

Pan-African Artisan Enterprise Development (PAED) Program

FINAL ANNUAL REPORT
PROJECT YEAR 5



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A C R O N Y M S

ATA	ATA
ATASA Trust	ATA South Africa Trust
AMRP	African Market Readiness Program
BAT Shop	Bartel Arts Trust Shop (South Africa)
DIP	Detailed Implementation plan
CCDI	Cape Craft and Design Institute (South Africa)
CEDARTE	Centro de Estudos e Desenvolvimento de Artesanato
EOP	End of Program
FOB	Freight on Board/Free on Board
LOP	Life of program
MRP	Market Readiness Program (New York City)
M & E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NYIGF	New York International Gift Fair
NGO	Non- Governmental Organization
PAED	Pan-African Artisan Enterprise Development Program
PDT	Product Development Trainee
PD	Product Development
PVO	Private Voluntary Organization
RISE	Regional Initiatives for Southern African Enterprises
SARCDAA	South African Retail Chemists and Drug Association
SME	Small and Medium Enterprise
USAID	United States Agency for International Development

Pan-African Artisan Enterprise Development (PAED) Program

"I would have jumped into saying YES to export [with Italian buyers who were at the show], but after ATA's [AMRP] session on building buyer relations I am so happy that I didn't jump into the excitement of export [without being well prepared]."

AMRP Participant, August 2006

"I think we have learnt a great deal from the process - and being able to walk the path with you in ATA has been enormously beneficial. So a BIG thank you to everyone who has been involved - for all the blood, sweat and tears... and sleepless nights! Since we initiated the partnership and developed the programme (can you believe in Nov 2003?) the CCDI (and the sector in South Africa) has taken giant leaps forward..."

Erica Elk, Executive Director, Cape Craft and Design Institute

Compiled by: Lisa A. Yoreo

S U M M A R Y : P r o g r a m , A d m i n i s t r a t i v e , a n d F i n a n c i a l S t a t u s

The Pan-African Artisan Enterprise Development (PAED) program is Aid to Artisans' (ATA) second matching grant program in Southern Africa. In its first matching grant program entitled Regional Initiative for Southern African Enterprises (RISE), ATA provided technical and design assistance to artisans in Mozambique and Tanzania between the years of 1998 - 2001. The five-year PAED program, a US\$2.8 million matching grant, was awarded to further expand ATA's reach in the region, specifically in South Africa, Mozambique and Tanzania from 2001 through 2006. Due to the great variance in craft sector needs, artisan skills and experience as well as national infrastructure, the PAED program tailored its assistance to meet individual country needs through the tiered approach described further in this report.

September 30, 2006 marked the completion of the fifth and final year of the PAED program, which has focused its efforts over the past five years on capacity building through production system expansion, artisan organizational-development, expanding services to reach a larger base of African artisans and investing in Pan-African training and marketing. In addition to pursuing the overall goal of supporting artisan businesses in Southern Africa, ATA worked to strengthen itself as an institution. During this reporting period, efforts concentrated on diversifying funding; increasing income; strengthening human resources; improving infrastructure; streamlining management; and deploying cost-effective IT tools, with the overall objective of improving the organization's efficiency and effectiveness. This final year of the program, ATA focused on ensuring the sustainability of all that has been achieved throughout the PAED program at both the program and institutional levels, yet some challenges still remain and ATA is actively looking for funding to bring the work to completion.

The three main areas of field-based support provided under RISE were still critical under PAED in order to solidify the initial progress made: that is market-driven product development and design, market linkages and capacity building through business, market and export readiness training, and more recently designer mentoring. Product development and design has been provided to artisans through both in-country and long-distance assistance. Market linkages have been provided through a combination of international trade show exhibition, buyer visits, international sales consultants, cultivation of local markets and the ATA website. Within PAED, ATA has added participation in South Africa's - and indeed Southern Africa's - largest wholesale trade show SARCEA International

Gift, Toy and Décor Trade Exhibition, in addition to participation in US and European trade shows. SARCONA has provided an opportunity for African artisans to market their products and make important market linkages within South Africa, a market which shows great potential for providing long-term market links due partly because of its geographic proximity but also because of its buyer potential. Capacity building is facilitated through business skills training on three levels: in-country workshops, the Africa Market Readiness Program (AMRP) and the US Market Readiness Program (MRP). The AMRP training based out of South Africa and implemented through ATA's subsidiary Aid to Artisans South Africa (ATASA) Trust can now be offered at both the micro-enterprise and SME levels.

Although ATA has made great strides in strengthening and building the Mozambican craft sector, the challenges, deep rooted and vast, were not able to be remedied completely during the last five years or indeed eight years since ATA has been serving the sector. The country is geographically very large and internal transport extremely expensive, the population that depends on craft production as a main source of income is scattered, production capacity cannot meet the demand created over the last eight years, the managerial level of the majority of artisans is still weak despite training, and a severe lack of literacy and numeracy creates a complexity that hinders rapid progress. ATA recognized the importance of simultaneously building up export capacity and under the PAED program ATA made great strides in strengthening exporters' capacity to "take over" the full exporter role (which includes promotion, buyer communication, order management and distribution and both buyer and artisan relations). By project end, ATA had successfully informed and transitioned its role to the exporters, but the actual transition took place later than planned during the last year of the project and therefore there remains the need for continued on-the-job mentoring (as observed during one-on-one sessions and training activities, buyer interviews and debriefing with ATA business consultants who have had direct contact with the two key exporters) in order to solidify buyer confidence.

Preliminary results of ATA's evaluation of its 5-year Pan African Artisan Enterprise Development (PAED) program in Mozambique has shown that ATA's efforts have demonstrated that craft is a viable business sector and thus an important contributor to creating wealth for both rural and urban entrepreneurs and communities; and this was no small feat. Mozambique is seen as an important stakeholder in the international craft business; and the market-driven quality products promoted through ATA's local annual fair have elevated craft to a new level locally, being recognized not only amongst the customers and related government departments, but even among the artisans themselves, most of whom make their existence through street vending and producing copies of others' designs.

ATA used South Africa's relatively well-developed market infrastructure to develop and cultivate market opportunities for artisans while simultaneously building up artisans, exporters and emerging designers' capacities to manage their businesses for long term sustainability and growth. ATA's goal has been to serve as a mentor through engaging existing and potential talent within the craft sector to enable craft sector players, including non-profit support structures, to realize their business potential. ATA has been strategically engaging with the South Africa craft sector since 1997 and directly providing tailored support since 2001 under its PAED program. In South Africa, ATA's PAED program reached artisans through three partnerships: the Durban-based BAT Shop, the Cape Craft & Design Institute (CCDI) in the Western Cape and Phumani Paper, the head office of which is in Johannesburg. Although its partnerships with the BAT Shop and CCDI have formally been phased out with the close of PAED, ATA and its South African subsidiary the Aid to Artisans

South Africa (ATASA) Trust are still working together with Phumani Paper under a short-term, service-oriented program of product development, designer mentoring and market access. It is expected that this successful partnership will continue into ATA's planned new phase of support and that other previous partners, such as CCDI, may continue to request ATA support yet on a demand-driven service basis. Going forward ATA intends to use the foundation it has developed over the past five years, working in partnership with ATASA Trust, to deepen its contribution to the development of the craft sector in South Africa and beyond.

The PAED program has exceeded the EOP match goal by US\$415,045. The match funding came from donors such as W.K. Kellogg Foundation, Ford Foundation, UNESCO, UMCOR, West Foundation, Ewing Foundation, October Hill Foundation as well as other small private donations. Due to its match requirement, the PAED program has been an organization-wide priority for fundraising efforts.

ATA's market-driven approach and ability to transform market intelligence into successful product development and marketing plans has been the key to the success it has had under PAED and indeed worldwide assisting players along the craft value chain to grow financially and professionally and in the end, celebrate success! The words of CCDI's Executive Director and a participant at ATA's Africa Market Readiness Program training quoted above are testimonies to the positive change that ATA can stimulate at both the institutional and grassroots level.

SECTION I: Background to Grant and Project Context

In December 2000, ATA submitted a proposal for a Matching Grant to the USAID's Bureau for Humanitarian Response, Office of Private and Voluntary Cooperation. The proposal, entitled "Pan-African Artisan Enterprise Development" (PAED) program, addressed USAID's strategic objective placing emphasis on partnership, sustainability and managing for results. At the Mission level, the proposal responded to: USAID Mozambique mission's objective to increase rural incomes and private-sector-led growth, USAID South Africa mission's SO5 to increase market-driven employment opportunities in the SME sector and USAID Tanzania mission's objective of human rights and broad-based national and regional economic growth. The request of US\$2.8 million was granted to ATA in 2001 for a period of five years from October 1, 2001 to September 30, 2006 requiring ATA to raise an additional \$3,1 million in match.

The PAED program was designed to improve and expand the services delivered during the first matching grant program (RISE). By the end of RISE, ATA had clear insights into both the opportunities and constraints of the craft industry in southern Africa which proved beneficial in strategizing and implementing the PAED program. As the craft sectors in each of the three program countries operate at different levels and face different challenges, ATA developed country specific implementation strategies.

On the onset of PAED, the Mozambican craft sector was generally highly unorganized and lacked government led development. The dearth of infrastructure was evident both in the artisan and export sector. As a result, ATA has been operating through an in-country office based in Maputo. The Mozambique country office has served as a focal point for the craft sector and acts as a voice for artisans and exporters in government and media forums.

Although Tanzania presented a greater number of market-ready artisan enterprises when compared to Mozambique, in most cases, the artisan enterprises did not have the resources or managerial skills necessary to develop businesses capable of competing in a rapidly expanding and increasingly competitive global market. Inadequate quality control, inefficient production capacity, insufficient market knowledge as well as limited access to buyers, has left artisan enterprises struggling to make ends meet. To address this, ATA focused efforts on three Tanzanian artisan enterprises by providing them with appropriate technical assistance to enhance export competitiveness within global markets. Since Tanzania's craft sector is well organized, the program was planned to conclude two years earlier than the Mozambique and South African programs. Although the Tanzania country program officially ended on September 30, 2004, ATA requested a no-cost-extension through June 30, 2005 to maximize the enterprises' potential to sustain and create new market links.

The South African craft sector is a great deal more developed than in Mozambique and Tanzania. South Africa has well-developed international trade infrastructure, sophisticated financial institutions, capital markets as well as good communications infrastructure and transportation networks. Although the government and local organizations have actively promoted cultural heritage of indigenous groups, which have managed to survive the trials of colonialism, apartheid, and urbanization, many artisans in remote areas are unable to access the resources the developed economy offers. In South Africa, ATA is partnered with two local entities. In Durban, ATA partnered with a for-profit enterprise called the BAT Shop. The BAT Shop focuses almost exclusively on product development, marketing and sales of crafts made in the KwaZulu Natal

province. In Cape Town, ATA partners with CCDI, an NGO that works with artisan enterprises in the Northern and Western Cape provinces. More recently ATA began a partnership with Phumani Paper, a local NGO based in Johannesburg that works with rural paper producing enterprises.

The PAED program was designed to benefit from the continent's most developed economy – South Africa. Not only does South Africa attract significant tourism and thus has an increasing number of craft buyers, but it also has a vast retail environment, industry professionals, a wholesale trade show, and a diverse and more abundant range of buying power. The Pan-African market link was specifically designed to ensure that this market becomes accessible to African artisans thus expanding their market opportunities. Recognizing the potential of this regional market, ATA facilitates exhibition of African products not only at major trade shows in Europe and the US, but also annually at SARCEA.

