



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

SEP 25 2001

Att: Mr. Keth Recker  
Executive Director  
Aid to Artisans  
Pan-African Artisan Enterprise Development  
331 Wethersfield Ave.  
Hartford, CT 06114

Subject: 2001 Matching Grants - Cooperative Agreement No. HFP-A-00-01-00023-00  
Agribusiness Capacity and Sustainability of African Craft Businesses

Dear Mr. Recker:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to Aid to Artisans (hereinafter referred to as the "Recipient"), the sum of \$2,869,445 to provide support for a program in Agribusiness Capacity and Sustainability of African Craft Businesses as described in the Schedule of this award and in Attachment 2, entitled "Program Description."

This award is effective and obligation is made on October 1, 2001 and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending September 30, 2006.

This award is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule); Attachment 2 (the Program Description); and Attachment 3 (the Standard Provisions); all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the award, and return the original and all but one copy to the undersigned.

Sincerely yours,

Raquel C. Powell  
Agreement Officer  
M/OP/HRAM/AFP

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

Attachments:

- A. Schedule
- B. Program Description
- C. Standard Provisions
- D. Annual Reports

ACKNOWLEDGED: Aid to Artisans

BY:

Ken Reder

TITLE:

Executive Director

DATE:

September 26, 2001

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A. GENERAL

1. Total Program Amount: \$5,976,682
2. Total Estimated USAID Amount: \$2,869,445
3. Total Obligated USAID Amount: \$573,890
4. Cost-Sharing Amount (Non-Federal): \$3,107,237 (51.98%)
5. Remaining amount to be obligated: \$2,295,555
6. Activity Title: Pan-African Artisan Enterprise Development
7. USAID Technical Office: BHR/PVC/MGD
8. Tax I.D. Number: 04-257-7837
9. DUNS No.: 02-188-6663
10. LOC Number: HHF-13A2P

B. SPECIFIC

NMS No: 1874  
Org. ID: 10275  
Commitment No.: PR-BHR/PVC-01  
Budget Fiscal Year: 2001/2002  
Operating Unit: BHR/PVC  
Strategic Objective: 963-001  
Fund: DV  
Distribute: BHR348  
Benefiting Geo Area: 997  
SOC: 410000

ATTACHMENT I  
SCHEDULE

**A.1 PURPOSE OF AGREEMENT**

The purpose of this Agreement is to provide support for the program described in Attachment 2 to this Agreement entitled "Program Description."

**A.2 PERIOD OF AGREEMENT**

1. The effective date of this Agreement is October 1, 2001. The estimated completion date of this Agreement is September 30, 2006.
2. Funds obligated hereunder are available for program expenditures for the estimated period from October 1, 2001 to September 30, 2002.

**A.3 AMOUNT OF AWARD AND PAYMENT**

1. The total estimated amount of this Award for the period shown in A.2.1. above is \$2,869,445.
2. USAID hereby obligates the amount of \$573,890 for program expenditures during the period set forth in A.2.2. above and as shown in the Budget below. The recipient will be given written notice by the Agreement Officer if additional funds will be added. USAID is not obligated to reimburse the recipient for the expenditure of amounts in excess of the total obligated amount.
3. Payment shall be made to the Recipient by Letter of Credit in accordance with procedures set forth in 22 CFR 226.
4. Additional funds up to the total amount of the grant shown in A.3.1. above may be obligated by USAID subject to the availability of funds, satisfactory progress of the project, and continued relevance to USAID programs.

**A.4 BUDGET**

The following is the Agreement Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with 22 CFR 226.

CATEGORY	USAID
Program	\$1,843,614
Procurement	\$35,893
Training	\$294,315
Indirect	\$695,623
Total USAID Amount:	\$2,869,445
Total Recipient Amount:	
Recipient Cost Sharing	\$3,107,237
Total Program Funding:	\$5,976,682

#### A.5 REPORTING AND EVALUATION

##### 1. Financial Reporting

The Recipient shall submit an original and two (02) copies. Financial Reports shall be in keeping with 22 CFR 226.52.

In accordance with 22 CFR 226.52 the SF 269 and 272 will be required on a quarterly basis. The recipient shall submit these forms in the following manner:

a) The SF 272 and 272a (if necessary) will be submitted via electronic format to the U.S. Department of Health and Human Services (<http://www.dpm.psc.gov>). A copy of this form shall also be simultaneously submitted to the Agreement Officer and the Cognizant Technical Officer.

b) The SF 269 or 269a (as appropriate) shall be submitted to the Cognizant Technical officer with one copy to the Agreement Officer

c) In accordance with 22 CFR 226.70-72 the original and two copies of final financial reports shall be submitted as follows: M/FM, the Agreement Officer (if requested) and the CTO. The electronic version of the final SF 272 or 272a shall be submitted to HHS in accordance with paragraph (1) above.

##### 2. Program Reporting

a) The Recipient shall submit a performance report to Mary T. Herbert, BHR/PVC/MGD, the Cognizant Technical Officer, and Raquel Powell, the Agreement Officer. The performance reports are required to be submitted annually and shall contain the information set forth in 22 CFR 226.51(d). In addition one copy shall be submitted to:

USAID (PPC/CDIE)  
Attn: Ms. Gloria White  
1300 Pennsylvania Ave. NW  
Rm. 6-07-121  
Washington, DC 20523

- b) Annual Report - An annual performance report will be submitted in the format shown in Attachment IV.

Information from the performance report in paragraph 2.(a) above may be incorporated into the annual report. When the reports are combined, the recipient must make it clear that it has combined the performance report with the annual report in its one submission.

- c) Final Report

The Recipient shall submit the original and one copy to the Cognizant Technical Officer, Mary T. Herbert, and one copy to USAID Development Experience Clearinghouse, ATTN: Document Acquisitions, 1611 N. Kent Street, Suite 200, Arlington, VA 22209-2111 (or e-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org)).

Recipients shall list each country included in the program and the total amount expended for each country under the award for the reporting period in the "Remarks" block on the "Financial Status Report" SF-269 or SF-269A, or on a separate sheet of paper with the "Request for Advance or Reimbursement" SF-270.

- d) Mid-term and Final Evaluation

The Recipient organization is required to conduct period assessments of project progress and to report on project activities annually with an emphasis on results. Recipient is required to develop indicators to use as measurement tools in these assessments. An external final evaluation is required at the end of the Cooperative Agreement period.

**A.6 INDIRECT COST RATE**

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

Description	Rate	Base	Type	Period
Overhead	32.00%	1/	1/	1/

1/Base of Application: Total Direct Costs  
Type of Rate: Provisional  
Period: 10-01-99 until amended

**A.7 TITLE TO PROPERTY**

Title to all property financed under this award shall be vested in the Recipient subject to the requirements of 22 CFR 226.30 through 37.

**A.8 COST SHARING**

The Recipient agrees to expend an amount not less than \$3,107,237 (51.98%) of the total activity costs.

**A.9 SUBSTANTIAL INVOLVEMENT**

For purposes of this agreement, substantial involvement shall include the following:

- a. Approval of the Detailed Implementation Plan (DIP), submitted to USAID/BHR/PVC before March 31, 2002, and any subsequent revisions. PVC staff and other technical specialists will review the DIP and meet with the PVO to discuss strengths and weaknesses. Substantial changes, resulting in any revisions to specific activities, locations, beneficiary population, international training costs, international travel, indirect cost elements, or the procurement plan, may require a modification to the cooperative agreement by the Agreement Officer. The approved Detailed Implementation Plan (DIP), will supplement the initial Program Description in the Agreement, and form part of the official documentation.
- b. Approval of key personnel and any subsequent changes in the positions during the life of the award.
- c. USAID involvement in monitoring progress toward the achievement of program objectives during the Cooperative Agreement, include written guidelines for contents of annual reports and midterm and final evaluations in accordance with ADS 303.5.11.a.3.

**A.10 KEY PERSONNEL**

The following position and individual has been designated as key to the successful completion of the objective of this award. In accordance with the substantial involvement clause of this Award, replacement or diversion of these personnel is subject to the Approval of the USAID Technical Officer.

- Ms. Lorraine Johnson, Regional Field Director

**A.11 AUTHORIZED GEOGRAPHIC CODE**

The authorized geographic code for procurement of goods and services under this award is 935.

**A.12 PAYMENT OFFICE**

LOC: U.S. Department of Health and Human Services  
For Advance Payment and Expenditure Report

Administrative and Management Support for LOC  
US Agency for International Development  
Office of Financial Management  
M/FM/CMP/GIB, Room 7.07-104A RRB  
1300 Pennsylvania Ave. NW  
Washington D.C. 20523

**A.13 RESOLUTION OF CONFLICTS**

Conflict between any of the Attachments of this Agreement shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule  
22 CFR 226
- Attachment 2 - Program Description
- Attachment 3 - Standard Provisions
- Attachment 4- PVO Annual Reporting Guidelines

ATTACHMENT II

PROGRAM DESCRIPTION

(The following Program Description is Aid to Artisan proposal)  
Pan-African Artisan Enterprise Development

ADDRESSING CAPACITY and SUSTAINABILITY of AFRICAN CRAFT BUSINESSES  
2001-2006

1. Program Summary

Africa's diverse and dynamic craft industry is one of the continent's richest resources with the capacity to generate economic and social benefits for Africans and substantially contribute to the economy of each country. The craft sector has potential to employ many more people, to protect cultural heritage and to generate export revenues. This five-year proposal addresses weaknesses in the craft sector and is designed to maximize the sector's promise and potential. Aid to Artisans' Pan-African Artisan Enterprise Development (PAED) Program will help African craft break away from the stereotypes of Kente cloth and tribal masks and take its rightful place as an innovative provider of products that draw from deep cultural resources. PAED will reach 5,700 artisans and broker nearly \$3 million in sales. African microentrepreneurs will benefit through an increase in employment and household income.

The leading industry magazine estimates that the US home accessories and gift market exceeded \$32 billion in 1999. In a collaborative effort between ATA's headquarters and local partners, PAED will address the challenges faced by African craft businesses through implementation of a comprehensive strategy to supply design innovation, facilitate access to important markets, and provide business trainings to artisan enterprises. The five-year program will promote recognition of African craft and culture in the international marketplace by exhibiting well designed product in US, European and African tradeshows and through the development of a wholesale website.

At Aid to Artisans' headquarters in Connecticut, ATA will perfect and diversify training options available to artisan producers worldwide. ATA will organize, adapt and supplement the business development curriculum that has been used in ATA's programs worldwide and also develop three new training programs. The development of a production mentoring program, whereby small producers will learn from experienced export oriented enterprises, will be tailored to meet the needs of smaller groups who are searching for creative and efficient approaches to improve production systems. Using Mozambican exporters as initial participants, ATA will also create training curriculum specific for new exporters to the US market.

The PAED program is designed as a follow-on program to ATA's existing country programs in Mozambique and Tanzania, collectively known as RISE, which are funded by a three-year matching grant that will end in August, 2001. PAED will expand ATA's reach into South Africa. In Mozambique and Tanzania, ATA will focus its efforts on capacity building through scaling up production systems, organizational development for artisan groups and expanding services to reach more artisans. In Mozambique, ATA will nurture the creation of a Mozambican artisan association and continue to encourage and facilitate artisans' involvement in the conservation of natural resources. In Tanzania,

activities will focus on strengthening our partner organization's capacity to work in commercial markets and in advancing artisans' skills in design and building on their business knowledge, and phase out after three years. In South Africa, ATA will partner with the BAT Shop to begin to bring market-driven product development and tradeshow facilitation to South African artisans.

The program opens opportunities for craft businesses across Africa to participate on a fee-for-service basis in years two through five. The expanded fee-for-service aspect of the program allows ATA to extend its ability to recover costs and to encourage artisan investment in their own successes.

## 2. Description and Background of ATA

Aid to Artisans, a nonprofit organization, offers practical assistance to artisans worldwide, working in partnerships to foster artistic traditions, cultural vitality, and community well-being. Through training and collaboration in product development, production, and marketing, Aid to Artisans provides sustainable economic and social benefits for craftspeople in an environmentally sensitive and culturally respectful manner.

-ATA mission statement

Since 1976, Aid to Artisans has assisted artisans around the world to improve their economic conditions. By serving as the non-profit facilitator between craft microenterprises and the marketplace, ATA has created economically meaningful employment opportunities for artisans in more than 30 countries. In FY 2000, ATA leveraged approximately US \$4 million (FOB) in sales for artisans worldwide (the US retail equivalent is \$28 million) and assisted over 15,000 artisans with an organizational budget of \$3.5 million. The trade linkages for artisan microenterprises established with ATA assistance create viable small businesses, long-term income generation, and significant employment opportunities long beyond the ATA intervention.

After agriculture, marketing of hand-produced, cultural products constitutes the second most important source of income in less developed countries of the world. The US market for gifts, accessories, and home décor surpassed \$30 billion in 1999. ATA forges long-term links between the large community of poor artisans and a voracious international market.

In a collaborative effort with local NGOs, craft groups and artisans, ATA develops and strengthens artisan microenterprises by providing technical assistance in product design/development and production, business training, marketing, and actual hands-on experience, both in the host country and in the U.S. Through the creation and strengthening of direct linkages to U.S. buyers, ATA has assisted artisan micro-entrepreneurs to sell their products to importers and retailers such as Pottery Barn, Pier 1 Imports, Mesa International, Gumps, and Sundance.

Once a marketable product line is developed, ATA offers the product line for sale at major tradeshows in the US and Europe. Tradeshows are the beginning of a market link for craft producers; in addition, ATA provides on-going marketing and promotion of artisans' crafts both in the U.S. and Europe, scouting smaller shows and identifying potential buyers. ATA assists by helping artisans access resources, manage production schedules, determine competitive pricing and setting quality control standards, and in the case of

overseas project, export potential. After three to five market cycles in the marketplace, the artisans are able to take advantage of the new and different products to sustain and expand their client base and develop new product ideas. The development of local retail stores and trade shows will logically follow in the effort to expand the market and attain sustainability.

