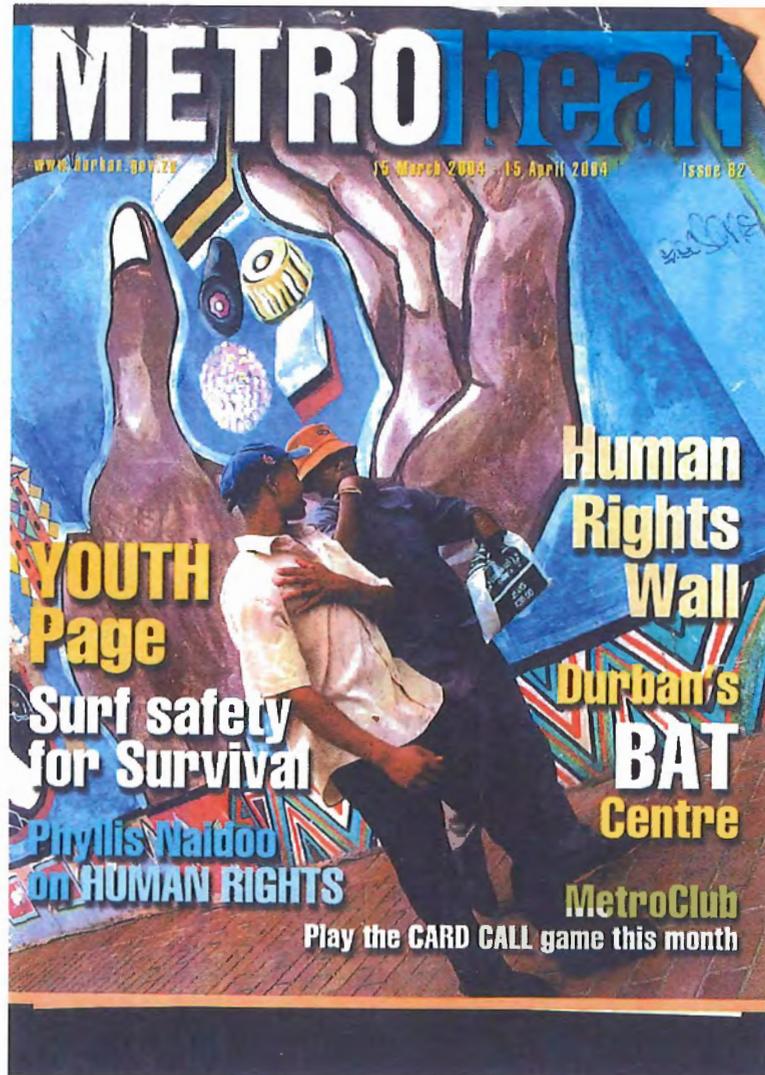
Sarcda Gift, Toy, and Décor Exhibition

August 20 - 23, 2004

Lorraine Johnson, Regional Representative, Africa

Jill Hobson Kassis, Executive Vice-President







by Finola Quarsingh
Photographs by Peter Bendheim

Just BATS About Creativity

Durban's BAT Centre leads the way for artistic and cultural transformation in the province

What started off as an idea at a little training centre in someone's basement has led to the development of Durban's premier arts and culture destination - the BAT Centre. The first complex in KwaZulu-Natal to accommodate both the visual and performing arts under one roof, this multi-purpose facility housed in a mural-bedecked, ex-navy building, is a creative haven. It offers both a support network for artists, and a venue where they can work and display the fruits of their creativity.

In 1993, local architect Paul Mkhula and an associate, Dick Breytenbach, organised a gathering of representative KZN artists. Mkhula had been entrusted with a legacy

from the late philanthropist and art-lover, Hago Batel, with which to establish a cultural centre in the city. The assembled artists were asked to identify the needs of the art community in the province, and the challenges it faced.

It emerged, after lengthy discussion, that there was a pressing need for a centre where artists could learn skills, interact with one another and market their products. A centre for art and culture would also draw tourists and allow for lively interaction between different artistic disciplines.

And so, in a cramped space, over cups of coffee and glasses of wine, the blueprint for the BAT Centre was drawn up.

Launched in 1995, the BA Centre is currently

home to a diverse assortment of artists from around the country and further afield. Whether they are resident artists or visitors, all agree that the vibrant ambience of the BAT enhances their creativity and showcases their work to a wide audience of art-lovers.

Located at the Small Craft Harbour off Durban's Victoria Embankment, the BAT is housed in a converted building formerly used as the land base for Navy boats. Renovated using recycled materials and lots of artistic chutzpah, the BAT is colorful, quirky and appealing - as 'alternative' as most of the artists who frequent it. The view from the outside deck over the harbour is one of the loveliest in Durban and,



combined with the trademark weekend music sessions, makes the BAT the destination of choice for its many supporters.

The BAT Centre has come a long way since it first opened its doors to the public nine years ago. Scores of local and international artists have performed on the BAT's stages, and it is a popular rehearsal venue for the performing arts. Annual training and exchange programmes have helped participants develop their skills and a series of outreach programmes contribute to community upliftment.

The visual arts programme at BAT is a success story all on its own. It has drawn increasing acclaim for the quality of the products produced at the centre.

The BAT Centre boasts a number of retail outlets, a bar, the popular TransAfrica Express restaurant and a large concert hall, as well as exhibition galleries, music practice rooms, art studios, a dance studio, resource centre and conference venue.

Holiday programmes for children have become a popular drawcard, and help participants to develop an appreciation of both their own and others' cultures. The Artists in Action Residency Programme provides opportunities for emerging artists and musicians to gain invaluable business skills and create work for themselves in a very competitive industry.

According to Nise Malange, Director of the BAT Centre, the centre has come

perilously close to closing down at times, due to financial constraints.

"We have survived those rough periods, though, and they have given us extra determination to survive. We are optimistic about what the future holds," Malange says.

So loosen your tie, slip off your shoes, order a colourful cocktail and chill out on the BAT Deck, to the sounds of great local music. Life couldn't be better, and there's nowhere else you'd rather be.

[Note: Contact the BAT Centre on (011) 332 4051 for a breakdown of art and music events for the rest of the year.]

HOUSE

BEST HOME AND GARDEN MAGAZINE IN SOUTH AFRICA SAPIO/PICA 2002 WINNER

NOVEMBER 2003 R21.95 (VOL. 147) Number M23.95 Other countries R21.00

AND LEISURE



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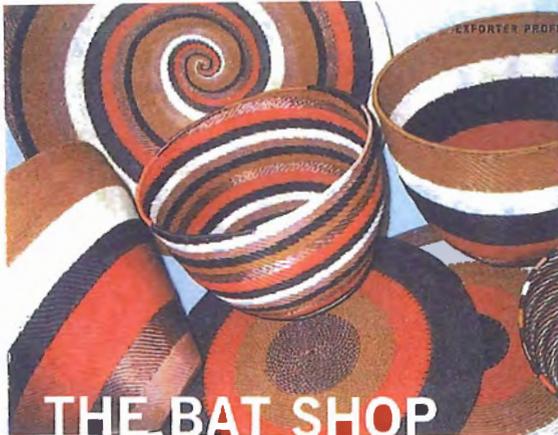
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EXPORTER PROFILE

BY GRAHAM LINSCOTT



THE BAT SHOP DESIGN INNOVATOR

The BAT shop is now a flourishing business exporting 5000 high-fashion decor items a month

Nine years ago Maria J. Jordan was a political social researcher at the University of Hull. Today she is a managing partner in a cottage industry which exports about 5000 unique multi-colored high-fashion household decorative items and sets abroad the same amount to the local market.

Her line - Zenzu Lin - has adapted traditional Zulu woven handicrafts to the 21st Century, substituting the traditional luy and mchane African patterns with state-of-the-art designs and using modern materials like glass and metal. The materials have also changed. Instead of the traditional grasses, Zenzu Lin's fabrics are made from high-tech copper telephone wire, the finest building paper, and a range of colors.

It began when Maria received a call from the British Arts Trust in Dublin which needed assistance in getting across the Atlantic. Her first priority was to make a range of hand-made items.

One thing led to another. The women were required to buy, sell, and display their goods and other ornaments on plastic models. According to Zenzu Lin, designs conceived by Maria and her business partner, Margaret Dorel, who also marketed the products, were developed. The women agreed to collect in a certain and new stocks of wire.

Business boomed. The BAT Shop - situated on the Dublin waterfront - benefited at trade shows and fairs about the nation, all

over the country. Eventually the Trust withdrew from the operation, leaving Maria and Margaret to handle the loans.

Today, several hundred women work from their homes, dining rooms, and parlors, all with middle-ranking social positions in the local sector. The BAT Shop has 10 full-time employees.

The BAT Shop has also taken on responsibility for training and finding markets for weavers in the Greater St. Louis, Missouri, area, in those markets. They use traditional centers but the products are also in the Zenzu Lin's style, aimed at high-end markets. A small amount of Zenzu Lin's products is also produced.

The BAT Shop has established an American NGO, Aid to African Arts (ATA) which operates in Mozambique and Lesotho. It has taken Maria to Zanzibar as a design consultant and has helped the BAT Shop international profile through exhibitions in New York and the opportunity for local staff to train there through ATA.

Zenzu Lin products are currently sold in the United States and the European Union, as well as locally. Her goods are taken globally with the shipment of 5000 items every month to America.