A crucial component of the capacity building initiative, in addition to business skill workshops and the Pan-African market link, is the AMRP, which provides intensive training in a regional context with a South African market focus. Adapted from ATA's MRP, held in New York City, the AMRP was designed to better suit the needs of African artisan enterprises, enabled more African artisans to have access to the successful MRP training approach and materials. It is held bi-annually in South Africa, and participation is open to artisan enterprises throughout Africa.

SECTION II: Project Methodology

Program Goal/Purpose:

The program goal is to alleviate poverty amongst artisans in Southern Africa thereby improving the quality of their lives.

Program Methodology/Strategy: (includes key inputs for achieving the strategy)

The PAED program draws from ATA's proven combination of product design/development in addition to market linkages and business skill training to meet the program goal of helping artisans generate income through the sales of their products in the global marketplace. Due to the competitiveness of international markets, it is imperative that artisans make a strong entry with competitive yet fair prices for products of high quality and design. Under the PAED program, assistance is provided at all stages of the production process.

▪ Product Development:

ATA has a pool of design and technical consultants with extensive experience. These consultants work closely with artisans to adapt current products to market trends. Together with artisans, consultants modify existing products, revive traditional crafts, and create new products from existing skills, materials and designs. Design consultants and field staff pay special attention to the environmental impact of production. Production capacity is assessed to identify if it can support large export ventures or local market demands. Often consultants institute quality control standards, help build or acquire useful equipment, teach improved production methods, and set better delivery schedules.

During and after the consultancy, field staff work closely with artisans to make prototypes. Upon completion, consultants review samples and ATA's marketing department presents them to importers and wholesalers at trade shows. During trade shows, ATA gauges market reaction to

products and uses this feedback to further refine existing products and create additional lines. When appropriate, ATA's sales consultants contact potential buyers during non-show periods and scout fairs on behalf of artisans. The scout promotes product lines, identifies buyers and accompanies them to examine products in the ATA booth as well as provides documents relevant to future product development.

- **Marketing:**

ATA builds stronger artisan businesses by implementing a diversified marketing strategy that focuses on local, regional, and international markets. Artisan enterprises have varied skill levels and needs. Based on technical skill level, business management expertise and market experience, ATA has designed appropriate assistance to enhance the success and sustainable growth of the artisan sector in Southern Africa.

The goal of ATA's marketing effort is to link export ready artisan enterprises to the private sector. Once a solid business relationship has been forged, the buyer adopts the key functions of providing market trend information, developing new products, and providing the channel for product to be sold.

- **Training:**

Experience has shown that in order to interest buyers and maintain business relationships, artisan enterprises need to understand business practices and expectations. This is especially true in international markets where orders are often large and delivery dates tight (or something to this affect). ATA conducts trainings that are led by consultants, field staff, and partner organizations as needed. Training content is based on the articulated needs and identified weakness. ATA uses a hands-on, interactive approach both in formal seminars and in on-site consultations with artisans at their workshop. Training is often provided at three levels depending on need: locally (in-country), regionally (AMRP) and internationally (US based MRP).

Program Approach:

The "Tiered Approach to Artisan Enterprise Development" strategy provides technical assistance in market-driven product development and design, market linkages and business skills training through a tiered approach that tailors assistance to the capacity and needs of different artisan enterprises within each project so that they can gain maximum benefits. ATA classifies artisan enterprises into three tiers based on technical skill, business management expertise and market experience. By assigning artisan enterprises to various development tiers, designing technical assistance tailored to each development tier, and providing this technical assistance in a phased sequence, ATA believes that it can best enhance the effectiveness of its projects. The PAED program strived to or incorporated this tier approach into its support to various clients: artisans, exporters and emerging designers.

- **Tier One:**

These are primarily small and medium enterprises that have marketable product collections, established export businesses, and demonstrate solid preparedness for the international marketplace. Tier One artisans however lack access to appropriate buyers, and often need some technical assistance in order to increase their export competitiveness and market access.

- **Tier Two:**

These are usually small enterprises that have a basic organizational structure but require significant product development and business skill training in order to compete in international markets. These enterprises demonstrate the potential to benefit mostly from local, tourist and regional market-oriented activities as well as appropriate market link/training activities which will better prepare them for export.

▪ Tier Three:

These artisans are individual micro-enterprises and/or artisan groups that have basic technical skills but lack organizational structure, marketing experience, and basic management skills. These groups need comprehensive and intensive technical assistance in production, design, marketing, basic business skills and, basic organizational development. Given time to strengthen their production and marketing capabilities, these groups can gradually be introduced to external markets particularly through partnerships with Tier One businesses.

PAED Program Objectives: (includes expected outputs)

Capacity Building

Objective 1: Increase the operational and training capacity at the home offices and country level.

As a result of the training survey ATA conducted during fiscal year 2004-05, ATA has continued to focus on the development and delivery of training programs toward four basic goals in fiscal year 2005-06:

- Revenue generation for training services
- Development of trade show Marketing training services
- Internal capacity building
- Expansion of Market Readiness Program to New Delhi, India

Revenue Generation

In the last year, the number of inquiries for training services of all types has increased, yet the need for funding and scholarship assistance remains constant. In part, the growth in interest is a result of the increased visibility of training on the ATA web-site and overall greater awareness of the ATA brand and reputation. The training department has also promoted training services, particularly for the Market Readiness Programs (MRP) in New York and Johannesburg through web-linked mailings to embassies, missions, trade show management companies, artisan based NGOs and export development agencies. This effort to raise awareness comes as the trend toward funding for large scale programs with field offices is on the wane. Until 2005, ATA's training programs were largely populated with participants from ATA's own country programs. Greater outreach is needed now that many of ATA's programmatic portfolios are changing. At the MRP in August 2006 for example, individually funded participants outnumbered participants from ATA programs for the first time, while overall attendance was down slightly.

Development of Trade Show Marketing Services

As artisans seek to penetrate new markets, amid an ever growing roster of international trade fairs, nowhere is the demand for training greater than in the area of export marketing. For a successful debut at an international exhibition, artisan enterprises and trade fair organizers alike recognize the need for market knowledge, advance preparation, and the honing of marketing and customer service skills. ATA is well positioned to offer this type of training, building on its previous experience training exporters at Sources, a fair for overseas exporters that was started in 2002. During the current year, ATA conducted export formation training in Bolivia and Mozambique to strengthen the export value chain in preparation for the close of these programs. At the same time, ATA was

separately contracted by the Export Promotion Council in Kenya to offer in-country training for artisans preparing to exhibit at the Sources LA fair in July. The contract included field training by a designer and business consultant as well as on-site mentoring at the fair. The ATA business mentor served as a coach and resource to new exhibitors as questions arose during their interactions with buyers. Training directed at trade fair exhibition offers a unique opportunity for ATA to build on its years of craft marketing experience while expanding its training services. In addition to training in Kenya and Bolivia, export marketing training was also conducted in Peru.

In September, ATA was contracted by the Department of Commerce to provide an abbreviated version of the Market Readiness Program to a group of craft business professionals from Armenia, Moldova, Georgia, and Ukraine who were visiting the U.S. as part of the Special American Business Internship Program (SABIT). The participants were on their way to Boston to attend the Boston Gift Fair and stopped in Hartford for the 3-day program which included local marketing as well as an introduction to export marketing, and an overview of the U.S. market.

"Out of all the meetings we had, ATA was the closest to us professionally. Everything you presented was very interesting. We were somewhat shocked because the information was very realistic...now we know what the real export market is, and are not just guessing." SABIT participant from Moldova

Internal Capacity Building

ATA advises artisan groups, hoping to succeed in the export market, to innovate. Innovation applies to training as well. To that end, the ATA Training Manager attended a workshop in New York in February 2006 sponsored by the Support Center for Nonprofit Management on "Training of Trainers." The workshop emphasized the development of facilitation skills and attention to process, gearing programs toward the diverse learning styles of adults. These same skills were immediately applied as each of the participants had an opportunity to prepare a brief lesson and be evaluated by their peers. Some of the lessons from this workshop were later incorporated in ATA training programs to build a sense of community within the group, encourage exchange, and diversify the style of instruction. In January, three participants from South Africa came to Hartford for four days before the start of the Market Readiness Program to attend a special Trainer Orientation. These participants were selected, because either they had previously contributed to the African Market Readiness Program or were being considered for greater involvement in organizing and facilitating the program. They received a formal orientation to ATA's history, mission, training goals and objectives ideas for planning and organizing a training program and suggested methodologies for implementation.

ATA also expanded the role of the Training Manager internally to include the facilitation of staff planning retreats and annual conferences for field staff. Three such meetings were held in November, May, and August to which the Training Manager contributed.

To keep abreast of market trends, ATA staff also attended a Trend presentation in May, 2006 on U.S. market trends produced jointly by Ernst & Young and a representative from "trends expert" Li Edelcourt.

Updates in training materials for 2005-06 included: new Color Trends boards, Benchmark Pricing Survey, Market research of trade statistics in various product categories in the gift and home accessories sector, a visual product development case study, and an introduction to Fair Trade. In August 2006, ATA was the recipient of a \$10,000 grant from the eBay Foundation to develop

training resources on financing an artisan business. Already, ATA has purchased resource materials such as *The Microfinance Revolution: Sustainable Finance for the Poor* by Marguerite Robinson, *The New World of Microenterprise Finance: Building Healthy Financial Institutions for the Poor*, Maria Otero and Elisabeth Rhyne, editors; and *Access for All* by Brigit Helms.

While ATA does not have the resources to track every instance of the use of training materials in the field, design and business consultants who travel to the field routinely receive ATA's standard presentations and handouts to use and distribute to artisan groups. ATA encourages the use of its materials for non-commercial use provided the ATA logo remains visible.

Expansion of Market Readiness Program

During 2006 Aid to Artisans was involved in a long term effort to bring the Market Readiness Program to Asia. This fall, ATA will launch the Artisan Enterprise Development Alliance Program. The primary activities of this initiative are training, designer mentoring, product development mentoring local designers, and trade show participation. Working in partnership with multiple donors and a local NGO, the All India Artisans and Craftworkers Welfare Alliance (AIACA), ATA will offer the India Market Readiness Program in conjunction with the India Handicrafts and Gift Fair in October, 2006. The curriculum will include standard MRP modules, complemented by contributions from local design and market experts.

Summary of Training Activities, October 2005 - September, 2006

PERU, Cusco and Lima

- Export Development Workshop for new exhibitors at the Peruvian Gift Fair, 25 participants (September 25 – October 7)

BOLIVIA

- Exporter Formation and distance follow-up (October 8 – 22)

JAMAICA

- Kingston (November 3 – 11)
- Montego Bay (November 22 – 27)
- Trends, Product Development and Buyer Relationships

HARTFORD, CT

- Home office off-site retreat (November 14 – 15)
- Market Readiness Program (January 23 – 27)
- Orienting new consultants & trainers
- Home Office Staff off-site planning (August 21)
- eBay Foundation grant awarded \$10,000 to develop a micro finance training module (September)
- U.S. Department of Commerce, Special American Business Internship Program, 18 participants from Georgia, Armenia, Ukraine, & Moldova, Local and export marketing (September 5 -7)

NEW YORK

- Market Readiness Program, NY International Gift Fair (January 28 – February 1) 17 participants from Bolivia, Colombia, Haiti, Mozambique, Nepal, South Africa, Tajikistan, Swaziland

NEW YORK

- "Training of Trainers" Support Center for Non-Profit Management, How to create a safe learning environment, training considerations for adult; Considerations for Adult Learner; Motivating adults; Dealing with difficult trainees (February 21 & 28)

- Market Readiness Program, NY International Gift Fair: Trends for 2007- 08 Discussion of Fair Trade; Product Development Case Study – Chulucanas, Peru, 15 Participants representing Colombia, El Salvador, (August 12 – 16)

HARTFORD and NEW YORK

- “Maker to Market Conference” (May 15 – 19)
- ATA home office and international staff
- Sharing of lessons learned

VIET NAM

- Craftlink Design workshop w/ Mary Whitesides

JOHANNESBURG, SA

- African Market Readiness Program, SARCEA, 20 participants (August 25 – 29)

INDIA

- India Market Readiness Program, India Gift and Handicrafts Fair, 20 participants from selected groups in India (October 13 – 18, 2007)

“Thank you so much for providing such a professional, educational and inspirational conference. It was exactly what I needed, even though I came not sure of what I wanted! After spending additional time outside the conference talking with you and your fabulous consultants, I think I’m getting closer to figuring some things out.” August, 2006 MRP participant

“I have learned so much: the importance of uniqueness of the product, the quality of design, pricing and how important the telling of the story is.” –2006 MRP participant from Haiti

“I have been empowered.” –2006 MRP participant from South Africa

“To a certain extent, all this information is invaluable and is at the right time for me as I am setting things up- this will save me from a lot of instances and gives me guidelines that are essential. Thank you.” – 2006 MRP participant from Haiti

Objective 2: Capitalize on existing information technology.