ATA has implemented large, multi-year craft development projects since the mid-1980s. In Africa, ATA is currently working in Mozambique, Tanzania and Ghana and in FY00 completed short-term work in South Africa, Mali, and Burkina Faso. In Ghana, ATA is contracted by ATA's sister organization, Aid to Artisans Ghana (ATAG). From 1991 to 1997 ATA managed a USAID/Ghana grant to increase non-traditional exports, specifically crafts. In 1999, ATAG received its first direct grant from USAID and chose to continue working with ATA, contracting ATA for design and marketing services in the US. ATAG's choice illustrates the value that ATA's former partners place on ATA's work and accomplishments.

### **3. Program Justification**

#### **3.1 Relationship of PAED to ATA's Goals**

ATA's goals during the next five years, as befitting our mission statement, are to continue to meet the practical needs of artisans worldwide, reaching out to more people and reducing costs. ATA has undergone rapid growth in the past five years. Staff size has tripled, ATA's budget has increased from \$1.5 million in FY1995 to \$4.5 million in FY2001 and the range of products ATA promotes and the mix of countries that ATA works in has diversified. As ATA has grown, so has its skill as an organization that effectively builds craft enterprises. With rising awareness about ATA's successes have come new requests, outside ATA's established scope of work, for assistance from exporters, importers, artisans, NGOs and small businesses. ATA now searches for new ways to address weaknesses at various points in the commercial chain which must function smoothly if artisan businesses are to grow.

The PAED program has been designed to fortify ATA's ability to act on a system-wide basis to meet these requests and to offer additional services to our clients. The PAED program will provide ATA with funding to strengthen its training programs and add tailored training products, expand its marketing venues to include South African trade shows, and develop a wholesale website to learn how to successfully sell artisan goods through the internet. ATA's increased capacity will serve the artisans in Africa, and also ATA's ability to address similar problems in other countries.

#### **3.2 Problems and Constraints to Be Addressed**

ATA has identified problems and constraints through a baseline survey in Mozambique, field experiences across programs, conversations with staff, buyers and artisans and in ATA's midterm evaluation for RISE. At headquarters, the PAED program will address three main constraints.

1. *Limited access to markets:* Artisans across the world search for markets, and they value ATA's marketing services above all. This is especially true in Africa, where prior to the RISE program, Mozambican artisans did not sell for export and in Tanzania, AMKA could not penetrate the mainstream US market. Neither country uses the internet to access buyers. Careful expansion of ATA's portfolio of tradeshows to include a South African tradeshow, two additional venues in the US, extension of ATA's booth space in European venues and a website for African products will open markets for artisans.

2. *Market-based training is essential yet costly:* ATA has seen participants in the Market Readiness Training return home and transform their businesses based not only on what they have learned but also on what they have seen. Immersion in the consumer marketplace—an essential part of the training—is also an expensive investment per person due to travel costs. The development of an African Market Readiness Training Program, held in conjunction with a South African tradeshow, will provide a less expensive venue and still provide the exposure to consumer markets. US importers want to sponsor their African suppliers to this training.
3. *Great unmet demand for training:* ATA receives requests for export and production trainings from groups worldwide. Many graduates of ATA's NY-based New York Market Readiness Training Program turn to ATA for advanced training; and a site that hosts advanced training in Honduras has been remarkably effective. With PAED, ATA will formalize both a mentoring program and an export training program and promote these offerings among our network of contacts. ATA will also compile and supplement curriculum at headquarters.

At the country program level, the following constraints will be addressed:

*Limited production capacity:* In the RISE mid-term evaluation, production capacity was a consistent constraint that was raised by producers, partners, buyers and staff. Artisans reported needing access to a steady supply of raw materials, modern tools and efficiency training to better meet deadlines and quality standards and be in a position to take on larger orders. The PAED strategy will focus on addressing these constraints in Mozambique and Tanzania and evaluating and addressing production in South Africa.

*Lack of business knowledge:* In both Mozambique and Tanzania, the artisans have minimal education and South African producers have on average a 7th grade education. The RISE program has conducted a series of workshops to improve artisans' ability to handle their businesses bookkeeping, financial planning, and understand market concepts; further training is still needed for artisans to sustain their new clientele and develop their businesses.

*Weak internal structure for artisan groups:* The RISE program has worked with cooperatives, associations, sole owners with paid staff and multiple partnerships. During the mid-term evaluation, RISE staff and artisans expressed a need to strengthen the internal structure of individual organizations and the evaluation recommended that ATA broaden this aspect of the program. The groups need to define roles and responsibilities of members or workers, establish transparent financial systems, develop procedures on decision-making, and plan for growth. The absence of these systems has resulted in staff turnover, hindered growth and has potential for financial mismanagement. The PAED program will address these constraints through a series of workshops in Mozambique, Tanzania and South Africa.

*No artisan sector organization in Mozambique:* Although AMKA serves as a market facilitator for producer groups, a resource for advice, and artisan advocate in public forums in Tanzania, there is no Mozambican organization does not exist to represent artisans. Through the RISE program, ATA has brought artisans from across Mozambique together in organized forums to discuss challenges and share ideas, so that these forums will be a catalyst for a national artisan organization. Throughout the PAED program, ATA will continue with this strategy.

*Market access:* As described in the headquarters section, producers in Mozambique and Tanzania do not have the resources to access markets and the PAED program will continue to bring their products to market. A

stronger emphasis on market promotion was recommended in the mid-term evaluation report and will be provided in the PAED program.

*Limited export infrastructure for crafts:* The lack of Mozambican exporters willing or able to export crafts has been a problem in RISE; exporters have not worked with crafts due to the historically low demand and the labor-intensive work of exporting products from rural craftspeople. The accomplishments of the RISE program have proven to exporters that crafts are a profitable product. ATA has successfully involved two exporters in the program, but both exporters are inexperienced and need additional training before they can maintain the market links created through the RISE program. As exporters are trained and learn about the worldwide craft market they will work independently to provide more artisans with market outlets.

*Precious wood use:* Ebony, blackwood and sandalwood are traditionally used for carving and craft development in Mozambique. The RISE program has hired conservation specialists to balance the need for craftspeople to earn an income with the environmental implications of promoting precious woods. ATA's strategy will evaluate such options as: community-based management, forest certification and value added products. The PAED program will work to implement the suggestions developed during the RISE program.

### 3.3 Program Strategy Rationale and Relationship to Previous Matching Grant, RISE

Artisans in Mozambique, Tanzania and South Africa have benefited from training, product development and market link connections that have been established through the RISE program in southern Africa. Incomes have increased for artisan enterprises over 500%, jobs have been created and businesses strengthened.

- During the past two years, Mozambican artisans received and filled their first ever international orders, invested in their workshops, and studied basic business skills. Under ATA's guidance, artisans have also come together to share ideas and challenges, and to identify ways of cooperating to address common concerns, such as weakness in the craft export sector, as well as the need to face challenges posed by dwindling resources of precious woods. Six important commercial relationships have been established with importers committed to the long-term sale and marketing of product from Mozambique.
- In Tanzania, ATA's partner AMKA, significantly increased sales attributed to ATA's product development activities, and the ATA-facilitated entry of AMKA's artisan enterprises into the US market. Among the major market linkages ATA has created for Tanzanian craftspeople is that with Exploris, who not only buys Tanzanian product but also wants to invest in building and outfitting wood carving workshops.
- ATA's work in South Africa has been largely devoted to relationship-building, vital in that highly political environment. The BAT Shop director participated in ATA's Craft Organization Leader Exchange program, and ATA conducted product development with the several artisan enterprises, which resulted in orders from US importers.

ATA's current matching grant, RISE, was designed as a regional program to pilot the lessons that ATA learned in Central Asia, where a regional program had greater results than several country programs would have produced individually. In RISE, ATA found the Mozambique and Tanzania were more competitive and less cooperative than might be expected from their shared history and border, and there was no significant management benefit from the

regional office because travel and communication were difficult. ATA still believes that regional programs can be more effective, but now places a greater emphasis on shared language and ease of travel.

While the country programs in Tanzania and South Africa will be managed from headquarters, the PAED program is designed to act on an economic regionality. South Africa is the continent's largest economy and attracts significant tourism and an increasing number of craft buyers. ATA will bring nascent craft businesses to the market and forge links which, due to their relative affordability, can be more easily sustained.

As expected under RISE planning, the artisan sector in Mozambique continues to lag behind Tanzania due to poor organization in the artisan sector and limited export infrastructure. Therefore, activities in Tanzania will end after three years and in Mozambique and South Africa after five years. The PAED program will improve and expand the services delivered under the RISE program.

Overall ATA capacity building strategy will increase the ATA's ability to market products, train and position artisan producers for continued growth, earn income and access new funding sources. PAED capitalizes on ATA's highly developed marketing services by offering them to qualified African businesses on a fee basis, and offering crafts to over 300,000 buyers in the US, Europe and Africa.

#### **3.4 Relationship to USAID's Strategic Objectives**

The PVC offices strategic plan places an emphasis on partnership, sustainability and managing for results. The PAED program has been designed to increase the number of partners ATA has at the headquarters level and in each country program. The range of partners will diversify as ATA will develop arrangements with non-profits, small businesses and government agencies. The PAED program also exhibits a heightened emphasis on introducing cost-recovery practices as a means towards sustainability. The RISE program provided ATA with resources to develop a more effective monitoring and evaluating system that will be utilized from the start of the PAED program.

At the Mission level, the proposal responds to USAID South Africa's SO5, to increase market-driven employment opportunities in the SME sector. In Tanzania it responds to the Mission's objective of human rights and broad-based national and regional economic growth. In Mozambique, it fits with the objective to increase rural incomes and secondarily to increase private-sector-led growth.

#### **4. Partnership Formation**

##### **4.1. Partnership formation: Headquarters**

**ATAmarketmakers:** At headquarters, ATA will expand partnerships with businesses through its ATAmarketmakers program, a group of socially conscious businesses who work in decorative arts, textiles, home furnishings and fashions, and other businesses who also support ATA financially. Through involvement in the program, ATAmarketmakers access new product sources, increase networking opportunities, and participate in unique projects throughout the world. Currently, the program is primarily comprised of US importers and wholesalers who have worked with ATA in past projects. Expansion of the ATAmarketmakers' program will provide ATA with an additional

source of income, more trade contacts and a stronger network of potential buyers and market outlets.

**Funding partners:** In ATA's current matching grant, the RISE program, a range of funding partners have been brought into the program. Partners include: the Ford Foundation, the West Foundation, the IFC, UMCOR, McKnight Foundation, UNOPS, the Rausing Foundation and numerous small family foundations and individual donors. ATA has ongoing commitments with UMCOR and anticipates that other existing relationships will be renewed and/or developed. UNOPS and ATA have partnered to seek funding and the Italian development agency has expressed interest in providing \$1.7 million for PAED (see letter of support and section 10.4).

**Production mentors:** New relationships will be created through establishment of ATA's production mentoring training program described in section 5.1. ATA will evaluate import businesses and production facilities with experience in hosting international visitors and expertise in training, and add four potential sites for production mentoring by EOP. ATA and the site will agree on a general scope of work and detail the roles and responsibility of each party with financial implications prior to the mentoring activity. The mentor will be compensated for their services.

**E-commerce partner:** ATA has been researching potential partners and developing an internet strategy for the past 18 months, and anticipates having a signed contract with OneNest.com by April, 2001. OneNest.com is a leading e-commerce business-to-business site with 20,000 registered buyers. Visitors to OneNest's site will also see ATA products. OneNest will build and power ATA's site, provide site maintenance for the first two years, and conduct joint fundraising for the internet initiative.

#### 4.2. Partnership formation: Mozambique

**Artisan enterprises:** No NGOs other than ATA work with artisans in Mozambique, so ATA has signed MOUs directly with artisan enterprises that detail the roles and responsibilities of ATA's field office and the producer groups. The field office provides marketing, product development and design and training assistance and in return the producer groups share information for monitoring and evaluation indicators and be on time and attend various trainings. All of the artisan enterprises identified needs in trade promotion, product development and business training, which both RISE and PAED are designed to meet. ATA will continue partnering with artisan groups in this manner.

**Private Exporters:** Development of the export sector in Mozambique is crucial to sustain the links ATA has established with importers and to create new linkages. Exporters will play a more active role in the PAED program than they had in RISE. In RISE, two export businesses were identified to assist in the development of artisan enterprises. Exporters will be included in ATA training programs and in an internship at the Mozambique office. A memorandum of understanding detailing the roles and responsibilities of each party will be developed and signed.

#### 4.3. Partnership formation: Tanzania

**AMKA:** AMKA is a Swahili word meaning 'awareness' or 'to awaken'. AMKA grew out of a successful export development program operated by Traidcraft Exchange/UK since 1987 and became independent in 1994. AMKA's mission is "to alleviate poverty in Tanzania through marketing of products produced by over 85% of Tanzanians (food products and handcrafts)." AMKA contributes towards

poverty alleviation by assisting small and medium enterprises to participate more effectively in export and local and regional markets. Producers in these enterprises, especially women, are isolated and struggle to find access to outside markets.

AMKA works with 1,600 artisans in 23 groups, and over 1,000 food producers. AMKA's annual budget is \$140,000. The partnership between AMKA and ATA has been mutually beneficial. ATA has benefited from AMKA's sharing of their expertise in local and regional markets, organizational infrastructure, experience with monitoring and evaluation and market contacts. AMKA has benefited from the financial inputs received through the RISE program that have allowed them to open US markets, expand their reach and sales to existing customers, ATA's market knowledge, and participation in ATA's workshops on fundraising and monitoring and evaluation.

ATA has an MOU in place with AMKA through August, 2001, which will be reevaluated and adjusted to reflect the new objectives of the PAED partnership. Because AMKA is more organized than are artisans in Mozambique, the PAED program activities will close after three years in Tanzania. AMKA's goal is to continue to increase sales of SME's in Tanzania, leading to poverty reduction.

**Traidcraft Exchange/Fairtrade Association:** Both Traidcraft (TX) and Fairtrade (FTA) work with AMKA to access markets in the UK and the Netherlands, respectively. Under the RISE program ATA began working collaboratively with both organizations to develop scope of work for designers and share product develop as a result of design trips. AMKA encouraged the collaboration to ease its management load, and the cooperation has resulted in for ATA, TX, and FTA as well as plans for long-term joint work between ATA and TX.