"Our operation consists of what we call the 'Water to the Market Model,'" says Maria. "That means everything, knowing the market, design, quality, shipping, pricing. You can't leave out a single step. There are no shortcuts." ■





WEAVE SOME MAGIC

With winter upon us, it's time to snuggle up for hours with a book or spend a rainy afternoon by the fire drinking pots of herb-infused tea with friends. To make yourself even more comfortable, add some tactile appeal to your space with the latest in touchy-feely designs for the home. From chic yet comfy woven chairs to feel-me fabrics, all-natural storage options and cushions that combine wood and woven elements are the perfect way to convey a sense of soft, sleek sophistication.

US EDITION FINANCIAL TIMES

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Craftworkers start to carve out a niche market

Smaller businesses in the west are increasingly turning to developing world artisans to meet consumer demand for unique products, reports Amy Yee



The hand-beaded Guatemalan brooches sold at Saks Fifth Avenue cannot be found at Wal-Mart. Nor can the colourful basket made of telephone wire be found at Ikea. But that is the point.

As mass retailers continue to dominate clothing, gifts and furniture, smaller wholesalers are going further afield to source handmade products from skilled artisans, responding to the consumer hunger for "unique" products. Once seen as largely the domain of charities, the market for importing handmade crafts from developing countries is now becoming part of mainstream business strategy.

In the quest to break out of the mould carved out by mass retailers such as Ikea,

Gap and Wal-Mart, smaller wholesalers are increasingly turning to alternative sources. Products such as felt rugs from Kyrgyzstan or wooden bowls from Haiti can give smaller businesses an aesthetic and strategic edge against their more powerful, mass market competitors.

Karen Gibbs, owner of Melange Collections, a small California-based wholesaler, imports handmade products. Her telephone wire baskets from South Africa sell for up to \$250 (£140, €208); the beaded brooches from Guatemala for \$20. "When you get something out there unique, people will pay for it," she says.

Sourcing from artisans in developing countries makes good business sense for many smaller wholesalers.

They cannot command large orders from manufacturers to keep prices low, as larger players do. But smaller volumes allow for more flexible production and shipping logistics. Instead of taking a year and a half to cycle through a

product line, smaller players can change their products every six months.

"We constantly have new designs that keep the company looking fresher," says Ms Gibbs. "That's how we can compete with lower-price items."

Aid to Artisans, a US non-profit organisation that trains artisans in developing countries and links them with wholesalers, says mid-sized wholesalers "want to find a unique product that not everyone else has. And of course there's practical interest in finding a cheaper workforce," says Colleen Pendleton, the ATA's marketing director.

Wholesalers also appreciate the service they receive from smaller artisan suppliers, in contrast to those manufacturers who say "if you're not Wal-Mart, then you're not business", Ms Pendleton adds.

The International Fair Trade Association in the UK says its 200 members worldwide had combined sales of about \$645m in 2003

– up from almost \$165m in 1999.

The craft industry is an opportunity to foster development. Last fiscal year, the World Bank and its arm, the International Finance Corporation,



Peruvian hats are among items finding a market in the west

contributed about \$1.3bn to develop small and medium enterprises (SME) in developing countries.

Harold Rosen of the IFC says that in most poor countries SMEs dominate the private sector. He says: "Most new creation of jobs and economic wealth has to come from small and medium enterprises."

Businesses are realising that they can combine altruism with strategy.

For centuries artisans in the northern Peruvian village of Chulucanas have made pottery with a method that calls for moulding clay against their feet.

Ada van der Horst, a Dutchwoman living in Peru, came across the pottery in the 1980s.

In 1991 Ms van der Horst founded Delta Export, a company that trains artisans and acts as wholesaler for crafts such as carved gourds, alpaca clothing and ceramics.

By selling the local pottery on to foreign buyers, the company has helped provide

the means for local artisans to lift themselves out of poverty – and improved access to training.

Can a piece of pottery make a difference? A plate in Peru made for \$15 might sell in the US for \$90.

"Many of them did not even have a house to live in," says Ms van der Horst of the artisans she works with.

"They've gone from slum conditions to having running water. They can send their kids to school and get medical care."

In some rural societies, crafts are the second-largest generator of revenue behind agriculture, according to the ATA. In Guatemala, for instance, a sixth of the indigenous population of 6m is involved in craft production. Of that number, 70 to 80 per cent are women.

The Guatemalan village that supplies Melange Collections with its beaded brooches once had large orders for friendship bracelets, but business was wiped out when wholesalers moved to cheaper Asian

manufacturers. But with Ms Gibbs' orders for handmade brooches, she has created a local craft network of 60 artisans in four years. These designs are hard for machines to duplicate.

"In marketing the items, we present them first as contemporary and unique – and, by the way, that they happen to be made in a craft co-operative," she says. Shoppers at Saks appear to appreciate the effort.

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GIFTWARE NEWS

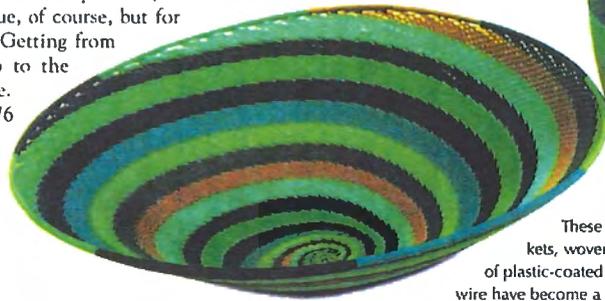
From Maker to Market:

by Mary McVicker

Aid to Artisans

Imagine that you're a highly skilled artisan. You grew up with the craft, but you also have innate design and technical skills. The local market attracts occasional tourists, but sales aren't enough to sustain you and your family. You would get a job — if there were any. There is another market — a good market. There's one problem; it's on Mars. This isn't literally true, of course, but for many artisans it might as well be. Getting from here to there, from the workshop to the good markets, is virtually impossible.

Enter Aid to Artisans. In 1976 some creative, foresighted, pragmatic people started Aid to Artisans, with the specific purpose of creating jobs



These baskets, woven from plastic-coated telephone wire have become a major source of income for artisans groups in KwaZulu Natal, South Africa.

Market Readiness Programs

Almost all the artisans are entrepreneurs in their own market; what is needed is training in how to run a small business, according to U.S. systems of small business. Aid to Artisans has Market Readiness Programs which are aimed at teaching artisans how to run their businesses so that they can work effectively with importers and buyers in the United States and Europe. These programs are held at the New York Market, at various orientation sessions, at several other trade shows, and in the artisan's country.

The Market Readiness Program is comprehensive, covering such topics as industry, medium, pricing, and costing. Artisans also learn to use and work with a variety of systems such as marketing calendars, in-depth sales analyses, shipping reports, and importer contact reports.

and increasing incomes for craftspeople worldwide by forging the vital link From Maker to Market. The goal was ambitious: not only to place the goods with retailers in United States and European markets, but to utilize some of the top gift shows to do so, and to connect artisans' goods with high-end retailers.

The focus of Aid to Artisans extends beyond the direct marketing link. In each project an essential element is to impart the skills necessary to make the artisans self-sustaining in the U.S./European market place. This includes a substantial amount of training in business. When the artisan is linked with the market through an import business, Aid to Artisans (ATA) drops out of the picture.

The Process

At any given time ATA has projects underway in a dozen or more countries. First a project is identified and selected, and then artisans, often artisan groups, are selected to work within that project.

The organization learns about artisans in a variety of ways. In many countries there are active artisan organizations. Sometimes these organizations have heard of ATA and will ask for help. A country's Ministry of Culture may initiate contact, or NGOs (Non-Governmental Organizations) within a country may do so. Returning Peace Corps personnel also may contact the organization.

Timing is a factor. The timing has to be such that ATA feels the elements that make a project work are in place. With projects being extensive and long-running, often

lasting three to five years, any given project requires a considerable commitment from the organization.

Several factors are considered in selecting a project, including:

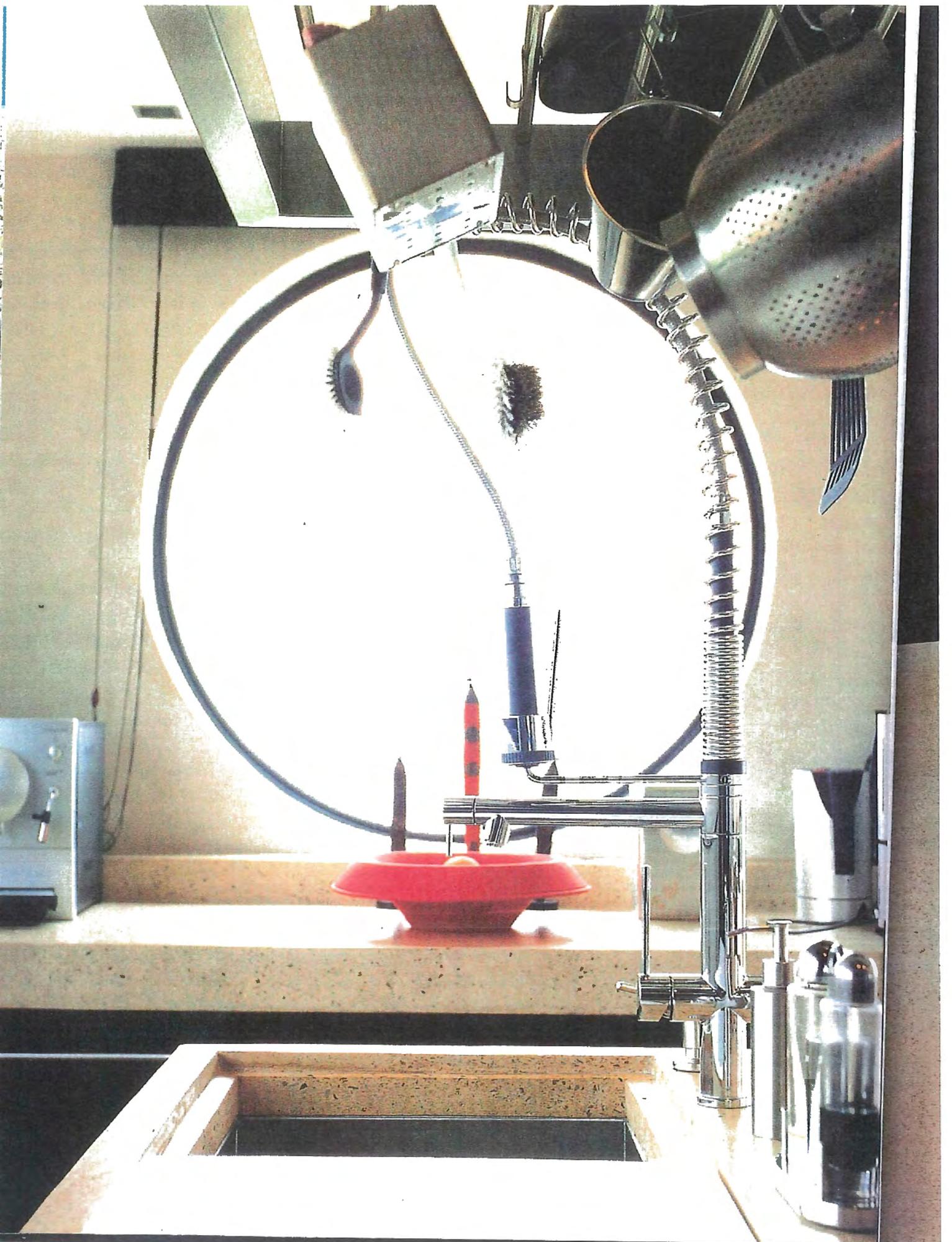
- Is there an artisan sector in the country, and do they want to work with ATA?
- What is the degree of need?
- Is there a craft tradition, or a base of skills ATA can work with?

The question of whether ATA can get the necessary funding to set up the project is an obvious determinant. Funding is usually from grants, and ATA has a substantial grant and donor base.

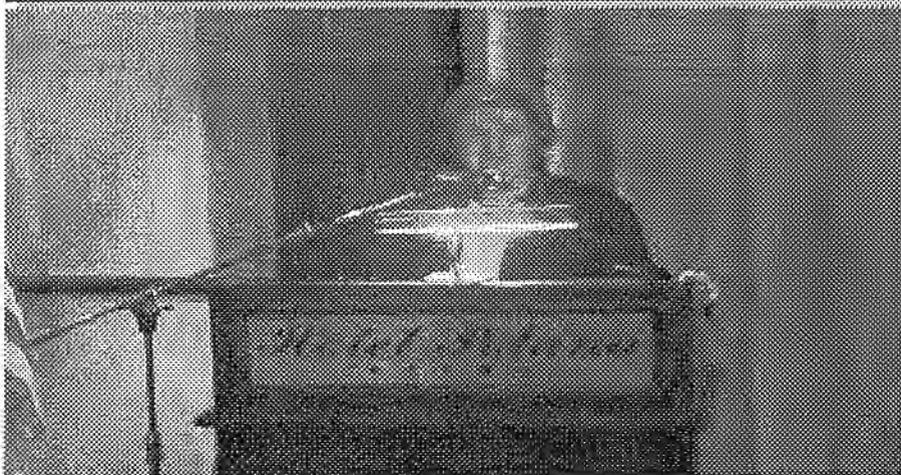
The primary criterion for selecting artisans to work within a project is the artisan skill level. Other criteria enter in as well:

- Do the artisans want to work with ATA? (In most projects ATA prefers to work with groups.)
- Will the project revitalize or preserve cultural traditions?

In a typical larger project, lasting about three years, ATA hopes to impact about 1,000 artisans. The ripple effect of that — the num-



Almoço de Trabalho com ATA—*Aid To Artisans*



Realizou-se no dia 10 de Junho de 2004 o almoço de trabalho com a Sra. Jill Kassis, Vice – Presidente da ATA – Aid To Artisans, Socióloga, que está há 30 (trinta) anos a trabalhar na área da Cultura.

A ATA – Aid To Artisans é uma organização sem fins lucrativos que oferece a nível mundial uma assistência prática aos artesãos que trabalham em parcerias visando promover as tradições artísticas, a vitalidade cultural e o bem estar das respectivas comunidades. Através de acções de formação e de colaboração para o desenvolvimento, produção e comercialização de produtos de artesanato, a Aid to Artisans ajuda a proporcionar benefícios económicos sociais e sustentáveis aos artesãos, numa base de respeito para com a cultura das pessoas e uma enorme sensibilidade para com o meio ambiente.

A ATA ajuda os artesãos a criar empresas sustentáveis através de: Desenho e desenvolvimento de produtos; Formação em prontidão para o Mercado e marketing nas ferias comerciais; Desenvolvimento de novos mercados ao nível local, regional e internacional.

Concede todos os anos 50 fundos que variam desde os US\$500,00 a US\$1.500,00 para ajudar grupos de artesãos a comprar equipamentos e matérias primas para otimizar os seus negócios.

O almoço decorreu da melhor maneira onde contou com a presença do Director Nacional da Cultura, apesar do fraco fluxo dos empresários comparativamente aos outros eventos.

Na sua dissertação a Sra. Kassis debruçou-se sobre a indústria de artesanato a nível mundial, os desafios que o sector enfrenta e enfatizou a necessidade do envolvimento do empresariado nesta área de modo a arranjar caminhos vantajosos para apoiar este sector económico do País. O papel que este sector representa para o País e para a estratégia nacional de redução da pobreza absoluta.

De referir que o artesanato em Moçambique, principalmente na zona Norte absorve muita mão de obra, pois com a falta de fábricas a população acaba-se envolvendo nesta profissão.

Desde a sua fundação em 1976, a ATA trabalha com artesãos em mais que 110 (cento e dez) países.

African nations are struggling to cope with the devastation of HIV/AIDS. As I mentioned earlier, President Bush has World-class Mozambican prawns have yet to be introduced to American consumers in a meaningful way.

Mozambique could stand to benefit greatly from this program – I am interested in hearing from you to learn how we can make this happen. To increase trade between Mozambique and the United States, Mozambique must address "supply-side constraints", such as the lack of efficient transportation systems, slow port and customs operations, and an overall lack of capacity to support private business and investment. I encourage the government, along with the business community, to develop an AGOA Action Plan, identifying the top three or four products in which Mozambique is or could be competitive. At that point, Mozambique must talk about what it needs to do to actually start moving those products in large quantities to the US market under AGOA.

Benefiting from AGOA also requires Mozambique to have a strong and attractive business investment climate. We are all aware of the impediments to doing business in Mozambique; the US Mission, through CTA and the US-Mozambican Chamber of Commerce, is working with the community to iron out cumbersome and lengthy processes, improve Mozambique's competitiveness, and make the overall environment more attractive to investors. It is through the Mission's effort to work with the Ministry of Industry and Commerce, the Ministry of Planning and Finance, and Customs on improving the country's tax system, extending fiscal incentives for businesses to invest, simplifying the business registration process, reforming the process of land entitlement, and liberalizing the labor law that positive change will be made.

I am proud to be President Bush's representative in Mozambique, and I am especially proud to stand before you today to describe our efforts in Mozambique and commend you for your hard work and tremendous effort in succeeding in the local business community. It is our commitment to work with the US-Mozambican Chamber of Commerce daily to improve the economic and social well being of Mozambique and her residents. America is committed to Africa and I have no greater priority than to see Mozambique benefit from programs like AGOA, the Emergency Plan for AIDS relief, and the Millennium Challenge Account and become an even stronger US partner for combating the challenges that face us in the 21st century.