Key inputs to meet this objective include ATA’s effort to set up cost effective IT tools not only to supplement its marketing efforts but also to improve the organization’s overall efficiency and effectiveness. ATA's IT department implemented a number of improvements between October 2004 and September 2005 in order to increase staff efficiency and improve global operations. The highlights of these improvements are described below.

Serenic

In October, ATA launched Serenic a powerful financial and accounting system which will enable the organization to have more financial controls over company financials, budgets and generate improved reporting for Hartford and country staff. This means more accurate understanding of costs for management. Serenic also support more advanced fund accounting and reporting of non-financial data, such as artisans benefited or export sales, enabling ATA to better track costs and monitor its return on investment (ROI) for various organizational activities.

SharePoint

ATA launched SharePoint, online collaboration software allowing for file sharing, message boards, surveys and additional Web-based tools for users in distant locations. This system allows for improved communications between the Hartford and country offices.

Salesforce.com

Salesforce.com, a Web-based customer management system, was launched to better track marketing efforts run by ATA Hartford and the country offices. The system allows our sales consultants and

marketing staff to better coordinate and track their efforts in serving various commercial clients such as retailers, wholesalers, and importers. Salesforce.com is also being modified now to help ATA track grant and funding opportunities.

Web Site Updates

The main sections of content on the site were completed, including new information on countries and projects, marketing, development, and additional resources. ATA added an online store for consumers to purchase ATA products directly. Furthermore, ATA also updated design elements of the site, making it easier to use for various types of users including retailers, wholesalers, importers, artisans, and donors. The Commercial Client accounts—which are for retailers, wholesalers and importers and allow them to see behind the wall content on products and artisans—continue to grow steadily. This past year ATA surpassed 1,000 active accounts and currently counts nearly 1,400.

Summary of Information Available on the Web Site:

The website has a number of audiences and considers buyers to be some of the most important people to visit our site. For that reason, ATA is in the process of revising much of the online content. This includes: better descriptions of Where We Work so that buyers can better understand the nature of what we are doing in a particular project country, more frequent news updates via both the home page and the Market News page (news has included everything from tradeshow reports, success stories, and event announcements in the last half of FY 2006), and coming soon will be improved artisan profiles. A home office staff member is currently soliciting updated information from key artisan groups and exporters, and ATA hopes to have a much improved artisan section online by early 2007.

Additionally, ATA has continued to provide services to buyers via the Commercial Client Login program, which allows retailers and importers the opportunity to view the most recent product collection. In the past year, well over 500 new clients registered for the program and received information about ATA and the artisan products that it can help source.

Email communication has become increasingly important for the organization, and Aid to Artisans has begun using this form of communication to tell buyers in a more cost effective manner about events and happenings within the organization. During FY 2006, ATA ran thirteen successful email campaigns which maintained an improved level of communication with buyers outside the normal American tradeshow seasons. Throughout the year ATA's campaigns became more advanced, and better designed and executed, showing buyers that ATA is keeping up with the changing marketplace and modes of communication.

Objective 3: Increase ATA's earned income and revenue.

Although this objective continues to be a challenge, ATA is working to increase its earned income and revenue through warehouse sales, fee-based training and marketing linkages. Although none of these items are proving to be self-sustaining, there are definite signs of improvement.

Please see the Revenue Generation section above under Objective 1: Increase the operational and training capacity at the home offices and country level.

International Training Programs, 2005-2006

Dates	Type of Training	Attendees M/F	Location	Non-Program Revenue
Jan	Market Readiness Program	4/13	New York, NYIGF	US\$3,750.00
Aug	Market Readiness Program	5/10	New York, NYIGF	US\$9,825.00
Aug	Market Readiness Program	4/16	Johannesburg, SARCDA	US\$1,714
				US\$15,289

Standalone Training and Revenue, 2005-2006

Dates	Type of Training	Attendees M/F	Location	Training Revenue
Nov 05	Craft Marketing		Kingston, Jamaica	\$ 8,566.00
Nov 05	Craft Marketing		Montego Bay, Jamaica	\$ 5,568.00
Jul 06	Technical Assistance and Export Marketing		Nairobi, Kenya	\$47,250.00
	Trends and Craft Marketing		Bhutan	
	Santa Fe Folk Art Market		Santa Fe, NM	In kind
May 06	Designer Training		Viet Nam	
Sept 06	Rural Craft Development in the Caucuses(SABIT)	7/11	Hartford	\$7,140.00

Service Delivery

The specifics of the Service Delivery Objectives can be found in the country program sections of this report.

Objective 1: Expand market and sales opportunities for African artisans.

Objective 2: Provide Artisans with business training and design assistance.

Objective 3: Continue to develop market-driven products for and with artisans.

Sustainability

Objective 1: At home office level, continue to diversify funding sources and build strategic alliances.

ATA is focusing on sustainability on two levels including home office and country program levels. At home office level, ATA is working to build institutional capacity, increase organizational efficiency, diversify funding sources and build strategic alliances as described earlier in this section, in section V, section VI under “Overview of Fundraising Plans and Activities,” and section VII under “Collaboration/Networking with Other US Agencies.” At the country program level, ATA is taking individualized approaches to sustainability described in detail in section VII under “Estimates of Sustainability.”

Objective 2: At country level, train artisan and partner organizations to provide effective customer service to commercial markets to maintain and expand markets after the PAED program ends.

The key to maintaining successful buyer relationships is in understanding the context in which they work. Artisan enterprises must arrive at a thorough understanding of what is expected of them

from an international buyer. This concept is incorporated into every level of PAED program activities, including product development consultancies, business skill trainings and market linkages. ATA has found buyer visits to have a significantly high return on investment as they encourage mutual respect and understanding. Within the EXPORT Mentoring program conducted in Mozambique, one of the options is for the exporter-in-training to visit an international importer to better understand the direct needs of the importer. In ATA's experience, artisan enterprises that understand the needs of international customers significantly increase their rate of success in the market. Further details on ATA's methods of training artisans in customer service and strategies to expand artisans' market reach can be found in the country program sections of this report.

Expanding markets and finding new buyers after project close-out has proven to be a challenge to most artisan enterprises despite the resources and tools provided by ATA during implementation. ATA continues to work to identify ways to address this issue.

Objective 3: Train artisans to develop quality products for international export independent of ATA.

This objective has been a driving force within the PAED program. With ATA assistance including design concept and product innovation workshops, artisan enterprises in Mozambique, South Africa and Tanzania developed several product lines. This direct design assistance has helped instill the necessity of continued design innovation. As the artisans come to grasp and internalize this concept, they begin to adapt and modify their own designs. An increasing number of products are being developed directly with buyer input. In addition, ATA recognizes the importance of building up local design capacity so that artisans can access affordable, quality design assistance locally. ATA is currently developing a Designer Mentoring Program (DMP) that it hopes to *pilot* in Southern Africa as a result of efforts under PAED, but also expand to West and East Africa. See country program sections for more details.

Program Target Groups:

See country program sections of report.

Gender Equity Issues:

ATA's programmatic approach does not directly target gender issues although gender balance in target populations is always an important consideration, particularly in Africa where gender opportunities are highly imbalanced. More details on gender distribution of the beneficiary population can be found in the country program sections of the report.

Program Accomplishments Compared with/Originally Proposed:

Major changes to the program design and implementation in year four were the no-cost-extension for Tanzania and the formal establishment of the ATA South Africa Trust. The major changes to the DIP in past years include:

- Shifted to working directly with SMEs in Tanzania rather than through an in-country partner
- Strategically decided to stop supporting the founding of ANARTE (National Artisans Association) in Mozambique as the organization failed to coalesce
- Established wood bank to provide licensed wood rather than have artisans work directly through Djabula Forest Project, and increased effort to work with other organizations to address sustainable wood use
- Established a mechanism for artisans to access technical tools and equipment to speed up production that plans to be transitioned to a formal Technical Resource Center post-PAED

- Discontinued administration of pre-post AMRP testing due to its inadequacy
- Added design mentoring to both the South Africa and Mozambique programs to address sustainable access to design
- Decided to maintain the AMRP's implementation under the ATA subsidiary Aid to Artisans South Africa Trust, as opposed to passing it on to ATA's partner The BAT Shop

The details on the accomplishments achieved are found in the country program sections and DIP Matrix sections of this report.

SECTION III: Monitoring and Evaluation

Detailed Implementation Plan: (Includes refinements, changes and additions)

- **Baseline Data**

Baseline information and the data for the indicators to be monitored during PAED presented in the DIP, was determined, in the case of Mozambique, by using data collected under the RISE program. Both the mid-term and final evaluations conducted under RISE contributed to the development of useful and relevant indicators for are indicators overall.

- **Targets**

Some of the targets in the original proposal were modified in the DIP. For example, in Mozambique, some of the indicators were overly ambitious such as the business plan and links to credit program. Most artisans in Mozambique are not literate and only marginally numerate; although the program has worked on business visioning and longer term planning, individual business plans for each artisan enterprise was not achieved during the life of the project. ATA decided not to focus on credit links as more concentrated effort and financial resources were going to be needed to accomplish this successfully which was beyond the capacity of PAED. Due to the change in ATA's approach in Tanzania, the baseline figures and yearly targets changed.

- **Critical Indicators of Effectiveness**

After several years of considering other indicators, the critical indicator of effectiveness for the PAED program remains total sales. While there are many factors that can prevent the occurrence of sales, an increase in sales indicates that more saleable product is reaching the market, while repeat sales indicate adequate customer service. ATA continually reviewed PAED indicators in light of current program learning and the findings of the mid-term evaluation that was conducted in June 2004. For example, the pre-post test is no longer being used to measure the effectiveness of the AMRP due to its determined inaccuracy. The team is working to identify an alternative means for measuring success.