#### **4.4. Partnership formation: South Africa**

**BAT Shop:** In South Africa, ATA will formalize its relationship with the BAT Shop. The BAT Shop is affiliated with the Bartel Arts Trust (BAT), an art development and community center in Durban. The BAT Shop is a for-profit enterprise, focusing almost exclusively on product development, marketing and sales of high quality innovative craft made in South Africa. The BAT Shop provides training in product design to rural women and markets goods on behalf of 1,100 craft producers from throughout the province. The BAT Shop has been financially independent for almost five years and has a budget of \$100,000. It has received in-kind support from local communities as well as local and provincial government. Most training services have been funded through profits earned on craft sales.

Currently all of the BAT Shop's craft producers are historically disadvantaged microenterprises and 75% are female managed. The BAT Shop offers its services to all interested craft producers residing in KwaZulu Natal, who live in rural areas, peri-urban townships or squatter camps. Nearly all women producers are functionally illiterate and have weak numeracy skills; some have high school diploma but the average education level of craft producers is Standard Five (grade 7). About 80% of the BAT Shop's producers provide their families' sole source of income through the sale of craft.

BAT Shop producers currently sell through the shop and to any foreigners who visit the shop and place orders. Staff do not actively seek or promote products in tradeshow venues or to international buyers. Under the PAED

program, new product will be developed and ATA and the BAT Shop will work together to introduce BAT products into the world marketplace. The resulting sales and market links will allow the BAT Shop to meet its goals of impacting more artisans and creating more artisan income.

## 5. Capacity Building Strategy, Objectives, and Activities

### 5.1 Capacity building: Headquarters

In ATA's current matching grant (the RISE program) ATA is building its capacity to monitor and evaluate programs and to develop alternative funding sources and creating linkages with non-AID funding partners. Technoserve, a PVO focused on promoting agribusinesses, is ATA's mentor for both goals. In the RISE headquarters program, ATA formalized its M&E system, developing an ATA manual to provide guidelines to be used during the life of the project. ATA organized TNS-led workshops to review and develop indicators and procedures for RISE and standardized indicators across projects, so that agency-wide indicators are now measured.

The second capacity building objective of the RISE program was to diversify ATA's funding base. At the start of the RISE program 73% of ATA's overall budget was from USAID, and ATA met the EOP goal of 67% in year two of the three year program. ATA emphasized researching and cultivating foundations and corporations, and through restructuring ATA's development department. Initially, a corporations and foundations manager was hired to establish relationships, and more recently that position has been replaced by a Director of Program Initiatives position. More diverse funding sources remains a high priority for the organization, with an emphasis on earned income.

In the PAED program ATA has four capacity building objectives, discussed below.

**Objective 1: Improve ATA's ability to access, adapt, and use training materials specific to artisan enterprises.** Currently, ATA has strong basic training materials, including our Export Manual, that are utilized at headquarters and in field program. But lesson plans developed at the field level are not available to other field sites and in PAED, ATA will improve on the quality of field-based training by providing workshop guidelines. ATA will compile training materials from current and past projects, outline a full curriculum for artisan enterprise development, identify gaps in the curriculum, and provide lesson plans or modules for the curriculum. ATA's Training Officer will network with peer NGOs and share resources and curricula. Accomplishment of this objective will allow ATA to provide structured and efficient curriculum and move quickly to respond to artisans' unmet training needs. It will also provide ATA with a networking opportunity with other NGOs. In year one, ATA will review of existing curriculum at the annual field director's meeting. By year two, ATA will have a comprehensive inventory of available curriculum that is accessible to all field programs.

**Objective 2: Address the unmet training needs of artisans by developing new training components.** Presently, ATA has a profitable training program, the Market Readiness Training Program held twice yearly in CT and NYC, which attracts paying participants worldwide. Over the past several years, graduates of the program have requested ATA to direct them to hands-on, individual training. Three new components will be established to respond the constraint of unmet training need.

The first is a production mentoring training program for artisans who need assistance expanding their production capacity. The program will match a small producer with a larger producer with media-specific production. The larger producer will have export experience and provide hands-on guidance and advice during a three week training period. ATA's sole existing site, in Honduras, provides a transforming experience for wood and metal artisans who have trained there. ATA will evaluate potential mentoring sites, develop an appropriate curriculum with each, and sign MOUs with each site. By EOP, ATA will offer production training at four additional venues that represent different media.

The second component will be establishment of an export-training program. An experienced and thriving export sector is important for the success of artisan businesses. In countries with a socialist or communist history (Mozambique, Central Asia, Vietnam) craft export businesses are often weak or nonexistent and there is great need for them to learn about export laws and procedures. Mozambican exporters will be used as initial trainees as ATA develops a brief guide to nurturing the export sector. Activities will include: participation in the Market Readiness Training Program, site visits for exporters to warehouses and importers, and internships organized at field offices. By EOP, ATA will annually review lessons learned from each activity and have a set curriculum to train exporters.

The third component will be the establishment of an African Market Readiness Training Program (AMRT). The AMRT program will be modeled upon ATA's successful New York-based Market Readiness Training Program (see section 3.1) and will provide quality training in a regional context. The AMRT will begin as a three-day seminar and gradually build to a five-day seminar over the course and be organized at the Decorex tradeshow (see letter of support). The hands-on program will cover such topics as: booth design, quality control, costing and pricing, market trends and customer service. Lectures, store tours, one on one consultations will be conducted by a team of successful artisan entrepreneurs from former ATA projects. The AMRT will be promoted throughout Africa and participants outside of the PAED program will be trained for a fee by the end of the program.

**Objective 3: Capitalize on existing information technology to create market links for artisans.** Internet-based commerce is growing rapidly, but ATA does not yet offer products over the internet. While a retail site direct from developing countries is not feasible for the foreseeable future, during PAED ATA will develop a wholesale website to integrate with and complement existing marketing efforts. ATA is negotiating with a leading e-commerce site to establish the wholesale website. In year one and two, products from Mozambique, Tanzania and South Africa will be promoted on the site and by year three, based on success and demand, the site will expand and promote products from non-program countries. The site will also foster relationships between producers and importers, who will be encouraged to contact artisans and develop new designs and products. ATA will finalize arrangements with e-commerce partner, gather digital photos and product specifications, train staff to maintain the site and provide good customer service, and promote the site. By EOP, the site will be internally managed by ATA and 400 products will be on-line. Experience from comparable market outlets, such as catalogs, indicate that 400-600 products are required to have a robust and successful venture.

ATA will also pioneer the use digital imagery and the internet to provide new design ideas and feedback to artisans, learning the most effective and

efficient way to do so. A design consultant will prepare new designs and forward them to field staff and artisans for feedback and implementation. This will reduce travel and per diem costs associated with in-country design consultancies and further encourage artisans to use technology. Seven on-line based consultancies will be conducted during the PAED program.

**Objective 4: Increase ATA's earned income and revenue received through cost recovery.** During the RISE program, ATA's Market Readiness Training Program has recorded its first consistent profit, and PAED will build on this success. All three training components (African Market Readiness Program, the production mentoring program and the exporter training) will be designed and expected to break even by the end of the program. Financial records and cost analysis will enable ATA to determine fees for each program. All three components will be offered to artisans for the fee, thus increasing ATA's earned income. By year three, ATA will open the Pan-African Market Link to other market-ready African producers for a fee, so that they access regional and international markets with ATA. Marketing services are in high demand, and by offering a Pan-African collection to the market, ATA can reduce the cost for each participant without losing market appeal. ATA is committed to earning \$150,000 by EOP through training revenues, marketing fees, and product marketing.

ATA will monitor progress on objectives by review of tradeshow reports, financial statements and ATA's audit, promotional materials and brochures developed, evaluations completed by trainees, the website and curriculum inventories, the annual report, and the mid-term and final evaluation.

## **5.2 Capacity building: Mozambique**

ATA currently has a field office in Maputo, headed by an expatriate, and supported by 4 full time staff and support staff. In the absence of both a strong export infrastructure and a Mozambican artisan organization, the field office serves as a focal point for all artisan activities - it coordinates local fair, buyer trips, tradeshow participation, design trips and workshops, conducts fundraising, and is a voice for the artisans in government forums and to the media. Artisans use the office and its library as a resource when they seek information on raw materials, tools, market trends and business development. Due to the lack of experienced craft exporters, ATA's field staff performs many export related activities, including receiving buyer orders, distributing orders and monies, tagging products, storing inventory, and conducting quality control. Implementing and managing this wide range of activities is time-consuming and the PAED program will build the capacity of the ATA's local staff, the artisan sector and export businesses to execute activities and will shift activities to the private sector. ATA's field office has identified three main capacity building objectives that will measure our effectiveness in achieving this goal. A summary of each objective, indicator, data source and activity is discussed below.

**Objective 1: Strengthen the organization of the artisan and export sectors and address key weaknesses.** During ATA's current matching grant, the RISE program, ATA has held a series of workshop that have brought artisans from across Mozambique together. In each workshop artisans have an opportunity to discuss common problems, share resources, and strategize on possible solutions. This is ATA's first step in nurturing the creation of a local association. ATA's strategy is that by continually bringing artisans together and providing them with an opportunity to network and dialogue that artisans will recognize the benefits and power of working together.

In the PAED program, ATA will continue with the workshops and introduce next steps: involve artisans in the planning and structuring of activities, organizing internships in the field office for artisan leaders and connecting artisans to other trade associations and local NGOs so they can learn from their structures. By EOP, the artisan sector will implement a local fair independent of ATA and 10 examples of artisans collaborating together on a solution to a common problem with have been identified. For example, artisans will come together and buy raw materials in bulk to reduce on costs or share to/from a meeting with a potential buyer. Accomplishment of this objective will address the poor organization of the Mozambican artisan sector, discussed above and in Section 3.

ATA will also work to organize the export sector and develop local export businesses. Mozambican exporters will be trained in ATA's exporter training program described under ATA's headquarters capacity building section. Activities will include: participation in the New York Market Readiness Training Program, site visits for exporters to warehouses and importers, and internships organized at field offices. By the end of the program, 5 exporters will have participated in the export-training program and 3 export businesses will be working independently with exporters and buyers.

**Objective 2. Increase the fundraising and financial management responsibilities of local staff.** Currently, the expatriate Regional Field Director is responsible for the financial reporting and the majority of field-based fundraising activities in the RISE program. During the course of the PAED program, the local staff's responsibilities and abilities for handling the financial reporting and fundraising activities will be strengthened, in preparation of the phase out of expatriate staff at the close of year two. Under the supervision of the RFD, local staff will research, cultivate and steward relationships with funding partners. Headquarters will support and play a strong backstopping role. After the expatriate position is phased out, oversight trips and local staff's trips to the home office will increase. By EOP, local staff will have identified and developed relationships with 10 new local funding partners, and will be involved in the development of 15 proposals with headquarters. During the first year of the program, ATA's Country Coordinator will participate in ATA's New York-based Market Readiness Training Program and have additional training with ATA's Finance Department. This training, combined with in-country supervision, will provide the CC with the skills to manage ATA's reporting. By EOP, the CC will have full responsibility for managing the financial reporting.

**Objective 3. Field staff use ATA's website to create market links and sales.** As described in the headquarters capacity building section, ATA will develop a wholesale website in year one of the PAED program, and Mozambican products will be available. The field staff will be responsible for updating information on pricing, availability and shipping and responding to customer inquiries and orders after those inquiries are screened by the home office. Mozambican staff will participate in ATA training on digital imagery, web maintenance and customer service. By the end of year three, the field staff will be able to update Mozambican products on ATA's site on a monthly basis and use the internet as a marketing tool to communicate and create business relationships with buyers. Accomplishment of this objective will respond to the market access constraint by providing a new venue for Mozambican producers to reach markets.

**Objective 4. Scale up and expand the impact of ATA's work in Mozambique.** The scale of ATA's program has been hampered by the enormity of services the local office provided in the RISE program. ATA's expects to serve 1,300 artisans during the RISE. As export activities and coordination activities are transferred to export businesses and artisans, staff time will be reallocated to increasing the number of artisans reached through the program. ATA will conduct reviews and assessments of new groups, and then develop a strategy combining training, design work and market exposure for each enterprise. Each new group will sign a Memorandum of Understanding with the field office that will describe the roles and responsibilities of ATA and the producer group. ATA will work with 3,000 artisans during the life of the program.

ATA will monitor progress on the objectives by a review of tradeshow reports, marketing reports, financial statements, proposals to funders, the number of MOUs, evaluations completed by trainees, the existence of export businesses, staff interviews, the annual report, and the mid-term and final evaluation.

#### **5.2 Capacity building: Tanzania**

The RISE program began in Tanzania in June of 1998, eight months after the program commenced in Mozambique. By the end of the RISE program ATA will have worked with AMKA for 26 months. ATA is proposing to work with AMKA for an additional three years in the PAED program. The chief reason AMKA was interested in partnering with ATA was to broaden their ability to work in commercial markets in the United States. AMKA's experience and buyer portfolio primarily consists of fairtrade institutions in Europe. Fairtrade buyers and institutions work to promote long-term sustainability and empowerment and are committed to providing equitable wages in a safe a health work environment, protecting the environment, and promoting political and social justice. Fairtrade institutions, such as Serrv or Ten Thousand Villages, generally only sell through fairtrade retail stores or catalogue outlets, and they have a heavy reliance on volunteers to staff stores.

The fairtrade market is worth approximately \$100 million worldwide. In comparison, *Home Accents Today* (the leading merchandizing magazine for the US home accessories and gift industry) estimated that the size of the US home accessories and gift industry at \$32 billion in 1999.<sup>1</sup> AMKA's motivation in working with ATA was to tap the much larger commercial market and create more opportunities on behalf of its producers. AMKA and ATA are still committed to fairtrade principles and the RISE and PAED's program emphasizes teaching artisans how to cost and price their products fairly.

During the RISE program, ATA began introducing AMKA to commercial markets. New AMKA staff attended the New York International Gift Fair and Ambiente, in Frankfurt, and were introduced to current and potential clients. Buyer visits were arranged to Tanzania and ATA's marketing staff helped AMKA respond to commercial inquiries. ATA will work to cement these burgeoning relationships, create additional ones and improve on AMKA's ability to work in commercial and internet markets effectively. ATA expects AMKA to be able to reach commercial markets effectively in three years and thus PAED is active in Tanzania only for three years. ATA and AMKA have identified three main capacity building objectives that will measure its effectiveness in achieving this goal. A summary of each objective, indicator, data source and activity is discussed in turn.