**PAED Project
Budget to Actual, Year Three
To September 30, 2004 (r11/3/03)**

Line Item	Core Strengthening			PVO		Mozambique	Mozambique			PVO
	AID Budget	Total AID Exp 9/30/2004	Balance	Budget	Actual		AID Budget	Total AID Exp 9/30/2004	Balance	
I. Program Elements										
a. Salaries	\$ 101,150.00	\$ 133,263.48	\$ (32,113.48)	\$ 146,889.00	\$ 100,212.34	\$ 88,943.00	\$ 93,563.21	\$ (4,620.21)	\$ 19,229.00	\$ 18,337.29
b. Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621.00	\$ -	\$ 621.00	\$ -	\$ -
c. Travel, Transp, Per Diems	\$ 6,075.00	\$ 13,308.23	\$ (7,233.23)	\$ 8,636.00	\$ 7,048.79	\$ 17,470.00	\$ 34,918.20	\$ (17,448.20)	\$ 22,658.00	\$ 4,594.53
d. Subcontracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,553.00	\$ 4,115.00	\$ 7,438.00	\$ 11,553.00	
e. Other Direct Costs	\$ 22,136.00	\$ 18,895.43	\$ 3,240.57	\$ 16,540.00	\$ 12,417.45	\$ 34,541.00	\$ 45,700.45	\$ (11,159.45)	\$ 46,221.00	\$ 32,281.53
SUBTOTAL: Program Elements	\$ 129,361.00	\$ 165,467.14	\$ (36,106.14)	\$ 172,065.00	\$ 119,678.58	\$ 153,127.00	\$ 178,296.86	\$ (25,169.86)	\$ 99,661.00	\$ 55,213.35
II. Training										
a. Workshops	\$ 7,426.00	\$ -	\$ 7,426.00	\$ 7,851.00	\$ -	\$ 8,089.00	\$ 750.00	\$ 7,339.00	\$ 8,089.00	\$ -
b. Salaries	\$ 12,319.00	\$ 3,003.14	\$ 9,315.86	\$ 11,408.00	\$ -	\$ -	\$ 2,041.00	\$ (2,041.00)	\$ -	\$ -
c. Travel, Transport, Per Diems	\$ 2,599.00	\$ 1,151.79	\$ 1,447.21	\$ 6,896.00	\$ 1,667.48	\$ 5,793.00	\$ 4,879.57	\$ 913.43	\$ 20,894.00	\$ 11,235.00
d. Other	\$ 8,524.00	\$ -	\$ 8,524.00	\$ 34,798.00	\$ -	\$ 6,636.00	\$ 3,187.00	\$ 3,449.00	\$ 5,299.00	\$ 27,771.05
SUBTOTAL: Training	\$ 30,869.00	\$ 4,154.93	\$ 26,714.07	\$ 60,952.00	\$ 1,667.48	\$ 20,518.00	\$ 10,857.57	\$ 9,660.43	\$ 34,283.00	\$ 39,006.05
III. Procurement										
a. Consultancies	\$ -	\$ 1,100.00	\$ (1,100.00)	\$ -	\$ 48,707.83	\$ -	\$ 159.62	\$ (159.62)	\$ -	\$ 14,974.17
b. Vehicles and Equipment	\$ -	\$ -	\$ -	\$ -	\$ 812.85	\$ 1,591.00	\$ 2,256.71	\$ (665.71)	\$ 3,713.00	\$ 180.00
c. Supplies	\$ 2,758.00	\$ 494.68	\$ 2,263.32	\$ 1,061.00	\$ 1,543.12	\$ 1,262.00	\$ 5,267.74	\$ (4,005.74)	\$ 2,217.00	\$ 23,432.18
SUBTOTAL: Procurement	\$ 2,758.00	\$ 1,594.68	\$ 1,163.32	\$ 1,061.00	\$ 51,063.80	\$ 2,854.00	\$ 7,684.07	\$ (4,830.07)	\$ 5,930.00	\$ 38,586.35
SUBTOTAL: Direct Expenses	\$ 162,988.00	\$ 171,216.75	\$ (8,228.75)	\$ 234,078.00	\$ 172,409.86	\$ 176,499.00	\$ 196,838.50	\$ (20,339.50)	\$ 139,874.00	\$ 132,805.75
IV. Indirect Costs	\$ 52,156.00	\$ 57,983.74	\$ (5,827.74)	\$ 74,905.00	\$ 11,530.72	\$ 56,480.00	\$ 66,806.98	\$ (10,326.98)	\$ 44,760.00	\$ 39,425.23
SUBTOTAL: Indirect Costs	\$ 52,156.00	\$ 57,983.74	\$ (5,827.74)	\$ 74,905.00	\$ 11,530.72	\$ 56,480.00	\$ 66,806.98	\$ (10,326.98)	\$ 44,760.00	\$ 39,425.23
TOTAL PROGRAM EXPENSES	\$ 215,144.00	\$ 229,200.49	\$ (14,056.49)	\$ 308,983.00	\$ 183,940.58	\$ 232,979.00	\$ 263,645.48	\$ (30,666.48)	\$ 184,635.00	\$ 172,230.98

**PAED Project
Budget to Actual, Year Three
To September 30, 2004 (r11/3/03)**

Line Item	Tanzania					South Africa					Total AID Exp 9/30/2004	TOTAL PVO 9/30/2004
	AID Budget	Total AID Exp 9/30/2004	Balance	PVO Budget	PVO Actual	AID Budget	Total AID Exp 9/30/2004	Balance	PVO Budget	PVO Actual		
I Program Elements												
a. Salaries	\$ 10,662.00	\$ 12,265.28	\$ (1,603.28)	\$ 10,662.00	\$ -	\$ 2,546.00	\$ 15,776.28	\$ (13,230.28)	\$ -	\$ 2,599.24	254,868.25	121,148.87
b. Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00	0.00
c. Travel, Transp, Per Diems	\$ 10,959.00	\$ 3,197.69	\$ 7,761.31	\$ 14,142.00	\$ -	\$ 2,264.00	\$ 8,474.13	\$ (6,210.13)	\$ 3,065.00	\$ 1,626.31	59,898.25	13,269.63
d. Subcontracts	\$ 2,334.00	\$ -	\$ 2,334.00	\$ 2,334.00	\$ -	\$ -	\$ -	\$ -	\$ 5,305.00	\$ -	4,115.00	0.00
e. Other Direct Costs	\$ 35,114.00	\$ 19,021.13	\$ 16,092.87	\$ 30,605.00	\$ -	\$ 32,087.00	\$ 25,094.27	\$ 6,992.73	\$ 30,501.00	\$ 30,217.96	108,711.28	74,916.94
SUBTOTAL: Program Elements	\$ 59,069.00	\$ 34,484.10	\$ 24,584.90	\$ 57,743.00	\$ -	\$ 36,897.00	\$ 49,344.68	\$ (12,447.68)	\$ 38,871.00	\$ 34,443.51	427,592.78	209,335.44
II Training												
a. Workshops	\$ 1,857.00	\$ (547.00)	\$ 2,404.00	\$ 1,857.00	\$ 9,725.45	\$ 928.00	\$ 1,750.00	\$ (822.00)	\$ 928.00	\$ -	1,953.00	9,725.46
b. Salaries	\$ -	\$ 1,072.00	\$ (1,072.00)	\$ -	\$ -	\$ -	\$ 4,618.94	\$ (4,618.94)	\$ -	\$ 250.00	10,735.08	11,485.00
c. Travel, Ransport Per Diems	\$ 8,954.00	\$ 996.32	\$ 7,957.68	\$ 8,397.00	\$ 9,148.51	\$ 2,016.00	\$ 8,130.67	\$ (6,114.67)	\$ 4,562.00	\$ 2,855.00	15,158.35	41,442.04
d. Other	\$ 5,305.00	\$ 547.00	\$ 4,758.00	\$ 530.00	\$ -	\$ -	\$ 2,065.08	\$ (2,065.08)	\$ -	\$ 2,147.00	5,799.08	29,918.05
SUBTOTAL: Training	\$ 16,116.00	\$ 2,068.32	\$ 14,047.68	\$ 10,784.00	\$ 18,873.97	\$ 2,944.00	\$ 16,564.69	\$ (13,620.69)	\$ 5,490.00	\$ 5,252.00	33,645.51	64,799.50
III Procurement												
a. Consultancies	\$ -	\$ 3,626.10	\$ (3,626.10)	\$ -	\$ 4,432.50	\$ -	\$ 4,319.91	\$ (4,319.91)	\$ -	\$ 30,581.28	9,205.63	98,695.78
b. Vehicles and Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250.00	2,256.71	1,242.85
c. Supplies	\$ 1,061.00	\$ 496.13	\$ 564.87	\$ 1,061.00	\$ 2,063.74	\$ 212.00	\$ 100.00	\$ 112.00	\$ 4,031.00	\$ 342.65	6,358.55	27,381.69
SUBTOTAL: Procurement	\$ 1,061.00	\$ 4,122.23	\$ (3,061.23)	\$ 1,061.00	\$ 6,496.24	\$ 212.00	\$ 4,419.91	\$ (4,207.91)	\$ 4,031.00	\$ 31,173.93	17,820.89	127,320.32
SUBTOTAL: Direct Expenses	\$ 76,246.00	\$ 40,674.65	\$ 35,571.35	\$ 69,588.00	\$ 25,370.21	\$ 40,053.00	\$ 70,329.28	\$ (30,276.28)	\$ 48,392.00	\$ 70,869.44	479,059.18	401,455.26
IV Indirect Costs												
SUBTOTAL: Indirect Costs	\$ 24,396.00	\$ 13,804.99	\$ 10,591.01	\$ 22,267.00	\$ 8,636.93	\$ 12,786.00	\$ 23,996.98	\$ (11,210.98)	\$ 15,516.00	\$ 10,659.39	162,592.68	70,252.27
TOTAL PROGRAM EXPENSES	\$ 100,642.00	\$ 54,479.64	\$ 46,162.36	\$ 91,855.00	\$ 34,007.14	\$ 52,839.00	\$ 94,326.26	\$ (41,487.26)	\$ 63,908.00	\$ 81,528.83	641,651.86	471,707.53

**AID TO ARTISANS
PAED Project
Budget to Actual, Three Year Cumulative Results
To September 30, 2004**

Core Strengthening

Line Item	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 163,493.00	\$ 190,707.22	\$ 27,214.22	\$ 163,493.00	\$ 276,526.06	\$ 115,033.06
Year 2 Totals	\$ 199,615.00	\$ 214,453.85	\$ 14,838.85	\$ 310,440.00	\$ 366,055.39	\$ 55,615.39
Year 3 Totals (Preliminary)	\$ 215,144.00	\$ 229,200.49	\$ 14,056.49	\$ 308,983.00	\$ 183,940.58	\$ (125,042.42)
Cumulative Totals	\$ 578,252.00	\$ 634,361.56	\$ 56,109.56	\$ 782,916.00	\$ 828,522.03	\$ 45,606.03