- **Benchmarks of Project Progress**

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

- **Monitoring Plan**

The monitoring plan for the PAED program includes ongoing analysis of activities in the field combined with annual planning exercises and annual detailed analysis of indicators. Key sources of information are:

- **Field indicator data:** Country offices and partners are required to submit a completed indicator chart each quarter to home office. The information gathered is based on the specific indicators identified for each country program.
- **Field reports:** Country offices and partners provide home offices with regular updates on all activities and fundraising efforts either weekly or monthly.
- **Trade show reports:** These are a standard tool to share information on trade show results. After each show cycle, marketing compiles a report detailing contacts, feedback from buyers/customers, total sales, and analysis of most successful products by units and dollar amount sold. This is used to refine the product development plan for the next six months. In addition, marketing provides a report on order fulfillment quality once show orders are filled.
- **Marketing reports:** The marketing team provides monthly reports to field staff and partners. The reports focus on new buyer relationships and leads.
- **Consultant reports:** Each consultant is required to submit a detailed report that includes; number and gender of artisan clients, daily log of activities, discussion of trip's success, obstacles and recommendations on next steps.
- **Key buyer interviews:** ATA developed a questionnaire to get buyer feedback. This simple phone or email survey gathers information on client satisfaction, producer ability to meet demand, and importer plans to re-order on a systematic basis. See report attachments for a sample "Key Buyer Interview Form."
- **Financial statements:** Existing financials show costs and revenues associated with all program activities. New earned income activities are used to determine future fee structures.

- **Evaluation Plan**

The PAED program has incorporated an internal mid-term evaluation and an external final evaluation into the official evaluation plan. In addition, at least one member of the senior management staff (President, Vice President for Marketing, or Program Director) visits the program approximately every 12-18 months for oversight and internal evaluation. The goal of all evaluations, both formal and informal, is to analyze past project performance, by identifying the origins of success and failure, draw lessons learned, make programmatic decisions and plan future activities.

During the report period, the Marketing Director, at the time Barbara Czuprynski, and Program Officer, Lisa Yoreo, traveled to both Mozambique and South Africa to oversee project activities and assist with future planning. In addition, the President traveled to Mozambique and South Africa to launch the ATASA Trust as well as visit the project impact areas. ATA's Regional Representative for Africa moved from an overall mentoring role to the PAED project in Mozambique and both a mentor and guide for project implementation in PAED's South Africa activities (which included among other things working with both the South Africa and Mozambique local teams to develop ATA's five-year strategies post-PAED for each country), to a Program Director role from June 2004, in order to provide hands-on oversight during the PAED Close-Out.

Mid-term Evaluation:

Please see Project Year 4 (2005) Annual Report or the Mid-term Evaluation report.

Final Evaluation:

The final evaluation of the PAED program was conducted during the report period and being submitted along side this report. ATA hired Mozambique-based Verde Azul Consults to conduct the final evaluation. Although some key perspectives of project participants (from artisans to buyers and donors) were gathered ATA was, unfortunately, not pleased with the overall professionalism of this company nor the overall quality of the work and final submission. Still, important lessons learned have been taken from this experience, as well as the final evaluation report, and indeed throughout the entire course of the PAED program.

In summary the evaluation found PAED to be a success overall with implementing partners feeling a sense of accomplishment; artisan businesses more capable and having more market outlets; and documented improvements in artisan livelihood. Differences in the operating environments were highlighted as a factor in what was achieved in both Mozambique and South Africa. The evaluation found that program participants were clearly better off than non-program participants. When asked to compare life now with life before the PAED program, 78% of artisans in the control group reported that their quality of life has improved. Generally speaking there is still a lot to be accomplished, particularly in Mozambique. However, the craft sector is not endangered as some level of support structure has been created or “left behind” and ATA also anticipates continuing to assist the craft sector for an additional 5 years in both countries, as part of a new regional program, one in which ATA does not play a direct role in the craft value chain rather provides services and support for those who do. For more on the evaluation please refer to the evaluation report attached.

SECTION IV: Review and Analysis of Project Results by Country

MOZAMBIQUE

Specific Outputs Achieved

ATA has played a vital role in the Mozambican craft sector since 1998 when the program was established. Up until June 2006, ATA has been the primary intermediary between buyer, exporter and producer facilitating most orders placed. This approach was chosen due to the embryonic state of the overall craft sector in Mozambique at the start of ATA’s work. Although many improvements have been made, there are still various challenges to be addressed. With two modestly functioning craft export businesses, each of which has gone through ATA’s EXPORT Mentoring Program, ATA removed itself from the commercial role. As ATA decreases its commercial role and removes itself from the value chain, it is important that artisan enterprises and craft exporters establish formal and functioning business relationships so that the export business that has been achieved to date can not only be maintained but can continue to grow over the long term.

Regional Business Training: The three regional business training workshops (in Sofala, Nampula, and Maputo provinces) conducted during the current report period, focused on key business relationships between artisan enterprises and craft exporters, both of whom were present. Additional topics covered during the workshops included craft export value chain as well as challenges and constraints of conducting business in the international market. This year’s workshops were geared towards artisans who had attended previous business training workshops in order to complete a full training cycle.

From discussions held during the workshops, both artisans and exporters expressed concern about ATA's reduced commercial role. ATA has played a pivotal role in assisting both artisans and exporters to build their businesses in an environment of trust. Now the artisans and exporters will need to work together without the buffer ATA provided. The artisans' primary concerns regarding this transition were the access to raw materials, the cost of (international) product development, and access to capital; while the exporters' greatest concerns were artisans' commitment to producing quality products, fulfilling orders within deadlines and maintaining an effective relationship. There is a great concern regarding this transition due to the fact that the overall craft sector is still quite weak, the current status of the economy, and the remaining need for ATA support and coaching during the transition and beyond. Both artisans and exporters expressed interest in ATA developing workshops to address these concerns.

AMRP: Dulce Mudhlovo of Maciene Association and Amina Cassamo of Missanga Craft Enterprise were granted a scholarship to participate in the AMRP conducted in August 2006. They were chosen as a result of their high sales at "As Mãos," ATA's national holiday craft fair. By awarding the scholarship based on sales results, ATA hoped to stimulate creativity and competitiveness among participants. Both artisans commented that the AMRP provided an opportunity to learn directly from the market, the importance of keeping up on trends and the importance of creativity in a dynamic market.

"Evaluating the South Africa craft and home decorative products that I saw at SARCOA, I (realized) that Maciene already has competitive products to expose to the international market.... the most important thing that I learnt was that the product display is the greatest marketing tool one may have...what we need now is to develop strategies to expose our products outside the Mozambique market....We can succeed overseasit is just a question of opportunities to go there just once and from there we will manage to go ahead...." Dulce Mudhlovo

US MRP: Abel Magibire, the Nampula Provincial Business Coordinator, attended the US MRP in January 2006. Magibire's participation in this training brought a dynamic to ATA's overall efforts to provide quality services, which had a positive impact on overall service in Nampula Province. Nampula products have historically generated most of the international business under PAED. As PAED comes to the end, Magibire has indicated that he is in the process of establishing a private enterprise in Nampula to fill the gap in exporter-related services, which will help to bridge artisans/importers needs and ensure continued opportunities for growth. ATA's investment in Magibire's will serve him and the Nampula craft sector well beyond PAED.

Forest Assessment: Growing public awareness of deforestation has increased market demand for products made from sustainable use of raw materials. Sustainable wood use in craft production is of paramount importance in a country like Mozambique that is grappling with issues of deforestation along side the many other issues an emerging economy faces. As the majority of ATA designed products from Mozambique are made of precious wood, addressing the issue of sustainable wood use has been a critical part of the project.

ATA hired a firm that specializes in forestry and natural resource management to conduct a forest assessment to determine potential of specific species and to verify forest management practices. Although deforestation exists in Mozambique, the situation is not as dire as in many parts of Africa. The assessment confirmed that Mozambique has abundant but unequally distributed forests. It also revealed that most licensed forest harvesters are implementing their forest management plans. However it should be noted that the government has reduced its means of verifying proper

implementation of forest management plans. Ideally Mozambique's forests need to be certified and monitored according to international standards.

The important finding of the assessment for the craft sector is that the wood consumed by artisans is rather low, particularly when compared to the other users. Another key point is that artisans prefer to use trees that are already dead as they take less time to dry. In many cases, artisans actually use the wood that is left behind by timber companies as they often take only the main trunk leaving behind the rest of the wood. Artisan products provide a value add that timber exports do not.

A range of relevant wood species for craft production, both precious and non-precious, was also identified and zoned per district and province through the assessment. Most of those species are similar in terms of color, density, smell and other characteristics to those currently being used in craft production. The assessment also provides the annual quota per species that the government allows to be harvested. This will allow artisans to better choose where to get wood from, according to their location as well as the types available.

Basketry Development, Inhambane Province: As described in the previous report, ATA faced unforeseen constraints related to transportation in Inhambane Provinces, leaving ATA without a local implementing partner and temporarily suspended activities. After a lengthy search, ATA negotiated with the local NGO Associação Cultural Para o Desenvolvimento Sustentável (ACUDES), in January 2006, who had shown interest in the development of the province's craft sector, and was working with Peace Corps volunteer, Lee Ann Peterson, who had a background in the arts. Working through a partner was a critical strategy in Inhambane where ATA did not have a physical presence. ATA trained the new partner immediately, and purchased a 4x4 vehicle for their use. It is anticipated that ACUDES will continue to work with the artisans in this province beyond the life of PAED.

ACUDES and ATA were able to motivate artisan groups through further development of the initial products designed by Richard Sparks, as well as develop new designs that were shown at the Mozambique tourism fair. The products were successful due to the colors and highly skilled weaving techniques. Buyers, government officials, and other companies made positive comments about the products and important contacts were made that should lead to future business opportunities.

In June 2006, three artisans groups from Inhambane, namely Gukhosa Craft, Guifumba and Irmãos Unidos de Jangamo assisted by Peterson and an ACUDES representative, participated in the 2nd annual Independence Day Craft Fair in Maputo. All three groups exhibited a large variety of products, some developed by Sparks in 2004 with tweaks by Peterson and Marcia Horst, owner of Gukhosa Craft, as well as entirely new product lines developed by Horst. The basketry products from Inhambane remain in high demand. Most of the stock brought by these three groups was gone by the end of the fair. An emerging craft exporter approached the basket producers to start negotiation around baskets exports to Portugal.

Buyer Visits: In April 2006 two US companies, Charity USA/Hunger Site and San Diego Zoo, who regularly buy from Mozambique, visited the country. The goal of the visit was to introduce them to the people with whom they are doing business, introduce them to the working condition and help them source additional products. They spent time in Maputo and Nampula. This visit resulted in an

order eight times the typical order size for these two companies and established working relationships that can be carried forward beyond the life of PAED.

Ashanti, an importer located in Cape Town, SA, visited the country approximately every two months continuously increasing orders in terms of values and new range of products.

EXPORT Mentoring Program: This past year was important in strengthening the exporters to assume their integral role in the export value chain. Due to the incipency of the craft export sector in Mozambique, ATA had to be highly involved in the commercial value chain for the majority of PAED. During the last year, ATA aggressively removed itself from this role forcing the exporters in training to take on a higher level of involvement. It was essential to the sustainability of this project that the export businesses be able to function independently before the close of PAED.

ATA hired consultant Carol McNulty, a business development expert, to work with the Mozambique exporters and ATA office. The objective of the consultancy was to help ATA extract itself from the commercial value chain and provide business skills, including marketing and business plan development, to the export businesses. It also included assisting the exporters in the development of solid business relationships with both the artisans and international buyers.

In August 2006 a marketing mission to the US, for exporters Artes Mondlane Craft Center and Kissange Artesanato, was organized to allow them to meet buyers (existing and new ones) at the NYIGF accompanied by ATA consultants (McNulty and ATA Sales Reps). Meeting directly with buyers was essential for the exporters to understand better their needs and learn how to address them. At the same time meeting with Carol McNulty allowed for refinement of business and marketing plans. Artes Mondlane Craft Center and Kissange Artesanato had very constructive meetings with their import clients which ATA hopes will continue to solidify these relationships and enable them to work successfully independently from ATA.

The exporters also participated in production management training conducted by the ATA Mozambique's Marketing team. Additionally, ATA made available its LAN professional software for commercial management named Primavera V6.2 and the Excel sheet for production management and follow-up.