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<sup>1</sup> This estimate includes home accessories and gifts, accent furniture, tabletop and lighting.

**Objective 1. AMKA provides effective service to commercial markets.**

Commercial buyers are motivated by the bottom line and require impeccable customer service. The competition for sourcing product is high, and if orders are late or quality is questionable, buyers usually go elsewhere. In the PAED program, through training, market link work, exhibitions and design trips, ATA will continue to prepare and provide ongoing guidance to AMKA's staff and producers as to the demands and expectations of commercial markets. By the end of year three, when the Tanzania program activities close, AMKA will demonstrate that they can provide effective service to commercial markets as 35% of new wholesale buyers placing follow-on or additional orders.

**Objective 2. AMKA staff uses ATA's website to create market links and sales.**

As described in the headquarters capacity building section, ATA will develop a wholesale website in year one of the PAED program and offer Tanzanian products. AMKA's staff will be responsible for updating information on pricing, availability and shipping and responding to customer inquiries and orders after inquiries have been screened by ATA marketing. AMKA staff will participate in ATA training on digital imagery, web maintenance and customer service. By year three, AMKA will be able to update their webpages on a monthly basis and use the website as a marketing tool to communicate and create relationships with buyers. Establishment of the site will increase market access and provide a new venue for AMKA's producers to reach customers.

**Objective 3. ATA's impact in Tanzania expanded and scaled up** At the end of year two of RISE (August 2000), ATA's work in Tanzania impacted 381 artisans, or 24% of artisans involved in AMKA's program. In the PAED program, ATA will continue to scale up its intervention to work with all 1,600 of AMKA's artisans. With AMKA, ATA will review additional artisan groups and develop individual plans for the most effective ATA intervention. Plans will offer a combination of design and production assistance, training, and market link work.

In addition, ATA will also help AMKA strengthen its regional fair by bringing in additional buyers and expanding the number of booths and products offered. The regional fair currently has products from Tanzania, Uganda and Kenya. ATA's involvement in the regional fair will allow us the opportunity to impact all of the artisans AMKA works with in Tanzania. Each of AMKA's 23 member organizations is represented at the regional fair.

ATA will monitor progress on objectives by a review of tradeshow reports, key buyer interviews, financial statements, website analysis, evaluations completed by trainees, staff interviews, the annual report, and the mid-term and final evaluations.

**5.4 Capacity building: South Africa**

**Objective 1. The BAT Shop provides effective service to new buyers.** ATA anticipates that the BAT Shop's entry into international wholesale markets will be straightforward. The BAT Shop staff is experienced dealing with large orders from a variety of clientele, the staff has been involved in international markets and has a history of providing good customer service. The majority of the BAT Shops buyers at retail are South African or European. To acquaint staff with the US market, staff will attend tradeshow and sell in ATA's booth. ATA's marketing staff will make introductions on their behalf, help familiarize staff with the expectations and demands of the US markets and highlight differences between the US and European and/or South

African markets. Success will be measured by 30% of new buyers placing repeat orders during the life of the program.

**Objective 2.** ATA continues to build a network of strategic alliances in South Africa. During the RISE program, ATA's were focused on building relationships in South Africa and on increasing ATA's knowledge of the craft resources available in South Africa. Four artisan organization members were trained at ATA's New York-based Market Readiness Training Program. The majority of research and contacts made were in Kwa-Zulu Natal. In the PAED program, ATA will research and make contacts in other provinces with the goal of identifying future partners for ATA or who would be interested in participating in ATA's training programs. ATA will visit and assess 20 organizations; those with market-ready products will be invited to participate in the Pan-African Market Link.

In year three of the RISE program, ATA utilized a South African textile designer for the program in Mozambique. The designer's work was excellent, and ATA wants to expand its use of talent from southern Africa. During the PAED program ATA will identify and interview 15 South African designers. Canvassing the Decorex tradeshow for good product will lead to good designers. ATA will also ask for references from the BAT Shop and other NGOs as we conduct research. Designers whose experience and skills meet the requirements for technical consultancies will be used in ATA's programs worldwide.

**Objective 3.** The BAT Shop staff uses ATA's website to create market links and sales. This objective's activities and indicators are consistent with that of the Mozambique and Tanzania program. Accomplishment of this objective will respond to the market access constraint by providing a new venue for the BAT Shop's producers to reach potential markets. As described in the headquarters capacity building section, ATA will develop a wholesale website in year one of the PAED program, when South African products will be available. The BAT Shop's staff will be responsible for updating information on pricing, availability and shipping and responding to customer inquiries and orders. The BAT Shop staff will participate in ATA's training on digital imagery, web maintenance and customer service. By the end of year three, staff will be able to update their webpages on a monthly basis and use the internet as a marketing tool to communicate and create relationships with buyers.

All of the objectives will be monitored by key buyer interviews, ATA's consultant database, website analysis, evaluations completed by trainees, the annual report, and the mid-term and final evaluation.

## **6. Service Delivery Objectives**

### **6.1 Service delivery: Headquarters**

ATA has identified three main service delivery objectives for headquarters, which will contribute to ATA's comprehensive effort to create market opportunities for African enterprises. Most African craftspeople have access to only a few local, small market outlets. Promising product often never gets beyond the craft person's village or region. The West has a stagnant image of African products: drums, masks, and brightly colored Kente cloth. The RISE program has begun to challenge and change this image, and worked to promote Mozambique and Tanzania as sources of new product and a destination for importers and buyers. The PAED program will continue with these efforts,

and through expansion and a publicity campaign, will broaden its impact beyond Mozambique and Tanzania.

Achievement of ATA's service delivery objectives will bring a range of African enterprises into the world market and begin to change the public's perceptions of what Africa has to offer for craft. In years one and two, ATA's focus will be on implementing the activities on behalf of artisans in the country programs (Mozambique, Tanzania, and South Africa). By year three, ATA will promote the Pan-African Market Link and make it available to craft enterprises throughout Africa for a fee. Each objective, the technical approach and activities, followed by its anticipated outcome are discussed below. Beneficiaries are described under the country sections.

**Objective 1: Expand market opportunities for African artisans through implementation of Pan-African Market Link.** In ATA's current matching grant, the RISE program marketing efforts have focused on opening the US and European markets for Mozambican and Tanzanian artisans. Mozambican products have been exhibited at three shows: NYIGF, SFIGF, and Ambiente, and Tanzanian products at New York and Ambiente. In 2001-2006, ATA will continue to build those markets, and expand to three new market venues.

**New South African Market:** Expansion will begin at Decorex, Africa's annual premier international interior design and decor showcase. Held in South Africa every August for six days, it draws 56,000 buyers, all searching for new and interesting products. Tapping into the regional market at Decorex will be advantageous for rural craft producers from Mozambique and Tanzania, and eventually artisans from west and east Africa. Profit margins are often more generous for products sold regionally than for products produced for US and or European markets, where global price competition is stronger. Regional markets are a good training-ground for new or inexperienced businesses who are working through pricing and production issues, because regional buyers may require fewer products than US or European customers. The regional market also tests product appeal in a location more receptive to African design.

In 2001 and 2002, ATA's booth at Decorex will be include artisan groups from Mozambique, Tanzania, and South Africa. By year three, ATA will invite other African craft enterprises to submit an application for the Pan-African Market Link, which includes exhibition in all ATA's markets, including South Africa. ATA will promote the program to 50 African groups currently on file and publicize the program on the continent. Interested groups will submit product photos and samples with the application and pay a fee based on space. When choosing groups to include in the booth, ATA will evaluate the group's ability to deliver, provide customer service, its production capacity and the marketability of the product. ATA will aim to have a wide geographic and product representation in the booth to ensure that the image promoted of African crafts is one of skill, beauty and diversity.

The initiative will provide cost recovery for ATA, build ATA's experience in African markets and increase its roster of trade shows. ATA will exhibit in South Africa once a year and double the space in year three. Four enterprises will pay to participate in the Pan-African Market Link by EOP.

**New US Markets:** ATA will continue to offer products for sale twice per year at the New York International Gift Show, still the largest trade show in the US with 50,000 buyers, and annually at Ambiente, the world's largest show for gifts and accessories with 120,000 buyers. ATA will carefully select

additional trade show venues so that the increase in new buyers reached offsets the increase in cost. The San Francisco International Gift Fair (SFIGF) is rapidly becoming a major outlet for craft in the US and complements the NYIGF by drawing 22,000 buyers, largely from the west coast. ATA will exhibit in the Handmade section, which showcases unique products from around the world. The Atlanta International Gift and Home Furnishings Market attracts 50,000 buyers twice a year, primarily from the south. This will be a new market for producers from each of the three countries. ATA will show at the new venues once in the first year and twice a year thereafter, and by year four will increase its booth space to accommodate additional participants in the Pan-African Market Link. With Decorex, San Francisco and Atlanta, ATA will enter three new markets during the PAED program.

*Expansion into E-commerce marketing:* ATA has been conducting research into e-commerce and evaluating potential partners for the past two years and is negotiating with OneNest.com to build and power the site. The wholesale website will be a valuable marketing tool for ATA's partner artisans worldwide. African products will be used in the pilot year and ATA will expand to products from other countries and businesses on a fee basis. Training will be conducted in digital imagery and website maintenance and local staff prepare images and information for the site.

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

One of ATA's long-standing and most effective services is design consultancies. In a design consultancy an international designer, knowledgeable in both design and market trends, is hired to provide short term technical assistance to artisan businesses. New products are created for the international market and production issues are addressed. During LOP, ATA will complete 21 in-country design consultancies, utilizing US, South African, and European designers. In Mozambique, ATA will also conduct seven internet design consultancies, as described in section 5.2. The internet design concept is in the pilot stages now, and the approach will be fine-tuned in the PAED program.

**Objective 3: Influence public impressions about African crafts through appearances in trade, consumer and news media.** In 2000, ATA hired its first Director of Publications and Media Relations. During PAED, ATA and African artisans will benefit by a new focus on generating press coverage promoting an new image of African craft that reflects the artistry and diversity of African products. Using product photos, artisan stories and ATA's experience, the PR Director will create 5 media features during LOP in mainstream media and 15 product placements in trade publications.

**6.2 Service delivery: Mozambique**

Of all of the services ATA provides its clients, none is more valued than bringing product to markets and creating market linkages for artisans. Linkages lead to sales, which create income and employment for artisans. The market also teaches through its reaction to products. ATA's training programs interpret and reinforce the market's lessons. Artisans' participation in tradeshows and training are closely coordinated throughout ATA's programs for maximum benefit. ATA has two comprehensive and multi-faceted service delivery objectives, focused on markets and on training. Each objective, the technical approach and activities, followed by its anticipated outcome are discussed.

**Objective 1:** Develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation. By the close of the RISE program, Mozambican artisans will have exhibited a well merchandized collection of appealing products in the New York International Gift Fair five times, in San Francisco and Europe once. For all of the artisans, this was their first representation in an international market and their first time receiving significant orders. Their products will also have been showcased in two local fairs, one organized by ATA. The artisans are ready for more market exposure but not yet able to overcome the obstacles to international markets alone.

**Trade shows & internet promotion:** During PAED, products will be marketed in the US, Europe, South Africa and Mozambique (see section 6.1) and exposed to 300,000 buyers. The level of marketing effort will grow each year, as the field office reaches more artisans. Orders are written during the show and equally important, critical buyer contacts and marketing leads are initiated. Interested buyers who make an initial sample order at the show will most likely become repeat buyers with larger orders if their initial order is delivered on time and with the same quality.

Following trade show participation, ATA's US based marketing team will follow up with prospective buyers and communicate buyer interest to local staff and artisans. Buyers will be encouraged to visit the field office and producers. ATA will identify promising product categories for producers for future product design trips, present products to buyers, conduct follow-up, and provide customer service.

**Mozambican fair:** ATA is set to launch its first two-day local retail fair in December of 2000. The fair is intended to attract ex-patriates looking for upscale gifts, and to showcase the talent of the artisans from across Mozambique. Each year the fair will gradually expand and more groups will be invited.

**Website:** ATA will inaugurate a pilot wholesale website in the first year of the PAED program to provide a new marketing venue, reach new buyers and keep existing buyers updated. Local staff will be trained in website maintenance and in providing customer service in response to inquiries. Buyer inquiries will be forwarded to the field office from headquarters.

**Market research & product development:** Market identification and design innovation are critical activities. ATA's competitive advantage is its knowledge of the market and focus on market driven product development. ATA's marketing team regularly visit international trades shows, dialogue with buyers, and conduct market research to identify market trends. This ongoing research informs product development and leads to saleable product through design and technical consultancies. ATA design consultants will work with craft producers, both in-country and over the internet, to transform crafts to functional products that fit an identified niche market. This market positioning ensures craft producers earn more than is possible from selling craft as curios or souvenirs and often broadens the market opportunities.

*Indicators:* ATA's chief indicator for this objective is sales, which will reach \$1.125 million (FOB)<sup>2</sup> by 2006 (US retail equivalent \$7.5 million). Sales from the current matching grant, RISE, were \$45,000 in the first two years of the project; the dramatic increase reflects the increasing ability of artisans and exporters, and the sales of committed importers. By EOP of PAED, 40 producers will have product exhibited in an international market (vs. 15 for RISE) and 75 producers will have exhibited at a local venue (vs. 15 for RISE). ATA projects that 8 new buyers will visit Mozambique (3 during RISE).

**Objective 2: Provide artisans with business development services that address weaknesses in group cohesion and management practices:** The mid-term evaluation recommended addressing the weak internal structure of artisan enterprises and the lack of business knowledge. ATA's field office has been making progress on these issues during the existing RISE program and will continue to concentrate on them during the PAED program. Workshops and trainings will be provided through in-country workshops and participation in the Africa Market Readiness Training Program and the New York Market Readiness Training Program.

*In-country workshops:* The RISE program has conducted 4 national workshops with a focus on customer service, costing and pricing, market trends, basic bookkeeping, and business planning. During the PAED program 10 more workshops will be organized and topics will include: how to organize a group, defining roles and responsibilities within an organization, financial management and records and setting production schedules. Workshops will be reinforced by visits from staff and technical consultants.