Mozambique

Line Item	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 278,767.00	\$ 283,094.24	\$ 4,327.24	\$ 278,767.00	\$ 337,741.80	\$ 58,974.80
Year 2 Totals	\$ 287,135.00	\$ 290,340.87	\$ 3,205.87	\$ 186,096.00	\$ 182,160.02	\$ (3,935.98)
Year 3 Totals (Preliminary)	\$ 232,978.00	\$ 263,845.48	\$ 30,866.48	\$ 184,635.00	\$ 172,230.98	\$ (12,404.02)
Cumulative Totals	\$ 798,881.00	\$ 837,080.59	\$ 38,199.59	\$ 649,498.00	\$ 692,132.80	\$ 42,634.80

Tanzania

Line Item	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 98,240.00	\$ 38,483.64	\$ (59,756.36)	\$ 98,240.00	\$ 54,590.12	\$ (43,649.88)
Year 2 Totals	\$ 97,397.00	\$ 33,346.06	\$ (64,050.94)	\$ 88,864.00	\$ 33,185.58	\$ (55,678.42)
Year 3 Totals (Preliminary)	\$ 100,642.00	\$ 54,479.64	\$ (46,162.36)	\$ 91,855.00	\$ 34,007.14	\$ (57,847.86)
Cumulative Totals	\$ 296,279.00	\$ 126,309.34	\$ (169,969.66)	\$ 278,959.00	\$ 121,782.84	\$ (157,176.16)

South Africa

Line Item	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 26,945.00	\$ 55,002.35	\$ 28,057.35	\$ 48,197.00	\$ 70,371.63	\$ 22,174.63
Year 2 Totals	\$ 46,340.00	\$ 61,451.76	\$ 15,111.76	\$ 54,553.00	\$ 123,158.19	\$ 68,605.19
Year 3 Totals (Preliminary)	\$ 52,839.00	\$ 94,326.26	\$ 41,487.26	\$ 63,908.00	\$ 81,528.83	\$ 17,620.83
Cumulative Totals	\$ 126,124.00	\$ 210,780.37	\$ 84,656.37	\$ 166,658.00	\$ 275,058.65	\$ 108,400.65

TOTAL EXPENSES

Line Item	AID			PVO		
	Total Budget	Total Actual	Surplus/(Deficit)	Total Budget	Total Actual	Surplus/(Deficit)
Year 1 Totals	\$ 567,445.00	\$ 567,287.45	\$ (157.55)	\$ 588,697.00	\$ 741,229.61	\$ 152,532.61
Year 2 Totals	\$ 630,487.00	\$ 599,592.54	\$ (30,894.46)	\$ 639,953.00	\$ 704,559.18	\$ 64,606.18
Year 3 Totals (Preliminary)	\$ 601,604.00	\$ 641,851.87	\$ 40,047.87	\$ 649,381.00	\$ 471,707.53	\$ (177,673.47)
Cumulative Totals	\$ 1,799,536.00	\$ 1,808,531.86	\$ 8,995.86	\$ 1,878,031.00	\$ 1,917,496.32	\$ 39,465.32

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)

10/1/2001

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
2003 - 2004	\$ 215,144.00		\$
	\$		\$
	\$		\$
	\$		\$

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

Lisa Hawley

Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION

Year	2003 - 2004
AID\$	229,200.49
PVO\$	90,915.48
INKIND	93,025.10
LOCAL	
TOTAL	413,141.07

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)

10/1/2001

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
2003 - 2004	\$ 232,979.00		\$
	\$		\$
	\$		\$
	\$		\$

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

Lisa Hawley

Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION

Year	2003 - 2004
AID\$	263,645.48
PVO\$	172,230.98
INKIND	0.00
LOCAL	0.00
TOTAL	435,876.46

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)

10/1/2001

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
2003 - 2004	\$ 52,839.00		\$
	\$		\$
	\$		\$
	\$		\$

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

Lisa Hawley

Local Counterpart/Host Country Agency

BAT Shop (Bartel Arts Trust)

COUNTRY FUNDING INFORMATION

Year	2003 - 2004
AID\$	94,326.26
PVO\$	75,056.83
INKIND	6,472.00
LOCAL	0.00
TOTAL	175,855.09

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)

10/1/2001

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
2003 - 2004	\$ 100,642.00		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

Agribusiness Capacity & Sustainability of African Craft Business

COUNTRY INFORMATION

Country

Tanzania

Location in Country(Region, District, Village)

Dar Es Salaam, Tanzania

PVO Representative's Name

Lisa Hawley

Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION

Year	2003 - 2004
AID\$	54,479.64
PVO\$	34,007.14
INKIND	0.00
LOCAL	
TOTAL	88,486.78

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)

Financial Profile of the PVO For the Twelve Months Ending September 30, 2004		
A. Total ATA Expenditures		
	Small Project Grants	102,916
	Training	148,245
	Program Management	5,313,684
	Indirect Costs	1,718,031
	TOTAL WORLDWIDE PROGAM	7,282,876
B. Sources of Funds		
	AID Matching Grant	641,652
	Private	124,608
	Multilateral/Other Gov.	225,821
	Other AID Grants/Contracts	4,186,652
	Other US Gov.	-
	Other	
	Corporation/Foundation	1,799,793
	Individual Contributions	234,703
	Misc.	47,045
		7,260,274
TOTAL		(22,602)

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

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.

Memorandum of Understanding

Between
Aid to Artisans, Inc
 and
Cape Craft & Design Institute (CCDI)

This Memorandum of Understanding (hereinafter "Agreement"), and its Attachment #1 "ATA/ CCDI Financial and Program Plan" are entered into by and between the **Cape Craft Design Institute** (hereinafter "CCDI"), c/o Administration Building, Cape Technikon, Kaisersgracht, Cape Town, 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, that seeks to improve the livelihoods of artisans worldwide and has a particular priority on Africa,

AND WHEREAS, the Cape Craft & Design Institute is a Section 21 company in the course of formation, with programmes in the Western & Northern Cape, South Africa, with a vision to foster dynamic, creative confident people producing innovative world-class handmade products reflecting the cultural diversity of the Western Cape,

AND WHEREAS, ATA recognizes CCDI's strong relationships and effective work in the craft sector in the Western Cape and wishes to join efforts to further ensure the development of market ready products and sustainable craft enterprises,

AND WHEREAS, CCDI recognizes ATA's effective track record training artisans and promoting crafts in the US, European, and South African markets, and wishes to join efforts to further market Cape craft,

AND WHEREAS, ATA and CCDI wish to define their mutual rights and obligations in connection with ATA's partnering relationship with CCDI's work in the Western Cape, South Africa,

AND WHEREAS, ATA has received a grant HFP-A-00-01-00023-00, Pan-African Artisan Enterprise Development (PAED), from the US Agency for International Development (**USAID**) for the purpose of increasing the competitiveness of African artisan enterprises. Implementation of this grant requires the signing of this subordinate agreement between ATA and the CCDI. 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. Both organizations have applied separately for funding from the WK Kellogg Foundation that also requires coordinated implementation.

NOW THEREFORE IT IS MUTALLY AGREED THAT:

1. Project Implementation

1.1 CCDI offices in Cape Town, South Africa will be the base of operations for the joint project.

1.2 **During the life of the PAED project (through September 2006), ATA will offer CCDI and its associated artisan enterprises:**

- 1.2.1 **Market – Driven Product Development and Design Workshops:** Artisan enterprises identified by CCDI 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 merchandised by ATA's marketing team prior to participation in any ATA-related marketing activities.
- 1.2.2 **Craft Business Training:** Training will be offered in topics such as costing/pricing, production techniques, quality control, packaging, exporting, customer service and craft business management. This training will be conducted by ATA consultants and staff.
- 1.2.3 **Market-link:** ATA will subsidise exhibit space at local, regional and international Gift Fairs for artisan enterprises who have received design and business training.
- 1.2.4 **Institutional Strengthening:** Members of CCDI staff will be trained by ATA in overall capacity building.

During the PAED project, CCDI will provide the following assistance to the PAED program and ATA:

- 1.2.5 **Coordination:** CCDI will advise on activities, people and institutions and will coordinate day-to-day activities. A coordinator for the joint activities will be hired subject to approval of the **WK Kellogg foundation**.
- 1.2.6 **Identification:** CCDI will assist ATA in identifying artisan producers and assessing their businesses as well as in identifying and assessing South African designers.
- 1.2.7 **Monitoring and Evaluation Efforts:** CCDI will share its business information, including monthly sales figures and buyer contacts to help ATA monitor and evaluate their interventions. This information will be treated confidentially.
- 1.2.8 **Information sharing:** CCDI will share such relevant information it has, which ATA might need to develop its craft training program in South Africa and measure accomplishments of the project.
- 1.2.9 **Fiscal sponsorship:** CCDI agrees to serve as the primary contractor with Create SA for 20 participants for 2004 Africa Market Readiness Program, to pay ATA as the sole provider for this training, and pay ATA on receipt of invoice within five days of receipt of payment from Create SA.
- 1.2.10 **Protocol:** All communication with international funding organizations concerning this programme, in particular USAID, will be routed through ATA, or communicated in conjunction with ATA.
- 1.2.11 **Financial Understanding:** CCDI and ATA will provide financial support for key activities as outlined in Attachment #1 "ATA/ CCDI Financial and Program Plan" annexed hereto. This support will be a combination of cash and in-kind donations.
- 1.2.12 **Fundraising:** ATA and CCDI will jointly pursue funding leads and attempt to develop proposals that meet agreed upon objectives.
- 1.2.13 **Intellectual Property:** Nothing contained in this agreement shall be construed to imply the transfer of any interest in trademarks, copyright and other intellectual property rights. The copyright in the written and other teaching and learning materials shall be retained by whichever organization creates it in connection with its involvement carrying out of the program activities.