In August 2006 ATA received a combined order from the US buyers Charity and San Diego Zoo with a value of \$38,154 to fill a 20 feet container. This represents the first shipment of a container by the Mozambique project. As the order came when ATA was extracting itself from the commercial role, ATA, in agreement with the buyers, passed the order to Kissange Artesanato with intensified coaching. The order is expected to be shipped in mid December 2006.

New Exporter: Prodaz was the third export enterprise admitted for the EXPORT Mentoring Program early in 2006. This enterprise completed the first part of the internship, which included training on various topics of the export module (definitions of key business terminology used in and the process of costing and pricing, administration, etc.) at the ATA Maputo Office and later started the export operations with direct assistance from ATA's Marketing team in Maputo. This mentoring included all components of the export process from receiving the order to the production follow up, quality control, consolidation of the different items coming from various suppliers, the packing and labeling, the paper work with customs, the invoicing and the shipment. Also the exporter was included in the mentoring process conducted by Carol McNulty, but unfortunately Prodaz could not

conclude the process which included MRP participation and take part in the commercial mission to the NYIGF due to some internal company problems and it is unclear whether it will continue with its plans to work in the craft sector.

International Trade Shows:

Milan Artiziano in Fiera has been considered one of the largest crafts fair in the world for many years, representing thousands of cultures from all over the world. However, according to recent participants (sellers and buyers), the show appears to be weakening.

Mozambique's participation in this fair was organized by IPEX (National Institute for Exports Promotion). ATA participated through exporter, Kissange Artesanato. Kissange Artesanato observed that the fair does not offer adequate return on investment for exhibitors from outside of Italy. Most participants' businesses are established in Milan or at least in Italy. The low sales number for a total of five days supports this conclusion.

Ambiente the largest gift & decorative accessory FOB show in the world is held in Frankfurt, Germany every February. FOB shows are primarily geared toward exporters. ATA participated in this show as part of the EXPORT Mentoring Program through exporter, Kissange Artesanato. Showing at Ambiente required training that included selection of products, preparation of promotional materials and booth display as well as a guided tour of the show focused on booth display.

Despite the "newness" of Kissange Artesanato's presence at this show, over \$5,400.00 worth of orders were placed representing buyers from Spain, Italy, Germany and Switzerland. Typically exporters must exhibit at this show a minimum of three times in a row before they receive sizable orders. There were very positive reactions to the Mozambican products including Kissange Artesanato's wonderful collection of Batiks and the ATA designed products that are now represented by Kissange Artesanato.

Catanhede, a retail fair held in Portugal in July 2006, was provided exhibition experience for both exporters Artes Mondlane Craft Center and Kissange Artesanato as well as one local association of artisans who also participated. Sales at the show were reportedly lower than in previous years.

Macau Fair, a retail show, was attended again by Artes Mondlane Craft Center in September 2006 selling almost his entire inventory.

Local Trade Shows:

"As Mãos" National Holiday Craft Fair is hosted by ATA each November. This event has become a tradition for ATA, exhibitors and consumers. As the last annual fair under PAED, it ceremoniously drew the largest sales since its inception. Sales reached more than US\$25,000 which was more than double the sales from the previous year and US\$10,000 over the end of the project target. Forty-seven artisan enterprises from nearly all provinces (including Niassa, Nampula, Zambezia, Sofala, Manica, Inhambane, Gaza and Maputo) participated and more than 3,160 units were sold.

The artisans from Maputo and Nampula provinces, in which ATA has worked since 1998, had the highest sales. Maputo sales reached US\$9,700 while Nampula sales reached US\$6,630. The artisan

enterprises with the highest sales were Maciene, from Gaza Province, with sales of US\$3,830, followed by Missanga, from Nampula Province, with sales of US\$2,597. ATA awarded the two top selling groups with a scholarship to attend the Africa Market Readiness Program (AMRP) training in Johannesburg, South Africa.

The fair was used for the introduction of the annual “Ashanti Growth Prize,” an award concept developed and funded by Ashanti Design, a regular buyer of Mozambican crafts products. The purpose of the award is to promote business growth of the enterprises with which Ashanti Design works. Annihova won the prize for best quality and consistency on deliveries in the amount of US\$750, Chamania received the prize for best sales volume in the amount of US\$350 and Kutoma won the prize for the enterprise with the highest sales growth in the amount of US\$200.

The opening ceremony was attended by representatives from USAID as well as the US Ambassador to Mozambique who both had very positive feedback regarding the fair. In addition, the fair was attended by a representative from the W.K. Kellogg Foundation a donor not only essential to the PAED program, but to ATA as an institution. ATA’s Regional Representative was present and international guests noted included staff from ATASA Trust and a South African designer.

Independence Day Craft Fair, a fair organized in partnership with UNESCO, Comércio Justo de Moçambique, National Arts Museum, the Ministry of Culture and Education and ATA to market Mozambique’s Independence Day (June 25) had artisan enterprises from all provinces except Tete, Zambezia and Niassa participate in this years second annual fair. The objective of the fair is to celebrate the anniversary of Mozambique’s independence through the promotion of Mozambican handcrafts, providing sales opportunities for Mozambican artisans and the opportunity for consumers to purchase innovative and beautifully designed handmade products. Total sales this year were US\$11,694 for a total of 1,125 units. The products exhibited demonstrated the use of more than 10 different mediums.

The fair included a pre-fair training focused on design. The one day workshop was conducted by Allan Schwarz, a designer and entrepreneur of craft production based in Sofala Province. The session had 15 participants as trainees, including artisans, exporters and local designers (the winners of ATA content Design Competition in 2004). The topics of the workshop included; product life cycle, product development considerations (market, culture, quality, production, price and social responsibility) and branding importance.

Wood Bank: The wood bank has played an important role in the craft value chain by bridging the distance between the production and raw materials greatly improving overall production time. The wood bank has improved the quality of products as the wood selected and sold through the wood bank is of high quality. Another benefit of the wood bank is that it sells wood that is legally harvested from managed forests.

The wood bank overall has potential as a business opportunity as is evident in the increase in sales from year to year, however long distance management of the Nampula wood bank created challenges that are noted below. ATA plans to conduct a more thorough analysis and develop a business plan to determine the true business potential after which it will be passed or sold onto a local craft based business.

Tools & Equipment: Artisan enterprises face great needs regarding access to appropriate tools and equipment. To address this problem ATA established a revolving fund to purchase these items for artisan enterprises on an interest-free loan basis, which would also teach the basics of loan management. The artisans chose the tools and equipment according to their needs and ability to repay the loan. The range of loans was from US\$50 to US\$2,500. To date, 61% of the total amount of loans (US\$10,000) has been recovered and it is forecasted that the remaining amount will be recovered during fall of 2006.

This activity began the process of assisting artisans to understand the basic premise of credit management as well as greatly contributed toward increased production capacity. Some of the artisans struggle to repay the loan as anticipated orders to be used for payback were not forthcoming. However, due to this experience and on-going training, the artisans have a much better understanding about how credit programs work and now may have more confidence as to whether or not they are ready to pursue loan applications.

Technical Resource Center: The Technical Resource Center (TRC) is important to the craft sector in Mozambique as it is anticipated that it will continue the work of ATA in Mozambique and potentially contribute to CEDARTE's¹ efforts to build on what ATA has accomplished. The TRC will provide access to essential tools and equipment on a fee basis that artisans would otherwise have no access to. The tools and equipment will benefit artisan businesses by greatly reducing the amount of time and manual effort required to produce wood products therefore increasing overall production capacity. The TRC will have heavy machinery required for cutting and boring large pieces of wood. This will allow artisans to have semi-finished products, which they can complete in their workshops with regular hand tools. The TRC will also provide training for artisans in new production and finishing techniques.

The structure for the TRC (building area of 300sqm) will have a workshop, wood bank, office space, warehouse, kitchenette and restrooms. The TRC is located in Maputo on a 4,000sqm plot of land. Although the construction is not complete, much progress has been made. Building the TRC in its present location and structure will allow potential for expansion. If additional funds are raised, the TRC could be expanded to include a complete office facility, showroom as well as finished product warehouse. Having all these in one location would greatly simplify management as well as reduce overall operation costs.

Staff Development: To improve quality of services to beneficiaries, Sandra Maquena, Administrative and Financial Officer, and Abel Dabula, Country Coordinator, attended a training in Financial Analysis and Management conducted by CATMOZ, a Mozambican training enterprise. Financial statements, budgets forecasting, cash flow projections and management, investment risk estimation and projects financing were the main topics covered during the training.

Effect on Target Groups Disaggregated by Gender

By EOP, ATA had assisted a total of 53 enterprises directly reaching a total of 495 artisans, 14% of whom are women. Out of 53 enterprises 50 are artisan enterprises who signed an MOU with ATA and have received assistance in product development, market linkages and business training. The remaining 3 are exporters who were mentored by ATA in all aspects of export business. It should be noted that the number of enterprises assisted did not increase significantly from year to year due

¹ A local NGO being established in coordination with ATA and the Mozambique staff

to the level of on-going assistance needed. Overall, ATA reached approximately 3,910 artisans' nation-wide through the distribution of "As Mãos Falam" (The Hands Speak).

Problems Encountered and How They Have Been Addressed

Production management has been an on-going issue in Mozambique. Artisan enterprises show limited skills in production management. The issue was addressed through training and practical exercises. Regular follow-up reaped the highest results in pushing artisans to meet deadlines. This is an area of concern for exporters now taking on the tasks formally handled by ATA.

Mold, particularly in softwood products, has been an on-going problem. To address this issue ATA had a solar kiln developed as well as other technical solution specific to products. With these improvements the quality of the softwood products has greatly increased which has resulted in better sales.

Wood Bank development and the initiation of a **Technical Resource Center (TRC)** was in response to securing a managed source of wood for the artisans, ongoing stock of key raw materials to assist artisans in meeting buyer deadlines, and access to expensive tools and equipment that enabled increased production and improved product quality. The wood bank was developed in Maputo and Nampula where the majority of the products are sourced. The wood banks in general solved wood sourcing problems for key orders and with deeper analysis and costing could prove to be more successful in the future. With this first experience, some specific problems encountered were to be expected. Some of the feedback from the artisans included the price of the wood on one hand, and the quality of the wood on the other. Some artisans felt the price was too high and preferred to source on their own; however this was mostly due to their lack of understanding on the need to value their time taken away from production to source the wood (sometimes up to 3-4 days in the bush), transportation costs and the value of production lost while away from their workshops. At this pilot stage, ATA priced the wood just to cover costs, not to earn a profit. In some cases the wood stocked did not serve all artisans' immediate needs in size and type, and artisans were forced to source on their own until ATA managed to build up appropriate stock. With the end of PAED, both wood banks still retain unsold stock, and ATA may be forced to sell at least the Nampula wood bank stock at a discounted rate in order to close out all PAED related activities. The wood bank in Nampula only started in December 2005 and did not provide much time, especially when managed from a distance, to solidify the business opportunity and maximize its success. It never managed to cover the rent and there was no solid close-out plan that guaranteed its sale by the end of project. The Maputo wood bank will continue as there are no related warehousing costs, and CEDARTE does plan to incorporate its continuation into its strategic plan, as it works to more fully develop the TRC into a functional operation.

Although the TRC concept is a solid response to ensuring daily demands for needed raw materials, packing materials, rental of heavy equipment, and storage space, local implementation, the management of its construction resulted in an unfinished building upon PAED closing. Additional funds will be needed to make it worthy of occupation. CEDARTE has committed itself to securing additional funds to complete its structure, which under our initial phase of support ATA has offered them as office space until a full feasibility study is accomplished on whether to operationalize the TRC under CEDARTE management.