*Market Readiness Training:* Artisans will participate in the New York or Africa MRT, a combination of formal seminars, individual consultations, and site visits. Topics offered will include: marketing crafts, booth display, customer service, developing promotional materials, protocol for working with importers and exporters and business expectations. This program allows participants to experience the market first-hand and to network with similar businesses.

*Specialized training:* Eight Mozambican artisans and exporters will participate in the in-depth production mentoring and export training described in section 5.1 and train other on what they have learned.

*Indicators:* ATA will use a variety of indicators to measure our effectiveness in meeting this objective. They include: 30% of assisted groups have bank accounts and financial records by EOP; 50% of groups with MOU will have written financial and membership guidelines by EOP; 85% of products will meet quality control standards. 37 artisans will participate in Market Readiness Training in NY or South Africa.

**Beneficiaries:** ATA's program works primarily in Maputo and Nampula, and with a small number of groups in Sofala, Inhambane and other provinces, with an expected 1,300 artisans by the close of RISE and 3,000 in PAED. Most artisan groups have fewer than 10 members, and members combine craft production with subsistence farming. Approximately 25% are women, reflecting the heavy preponderance of male artisans and ATA's effort to include women in the

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<sup>2</sup> FOB (or Free on Board) refers to the price of goods as they leave the country. Prices for crafts typically increase six to seven times to their final retail price, which reflects the many hands they pass through and the complicated path goods follow from rural artisan to American home.

program. In PAED, ATA will involve more women by coordinating design trips with a textile or basketry focus. The field office strives to represent artisans working with all media (wood, textile, basketry, metal).

### 6.3 Service delivery: Tanzania

The objectives and approach ATA has identified for Tanzania is similar to those of Mozambique. Each objective, the technical approach and activities, and by its anticipated outcome are discussed below.

**Objective 1: Develop and expand marketing and sales opportunities for Tanzanian artisans leading to revenue generation.** By the close of ATA's current matching grant, the RISE program, Tanzanian artisans will have exhibited in the New York International Gift Fair five times and in Europe once. For all of the artisans, this was their first participation in an international market and their first significant orders. Their products will also have been showcased in local fairs organized by AMKA. The artisans are ready for more market exposure and the PAED program will offer it.

*Trade shows & internet promotion:* During PAED, products will be marketed in the US, Europe, South Africa and Tanzania (see section 6.2) and exposed to 300,000 buyers. The level of marketing effort will grow each year, as AMKA's ability to service orders grows. Orders are written during the show and equally important, critical buyer contacts and marketing leads are initiated. Interested buyers who make an initial sample order at the show will most likely become repeat buyers with larger orders if their initial order is delivered on time and with the same quality.

Following trade show participation, ATA's US based marketing team and AMKA will conduct on-going marketing efforts of Tanzanian crafts to prospective buyers and communicate buyer interest to local staff and artisans. Marketing activities will include identifying product categories for producers for future product design trips, presenting products to buyers, conducting telephone follow-up, and providing customer service for orders.

*Tanzanian Fair:* AMKA has been hosting a regional fair since 1995. Each of the 23 artisan groups that AMKA works with exhibit product, as well as enterprises from Uganda and Kenya. The fair is both a wholesale and retail outlet. The first two days are reserved for wholesalers/importers and attract fairtrade buyers. The third through fifth days are open to the public. ATA will strengthen AMKA's fair and recruit commercial buyers to the event.

*Website:* ATA will inaugurate a pilot wholesale website in the first year of the PAED program to provide a new marketing venue, reach new buyers and keep existing buyers updated. AMKA staff will be trained in website maintenance and in providing customer service in response to inquiries. Buyer inquiries will be forwarded to AMKA from ATA.

*Market research & product development:* Market identification and design innovation are critical activities. ATA's competitive advantage is its knowledge of the market and focus on market driven product development. ATA's marketing team regularly visit international trades shows, dialogue with buyers, and conduct market research to identify market trends. This ongoing research informs product development and leads to saleable product through design and technical consultancies. ATA design consultants will work with craft producers, both in-country and over the internet, to transform crafts to functional products that fit an identified niche market. This market positioning ensures craft producers earn more than is possible from

selling craft as curios or souvenirs and often broadens the market opportunities.

*Indicators:* ATA's chief indicator for this objective is sales, which will reach \$675,000 (FOB)<sup>3</sup> by 2004 (US retail equivalent over \$4 million). Sales from the current matching grant, RISE, were \$65,000 in the first 15 months of the project; the tenfold increase in three years in Tanzania reflects the improved production capacity of artisans and AMKA's improved relationships with commercial buyers, and is consistent with ATA's experience. By year three, when Tanzanian activities close out, all 23 producer groups will have product exhibited in an international market (vs. 16 for RISE), and on the website. ATA projects that 6 new buyers will visit Tanzania (vs. 2 during RISE).

**Objective 2: Provide artisans with the business development services that address weaknesses in group cohesion and management practices:** Activities proposed under this objective are designed to address the weak internal structure of artisan groups and the lack of business knowledge. AMKA has been making progress on these issues during the RISE program and will continue to concentrate on them during the PAED program. Workshops and trainings will be provided through in-country workshops and participation in the Africa Market Readiness Training Program and the New York Market Readiness Training Program. A brief description of each program and the level of effort follows:

*In-country workshops:* AMKA has a well-respected series of trainings that they offer to all of their groups on such topics customer service, costing and pricing, market trends, basic bookkeeping, and business planning. During the PAED program workshops will be organized and topics will include: how to organize a group, defining roles and responsibilities within an organization, financial management and records and setting production schedules. Workshops will be reinforced by visits from staff and technical consultants.

*Market Readiness Training:* Fifteen artisans will participate in the New York or Africa MRT, a combination of formal seminars, individual consultations, and site visits. Topics offered will include: marketing crafts, booth display, customer service, developing promotional materials, protocol for working with importers and exporters and business expectations. This program allows participants to experience the market first-hand and to network with similar businesses.

*Specialized training:* Three Tanzanian artisans will participate in the in-depth production mentoring described in section 5.1 to increase their ability to meet larger orders. Participants will train other on what they have learned.

*Indicators:* ATA will use a variety of indicators to measure our effectiveness in meeting this objective. They include: 35% of groups will have bank accounts and financial records and 50% of groups ATA assists will have written financial and membership guidelines by year 3; and 85% of products will meet quality control standards. Fifteen artisans will participate in either the AMRT or NY MRT.

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<sup>3</sup> FOB (or Free on Board) refers to the price of goods as they leave the country. Prices for crafts typically increase six to seven times to their final retail price, which reflects the many hands they pass through and the complicated path goods follow from rural artisan to American home.

**Beneficiaries:** As described above in section 4.3, AMKA works with producer groups across Tanzania. To date, ATA has assisted groups in Zanzibar, Dar es Salaam, Arusha, Mtwara, and Iringa. AMKA works with 23 artisan groups (1,600 artisans) and under the PAED program ATA will work with all groups. The groups are evenly split between men and women and are primarily rural; ATA will work to ensure that women's products as well as men's are emphasized.

#### 6.4 Service delivery: South Africa

The service delivery objectives for South Africa are similar to those for Mozambique and Tanzania. Each objective, the technical approach and activities, followed by its anticipated outcome are discussed below.

**Objective 1: Develop and expand marketing and sales opportunities for South African artisans leading to revenue generation.** To date, artisans working with the BAT Shop have sold their products only at the BAT Shop. Considerably more product could be sold with more market exposure and the PAED program will offer it.

*Trade shows & internet promotion:* During PAED, products will be marketed in the US, Europe, and South Africa (see section 6.1) and exposed to 300,000 qualified buyers. The level of marketing effort will grow each year, as the BAT Shop is able to fill larger orders. Orders are written during the show and equally important, critical buyer contacts and marketing leads are initiated. Interested buyers who make an initial sample order at the show will most likely become repeat buyers with larger orders if their initial order is delivered on time and with the same quality.

Following trade show participation, ATA's US-based marketing team and the BAT Shop will conduct on-going marketing efforts of South African crafts to prospective buyers. Marketing activities include identifying promising product categories for producers for future product design trips, presenting products to buyers, conducting telephone follow-up, and providing customer service for orders.

*Website:* ATA will pilot a wholesale website in the first year of the PAED program. The site will provide a new marketing venue and be useful in attracting technology savvy buyers. It will also be a useful forum in keeping existing buyers updated on current available product. Bat Shop staff will be trained in website maintenance and in providing customer service in response to inquiries.

*Market research & product development:* Market identification and design innovation are critical activities. ATA's competitive advantage is its knowledge of the market and focus on market driven product development. ATA's marketing team regularly visit international trades shows, dialogue with buyers, and conduct market research to identify market trends. This ongoing research informs product development and leads to saleable product through design and technical consultancies. ATA design consultants will work with craft producers, both in-country and over the internet, to transform crafts to functional products that fit an identified niche market. This market positioning ensures craft producers earn more than is possible from selling craft as curios or souvenirs and often broadens the market opportunities.

*Indicators:* ATA's chief indicator for this objective is sales, which will reach \$950,000 (FOB)<sup>4</sup> by 2004 (US retail equivalent \$6.5 million). ATA projects that 8 new buyers will visit South Africa.

**Objective 2: Provide artisans with the business skills needed to grow their businesses and production knowledge to meet demands.** Workshops and trainings will be provided through in-country workshops and participation in the New York Market Readiness Training Program and the Africa Market Readiness Training Program. ATA will first train BAT Shop staff and then artisan leaders. A brief description of each program and the level of effort follows:

*Market Readiness Training:* Fifteen artisans will participate in the New York or Africa MRT, a combination of formal seminars, individual consultations, and site visits. Topics offered will include: marketing crafts, booth display, customer service, developing promotional materials, protocol for working with importers and exporters and business expectations. This program allows participants to experience the market first-hand and to network with similar businesses.

*Key indicators:* By EOP, 85% of orders will meet the BAT Shop's quality control standards and 20 artisans will participate at the AMRT or NY MRT.

**Beneficiaries:** As described in section 4.4, the Bat Shop works with 1,100 craft producers from rural areas, peri-urban townships or squatter camps throughout the province, 100% historically disadvantaged microenterprises and 75% female managed. Nearly all women producers are functionally illiterate and have weak numeracy skills. The average education level of craft producers is Standard Five. About 80% of the BAT Shop's producers provide their families' sole source of income through the sale of craft. The program will continue the emphasis on working with women.

**7. Sustainability Strategy and Objectives**

ATA's experience demonstrates that the private sector will take over the bulk of marketing services because a modest profit is possible. Other services to be sustained by ATA or local partners are below.

Major services to be sustained	Sustainability strategy
Headquarters	
Pan-African Market Link (African collection at Decorex, US and European markets)	Partial costs recovered on sales made during shows. Fee charged to market products
Wholesale website	Partial costs recovered on sales through site. Fee charged to market products
New training components (production mentoring, exporter training, African Market Readiness Training)	After analyzing costs, components are all offered to artisans worldwide on a cost basis. 100% of costs recovered for these programs. Scholarship funding sought for some participants. Program marketed to enterprises, craft organizations, and buyers

<sup>4</sup> FOB (or Free on Board) refers to the price of goods as they leave the country. Prices for crafts typically increase six to seven times to their final retail price, which reflects the many hands they pass through and the complicated path goods follow from rural artisan to American home.

	who want suppliers trained.
Country programs (all 3 countries)	
New market-driven product development	Artisans have skills to independently create own designs. Artisans and exporters know designers in region. Buyers provide market feedback and design products.
Business development training	Local partners continue to provide training (Tanzania, SA)
Marketing services in the US and Europe	Private sector takes over: Importers market crafts. Partners market products domestically in SA and Tanzania.
In-country marketing services	Local fair managed by artisans/exporters (Moz). Regional fair managed by AMKA (Tanz). BAT shop exports (SA).

**7.1 Sustainability: Headquarters**

**Objective: Continue to diversify funding resources and build strategic alliances.** Under ATA's present matching grant, the RISE program, ATA has brought in a variety of new funding partners (the Ford Foundation, the McKnight Foundation, the West Foundation, UMCOR, IFC and numerous in-kind local funders and families). During the PAED program, ATA's chief indicator in this objective is to develop or renew 30 relationships with non-USAID funding source, including 25 in the private sector. This will continue to the sustainability of ATA as an organization and, consequently, the sustainability of the services we provide to artisans worldwide. ATA's Director of Program Initiatives (DPI), a position created in October 2000, will have primary responsibility for achieving this target. The DPI position was created in an effort to improve ATA's institutional sustainability and lower its reliance on USAID funding. The DPI will regularly travel to New York and Washington, DC and increase ATA's visibility in those communities. This travel will contribute to ATA's second indicator: 12 strategic partnerships build with peer organizations to work more effectively and take advantage of other organizations' lessons learned. ATA will adopt an annual review of lessons learned in our attempts to diversify funding and increase partnerships.

**7.2 Sustainability: Country programs**

**Objective 1: Artisan entrepreneurs continue to reach and expand markets after PAED project ends.** ATA's experience shows that artisans can learn to successfully negotiate international markets, as indicated by:

1. Artisan enterprises will work with foreign importers by EOP (Number of exporting producers: Mozambique goal: 20; existing: 12. Tanzania goal: 23; existing: 16). As importers become more confident in an artisan enterprise's ability to produce quality product on schedule, they invest more time and money. Importers will work with artisans to develop new product and then display artisan's product in their booth, thereby replacing major activities the field office currently performs; ATA will strengthen relationships during PAED. (Number of active importers: Mozambique goal: 7; existing: 5. Tanzania goal: 4; existing 1. South Africa goal: 8). As relationships develop, orders will pass directly from importers to exporters and artisans without ATA's involvement.
2. In Mozambique by EOP there will be five competent exporters of crafts and three who actively work with craft enterprises. Active exporters will be characterized as exporters who are attending tradeshows and promoting

Mozambican craft, participating in the development of local fairs to attract buyers and who are working with importers introduced to them by ATA. A strong export sector, actively working with crafts and craft producers, will contribute to the sustainability of the artisan businesses that have been developed during the PAED program and complement the importer's involvement.