2. Non Solicitation Agreement

During the term of this Agreement, neither of the parties to this agreement shall, directly or indirectly, hire or attempt to hire any employee of the other party, by any means other than a subcontractual 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. All information is determined to be proprietary whether or not identified or labeled unless such information is already available to the public by no action of the information recipient. **All individuals who shall receive proprietary information shall be bound by the obligation to treat such proprietary information as confidential.**
- 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 The provisions under this heading shall **endure for a period of twenty-four months (2 years) after any termination of this Agreement.**

4. Restrictions

- 4.1 This agreement shall relate only to the Pan-Africa Artisan 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 **any other party without the prior written consent of the other party hereto.**
- 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 that 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.

6. Arbitration

Arbitration shall be the ultimate and final procedure for the resolution of disputes between the parties.

- 6.1 The arbitration shall be held at a venue to be agreed upon by the parties.

6.2 There shall be 1 (one) arbitrator who shall be selected by agreement between the parties to the dispute; failing agreement within 7 (seven) days of the arbitration being demanded by either party, any one of the parties shall be entitled to require the appointment of an arbitrator by the chairperson for the time being of the Cape Bar Council who, in making this appointment, shall have regard to the nature of the dispute in question.

6.3 In the absence of any agreement to the contrary between the parties to the dispute, the arbitration shall be conducted in accordance with the provisions of the Arbitration Act 42/1965, as amended from time to time, provided that:

6.3.1 such procedure shall be designed to have the result (if practical) that the arbitration be completed within 21 (twenty one) working days after it shall have been requested; and

6.3.2 the arbitration shall be conducted as expeditiously as is possible;

6.4 The decision of the arbitrator shall be final and binding on the parties and shall forthwith be carried into effect. The arbitrator's award may be made an order of any court of competent jurisdiction.

6.5 This clause shall be severable from the rest of this agreement and remain effective even if this agreement is terminated.

7. Applicable Law

The Law of the Republic of South Africa shall govern this Agreement.

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:

Cape Craft and Design Institute

FULL NAME:
Executive Director
Date:

AS WITNESSES:

1. _____

2. _____

Aid to Artisans, Inc.

Attachment 1: ATA/CCDI Financial and Program Plan

June 2004

The proposed collaboration between Aid to Artisans and Cape Craft and Design Institute aims to take 12 producer groups/enterprises, from previously disadvantaged backgrounds, through an integrated product development, capacity building and market linkages programme that results in:

- Improved product offerings
- Capacity to deliver quality products on time
- Increased sustainability in enterprise
- Market responsive handcraft entrepreneurs

The programme to be followed includes the following processes / workflow:

1. Identification of producer groups to pre-determined criteria
2. Assessment of marketability of product offerings and suggestions for improvements
3. Prioritisation of enterprises for intervention over the two-year period (2 groups of 6)
4. Implementation of first design & product development programme
5. Development and delivery of samples for tradeshow
6. Business leader from producer group/enterprise may attend Market Readiness Training
7. Fulfillment of orders
8. Implementation of second design & product development programme with 2nd group of producers etc.

The following activities in various combinations and forms will make up this integrated programme. They include but may not be limited to:

1. Producer assessments and product merchandising
2. Training of CCDI program participants in ATA Market Readiness program
3. Tailored product development, merchandising sessions and training
4. Test marketing product collections in appropriate trade shows (SARCDA - Jhb, New York International Gift Fair; or Tendence - Frankfurt)
5. Joint fund-raising.

The timing and programming of these activities will be agreed upon jointly.

Activity 1: Producer Identification

Activity purpose: to identify appropriate producer groups for the product development, skills capacity building and market linkage programme to be run over a two-year period. An initial 12 producer groups will be identified for the 2-year period. ATA and CCDI will jointly agree on criteria for the selection of these producer groups.

CCDI role

- Identify and assess producer groups/craft businesses by ATA defined tiers (tier 1, 2 or 3)
- Assist in filling out accurate ATA Producer Assessment form for producer groups and send with available promotional materials for each business to ATA

- Photograph product range, ensure consistent coding, and send images and price-sheets to ATA

ATA role

- Provide Producer Assessment forms and guidance on defining "export-ready" for US standards, deliver templates of standard price-sheets and POs used by ATA
- Provide definition of Tiers and provide guidance in determining appropriate producer group placement
- Review profiles, digital images, and pricing
- Identify producers for target market, market driven product development (PD) and tier-based business training
- Provide suggestions for future development for groups/businesses

Timeframe

July through October 2004

Budget

<p>ATA Marketing and Projects staff time Samples (up to 3 sets x up to 75 products)</p>	<p>CCDI Market Access & Enterprise Development staff time related to producer assessments Samples (1 counter set x up to 75 products) Shipping (estimate shipping costs for 75 products) Communication</p>
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Activity 2: Product development & design

Activity purpose: to engage in an integrated design and product development process with all or some of the identified producer groups with a view to getting samples ready for appropriate trade shows. This process will need to ensure that the producer groups have necessary systems and processes in place to meet orders. The process will also involve local designers to ensure continuity and skills/experience transfer and will draw on students completing the CreateSA NQF6 Product Development learnership.

CCDI role

- Prioritise producer groups for the intervention (with input from ATA)
- Assist ATA in identifying target market
- Arrange in-country logistics for international consultants – local transport, translation, hotel, etc.
- Arrange all logistics for SA-based consultants
- Prepare and schedule local designers to mentor with international designer and follow up on prototype development with the different groups
- Assist in creating product and price-sheets for product lines in collaboration with ATA
- Provide follow-up communication and facilitation for the consultant with the groups (if they are not able to email or communicate directly)

ATA role

- In collaboration with CCDI, identify SA-based designers and mentors with some US and European input possible
- Prepare the consultant for assignment; provide product development direction for consultant (based on target market discussions, capacities, etc.)
- Send preliminary designs for review by producers

- Arrange international travel schedule and insurance and implement consultancy. Consultant will work one-on-one with businesses in an informal way to better understand their production process and development new prototypes, expanding on available resources. Consultant will also provide a formal seminar on Product Development and Design in a teaching/lecture and group discussion format open to producers invited by CCDI.
- Share consultant report and provide marketing suggestions following the consultancy (by May)

Timeframe

September 2004 through to September 2006 – with one-year cycle for each set of six (two sets).

First intervention in Feb 2005 for summer 2005 shows	1 st group
Second intervention in August 2005 for January 2006 shows	1 st group
Third intervention in July/Aug 2005 for January 2006 shows	2 nd group
Fourth intervention in Jan/Feb 2006 for August 2006 shows	2 nd group

Budget

ATA Consultant salary, insurance and international travel Projects and Marketing staff time Communication	CCDI / producers Local transport Materials for product development and cost of samples Samples (1 counter set x up to 75 products with 3 samples per product) Shipping (estimate shipping costs for 75 products with 3 samples per product) Local hotel, per diems and materials/supplies (for consultants) Staff time Communication Costs associated with the 2 SA designers mentored by the International Consultant
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Activity 3: Skills training & Capacity Building

Activity purpose: to develop the market readiness skills of key business leaders from within the 12 participating producer groups; to facilitate the alignment of the ATA Africa Market Readiness Program (MRP) with the CreateSA learnership programme so that participants receive credits for training. Apart from the March and August 2004 training at SARCD A in Jhb, future participants in this programme will be drawn from the 12 identified producer groups.

CCDI role

- With ATA, finalise Collaborative JV with Create SA for March and August 2004 **Market Readiness Programme** for 8 and 12 South African participants, respectively. In terms of this JV, ATA will be the sub-service provider for the training and will be reimbursed for its costs associated with providing this training.
- Identify Western Cape craft producer/vendor participants appropriate for ATA's Market Readiness Program and determine, based on Tier, which MRP (SARCD A MRP or the NY MRP) is most appropriate.
- Prioritise producer groups for the intervention (with input from ATA)
- Distribute and collect SARCD A MRP application by deadlines
- Outline participants' training needs and provide suggestions for specific topics that should be covered in the program
- Follow-up and monitor impact of training on Western Cape participants.

ATA role

- Prepare and distribute MRP application
- Coordinate training logistics (location, training staff, site visits, other learner recruitment and co-ordination etc.)
- Select attendees and provide written orientation to the program (guided by CCDI Western Cape selection process)
- As jointly agreed upon, provide financial and narrative reporting for Create SA
- Prepare training materials
- Process training evaluations

Timeframe

September 2004 through to September 2006

Budget

ATA Business mentoring Consultant salary, per diem expenses, insurance and international travel Training venue rental Group travel Training materials Projects and Marketing staff time Communication	CCDI Staff time Communication For SARCD A MRP: Participation fee; regional transport; local hotel – to be sourced from CreateSA For NY MRP: international travel, visas and in-country costs for CCDI participants (support to be sourced from DTI, Kellogg etc)
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Activity 4: Export Marketing (<i>linked to Activity 2: Product design & development & Activity 3: Capacity building</i>)

Activity purpose: to ensure follow-through from product design & development intervention and market readiness training. The ultimate aim is that producer groups secure steady flow of orders; are able to deliver quality products on time; and build sustainable businesses that are responsive to the market.