Inhambane Province project activities in which ATA's work was initiated in 2005 under matching funds from the Ford Foundation, came to a halt due to lack of transport to carry out project

activities. The donor approved the purchase of a second-hand truck which was then seconded to ATA's local partner NGO ACUDES, however re-launching of the project only started in February 2006, just over six months before project end, and with decreased artisan confidence due to previous pull-out, not much was able to be accomplished in this short period of time that ATA feels confident will be sustainable. There is a lot of potential in Inhambane province but it requires sufficient funds and commitment over the long term to realize sustainable impact.

Transition of buyer links to ATA-supported exporters was delayed, and only took place in June 2006 - just four months prior to project close out. This short time frame created the impression that the "umbilical cord" was cut abruptly and created added stress with both the exporters and importers. There was a sense that the exporters were not ready to handle the transition when in fact there would have been no ideal time to make the transition without some growing pains on the side of the producers, the exporters and the importers. Furthermore, one large order from two prominent US importers was accepted by ATA's local team with an unrealistic assumption that the order (nearly US40,000) would be completed and shipped by September 30. As a result, ATA is still working with the designated exporter to fulfill the order under ATA's name at the time of this report writing.

Micro-credit provided by ATA to select artisan groups who currently had outstanding orders with ATA and would thus make it feasible for artisans to pay-off credit offered for the purchase of key tools and equipment to assist with increasing production and improving quality. Unfortunately, with the transition of buyer orders to the exporters, ATA has lost its ability to recuperate funds and thus ends the project with credit payments outstanding from artisans that will require additional funds to collect on bad debt which may or may not ever be repaid.

In retrospect the local ATA team, and indeed the ATA home office, recognizes the inherent weaknesses in these decisions made during the last year of the project but also recognizes the need for such approaches to overcome sector challenges. It is now better equipped and positioned to address similar challenges that may arise under CEDARTE and future ATA projects so that long term dependencies are avoided and best practices applied to sector challenges and project close out.

Impact on Local Institutions, Policy and People: (Outside the Project)

The Mozambique Government invited ATA in 2005 to participate in the national committee responsible for designing the national strategy for value added wooden product exports. ATA was responsible for providing information about the craft sector with regard to positioning wooden craft products. Upon completion of the strategy, the Government of Mozambique invited ATA to participate in the multi-sector committee, lead by the Ministry of Trade, which is guiding the implementation, supervision and evaluation of the strategy. Craft products play an important role in the strategy as hand-carved wooden products from Mozambique have earned international attention. Understanding the potential, the Government of Mozambique intends to promote the craft sector in terms of creating more and better business opportunities. ATA plans to continue representing private sector players in the craft industry through this mechanism.

UNESCO requested that ATA participate in a workshop organized in conjunction with the Ministry of Education and Culture to discuss the strategic plan for culture in the next 5 years. The initial draft did not include the craft sector so ATA's participation was critical. ATA emphasized the potential impact crafts could make in economic development. Mozambique is in a great position to increasingly capitalize on its craft sector as resources and skills are abundant and improving through

support such as ATA's. As the international market demand for Mozambican products is high so could be the tourist market demand. The craft sector has vast potential to contribute to poverty reduction, job creation, balance of payments, as well as contribute to the Government's strategy. Due to ATA participation in this workshop that Government of Mozambique adopted almost every recommendation made by ATA.

Unintended Effects

Associação Cantinho dos Artesãos (Corner of Artisans Association) is a local group of artisans formed as a result of their participation in ATA's 2004 "As Mãos." The group formed with the hope of organizing similar local craft fairs throughout the year. The group has produced successful fairs around key holidays such as Christmas, Easter, Valentine's Day etc. ATA assisted the group with supplies and displays for their first few fairs, but since stepped out.

Swaziland Trading House, an NGO funded by the government of Swaziland and W.K. Kellogg Foundation whose mission is enterprise development and employment creation through the development of cultural industries, organized a study tour from April 24 – 25, 2006 that was hosted by ATA. The purpose of the study tour was to expose Swazi artisans to different craft traditions and to exchange experiences with Mozambican artisans. In total there were 27 visitors including 4 handcraft officers, 3 Swaziland Trading House staff members, 20 artisans working in various mediums. ATA organized a guided visit of artisan workshops in Maputo for the first day. The second day included a forum for exchange and learning between artisans, Swaziland Trading House staff as well as ATA staff. The second day concluded with a visit to the local market, street vendors and galleries.

Topic of the exchange and learning forum included:

- Accessing market opportunities (Both Mozambican and Swazi artisans agreed to continue exchanging information market opportunities including local fairs.)
- Improving export and production
- Collaborating between artisan groups and institutions. (For example, Swazi wood crafters were interested in purchasing semi-finished products from Mozambican wood carvers, which would then be finished by the Swazi carvers since Swazi artisans do not have access to the same types of wood.)

MOZARTE, a government production and training center for youths, hired ATA to implement a project to revitalize the organization in terms of marketing and management. Product lines were very out of date, management systems deficient and merchandising disorganized. ATA identified the greatest areas of need and developed a marketing plan. As part of the marketing plan, South Africa designer Magda Van Der Vloed was hired to develop 6 new product lines composed by 26 products made of batik, textile, ceramic, sewing and embroidery and recycled paper. The products were highly appreciated at "As Mãos." Additionally, ATA assisted with re-planning of the gallery lay-out and marketing.

Comparison of Actual Accomplishments to Those Proposed: (Includes reason for variance, anticipated obstacle and plans to address them.)

Objective 1: Strengthen organization of artisan and export sectors and address key weaknesses. Generally activities under this objective were successfully completed. Currently there are two exporters managing business directly with buyers and artisans. Although there are still great

weaknesses observed, the exporters continue to improve business practices. The third export is still in the beginning phase of positioning itself in the craft sector and therefore is not included in the total count. The number of trained exporters was 3 rather than EOP goal of 4 due to the fact that there are limited craft exporters available in Mozambique. Export business is supported by 26 importers well over the EOP goal of 15, with an average repeat order of about 35%. The percentage of re-order is lower than the project goal of 75% however this is attributed to new buyers being continually added to the denominator.

Objective 2: Provide artisans with business development services.

The indicators under objective 2 reveal the learning impact of trainings conducted throughout the life of the program and are very important for enterprise sustainability. The number of enterprises registered and legalized increased to 19, surpassing the EOP target of 5. The enterprises with bank account reached 92% resulting from intense effort by ATA to stimulate producers to professionalize their business using bank services. ATA worked to stimulate artisans to develop both the conscience of savings and bookkeeping. The percentage of enterprises with financial records at the EOP is 162% over the target.

Objective 3: Increase the fundraising and financial management responsibility of local staff.

At the beginning of the fourth year of PAED, required match funding had been raised. Therefore, it was not necessary to focus on fundraising as intensely and staff was able to focus more energy on overall program implementation to ensure deliverables were reached and sustainability achieved. Nevertheless, ATA still pursued small fee based services to other organizations and institutions, in order to increase collaboration and partnership, which earned an additional US\$5,183. Towards the middle of the final year of PAED efforts to develop and raise funds for a follow-on 5 year strategy were intensified.

Objective 4: Develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation.

Indicators under this objective were successfully accomplished to the extent that the overall demand for product is higher than the supply. Therefore ATA strategically decided not to undertake product development during the final year of PAED but rather to focus efforts on the exporters, their marketing and business planning as well as their image and promotion in the international market and trade shows.

“As Mãos” National Holiday Craft Fair, hosted by ATA, had 47 artisan enterprises participate against a target of 60 by EOP. However, with the combination of other local fair organized by ATA, such as the Independence Day Craft Fair, a total of 80 artisan enterprises participated in local fairs for the year. The sales from “As Mãos” in the amount of US\$25,110 far exceeded the EOP target of US\$15,000. If other local fairs are included, such as the Independence Day Craft Fair, the total sales would increase by an additional US\$11,694.

The overall program sales increased exponentially mainly due to improvements on productions capacity and above all increased consciousness in the artisans about the importance to be committed to their business. During this period, total sales came to US\$349,074, 7% over EOP target of US\$325,000.

Objective 5: Scale up and expand the impact of ATA’s works in Mozambique.

This objective was met and exceeded. ATA was to reach 3,000 artisans by EOP, but was able to reach 3,910. The number of direct beneficiaries from year to year did not increase significantly so that ATA could continue build the capacity of the groups it was already working with in order to ensure project sustainability. ATA was able to reach many additional artisans through the artisan informational bulletin “As Mãos Falam”. The effectiveness of this tool still needs to be verified since very little feedback has been received.

Objective 6: Artisan entrepreneurs continue to reach and expand markets after PAED project ends. As the majority of Mozambican artisans rely on wood for raw materials, ATA worked to support sustainable wood use. However, ATA found that achieving FSC certification through Djabula forest was outside the scope of what could successfully be accomplished through PAED. Therefore, efforts were focused on the wood bank and support for sustainable forest management practices as well as sound reforestation practices. To date, ATA established two wood banks one in Maputo and later one in Nampula which represents 60% of overall business volume. The experimental project on rapid Sandal and Iron woods propagation showed positive results but requires additional actions to determine the best strategy to re-plant these species. Additionally, ATA conducted a forest survey in five of the provinces in which ATA worked to determine volume and alternative sources for wooden products.

Objective 7: Artisans able to develop quality products for international export independent of ATA. ATA designed products have positively impacted the craft market in Mozambique. From the time ATA started to bring international designers to Mozambique, the creativity of both ATA assisted and non-ATA assisted artisans has exponentially increased as evident in the local markets where product design and quality continue to improve with increased competition.

It should be noted again that ATA did not focus on development and introduction of new products during the last year of the project due to the continued success of current product lines. Exporters and artisans in Mozambique clearly still have much to achieve in terms of customer satisfaction; and although marked improvements took place on the side of the exporters and market links continue post-PAED, there is still much improvement needed before the craft sector is able to design new products that attain market appeal and sufficient capacity to meet buyer deadlines and thus create a network of satisfied and repeat buyers.

Overall most of the objectives planned under PAED were successfully achieved. Recognizing the vastness of the sector and the inherent challenges, there is still great need for ATA’s continued assistance in Mozambique yet with a strategic approach that keeps ATA out of the direct value chain, serving as a mentor and coach to sector players.

Description Local Implementing Partner Relationship: (includes background on partner and structure of the working arrangement of partnership.)

Comercio Justo de Moçambique (Mozambican fair trade organization), **National Museum of Arts** and **UNESCO** partnered with ATA to establish the Independence Day Craft Fair. Through the process, partner organizations learned the entire process of organizing such a fair including assisting artisan enterprises with product selection, production follow-up, quality control, booth organization and event promotion.

ADEM, Manica Economic Development Agency, became ATA's implementing partner in Manica Province. The partnership with ADEM allowed this local agency to define a new structure and build its organizational capacity to provide assistance to the craft sector. Through participation in the AMRP as well as on-the-job training, ADEM leadership is now positioned to provide proper support to the craft sector.

ACUDES, a local NGO, has become ATA's implementing partner in Inhambane Province. Through this organization ATA was able to continue work in Inhambane reaching very talented basketry artisans (primarily female).

Associação Cantinho dos Artesãos is a local artisan group that formed to organize local craft fairs throughout the year. ATA assisted this group learn the basics of organizing craft fairs.