3. *Local market venues will be locally managed. At EOP, the Mozambican craft fair will be managed locally by an artisan organization or exporters who have been mentored by local staff. Existing venues in South Africa (BAT Shop) and Tanzania (trade fair) will have increased sales.*

Objective 2: Artisans able to design quality products for export independent of ATA. By EOP artisans will have experience at designing and producing handmade products for international markets, and the need for international consultants will be greatly diminished. Private sector buyers will provide market feedback and designs for their sources. By EOP, independently designed products will be accepted in the international market (Mozambique goal: 120. Tanzania goal: 75. South Africa goal: 50) By EOP, artisan groups will have demonstrated that they can successfully and independently respond outside design inputs (Mozambique goal: 20 enterprises. Tanzania goal: 10).

### 7.3 Financial and organizational sustainability

At headquarters, PAED will cover time for staff in ATA's projects, marketing, finance, development and public relations departments, which after PAED will be spent on other projects. No new positions are created. ATA's field office in Maputo is designed as a temporary office while the artisan sector is organizing and the export sector is ineffective. The knowledge gain and the businesses connections will be the sustainable elements of the programs, as well as services provided by the local organization whose development ATA will foster. ATA mentor the organization or an interested craft entrepreneur to take on the local marketing services, in particular sponsorship of the local fair. At EOP, ATA would transfer some resources (books, training materials) to the local organization and sell the vehicle.

In Tanzania and South Africa, local partners expect to absorb into their budgets the staff support from the PAED program. Funds for marketing activities will come from the markup normally incurred by exporters, typically 10-25% of the FOB price of goods. AMKA currently has a well-established system of cost recovery and fee for service practices, charging for in-country trainings and taking commission on all sales.

The shift to earned income represents a major change in organizational attitude for ATA, as staff have always believed that marketing product would discourage importers from picking up product lines and thus increasing sales above what ATA could sell alone. However, we recognize the potential for earned income in the beautiful objects that pass through the office and are committed to wholesaling product lines until a qualified importer takes them over. In 2001, ATA is developing the business plan for this activity and the related wholesale site. ATA is eager to learn how to use the internet effectively for sales before charging artisans for a web presence. ATA's finance department will adapt current reports to show profit and loss on the new initiatives.

ATA's training programs have long been a source of non-project income, and every year a few more artisans find \$5,000 to \$7,500 to participate in the MRT. ATA will publicize all the training programs to our list of training providers and to the hundreds of craft organizations in our files. The Pan-

African Market Link represents a much more flexible marketing product because it will be costed on a square foot basis, rather than a per booth basis as ATA normally offer trade show exhibition. By the end of the program, ATA expect the Pan-African Market Link to cover 30% of its costs through fees.

#### **Performance Measurement**

Improving ATA's monitoring and evaluation methodology is a focus under ATA's current matching grant, the RISE program. Since the beginning of the RISE program, ATA has standardized agency-wide indicators and written a draft monitoring and evaluation handbook. ATA's staff has also participated in evaluations of the RISE program, both with ATA's mentor Technoserve, and with the Project Officer from USAID. Lessons learned during those evaluations have shaped this proposal and helped identify suitable targets in the planning matrix. In particular, the monitoring and evaluation trainings helped ATA to develop appropriate, useful indicators. While M&E is not a specific goal of PAED; ATA expect to continue to improve its capacity to select meaningful objectives and indicators and to measure them.

#### **8.1 ATA's capacity to monitor and evaluate PAED**

In addition to the RISE program, ATA is currently implementing USAID projects in Haiti, Romania, Peru and Ghana and recently completed a major project in Central Asia; these projects have detailed reporting requirements that are successfully met. Mozambican and Tanzanian staff have been trained in M&E under RISE and will continue to work with ATA staff to improve. ATA submitted annual reports for the first two program years of the Matching Grant Program which accurately documented the program's results, impact and identified constraints and actions taken to address constraints. Confirmation of these findings was provided during the mid-term evaluation.

#### **8.2 How will PAED measure, monitor, consolidate and learn from data collected?**

1. Responsibility for measuring achievement on the objectives in the Planning Matrix will be shared between ATA's headquarters, field office and partners. Reports will be the primary means of measurement, major ones include:
  - *Consultant reports:* Each consultant is required to submit a detailed report that includes: attendance records of training; daily log of activities; discussion of trip's success, obstacles and recommendations of next steps.
  - *Tradeshaw reports:* After each show, marketing staff compile a report detailing all marketing contacts, feedback from buyers/customers on product and total sales figures.
  - *Marketing reports:* The marketing team provides the field staff and partners reports on a monthly basis. The reports focus on new relationships and leads.
  - *Field reports:* The field office and partners provide headquarters with a monthly update of activities. Information generally includes production information, a review of trainings or meetings and a count of artisans impacted during the month.
  - *Buyer interviews:* On at least a bi-annual basis, buyers placing orders in excess of \$5,000 FOB, will be interviewed to monitor their progress working with the artisan groups and/or field staff, confirm sales levels, and solve problems if needed.

- *Financial statements:* Existing financials show costs and revenues associated with training, the Pan-African Market Link, and new earned income activities and used to determine fees.
  - *Mid-term and Final Evaluation:* Both evaluations will be conducted according to USAID's requirements and will include a review of existing reports, and interviews with artisans, staff, exporters and importers.
2. ATA's project officer will be responsible for collecting indicators from partners, the field office and headquarters. Major indicators will be reviewed on a monthly basis at Projects Meeting and contrasted against the benchmark for the year. Projects meetings are attended by the Executive Director and the Director of Projects.
  3. Data will be consolidated annually in preparation for the annual report and ATA's fiscal year reporting. The annual report requires a discussion of the lessons learned. Each of ATA's departments (development, finance, marketing, projects, program initiatives and public relations) provides input into lessons learned during the previous year and how these lessons have impacted their present work. This practice will continue with the PAED program. Additional data and lessons learned will be used by ATA when planning programs in countries with similar infrastructure, partner formation or constraints as those in Mozambique, Tanzania or South Africa.
  4. The program will use data and lessons learned to make improvements in the program. For example, if sales results from one tradeshow are low, ATA might consider changing the product development, changing the product merchandizing at the show, or changing to a new venue. Sharing successes across project will help ATA design and implement high quality programs.

A complete list of indicators and targets are included in the planning matrix and discussed in relevant sections. ATA has identified the following as the most important program performance indicators:

#### **Capacity Building Indicators**

- Establishment at ATA headquarters of three new training components (Production mentoring, exporter training and the African Market Readiness Training) that will break even by the end of the program. They will be monitored by the existence of the program and financial statements.
- Establishment of an ATA wholesale website, monitored by the existence of site with products and buyer inquiries.

#### **Service Delivery Indicators**

- Total FOB sales will be measured for each country. This will indicate ATA's effectiveness in opening and expanding markets and will be measured from sales orders and tradeshow reports.
- Number of buyers visiting producers. This indicates the program's ability to attract buyers and buyers' confidence in and commitment to working with the artisans.

#### **Sustainability Indicators**

- The number of non-USAID funding partners and level of funding ATA has brought into the program. This indicator will be monitored by letters of award and financial statements.
- The number of importers who re-order from craft producers. This indicator will be monitored by observation at tradeshow, and buyer and producer interviews.

Planning Matrix

PAED Program Goal: To alleviate poverty among artisans in southern Africa by opening new markets.

9.1 Headquarters

OBJECTIVES	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
<b>HQ/ Capacity Building</b>			
Improve ATA staff's ability to access, adapt, and use training materials specific to artisan enterprises	- annual review of all curriculum at field director's meeting adopted -artisan enterprise curriculum established and accessible to field and headquarters staff by Y2	Annual reports Mid-term and final evaluations	Review and analyze current curriculum. Identify curriculum gaps. Translate and adapt existing curriculum. Networking with peers to gather existing training materials. Fill gaps by developing lessons.
Address the unmet training needs of artisans by developing new training components	- establish a field-based production mentoring program for small producers in Y1 - establish export training program in Y1 - create a Market Readiness Training in South Africa in Y1	Annual reports Mid-term and final evaluations Promotional materials Trainee evaluations	Site visits to potential mentoring locations. MOU development with potential partners. Promoting new programs. Implementing programs for trainees.
Capitalize on existing information technology to create market links and sales	- ATA wholesale internet site serving as a market outlet developed in Y1 - 400 products on site by EOP - 7 two-week internet design consultancies completed by EOP.	Existence of site Trade show reports	Negotiate and finalize relationship with e-commerce partner, build site, train ATA staff to maintain and update site.
Increase ATA's earned income and revenue received through cost recovery and earned income	- Non-program businesses pay for 30% of Pan-African Market Link tradeshow expenses by EOP. - 3 new training components break even by	Financial statements. Tradeshow reports. Mid-term and final evaluation. Training reports	Trade shows from 2001-2006. Cost analysis of trade shows. Promotion of ATA's tradeshow offerings. Develop and implement training units.

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OBJECTIVES	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
	EOP - ATA earns \$150,000 by Y5.		Promote new training programs.
<b>HQ/ Service Delivery</b>			
Expand market opportunities for African artisans through implementation of Pan-African Marketing	1. Enter new markets - wholesale website created Y1 - staff maintain site by EOP - a Pan-African craft collection offered at 3 new shows by EOP 2. Expansion: - 400 products on site by EOP - 4 non-project partners participate in Pan-African Market Link by EOP	Annual reports Trade show reports Website inventory Mid-term evaluation Final evaluation	- Exhibit at major US, European, South African trade shows - Develop a wholesale website - Train ATA staff to maintain IT systems - Promote ATA through PR events. - Promote the Pan-African Market Link to other African craft businesses and accept qualified businesses for a fee.
Continue to develop market-driven products for and with artisans	21 in-country technical consultancies in design by EOP 7 internet-based technical consultancies in design by EOP.	Consultant reports. Artisan reports. Mid-term evaluation. Final evaluation.	- Hire and develop scope of work for consultants. - Train staff and consultants how to use internet for design exchanges
Influence public impressions through appearances in trade, consumer and news media	- 5 media features promoting Africa as a source of innovative products by EOP - 15 product placements in a trade publication (catalogue, tradeshow director) by EOP.	Articles or features in media. Mid-term and final evaluation.	Public relations campaign.
<b>HQ/ Sustainability</b>			
Continue to diversify funding sources and build strategic alliances	- 30 new funding relationships developed or renewed with non-USAID funding institutions (25 with private sector)	Financial statements Mid-term and final evaluations MOUs with peers	Research, cultivations and stewardship of potential new partners. Developing a sliding scale fee. Sharing of lessons learned at

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OBJECTIVES	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
	<ul style="list-style-type: none"> <li>- 12 strategic partnerships built with peer organizations to work cooperatively by EOP</li> <li>- adoption of an annual review of lessons learned with implementation</li> </ul>		annual field director's meeting.

9.2 Mozambique

OBJECTIVE	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
<b>Moz/Capacity Building</b>			
Strengthen organization of the artisan and export sectors and address key weaknesses	<ol style="list-style-type: none"> <li>1. Artisan sector organization                             <ul style="list-style-type: none"> <li>- artisan sector implementing an annual local fair by EOP.</li> <li>- 10 examples of artisans collaborating to solve a common problem by EOP</li> </ul> </li> <li>2. Export sector organization                             <ul style="list-style-type: none"> <li>- 5 competent exporters available to artisans and buyers</li> <li>- 5 exporters trained</li> <li>- 75% new buyers re-order</li> </ul> </li> </ol>	Key buyer interviews Monthly reports	Foster organization through artisan workshops and training Train exporters in mentor program Exporters intern in ATA office
Increase the fundraising and financial management responsibilities of local staff	<ul style="list-style-type: none"> <li>- Local staff identify/develop or renew 10 local funders by EOP</li> <li>- Local staff develop and write 15 proposals with HQ by EOP</li> <li>- Local staff managing financial reporting by EOP.</li> </ul>	Annual report Monthly field reports	Training of local staff. Export activities taken over by exporters. Mentor local staff to take on increasing responsibilities US nationals phased out at end of Y2
Field staff uses ATA's website to create market links and sales	<ul style="list-style-type: none"> <li>- Mozambique's section of ATA's website is updated on a monthly basis</li> </ul>	Training evaluations. Annual report. Mid-term and final	Training in digital imagery and product specifications guidelines.

OBJECTIVE	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
		evaluations.	Training in ATA's website. Customer service training.
Scale up and expand the impact of ATA's work in Mozambique	- 3,000 artisans served during the LOP (provided with business development training, product development and design, marketing services)	Annual report Mid-term and final evaluations Monthly reports Training reports	Review artisan groups and sign MOUs with new groups. Develop and produce training materials Transfer export activities of office to the private sector

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<b>Moz/ Service Delivery</b>			
Develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation	<ul style="list-style-type: none"> <li>- 40 businesses with exposure in international trade shows by EOP</li> <li>- 40 businesses with exposure on ATA's websites by EOP</li> <li>- 75 businesses with exposure in a Mozambican fair by EOP.</li> <li>- 8 new buyers to visit by EOP</li> <li>- total sales \$1,125,000 FOB by EOP</li> </ul>	Trade show reports. Website inventory. Buyer reports. Mid-term and final evaluation. Annual reports.	Develop and produce training materials Artisan leaders intern in field office Market readiness training in NY & SA Participation in ATA's website. Conduct market-driven product development with artisans using information technologies. Develop and promote the Pan-African Market Link program in US, European and South Africa
Provide artisans with business development services that address weaknesses in group cohesion and management practices	<ul style="list-style-type: none"> <li>-30 % of groups with MOU have bank accounts and financial records by EOP</li> <li>- 50 % of groups with an MOU have written financial and membership guidelines by EOP</li> <li>37 artisans trained in SA and US by EOP</li> <li>85 % of orders meeting quality control standards by EOP</li> </ul>	Monthly field reports. Marketing reports Key buyer interviews Mid-term evaluation and final evaluation.	Train artisans in business management practices through in-country workshops, Market Readiness Training in NY and SA, and production mentoring. Design and production consultancies
<b>Moz/ Sustainability</b>			
Artisan entrepreneurs continue to reach and expand markets after PAED project ends	<ul style="list-style-type: none"> <li>- 20 artisan enterprises working with a foreign importers by EOP</li> <li>- 3 exporters working with artisan enterprises by EOP</li> <li>- Mozambique craft fair managed locally</li> </ul>	Annual report. Monthly field reports Craft licenses for exporters. Key buyer interviews Mid-term or final report.	Workshops/meetings. Internship program. Trade show participation. Scouting and national account building. Export sector development activities. Development of an internship program. Market readiness training in NY & SA Build and hand off local craft fair