CCDI role

- Submit Sample Purchase Order to producer group and send samples upon ATA's request
- Follow up with producers on proper production of 3-4 sets of samples
- Assist in monitoring quality of packing and shipping to ATA
- Monitor production of orders, ensuring quality and timeliness

ATA role

- Submit Sample Purchase Order for products selected for exhibition (by May 2004)
- Review samples and document quality of sample delivery
- Produce ATA pricesheets and color tearsheets
- Exhibit several selected lines for test marketing at NYIGF, SARCD A or another trade shows
- Deliver PO to CCDI
- Report on order fulfillment

Timeframe

September 2004 through to September 2006

Budget

ATA Projects and Marketing staff time Booth space, signage, materials printing, drayage, shipping w/in US Communication	CCDI / Producer groups Sample production (labor and materials) Shipping costs Booth fee for SARCDCA (dependent on size) Staff time Communication
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Activity: Joint Fundraising

ATA will coordinate fundraising strategies for ATA's PAED program-related activities in South Africa, identifying potential funding sources, cultivating funder relationships, and developing proposals with input from CCDI.

The CCDI will need to increase its capacity to fulfill the elements of this programme – specifically it will employ a project manager to manage this programme and other international activities of the CCDI. To do so it requires additional funding. CCDI is responsible for securing said additional funds to cover the costs associated with this position. In this regard, it will work with ATA to ensure the appropriateness of the funding match, develop relationships, make local contacts, and assist in submitting applications.

Aid to Artisans 2005 Trade Show Calendar

<p>California Gift Show January 22-25, 2005 Los Angeles Convention Center and the California Market Center Los Angeles Booths: 618, 620, 622, 624, 626 http://www.californiagiftshow.com/</p>	<p>California Gift Show July 22-25, 2005 Los Angeles Convention Center and the California Market Center Los Angeles Booth(s): 618, 620, 622, 624, 626 http://www.californiagiftshow.com/</p>
<p>New York International Gift Fair January 29 – February 2, 2005 Jacob Javits Convention Center New York Booths: 5012, 5014, 5016, 5018, 5020, 5022, 5024 http://www.nyigf.com/</p>	<p>New York International Gift Fair August 13-18, 2005 Jacob Javits Convention Center New York Handmade Booths: 5012, 5014, 5016, 5018, 5020, 5022, 5024 http://www.nyigf.com/</p>
<p>Ambiente Frankfurt February 11-15, 2005 Frankfurt Messe Hall Frankfurt, Germany Hall: 1.1 Walkway: F Stand: 49 http://ambiente.messefrankfurt.com/global/en/home.htm</p>	<p>SARCD A August 25-27, 2005 Gallagher Estate Midrand, South Africa Hall 3; Stands 54-57 http://www.sarcda.co.za/</p>
<p>Sources May 15-18, 2005 Pier 94, Passenger Ship Terminal New York Booths: 1048, 1049, 1050, 1051, 1052, 1053 http://www.sourcesny.com/</p>	<p>Tendence August 26-30, 2005 Frankfurt Messe Hall Frankfurt, Germany Hall: 9.2 Walkway: E Stand: 36 http://tendence-lifestyle.messefrankfurt.com/global/en/home.html</p>

Data Communication/Internet Upgrades

New Internet Connection

In order to support a growing staff, increase email/Internet performance and uptime, as well as provide new critical services to the staff such as international access to the in-house network and VoIP calling, ATA upgraded from its existing DSL Internet connection to a full 1.5Mbps T1 data line. The new T1 service is more per month than DSL, but ATA is already beginning to recover this cost via improved productivity/uptime and cheaper Internet calls for now pricey international connections.

ATA Web Site Updates

The ATA web site, www.aidtoartisans.org, continues to perform well, measured in both overall user traffic as well as new commercial clients. The site counts more than 250 new retailer and wholesaler accounts—which have produced strong qualified leads for our sales team to follow. We have added new admin tools to the site, as well as commercial client functionality such as advanced search tools, product sheet and price list downloads, and more artisan data. For members of the press, we also added a new Media Center. This will reduce internal staff time and shipping costs in servicing needs to the press when accessing information about ATA. In terms of traffic, the site receives more than 3,000 page views a week (page views are complete page download, not just hits which can include images).

Firewall and Virtual Private Network (VPN) Installation

ATA installed a new piece of hardware called a firewall to provide for greater protection against viruses, worms and other network threats. This hardware provides cost savings by allowing for greater uptime of the ATA network and fewer disabled workstations due to attacks and infections. The firewall also supports something called Virtual Private Networks, which allow for outside users to access the central ATA server securely via an Internet connection. This provides for increased productivity of the staff, who can now access their network files from the home, outside office or when traveling.

New ATA Intranet

The first ATA Intranet located at www.atadata.org is now operational. This web site is separate from our main site and has been created especially for internal file sharing and communications between all of the ATA offices. Response from users to date has been excellent for file sharing and information access.

Launch of Staff Online Calendar

Based on Microsoft Outlook, a new online staff calendar is now running. This calendar allows all staff to track all company events in real-time from the office or on the road. Phasing out the paper version ATA will save admin time and more than 7,000 pieces of pieces of paper yearly.

Additional IT Programs and Initiatives

Digital Freedom Initiative

After a direct invitation from USAID, ATA has begun steps for participation in a new program in Peru called the Digital Freedom Initiative (DFI). This program seeks to get technology, such as computers and phones, into the hands of rural enterprises and small businesses. The fit with ATA and its work in the field with artisans is obvious. ATA was in Lima to meet with USAID to scope our ATA's role in the program. Rollout steps between the Peru USAID mission and ATA are happening now.

Field Hardware and Software Setups

ATA country offices, including Mexico, Peru and Bolivia, were set up with new hardware and software mostly procured and shipped via CT. (By managing this process, ATA saved both programs perhaps \$2,500 and valuable time in getting those offices equipped with new

hardware.) This process saved money in hardware and software (we have non-profit priced licenses here, for example) and helps to ensure uniform standards in equipment. Furthermore ATA has also provided basic tech support to these offices to help them manage file sharing, security and virus issues as well as basic needs analysis.

New Accounting, Donor/Contact Management and Product Management Systems

IT is providing guidance/specifications on several new software systems for donor management/development, HR/Payroll and product/inventory management. The ATA Web site is undergoing additional backend modifications to further support our business customers. In addition, we are taking the first steps toward ecommerce, though transactions at this point will remain offline.

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 training modules, handouts and guidelines were further refined and made accessible to field and headquarters staff.</p> <ul style="list-style-type: none"> • Y3: Field staff in 10 countries used the standard curriculum. <p>Number of trainees¹ that paid to participate in training in Y3:</p> <ul style="list-style-type: none"> • In NY MRP², several of the 56 participants paid for the training contributing to 24% of the total training revenue. • In AMRP, 20 out of 35 participants paid for training, contributing to 50% of the total revenue. 	<p>Mid-term and final evaluations Standard Training modules</p>
<p>Create a Market Readiness Training Program in South Africa.</p>	<p>Diversify and expand ATA’s training programs</p>	<p>Diversification of AMRP to address separately the needs of micro enterprises and that of SMEs.</p>	<p>Mid-term and final evaluations Trainee evaluation Standard training modules</p>

¹ These trainees are both non-program participants as well as contributing program participants.

² This includes two MRPs held in Jan 2004 and August 2003 with a respective total of 27 and 29 participants. Several participants contributed to portions of their training fee and/or travel expenses, which when added together comes to 24% of the total training fee and travel expenses.

<p>Training the partner organization to manage and implement the AMRT.</p>		<ul style="list-style-type: none"> In Y3, the AMRP was held twice a year for the first time. In March 2004 for SMEs and in August 2004 for micro enterprises. <p>Handover the AMRP to the BAT shop in Y4.</p> <ul style="list-style-type: none"> Y3: Due to BAT being short staffed and unable to add to its current workload, it became evident in Y3 that BAT shop will not be able to take over the management of the AMRP entirely. ATA is in the process of evaluating alternate strategies to see to meet training needs in Africa at EOP. 	
<p>Finalize relationship with an e-commerce partner, build an ATA wholesale website.</p> <p>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 site³ developed.</p> <ul style="list-style-type: none"> Y3: Site was launched in 2003 and was further developed during Y3 <p>Target: 400 products on site by EOP.</p> <ul style="list-style-type: none"> Y3: A total of 800 ATA products from all over the world are available on the ATA site currently. 163 of which are African. 	<p>ATA website inventory. Long distance design workshop reports. Quarterly website update and maintenance by US marketing department</p>

³ The site serves as a marketing tool to expand reach to buyers that are not reachable through the trade shows.

<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 component expenses by EOP.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target Y3: % <p>Actual Y3: Non-program participants contributed towards 46% of the AMRP training revenue.</p>	<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.</p> <p>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.⁴</p> <p># of African products on site.</p> <ul style="list-style-type: none"> • Baseline: Nil • Target Y3: 200 • Actual Y3 : 163⁵ <p># of buyer visits per country⁶.</p>	<p>Trade show reports Website inventory Mid-term evaluation Final evaluation</p>

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

5 Cumulative total of Africa Products on site: 263 (for Y1,Y2 and Y3).

6 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 Y3: 3 • Actual Y3: 4 <p># of product placements in a trade publication (catalogue, tradeshow directory).</p> <ul style="list-style-type: none"> • Baseline: 2 (during RISE) • Target Y3: 3 • Actual Y3: 3 	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.</p> <p>Develop a plan to charge artisan enterprises fee for services.</p>	Continue to diversify ATA's funding sources and build strategic alliances. ⁷	<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: 5⁸ <p>Non-program businesses pay for 30% of Pan-African Market Link component expenses by EOP.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target Y3: 6 % <p>Actual Y3: Non-program participants contributed towards 46% of the AMRP training revenue.</p>	Financial statements Mid-term and final evaluations MOUs with peers

⁸ This number reflects total number of funding institutions that funded ATA programs in Y3. It does not quantify the number of relationships currently being developed.