SOUTH AFRICA

Specific Outputs Achieved

Aid to Artisans South Africa Trust: Thanks to a matching grant from the Ford Foundation, Aid to Artisans formally established a legal presence in South Africa. Following the legal registration of the ATASA Trust in April 2005, the Trust was formally launched at a reception in Johannesburg in November 2005. ATA's President, David O'Connor, made it the reason for his first field trip as president during which he visited South Africa and Mozambique and met with key donors and players in craft sector. Speakers at the launch included the Trust's Chair, Mrs. Mpho Letlape, ATA's President, and the Director General of the Department of Arts and Culture, Prof. Itumeleng Mosala. Representatives from various South African industries including donors, local and international NGOs, government bodies, importers, retailers, and artisans were invited to the launch signifying an important step toward increasing awareness of ATA's work and presence in South Africa.

Registration of the ATASA Trust was necessary in order to operate as a local legal entity, open a bank account and apply for formal accreditation of the AMRP through the local training authority. The ATASA Trust's board of seven trustees consists of three South Africans and four ATA staff members. The board meets on a quarterly basis. Although dependent on raising funds, the ATASA Trust will continue to exist beyond the PAED program providing the legal persona upon which ATA can hinge its future activities in the region.

Increased program activities resulted in the ATASA Trust appointing the former Regional Marketing Manager as ATASA Trust Director and the appointment of a Program Coordinator, and a part-time Bookkeeper to assist the Director in the development and coordination of program activities and financial management.

SARCD A Christmas Gift, Toy and Décor Trade Exhibition, August 23 - 27 2006:

"This is the best booth! Aid to Artisans has the only really new and interesting products on this whole show" Annig Barrett - owner of Dublin, Ireland, based business World Design

Through the five years of the PAED program ATA has exhibited at the August SARCD A trade show. SARCD A held at Gallagher Estate and established 34 years ago, is the largest trade exhibition to the retail, gift, toy and décor industries of its kind in Southern Africa. The August show is the largest of its three annual shows. There are approximately 450 exhibitors and 20,000 trade visitors to the show each August. SARCD A has been the mainstay of ATA's South African marketing

activities and over the years the organization has built a reputation for showcasing innovative well designed high quality products.

In 2002, ATA's booth was 24sqm. Over the following three years this was increased to 64sqm. In the final year of the program the size was reduced to 48sqm to show case the work of ATA's three South African in-country partners; the BAT Shop, Cape Craft and Design Institute (CCDI) and Phumani Paper. For the first time there were no groups exhibiting on the booth from outside South Africa; the most noticeable thing about this was the absence of products from Mozambique.

Booth sales were slightly up from last year despite the absence of Mozambique and the fact that the space was smaller. In 2005 Mozambique sales reached their highest and represented nearly 45% of overall sales. In 2006, sales for the BAT Shop were their highest ever. CCDI increased sales from the previous year, not as much as would have been liked but many of the buyers were already familiar with some of the CCDI producers and said that they would be contacting the producers directly to place orders for the exhibited products together with their regular orders. Phumani Paper's sales were good considering all the products were new, highly innovative and priced relatively low.

Total FOB booth sales from the past five years were over US\$194,933 while total wholesale sales approached US\$240,000.² The results for 2003 were the highest of the program largely resulting from BAT Shop and Wetlands sales. In 2004 BAT Shop figures fell dramatically and by 2005 Wetlands was no longer exhibiting on the booth. It is difficult to make absolute comparisons between the years because of currency fluctuations and other economic factor.

SARCD A sales chart 2002 – 2006 (FOB in US\$)

Producer Group/Country Program	2002	2003	2004	2005	2006	Total sales
Mozambique (ATA various groups)	\$4,834	\$7,688	\$5,236	\$12,000		\$29,758
South Africa (BAT Shop)	\$15,900	\$26,398	\$18,462	\$16,205	\$28,036	\$105,001
South Africa (Wetlands)		\$14,744	\$20,000			\$34,744
South Africa (CCDI)				\$4,295	\$4,775	\$9,070
South Africa (Rorke's Drift)				\$3,985		\$3,985
South African (Phumani Paper)					\$3,880	\$3,880
Tanzania (Marvelous Batik, ADAT, Mikono, MOTO)	\$50	\$2,043	\$1,098			\$3,191
Ghana (African – Dream)	\$475					\$475
Zambia (Choma, Kubu + Moore Pottery)		\$4,829				\$4,829
Total	\$21,259	\$55,702	\$44,796	\$36,485	\$36,691	\$194,933
Booth size	24sqm	64sqm	64sqm	64sqm	48sqm	
Exchange rate	(1US\$ = 10Rand)	(1US\$ = 7.8Rand)	(1US\$ = 6.5Rand)	(1US\$ = 6.5Rand)	(1US\$ = 7Rand)	

The public reaction to the booth was positive. This was mirrored in the fact that SARCD A's exhibition judges awarded ATA the overall Gold Award for stand excellence as well as the Best Stand Award for the hall it was located in.

² August 2006 average exchange rate of US\$1 = Rand 7

Booth Management and preparation for the show has been facilitated by ATA's South Africa office throughout PAED. In 2006 the booth was arranged into three sections where each of the in-country partners had a third of the space. Each partner supplied staff to merchandise their products and manage sales. All the exhibitors were responsible for making sure that their products were freighted directly to the show for set up. Phumani Paper, exhibiting on the ATA booth for the first time, needed a lot of assistance with display and merchandising. Although Phumani Paper has exhibited at many shows in the past, this was its first experience in the high-design section of a trade show like SARCD A and much guidance was needed regarding pricing and product labeling and wholesale price sheets.

Booth Design was completed by Marlene Ming who has worked as the designer of the ATA booth since its inception. The units were designed to be used year after year in different combinations. The color of the units is neutral with some accent panels painted in variations of the ATA colors. Ming worked carefully with the ATASA Trust Director to assess the requirements of each of the exhibitors. In addition, the products were discussed and the plans sent to each of the partners before the show. A month before the show, SARCD A rules require submission of the plans. Joi Design, represented by Johnny van der Merwe, with its large crew was sub-contracted to make the booth a physical reality. Joi specializes in much bigger jobs, for instance the local version of the South African version of Idols. The Joi team also constructed, electrically wired and broke down the booth. In 2006 a special unit was added for the many hanging light fitting products from CCDI, as well as new sign for ATASA Trust. During set up Joi had technicians available to help with details during merchandising, especially useful in 2006 with all the light fittings. From comments from people who have seen ATA's booths in Frankfurt and New York, the practical but well designed booth pioneered in South Africa in 2002 seems to have inspired its other trade show exhibitions.

BAT Shop show results: This was the only major ATA PAED activity planned and budgeted for BAT Shop in Y5. The BAT Shop staff put a lot of effort into new product development as well as product selection and innovative display. Efforts were rewarded with purchase orders to the value of R160,000 placed at SARCD A, and both larger retailers Congo Joe and Loads of Living are in the process of negotiating bespoke styles and colors for future orders for their respective businesses. This is a substantial increase from last year's SARCD A and was above expectations. The colorful BAT Shop display of new products combined with innovative display materials drew many compliments and assisted in the ATA booth being awarded a GOLD award for best booth on show. Three Bat Shop staff members (Marisa Fick-Jordaan, Gwyneth Daniel and Phumi Zwane) managed the transport of samples, physical setup and the display of products, sales staffing and breakdown. Despite increasing competition in the local market and a volatile local retail market, many Bat Shop repeat buyers placed orders pre-and post-SARCD A across product ranges. New additions to the jewelry range, the telephone wire and bead disc necklaces and telephone wire cuffs sold well. The BAT Shop has established excellent market links at the trade show and in all likelihood may not take a booth at SARCD A in the future.

CCDI show results: A second round of product development with New York based designer Stephen Burks followed-up with input from CCDI's Product Coordinator and the Product Development Trainees³, increased the number of groups shown by CCDI on the booth from 6 to 11. The quality of products that had been previously shown at SARCD A was markedly improved by

³ Product Development Trainees were those mentored as part of the joint ATA/CCDI project.

their second showing. The items that attracted the most attention were Wola Nani's papier mâché bowls. These were an exciting variation on a much loved South African product reappearing covered in shweshwe printed paper instead of paper printed with well know local brands. The work that Product Development Trainee, Malin Olofsson, did with Zambane potato printers also attracted good sales. Booth sales were almost 25% higher than the previous year, not as high as expected and not reflective of the interest generated that may result in sales from leads made at the show. For instance large retail buyers such as Tiger's Eye made appointments to speak about orders after the show. The CCDI staff made a comprehensive list of those who had expressed interest in the products and the lists were handed on to the producers to follow-up directly. CCDI's Program Coordinator for the joint ATA/CCDI project said that the SARCD A exhibition was the only true trade show that the products are shown at. She noted that sales had increased from the previous year "The overall market feedback was positive, the products stood out for their innovation and contemporary feel. Prices on certain products were an issue, but in general our prices were competitive." Commenting generally, she said: "The organizational assistance and training that ATA provided was excellent. The Fair ran smoothly and efficiently. In general the spirit of helpfulness and support made the event productive and a pleasant experience."

Phumani Paper show results: The products of the four groups, Khomanani, Chloe, Twanano and KZN Papermaking were shown. Sales for the Phumani groups were good for a first showing at SARCD A and Phumani Chief Executive, Frikkie Meintjes, said that it was the first time that Phumani had had such a quick and positive response to any product development initiative and that Phumani Paper was delighted with the completely new home ware product ranges. Public response to the products was encouraging as buyers were intrigued by the new paper based home ware products. A solid list of buyers who did not place orders but expressed interest in follow-up was generated. In addition, the products sparked interest from two of ATA's international contacts, one in Dublin and the other in Paris. It is now up to Phumani Paper to maintain the market links made through the program. Although this was not Phumani Paper's first trade show, ATASA Trust staff provided significant guidance regarding labeling of products for the show, price sheets and how to prepare follow-up contact sheets.

The ATASA Trust office was contacted a week after the show by House and Leisure, a local lifestyle and home décor magazine, to organize samples from the show for a photo-shoot for a gifts article for its December issue.

Marketing Outputs:

South Africa Market Analysis: An unscientific survey of exhibitors at SARCD A found that most reported slightly increased sales and many complained of lingering retail stagnancy with buyers placing cautious orders. The general feeling was that buyers were cautious especially with new products, leaving the more adventurous products to be bought by the high-end design shops, where if products are successful others will follow.

Importer Identification: The development of the local market for the hand-worked wood products from Mozambique has been extremely successful especially as the chief importer, Ashanti Design (www.ashantidesign.com), has been prepared to put a great deal of investment into the development of the local market. It was decided not to show products from Mozambique because Ashanti Design has taken on the importing into South Africa of most ranges. In 2004 ATA linked Ashanti Design to the products from Mozambique at the SARCD A trade show. According to Robert Walker, Ashanti's owner, following the introduction and in the subsequent two years, orders totaling a value

of US\$185,000 were placed. His involvement with the products and working with the artisans' businesses has taken him to Mozambique 14 times and as the PAED closes, this linkage will continue as he puts ongoing energy and resources into the products of the artisans from Nampula. Large ranges of the products are currently retailed in 18 outlets in South Africa. Ashanti Design branded the products from Mozambique, Ushonga, and they can be seen in Johannesburg International Airport.

New importer market links placing repeat orders with the BAT Shop were established independently from ATA. These include BESMO (US\$13,000), a UK based importer and retailer, and Niemann Marcus (US\$10,000) in the USA. A sample range of baskets and jewelry has been ordered by HARPO, Oprah Winfrey's company based in Chicago looking to retail on her website.

Other Marketing Outputs: Shortly before the completion of this report it was found that wooden horns similar to the hugely successful range designed in 2005 for Maputo based artisan, Boaventura Come, were being copied in Mozambique and sold via a non-ATA linked exporter to South African importers.