Artisans able to develop quality products for international export independent of ATA	120 independently developed products accepted in the international market by EOP 20 enterprises independently respond to foreign-based design inputs by EOP.	Consultancy reports Annual reports Mid-term and final evaluations Key buyer interviews Monthly field reports	Design consultancies. Internet-based design work Product development training workshops
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9.3 Tanzania (active years one through three)

OBJECTIVES	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
<b>Tanz/Capacity Building</b>			
ATA's impact in Tanzania expanded and scaled up	- 1,600 artisans served, from 22% of AMKA artisans to 100% by EOP - ATA recruits 6 new buyers to AMKA's fair by EOP	Annual report Mid-term and final evaluations Monthly reports	Review artisan groups and develop plan with AMKA to provide appropriate assistance.
AMKA provides effective service to commercial markets	- 75 % of new importers place follow-on or repeat orders	Trade show reports Key buyer interviews	AMKA staff participate in Pan-African market link, attending new trade shows and shadowing ATA staff. ATA marketing staff foster new buyer relationships.
AMKA staff uses ATA's website to create market links and sales	- Tanzanian products on ATA's website is updated on a monthly basis	Training evaluations. Annual report. Mid-term and final evaluations.	Training in digital imagery and completing product specifications guidelines. Training in ATA's website. Customer service training for website businesses.
<b>Tanz/ Service Delivery</b>			
Develop and expand marketing and sales opportunities for Tanzanian artisans leading to revenue generation	- 23 businesses with exposure in international trade shows by EOP - 23 businesses with exposure on ATA's websites by EOP	Tradeshaw reports. Website inventory. Mid-term and final evaluation. Annual reports. Key buyer interviews	Design consultancies. Trainees to Market Readiness Training programs in NY and SA Participation in Pan-African Market Link and exhibition at US, European and South African

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OBJECTIVES	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
	<ul style="list-style-type: none"> <li>- 23 businesses with exposure at Tanzanian fairs</li> <li>- 6 new buyers visit Tanzania by EOP .</li> <li>- total FOB sales for ATA assisted enterprises will reach \$675,000 by EOP</li> </ul>		trade shows Participation in ATA's website. Conduct market-driven product development with artisans and using information technologies.
Provide artisans with business development services that address weaknesses in group cohesion and management practices	<ul style="list-style-type: none"> <li>- 35% of groups ATA assists have bank accounts and financial records by EOP</li> <li>-50 % of groups will have written financial and membership guidelines developed by EOP</li> <li>- 15 Tanzanian artisans trained in SA or US by EOP</li> <li>85 % of orders meeting quality control standards<sup>5</sup> by EOP</li> </ul>	Monthly field reports. Marketing reports Key buyer interviews Mid-term evaluation and final evaluation.	Train artisans in business management practices through in-country workshops, Market Readiness Training in NY and SA, and production mentoring. Design and production consultancies
<b>Tanz/ Sustainability</b>			
Artisans able to develop quality products for international export independent of ATA	75 independently developed products accepted in the international market by EOP 10 enterprises able to receive and respond to foreign-based design inputs independent of technical assistance by EOP.	Consultancy reports Annual reports Mid-term and final evaluations Key buyer interviews Monthly field reports	Design consultancies. Internet-based design work Product development training workshops
AMKA continues to reach and expand markets after PAED project ends	<ul style="list-style-type: none"> <li>- AMKA manages its own booth in 1 commercial market after EOP</li> </ul>	Final report. Contract with tradeshow management.	Tradeshow participation. Introductions to tradeshow management. Negotiations with tradeshow management.

<sup>5</sup> The quality control standards will be set by AMKA.

9.4 South Africa

OBJECTIVE	INDICATOR	DATA SOURCE AND COLLECTION	MAJOR ACTIVITIES PLANNED
<b>SA/ Capacity Building</b>			
The BAT Shop provides effective service to new buyers	- 75% of new wholesale buyers place repeat orders	Trade show reports Mid-term and final evaluation. Key buyer interviews	Partner staff participate in Pan-African market link, attending new trade shows and shadowing ATA staff. ATA marketing staff foster new buyer relationships. New relationships will be developed with ATA's guidance.
ATA continues to build a network of strategic alliances in South Africa	- identification of 15 qualified South African designers - 20 artisan organizations visited and assessed	MOUs Field reports	Network and strengthen relationships in highly political environment
The BAT Shop uses ATA's website to create market links and sales	- the BAT Shop's section of ATA's website is updated on a monthly basis	Training evaluations. Annual report. Mid-term and final evaluations.	Training in digital imagery and completing product specifications guidelines. Training in ATA's website. Customer service training for website businesses.
<b>SA/ Service Delivery</b>			
Develop and expand marketing and sales opportunities for Tanzanian artisans leading to revenue generation	- \$950,000 in total FOB sales by EOP - 8 new wholesale buyers visit South Africa by EOP	Tradeshaw reports. Website inventory. Mid-term and final evaluation. Monthly field reports. Key buyer interviews	Design consultancies. Trainees to Market Readiness Training programs in NY and SA Participation in Pan-African Market Link and exhibition at US, European and South African trade shows and in in ATA's website.

Provide artisans with the business skills needed to grow their businesses and the production knowledge to meet demands	85% of orders meeting quality control standards <sup>6</sup> by EOP 20 artisans trained at NY or African Market Readiness Training	Quarterly visits to artisans. Mid-term evaluation and final evaluation. Monthly field reports. Marketing reports Key buyer interviews Mid-term and final evaluations	Train artisans in business management practices through in-country workshops, Market Readiness Training in NY and SA, and production mentoring. Design and production consultancies
<b>SA/ Sustainability</b>			
BAT Center services artisan sector by providing export outlet in addition to existing domestic market. BAT Center has committed international buyers	- The BAT Shop positioned to provide training, design consultancies and market link work to artisans after EOP - 8 ATA leveraged buyers working directly with the BAT Shop on product development and marketing by EOP	Annual report. Mid-term or final report.	Workshops/meetings. Internship program.
Provide artisans with skills needed to develop products with international market acceptance	50 independently developed products accepted in the international market by EOP	Consultancy reports Annual reports Mid-term and final evaluations	Design consultancies.

<sup>6</sup> The quality control standards will be set by the BAT Shop.

## Program Management and Structure

### 10. 1 Program Management

Overall strategy, financial management and reporting will be the responsibility of ATA, with work plans developed jointly with local partners. ATA's Executive Director and Projects Director will provide oversight, and the Project Officer will communicate and coordinate daily. ATA's Marketing Director will develop and implement the Pan-African Market Link and other product design and marketing efforts. Product design is conducted primarily by short-term consultants, who are overseen by ATA's Product Development Manager. ATA's Training Officer will coordinate the production mentoring program, curriculum development, and advise on the development of the Africa New York Market Readiness Training. ATA is governed by a 24-member volunteer Board of Directors, has a core staff of 25, and a large bank of international consultants and designers. ATA's President/CEO works to develop board effectiveness and promote awareness and diversified funding for the organization.

Field activities will be managed by partner organizations, AMKA in Tanzania and the BAT Shop in South Africa, and in particular by their Managing Directors. A staff member at AMKA is dedicated to the PAED program. In Y1-2, ATA's Regional Field Director for RISE will manage the country program for Mozambique and oversee development and implementation of the African New York Market Readiness Training. This position will be phased out in Y2 after local staff have been trained to take over project management in Mozambique.

Key ATA and partner staff members include:

- ATA Executive Director, Keith Recker: Responsible for the day-to-day operations of ATA with emphasis on administration, client/funder relations, project development and ATA's growth. With the President, oversees the membership and major donor program, and long-range planning for the organization.
- ATA Director of Administration, Finance and Legal Affairs, Mary Orcutt: Responsible for ATA's financial management, legal affairs and administrative services. Reviews benefit plans and policies, provides internal advice and oversight on legal matters and coordinates office systems. Manages Business Manager, Finance Assistant, Office Manager and Office Assistant.
- ATA Marketing Director, Colleen Pendleton: Facilitates the linking of artisan producer groups and products with buyers and importers in the US and international markets through trade shows and other marketing activities. Keeps abreast of market trends and maintains dialogue between ATA projects group and the marketplace.
- ATA Projects Director, Mary Cockram: Leads projects team, including training activities. Oversees project development and evaluation.
- ATA Regional Field Director - Southern Africa, Lorraine Johnson: Directs the RISE Project in Mozambique and Tanzania. Based in Mozambique.
- RISE Marketing Coordinator, Chila Smith. Markets Mozambican products for RISE program and trains artisans and exporters in customer service.
- AMKA Managing Director, Stephen Matee: Directs AMKA, responsible for day-to-day operations, planning, and external partnerships
- BAT General and Development Manager, Marisa Fick-Jordaan: Manages the BAT Shop, designs new product, oversees export production.

#### 10.2 Current USAID-funded Projects:

ATA has three major USAID-funded projects in addition to RISE, in Haiti, Peru, and Romania. ATA's USAID-funded SHAPE (Supporting Haitian Artisans in Private Enterprise) project began a pilot phase in 1998 and expanded to a three year project in 1999 with goals of creating employment and reviving the handcraft sector as a long-term source of employment and economic growth. SHAPE links buyers and a diverse range of Haitian craft businesses and provides assistance tailored to the needs of many different businesses. The assistance may be in the form of product design, marketing help, fostering exporter relationships, raw material procurement, or business training. Haitian artisans work in wood, iron, papier mache, basketry, and embroidery. ATA's budget is \$4.6 million.

Since August 1994, ATA has partnered with the Association of Exporters (ADEX) in Peru. The successful strategy of integrating product development with targeted marketing efforts has maximized the impact of the project, helping to achieve sales of over \$10 million (FOB Lima) and thousands of new jobs since ATA's involvement. ATA has played a key role in reinvigorating the artisan sector and increase annual exports from \$13 million when the program started to \$20 million today. Product design and development efforts have worked with existing craft skills and techniques in painting, woodwork, ceramics, glass, knitwear and woven textiles. Product lines were created that have interested retail buyers such as Neiman Marcus, Pottery Barn, Crate and Barrel, Pier 1 Imports and catalogs as Sundance, Garnet Hill and Hanna Andersson. ATA's program budget is \$1 million.

ATA has worked in Romania since 1995 with USAID funding and total budget of \$2 million. ATA has fostered the founding of a sister organization, Fundatia Arta Traditie Artizanat Romania (FATAR), which currently conducts most project activities. FATAR promotes and supports the artisan community in Romania through the provision of marketing services, business counseling, and product development assistance. FATAR has taken over sponsorship of a major holiday craft fair in Bucharest every December. With funding from the US Agency for International Development (USAID), FATAR is currently completing an organizational development plan to solidify its ability to earn income through the delivery of these services.

#### 10.3 Program Financial Accounting

Aid to Artisans maintains strict accounting procedures and standards and is audited every year by an outside auditing firm. ATA has consistently been found to be in compliance with GAAP and the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement. Each grant or contract, whether US Government funds or non-US Government source match, is maintained as an individual project, utilizing Peachtree Accounting Software. All funds are expended in compliance with the funder's wishes, approved budgets, and contract requirements. Reports are made in a timely and accurate manner.

#### 10.4 External Project Evaluations

ATA's most recent evaluation was of ATA's current matching grant, the RISE program, in May 2000, conducted by Charles Nornoo of TechnoServe/Ghana. With internal funds in December 1999, ATA hired Alejandro Escobaro of MEDA to evaluate artisan component of the Microenterprise and Small Producer Support Program (MSP) in Peru, where ATA has been working since 1994. See Attachment G for executive summaries of the RISE evaluation and Peru evaluation

Both evaluations found that ATA's efforts have led to substantially increased sales, often 50-500% increases at the enterprise level. ATA's product

development and marketing services are highly valued and sought after; the Peruvian exporters who are ATA's direct clients pay a significant part of the activity costs. Both evaluations found a positive impact on artisans' lives, as demonstrated by investment in the home and workplace, purchase of beds, bicycles, and vehicles. In Peru, ATA played a major part in revitalizing the craft sector. Exporters have profitable ATA-brokered links with buyers that no longer require staff attention.

However, long-term impact of the Peru program is unclear due to the requirement to work through Peru's exporter association; the exporters are sometimes reluctant to invest in independent artisan workshops and the program structure does not accommodate training that could improve exporters' business practices and customer service. In Mozambique, the lack of organization among artisans has limited the scale of outreach. In the PAED program, ATA will apply lessons learned to scale up impact.

On management issues, working with partner organizations can be less expensive, but is more time-consuming to ensure that plans and agendas are aligned. The Peru evaluation recommends placing a staff member in country to ensure that ATA's mandate and mission are implemented. Peer learning from field partners was identified as particularly useful and fruitful. Among the key recommendations from Peru were to improve M&E systems (the larger project had been structured with a separate monitoring arm), a weakness that ATA had already self-identified and moved to address in ATA's first matching grant, RISE. While ATA will continue to strengthen its M&E systems, that is not a major focus of the PAED program.

ATTACHMENT III

STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL RECIPIENTS

C.1 APPLICABILITY OF 22 CFR PART 226 (APRIL 1998)

(a) All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

(b) For any subawards made with entities which fall outside of the definition of "Recipient" (such as Non-US organizations) the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees" except for the "Accounting, Audit and Records" Standard Provision. Recipients are required to ensure compliance with subrecipient monitoring procedures in accordance with OMB Circular A-133 and shall insert an appropriate provision on accounting, audit and records.

C.2 INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

C.3 NONDISCRIMINATION (MAY 1986)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

C.4 INVESTMENT PROMOTION (JANUARY 1994)

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States. No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID. No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

**C.5 NONLIABILITY (NOVEMBER 1985)**

USAID does not assume liability for any third party claims for damages arising out of this award.

**C.6 AMENDMENT (NOVEMBER 1985)**

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.

**C.7 NOTICES (NOVEMBER 1985)**

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the USAID Agreement Officer, at the address specified in the award.