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"> • Build artisan enterprise capacity through workshops and training programs. • Train exporters through the EXPORT program • 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 Y3: 2 Actual Y3: 1² ▪ # of trained exporters Baseline: 0 Target Y3: 2 Actual Y3: 2 (still in training) ▪ % of wholesale buyers who re-order within 9 months Baseline: 50% Target Y3: 75% Actual Y3: 28%³ 	<ul style="list-style-type: none"> • Key artisan interviews • Monthly marketing and M&E field reports • ANARTE reports
<ul style="list-style-type: none"> • Train artisans in business management practices through in-country workshops, and MRP program in USA and SA and production mentoring • Develop and produce training 	<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 Y3: 80% Actual Y3: 54⁴% ▪ % of groups with MOU that 	<ul style="list-style-type: none"> • local training & MRT participation records • monthly M&E reports • mid-term and final

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 Both the exporters are still under training, only one of them is managing small orders on his own.

³ The low percentage is due to the increased number of importers in Y3. As long as new importers are being added to the denominator the percentage will not reflect a direct increase.

⁴ The total number of artisans increased during Y3, therefore the percentantage figure dropped even though there is an actual increase in the number of groups that now have a bank account.

materials		<p>keep written financial records. Baseline: 5.5% Target Y3: 20% Actual Y3⁵: 61%</p> <ul style="list-style-type: none"> ▪ Business knowledge gained in SA or US MRT program⁶ Baseline: n/a Target Y3: 20-point increase Actual Y3: 20- point increase ▪ # of artisan enterprises/associations registered with the Ministry of Finance. Baseline: 0 Target Y3: 4 Actual Y3: 4 	<p>evaluations</p> <ul style="list-style-type: none"> • access to artisans' monthly and annual financial records • pre-post MRT Test
<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 Y3: 3 Actual Y3: 3 • US National phased out at the beginning of Y3, local staff is headed by a Mozambican. • # of proposals developed by the local staff (with HQ and RFD) Baseline: 0 Target Y3: 6 Actual Y3: 3 ▪ Local staff managing financial 	<ul style="list-style-type: none"> • Monthly field reports • Proposals developed and submitted to donors

⁵ 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

⁶ 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.

		reporting independently by Y2 Target: By Y2 Actual: Started in Y2 and continues to do so in Y3.	
<i>Mozambique / Service Delivery</i>			
<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 MRP 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 Baseline⁷: 10 Target Y3: 25 Actual Y3: 19 • # of businesses with exposure in Mozambican annual holiday fair. Baseline: 10 Target Y3: 34 Actual Y3: 18 • Annual local fair sales in USD Baseline: \$ 2,200 Target Y3: \$7,000 Actual Y3: \$8,590 • # of buyers visits Baseline: 3 Target Y3: 6 Actual Y3: 3 • Total Yearly sales. Baseline⁸: \$ 33,000 Target Y3: \$175,000 Actual Y3: \$151,104⁹ 	<ul style="list-style-type: none"> • Trade show reports • Website inventory • Buyer interviews • M&E Monthly Reports

⁷ RISE Y3 figure as baseline.

⁸ Baseline is RISE Y3 (2001) sales figure.

⁹ Sales are still lower than target. However significantly higher than last year.

<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. Baseline⁹: 1,350 Target Y3: 2500 Actual Y3: 2500 	<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. MRP training in US and SA. 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 by EOP. Maputo wood carvers achieve FSC certification through the Djabula Community Forest Project to promote their product¹⁰. 	<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 Y3: 42 Actual Y3: 16¹¹ % of orders that meet buyer quality control standards. Baseline: 60% Target Y3: 70% Actual Y3: 70% 	<ul style="list-style-type: none"> Consultancy reports Annual reports Mid-term and final evaluations Key buyer interviews Marketing reports

⁹ Baseline figure is the total number of artisans reached during the three years of RISE.

¹⁰ The FSC certification process is still to be completed, but based on Mozambican Government policy and regulation an agreement was signed between the Djabula forest community and ATA and a license to purchase wood was obtained. Also in the interim, ATA started a wood bank that purchases wood in large quantities so the producers have consistent supply of wood.

¹¹ This number is low due to the fact that production capacity is still low and increasing demands would not be met efficiently. Efforts were focused on increasing production capacity with the establishment of the wood bank and the distribution of tools and equipment.

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). <p>Baseline: 100% Target Y3: 90% Actual Y3: 100%</p> <ul style="list-style-type: none"> ▪ # of buyers visits to South Africa. <p>Baseline¹: 6 Target Y3: 8 Actual Y3: 38²</p>	<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 A 	<p>Building BAT Shop's operational and training capacity.</p>	<ul style="list-style-type: none"> ▪ 25 trainees to attend the MRP³ by EOP. <p>Baseline: 0 Target Y3: 15 Actual Y3: 22⁴</p>	<ul style="list-style-type: none"> ▪ Detailed training reports

¹ Baseline figure is the current BAT buyers.

² Not all of these visits were ATA generated/ facilitated.

³ MRP, Market readiness program, both in NY and South Africa.

⁴ This number, includes both Program participants and non program participants from South Africa. [Create SA and BAT shop].

<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 alliances⁵ in South Africa</p>	<ul style="list-style-type: none"> ▪ Active participation of South African designers⁶ to use regional talent in providing design and technical assistance. Baseline:0 Target Y3: 6 Actual Y3: 5 ▪ # of Craft Organizations visited and assessed⁷ by EOP. Baseline: 2 Target Y3: 10 Actual Y3: 1⁸ 	<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 ▪ Quarterly update of the site. 	<p>The BAT Shop uses ATA website⁹ 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 Y3¹⁰. 	<ul style="list-style-type: none"> ▪ Training evaluations ▪ Website review by US marketing department ▪ Mid term and final evaluations.

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

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

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

⁸ ATA visited and assessed CCDI that works with 350 producer groups and several local organizations. ATA's partnership with CCDI will address the objective of both networking as well as strengthening the craft sector in SA.

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

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

<i>SA/ Service Delivery</i>			
<ul style="list-style-type: none"> ▪ MRP in US and SA ▪ Conduct market-driven product development with artisans using information technology. ▪ 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 Baseline¹¹: 3 Target Y3: 10 Actual Y3: 19 ▪ Increase in the # of importers. Baseline: 8 Target Y3: 15 Actual Y3: 37 ▪ Yearly sales. Baseline¹²: \$ 200,000 Target Y3: \$ 325,000 Actual Y3: \$ 556, 000 	<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. ▪ Design and Production consultancies. 	<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 Y3: 82% Actual Y3: 90% ▪ # of artisans served during the LOP¹³. Baseline¹⁴: 700 Target Y3: 1000 Actual Y3: 867¹⁵ 	<ul style="list-style-type: none"> ▪ Regular visits to artisans and ▪ Monthly field reports ▪ Marketing reports ▪ Mid-term and final evaluations ▪ Key buyer interviews.

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

12 Baseline figure is the yearly sales figure for the BAT shop, at the beginning of the PAED program.

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

14 Baseline figure is the total number of artisans reached by the BAT shop at the beginning of the PAED program.

15 This figure includes BAT producers (848) and CCDI MRP participants (19).

		<ul style="list-style-type: none"> Business knowledge gained in SA or US MRP program¹⁶ <p>Baseline: n/a Target Y3: 20 point increase Actual Y3: 14 point increase¹⁷</p>	
<i>SA/ Sustainability</i>			
<ul style="list-style-type: none"> Trade show participation and making market links. Training in customer service and MRP training in US and SA. The BAT Shop continues to provide increased export services to artisan sector in addition to the existing domestic market. <ul style="list-style-type: none"> Product development & design consultancies both in-country and via Internet. Training in quality control and timeliness. 	<p>The BAT shop provides training, design consultancies and market link services to artisans after EOP.</p> <p>Artisans are able to develop quality products for international export independent of ATA</p>	<ul style="list-style-type: none"> ATA leveraged buyers have started directly working directly with the BAT shop on Product development and marketing. BAT shop would have established good relationships with these buyers by EOP. # of new product lines accepted in International market. Baseline: 10 Target Y3: 23 Actual Y3: 19 % of orders meeting buyer's quality control standards¹⁸. 	<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) Consultancy reports Annual reports Mid-term and final evaluations Key buyer interviews Marketing reports

¹⁶ Knowledge gained (average increase between end of show result and 6 months afterwards) was measured by the craft business assessment tool.

¹⁷ The Pre/Post MRP test used to determine business knowledge gained is an imperfect and none-comprehensive measurement tool.

¹⁸ Refer to the quality control indicator in the service delivery section above.

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 Y3: 5 businesses. Actual Y3: 4 businesses. ▪ Number of businesses with repeat orders. Baseline: Nil. Target Y3: 3 Actual Y3: 2 ▪ Number of artisans served during LOP¹. Baseline: nil Target Y3: 500 Actual Y3: 575 	<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 Y3: 235,000 Actual Y3: 213,000 ▪ Number of artisans trained Baseline: 5 artisans and entrepreneurs trained in US or SA in three years.(during RISE) Target Y3: 5 Actual Y3: 4 Actual EOP: 11(cummulative). <ul style="list-style-type: none"> ▪ Business knowledge gained in SA or US MRP program³ Baseline: n/a TargetY3: 20% point increase Actual Y3: 25% 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 Y3: 20 Actual Y3: 10 	

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

³ 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 Y3: 85% Actual Y3: 77%</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 Y3: 75% Actual Y3: none⁴</p>	<p>Key buyer interviews, quarterly Company data reporting, 2x/year</p>

⁴ Some importers are carrying the lines from their earlier orders, like Swahili Imports but did not place repeat orders.