To recipient, at recipient's address shown in the award or to such other address designated within the award Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

**C.8 SUBAGREEMENTS (JUNE 1999)**

Subrecipients, subawardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

**C.9 OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (APRIL 1998)**

Information collection requirements imposed by this grant are covered by OMB approval number 0412-0510; the current expiration date is 11/30/2000. Identification of the Standard Provision containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are set forth below.

Standard Provision -----	Burden Estimate -----
Air Travel and Transportation	1 (hour)
Ocean Shipment of Goods	.5
Patent Rights	.5
Publications	.5
Negotiated Indirect Cost Rates - (Predetermined and Provisional)	1
Voluntary Population Planning	.5
Protection of the Individual as a Research Subject	

22 CFR 226 -----	Burden Estimate -----
22 CFR 226.40-.49 Procurement of Goods and Services	1
22 CFR 226.30 - .36 Property Standards	1.5

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Procurement, Policy Division (M/OP/P) U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, DC 20503.

**C.10 USAID ELIGIBILITY RULES FOR GOODS AND SERVICES  
(APRIL 1998)**

(a) Ineligible and Restricted Goods and Services: USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312.

(1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the recipient with a copy of these lists upon request.

(3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Agreement Officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Used equipment,
- (vi) U.S. Government-owned excess property, or

(vii) Fertilizer

Prior approval will be deemed to have been met when:

(i) the item is of US source/origin;

(ii) the item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and

(iii) the costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

(b) Source and Nationality: The eligibility rules for goods and services based on source and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000, and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR Part 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety.

(1) For DFA funded awards or when the total procurement element during the life of this award is valued at \$250,000 or less, the following rules apply:

(i) The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 in accordance with the following order of preference:

(A) The United States (USAID Geographic Code 000),

(B) The Cooperating Country,

(C) USAID Geographic Code 941, and

(D) USAID Geographic Code 935

(ii) Application of order of preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b) (1) (i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Compelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

(2) When the total procurement element exceeds \$250,000 (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.

(c) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) The United States (USAID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (USAID Geographic Code 941), and
- (4) "Special Free World" countries (USAID Geographic Code 899).

(d) If USAID determines that the recipient has procured any of these goods or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

This provision must be included in all subagreements which include procurement of goods or services which total over \$5,000.

C.11 CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY  
(NOVEMBER 1985)

Upon arrival in the Cooperating Country, and from time to time as appropriate, the recipient's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the recipient and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

C.12 USE OF POUCH FACILITIES (AUGUST 1992)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:

(1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:

Name of individual or organization (followed by letter symbol "G") City  
Name of post (USAID/\_\_\_\_\_) Agency for International Development Washington,  
D.C. 20523-0001

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) Recipient personnel are NOT authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.

(b) The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

C.13 INTERNATIONAL AIR TRAVEL AND TRANSPORTATION  
(JUNE 1999)

(a) PRIOR BUDGET APPROVAL

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

(1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).

(2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and

(3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

(b) NOTIFICATION

(1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:

(i) the primary purpose of the trip is to work with USAID Mission personnel, or

(ii) the recipient expects significant administrative or substantive programmatic support from the Mission. Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

(i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

(c) SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before travelling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet. Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

(d) USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(e) THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

(f) COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the grantee. If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

(g) SUBAWARDS.

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

C.14 LOCAL PROCUREMENT (APRIL 1998)

(a) Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.

(b) Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in mandatory standard provision, "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional Services Contracts estimated not to exceed \$250,000.

(4) Construction Services Contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

(i) Utilities including fuel for heating and cooking, waste disposal and trash collection;

(ii) Communications - telephone, telex, fax, postal and courier services;

(iii) Rental costs for housing and office space;

(iv) Petroleum, oils and lubricants for operating vehicles and equipment;

(v) Newspapers, periodicals and books published in the cooperating country;

(vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

(c) The coverage on ineligible and restricted goods and services in the mandatory standard provision entitled, "USAID EligibServices," also apply to local procurement.

(d) This provision will be included in all subagreements where local procurement of goods or services is a supported element.

C.15 NEGOTIATED INDIRECT COST RATES - PROVISIONAL (NONPROFIT)  
(APRIL 1998)

(a) Provisional indirect cost rates shall be established for each of the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of the award.

(b) Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed final indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, along with the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

(d) The results of each negotiation shall be set forth in a written indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of final indirect cost rate(s) for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.

(f) Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.

C.16 PUBLICATIONS AND MEDIA RELEASES (JUNE 1999)

(a) USAID shall be prominently acknowledged in all publications, videos or other information/media products funded or partially funded through this award, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements should identify the sponsoring USAID Office and Bureau or Mission as well as the U.S. Agency for International Development substantially as follows:

"This [publication, video or other information/media product (specify)] was made possible through support provided by the Office of \_\_\_\_\_ Bureau for \_\_\_\_\_, U.S. Agency for International Development, under the terms of Award No. \_\_\_\_\_. The opinions expressed herein are those of the author(s)

and do not necessarily reflect the views of the U.S. Agency for International Development."

(b) Unless the recipient is instructed otherwise by the Cognizant Technical Officer, publications, videos or other information/media products funded under this award and intended for general readership or other general use will be marked with the USAID logo and/or U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT appearing either at the top or at the bottom of the front cover or, if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. Logos and markings of co-sponsors or authorizing institutions should be similarly located and of similar size and appearance.

(c) The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced under the award. In addition, the recipient shall submit one electronic or one hard copy of final documents (electronic copies are preferred) to PPC/CDIE/DIO at the following address:

USAID Development Experience Clearinghouse (DEC)  
ATTN: Document Acquisitions  
1611 Kent Street, Suite 200  
Arlington, VA 22209-2111  
Internet e-mail address: docsubmit@dec.cdie.org  
Homepage: <http://www.dec.org>

attachments, and should consist of only one electronic file that comprises the complete and final equivalent of the paper copy; otherwise, a hard copy should be sent. Acceptable software formats for electronic documents include Microsoft Word, WordPerfect, Microsoft Excel and Portable Document Format (PDF). Each document submitted to PPC/CDIE/DIO should include the following information: 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) date of publication; 6) software name and version (if electronic document is sent).

(d) In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

(e) Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

#### C.17 PUBLIC NOTICES (AUGUST 1992)

It is USAID's policy to inform the public as fully as possible of its programs and activities. The recipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 80 countries worldwide."

The recipient may call on USAID's Office of External Affairs for advice regarding public notices. The recipient is requested to provide copies of notices or announcements to the cognizant technical officer and to USAID's Office of External Affairs as far in advance of release as possible.

**C.18 COMMUNICATIONS PRODUCTS (OCT 1994)**

(a) Definition - Communications products are any printed material (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for USAID-financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the Agreement Officer:

(1) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(2) Any communication products that will be sent directly to, or is likely to be seen by, a Member of Congress or Congressional staffer.

(3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to PPC/CDIE and other USAID/W offices for internal use).

**C.19 COST SHARING (MATCHING) (APR 1998)**

(a) If at the end of any year (or funding period) hereunder, the recipient has expended an amount of non-Federal funds less than the agreed upon amount or percentage of total expenditures, the difference may be applied to reduce the amount of USAID incremental funding the following year (or funding period), or, if the award has expired or has been terminated, the difference shall be refunded to USAID.

(b) The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

ATTACHMENT IV  
MATCHING GRANT PROGRAM

PVO ANNUAL REPORTING GUIDELINES

Specific guidelines are to be followed when submitting annual reports for grants funded by BHR/PVC. Annual Report information should be written and organized in accordance with this guidance and outlined format. A Summary and a Table of Contents should introduce the Annual Report. Reports should cover each section and sub-section of the outline. If any portion of the outline is not applicable, an explanation should be included. Pages should be numbered. It is understood that the suggested page number guidance will vary depending on the number of countries, etc. The attached form 1550-11 should be submitted for each sub-project of the Grant.

Annual Reports are due to the PVO's BHR/PVC Project Officer thirty days after the anniversary date of the grant. Please submit three copies for BHR/PVC and one copy for the USAID Mission in each of the country programs covered under the grant.

The first Annual Report should differ from subsequent annual submissions. This Report should provide an overview of Year One activities and detail any changes that might have occurred subsequent to preparation of the Detailed Implementation Plan (DIP). A separate format is provided for the first Annual Report.

Submissions for the second and subsequent years of the grant should follow the outline indicated in this attachment. Reports submitted in the mid-course and final years of implementation should differ in the attention devoted to the different report outline sections. Mid-course reports are to focus special attention on Sections IV and V: the status of outputs, critical indicators, and benchmarks findings. In final year reports, greater reflection and breadth is expected in Sections I, II, III, VII, and VIII: identifying lessons learned, program areas needing strengthening, targets reached, and impact measurements.

OUTLINE FOR MATCHING GRANT  
FIRST YEAR ANNUAL REPORT

NOTE: REPORT SHOULD NOT EXCEED 30 PAGES EXCLUDING ANY ATTACHMENTS

I. Overview of Year One & Changes Subsequent to Detailed Implementation Plan (DIP)

Prepare an overview of the first year of the project, covering a country-by-country comparison of actual accomplishments with the objectives for the reporting period outlined in the Detailed Implementation Plan (DIP). Primary attention should be devoted to reporting on any changes and/or major project events that have occurred since the DIP was prepared.

In addition to the above, describe the nature of the relationship with each local implementing partner. Include background information on the local partner. Also detail the structure of the working arrangement between yourself and the partner.

II. Constraints, Unexpected Benefits, and Lessons Learned

- A. Identify any problems or constraints that have affected project implementation.
- B. Describe strategies that have been used to overcome these constraints and plans for addressing them in the future. If these require significant changes in the Program Description and DIP, discuss why the PVO believes these to be necessary. BHR/PVC will determine if a modification of the Cooperative Agreement is required. It is important to request approval prior to major changes in the activity. Please see Section III below.
- C. Discuss any circumstances that may have facilitated implementation and/or produced unexpected benefits.

III. Changes in Project Design

If the PVO proposes any significant deviations from the DIP, particularly changes which may affect:

- measurable objectives;
- location or number of project beneficiaries
- budget
- collaboration with your local partner, etc.

The PVO must request a modification in the Program Description or the budget of the Cooperative Agreement.

**IV. Budget and Expenditures**

- A. Compare the DIP's proposed budget with actual expenditures, for both USAID and PVO match. If the project has made minor budget revisions since the DIP, discuss reasons for these changes.
  
- B. As applicable, include additional pertinent information such as an explanation of cost overruns, higher unit costs, any unanticipated problems in meeting the agreed match, etc. The PVO should contact USAID if it foresees the need for major budget revisions. USAID will determine if the proposed changes are so significant that they require a modification in the Cooperative Agreement.

OUTLINE FOR MATCHING GRANT ANNUAL REPORTS  
(YEARS TWO TO COMPLETION)

Summary for Program, Administrative, and Financial Status (1 page)

Table of Contents

I. Background to Grant and Project Context (2-3 pages)

II. Project Methodology (2-3 pages)

1. Summarize the grant project goal, purpose, objectives, approach, methodology, and strategy. What are the key inputs for achieving this strategy? Who are the target groups? What are the expected outputs and product? How are gender equity issues to be addressed?

2. For the project generally, provide a comparison of actual accomplishments with those originally proposed for the period of the report (using Detailed Implementation Plan and/or previous annual report as starting point). State the reasons for any variance.

III. Monitoring and Evaluation (1-2 pages)

1. Describe and discuss PVO refinements, changes, and additions to the following monitoring and evaluation information from that originally presented in the PVOs proposal and/or Detailed Implementation Plan:

- a. baseline data
- b. targets
- c. critical indicators of effectiveness
- d. benchmarks of project progress
- e. monitoring plan
- f. evaluation plan

2. Describe the status of midterm assessment and final evaluation. Specifically address efforts to address gender issues/considerations.

IV. Review and Analysis of Project Results by Country (5-10 pages)

1. Describe for each country for the report period:

- a. the specific outputs achieved in each country
- b. effect on target groups disaggregated by gender
- c. problems encountered and how they have been addressed
- d. impact on local institutions, local policy, and people (disaggregated by gender) outside the project
- e. unintended effects

2. For each country, provide a comparison of actual accomplishments with those originally proposed for the period of the report (from Detailed Implementation Plan and/or last annual report). State the reasons for any variance. Discuss any anticipated problems in meeting the final project objectives and PVO's plans to deal with these.

3. For each country, describe the nature of the relationship with the local implementing partner. Include background information on the local partner. Also detail the structure of the working arrangement between yourself and the partner.

**V. Management: Review and Analysis of Headquarters/Support Functions**  
(2-5 pages)

1. For Headquarters and Support functions, provide a comparison of actual accomplishments with those originally proposed for the period of the report. State reasons for any variance. Discuss problems encountered and how they have been addressed. Discuss any anticipated problems in meeting final project objectives and PVO's plans to deal with these.

**VI. Financial Report**

1. Compare the proposed budget with actual expenditures, both USAID and PVO match, for all project years to date, and, provide update estimates for remaining project years. Discuss any actual and/or anticipated variance from the proposed budget line items.
2. Provide a brief discussion of fund-raising plans and activities: main sources, status, and actual or anticipated problems, if any.
3. Provide a discussion of PVO cost-share: status; any actual or anticipated problems in meeting agreed cost-share, annual and total. Include corrective measures planned or taken.

**VII. Lessons Learned and Long Term Project Implications**  
(4-10 pages)

1. Estimates of project costs and benefits
2. Institution building assessment
3. Estimate of sustainability
4. Benefit distribution (disaggregate by gender)
5. Local participation (disaggregate by gender)
6. Leadership development (disaggregate by gender)
7. Innovation and technology transfer
8. Policy implications
9. Collaboration/networking with other U.S. agencies
10. Partnering with local entities
11. Replication potential of project approach and activities

**VIII. Attachments to Annual Reports**

1. Country data sheets
2. DIP, logical framework (or other project design summary), and any modifications

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

**Project Information**

Name of Organization

Project Number

Grant/Contract Number

Start Date (MM/DD/YY)

End Date (MM/DD/YY)

AID Project Officer's Name

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

**COUNTRY INFORMATION**

Country

Location in Country (Region, District, Village)

PVO Representative's Name

Local Counterpart/Host Country Agency

**COUNTRY FUNDING INFORMATION**

Year
AIDS
PVOS
INKIND
LOCAL
TOTAL

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 ADD2

AID 1550-11 (8-85)