The BAT shop has had to constantly reassess and develop its ranges as competition in the telephone wire bowl business has grown. It has faced problems with the copying of designs by producers with lower overheads who can put the products into the market at lower prices. Local buyers say that it is difficult to support the BAT Shop when there are cheaper products available even if the quality is not as good.

Zenzulu™ baskets were also on display on the Design Made in Africa traveling exhibition which was shown at the Design Indaba. This French initiative (reported in year 4) has brought favorable media publicity and trade enquiries from France, Montreal and Toronto in Canada, as well as a comprehensive article in Azure Magazine. A substantial order placed by the Mori Art Museum store in Tokyo was facilitated by the curator of DMIA.

Buyer Visits: Through the efforts of ATA's home office staff and its Los Angeles based marketing sales representative, Lori Grey, South Africa and Mozambique hosted a very successful buyer visit from March 13 – 18, 2006. The trip to South Africa was planned to take in producers ATA had worked with in Cape Town and Durban as well as other artisans with export ready product. The end of the visit was planned to include the March SARCDA trade show. South African sales as result of the visit were \$111,915.

"In total, we purchased 46 different products from a total of 11 South African suppliers, (plus two products from a supplier in Swaziland), as a result of the show or the accounts you introduced us to. Thanks!! ... "On the whole, I found many more products than I expected, (given our price points); and was impressed about how easy it was to do business. I expect we'll reorder several items." - Tim Kunin owner of CharityUSA.com on his buyer visit to South Africa

Yvonne Miles, Director Corporate Merchandising at the Zoological Society of San Diego Zoo, advised that orders of \$77,479 were placed with nine South African suppliers of which five are businesses or enterprises related to ATA's South Africa activities. Cape Town based Professor

Pedro's⁴ wire bead animals are currently displayed in the shopping section of the San Diego Zoo's website.

A buyer from Ten Thousand Villages visited the BAT Shop and a sample order for beaded jewelry was placed.

Design Indaba Expo (held from February 22 – 26, 2006): The Paris based owners of French wholesaler, As' Art, Danielle Bastelli and Jean-Paul Merlin, as well the owner of the Los Angeles wholesale company, Artecnic, Enrico Bressan, traveled to South Africa in February, their inward-buying trip paid for by Design Indaba. These buyers are part of the ATA marketing network and their invitations by Design Indaba were leveraged by ATA. As' Art used the time to see enterprises introduced to it by ATA as well as to forge new links. Artecnic worked closely with Stephen Burks during his product development consultancy to the ATA/CCDI program and especially with Feeling Africa's Willard Musarurwa.

ATASA Trust and CCDI decided jointly to show the products developed in the first cycle of product development this year's Design Indaba. Design Indaba is a design orientated exhibition that runs at the same time as a large design conference out of the Cape Town Convention Centre. It attracts many designers and high-end buyers from Europe and the US.

The local office was also invited to submit an article about its work with the designer Stephen Burks and CCDI which was published in Design Indaba's magazine. The article, co-authored by CCDI and ATA appeared in late 2005.

Early planning for the event indicated that CCDI and the ATASA Trust would share the costs of the booth's space rental and construction with the emphasis being on the trade linkages aspect of the expo. CCDI's aim at the show was to showcase the products rather than to achieve actual sales. Sales figures of the developed products were negligible although the opportunity to visit South Africa meant that Enrico Bressan of Artecnic could work closely with Feeling African's Willard Musarurwa while the designer Stephen Burks was in South Africa. ATASA's Program Coordinator assisted with marketing off the booth. Commenting on the showing of the products at Design Indaba in February 2006, CCDI's program coordinator for the CCDI/ATA program said: "The sales were low at Design Indaba as the focus was on Design and not on Marketing."

The Bat Shop was selected to exhibit the Zenzulu™ range of products at the third Design Indaba. The BAT Shop's director was again invited to serve on the curator panel. BAT staff met with existing BAT clients As'Art and Mahatsara (France), Cape Grace (Germany), Isandi (Norway) and established relationships with new buyers in Korea and Spain.

NYIGF, Jan 2006: The South African red wire table was the top selling item by dollar value at the Spring 2006 NYIGF. The product was displayed prominently at the corner of the booth and attracted a lot of attention from buyers and press. The South African tall recycled tin lantern was the third best selling item by dollar value.

⁴ Professor Pedro is a Zimbabwean based in Cape Town. He works for his own account and holds an export license. He applied for and was accepted to attend the AMRP in 2006, but not being part of a government or NGO supported organization made his own arrangements for travel costs and living allowances during the training.

The recycled plastic products also continued to draw a lot of attention and, while they did not see significant sales, they were featured in an HGTV special in December 2005. The producers of the program had seen the product at the August New York fair and chose the recycled plastic pillows for a brief segment on products made from recycled materials.

Ambiente, February 2006: CCDI/Ikwezi also had a small display in ATA's booth at the Ambiente fair, showing the plastic mosaic products from Mandela Mosaics and the red wire table. CCDI made contact with 26 buyers, largely from the United States and Germany, and also wrote one sample order with Design Within Reach.

NYIGF, August 2006: The South Africa paper mache bowls from WolaNani did very well. Buyers liked not only the look and selection, but the story behind the artisans as well. Mary Englebright Home Companion magazine asked to see a sample of this product and will hopefully feature it in an upcoming issue. Also from South Africa, the recycled plastic chicken pins sold nearly 200 pieces.

"As Mãos" National Holiday Craft Fair: The ATASA Director and Program Coordinator traveled to Maputo for "As Mãos." This was, amongst other things, to introduce the Program Coordinator to the ATA team in Mozambique to deepen knowledge of how ATA works, the working conditions of the artisan enterprise groups of Mozambique and to assist with fair set up. The newly appointed Program Coordinator commented that from assisting the artisans to set up their booths that "It was clear to me which artisans had received ATA training and which had not." Apart from the improved quality and design of the products, those with ATA training had a much better sense of how to arrange their displays.

AMRP Accreditation: The creative industries sectoral education training authority (SETA) of the South African Government is the MAPPP-SETA. ATA sees the necessity of having the AMRP recognized by the SETA so that delegates to the training can earn SETA recognized credits. Only a South African registered institution can apply for accreditation. The ATASA Trust hired CreateSA's former chief, Dawn Robertson, to compile its accreditation application. The accreditation process will continue beyond the PAED program as Robertson had in the interim been appointed head of the prestigious Museum Africa in Johannesburg and the accreditation application format was a lot more detailed than originally envisioned. The Museum is interested to engage the ATASA Trust to promote the recreation of traditional artifacts in the Museums storerooms for sale in museum shops locally and internationally. The process of recreation would incorporate old skills but consider new materials and adaptations to modern usages.

US MRP: February 2006: In the final year of the program ATA put additional emphasis on developing local training and facilitation capacities for the AMRP. This happened on two fronts, firstly by building the capacity of local facilitators and secondly by ensuring that the content of the AMRP was further adapted to local and regional needs. To increase their knowledge of the materials and the context of the ATA program, two local craft trainers and facilitators, John-Anthony Boerma and Nombeko Dlamini participated in ATA's MRP held in conjunction with the NYIGF in New York. They were joined at the training by ATASA Trust's newly hired Program Coordinator, Lorato Liphuko. The trip included time at ATA's home office where they met staff members to increase their understanding of ATA and its vision especially regarding training. Dlamini and Boerma commented favorably on the experience and how it enhanced their training and facilitation skills in their other craft enterprise development work. Feedback from ATA's Training Officer, Suzanne Carnes, in Hartford reported "I can say that the three of them were completely engaged as

participants in the MRP and made positive contributions to the discussions and presentations, even establishing some relationships with some of the other attendees.” Liphuko reported back that she had found: “The MRP proved highly fruitful, insightful and really educational.”

US MRP: August 2006: It was intended that enterprise owner Willard Musarurwa and Product Development Trainee Malin Olofsson should attend the August MRP in New York. Visa problems caused by complications at the Zimbabwe/South African border and a passport invalid for travel to the USA prevented them both from attending. In their place, Pam Xapa, Kunye’s customer relations and export manager attended. Xapa said the session on Export Channel Distribution was highly relevant to her daily work and she praised the clear way in which ATA’s Karen Gibb’s presented it.

AMRP: August 23-26, 2006: The AMRP has been offered to artisans from Africa since 2002. Now in its fifth year the AMRP was, for the first time since 2003, only held once during the current report period due to the fact that anticipated MAPP-SETA and APS funding did not materialize. The training for small medium enterprises was regrettably dropped from the program for the year. However, the August training, tailored for delegates from the micro-enterprise sector, was oversubscribed. The 20 delegates, who were finally selected on the basis of having best met the criteria, attended the course at Gallagher Estate held in conjunction with SARCEA.

To ensure that the program was geared towards assisting artisans understand local conditions, all presenters and panelists were from the local business and craft sector. For example, the panel for the session “Building Buyer Relations” was comprised of Loads of Living co-owner, Laurence Brick, Hadedah owner, Des Armstrong, and Africa Nova owner, Margaret Robertson; facilitation was conducted by Boerma and ATASA Trust’s Program Coordinator participated as a presenter. The store tour included an overview of the South African market from Art Africa in Parkview, through the high-end craft Kim Sacks Gallery to the high-design Life on Sandton Square, to Woolworths, Loads of Living and Mr. Price at Home.

The trainees came from South Africa, Mozambique, Zimbabwe, Kenya and Lesotho. Overall the training was rated very highly by the delegates, who depending on their particular business focus, all ranked the importance of the sessions differently. Included amongst them were emerging designers, enterprise owners, and managers of cooperatives and community projects. All benefited from the ability to network with and compare notes with each other. In the post course evaluation, the delegates stated overwhelmingly that the course had more than met their expectations.

“It met more than my expectations. It is the best training about hands-on product development and business that I have ever had.” Rina Swanepoel, R&D Coordinator, Wola Nani.

One of the topics that was rated most highly was the “Costing and Pricing” session presented by Lorraine Johnson, ATA’s Regional Representative. A reason for the success is attributed to the fact that an applicant’s ability to use a calculator was considered mandatory. So although translators were needed for Portuguese and Sesotho speakers everybody was literate and numerate. Other sessions that received high ratings were the visit to a production house, the trend presentations, and the store tours. What all delegates did not find easy or comfortable was the Product Review workshop and for future trainings this will come later in the program so that its purpose can be seen more clearly.

"I would definitely recommend this program to anyone who has a small craft business and those who are on the verge of opening one. Though I think that this program can benefit anyone" Dulce Solange Mudhlovo, Director of the Paulo Mabumo School of Arts, Maciene, Mozambique.

"I would like to thank you with the education you give to me. I shared it with my partners and they were very glad with it. We work hard in the way you advised us to do in making colors and in making business plan and we want to achieve our goals at the end of this year. I hope we can fulfill our goals because of your advice." email received from Mahlalefang Molelle, Elelloang Basali Weavers, Teyateyaneng, Lesotho.

Pre-Post Test: as reported in last year's Annual Report, ATA struggled with how best to measure training effectiveness. Before 2005, participants completed a Pre-Post Test which was scored to compare knowledge gained from the training. The test proved ineffective for various reasons and therefore a test based on broader conceptual learning was introduced. At the outset of the program delegates were asked to write down their expectations of the program, in addition they were asked to provide a daily evaluation. A final session requested delegates to identify key learnings and to list "Five Bold Steps" that each would undertake on return to his or her business. This was followed by a final evaluation form asking them to look at their expectations and see if they had been met, identify the sessions they benefited the most from and make recommendations regarding what they would change.

Guidemore Chigama of Design Afrika and Professor Pedro of Makubela Wireworks said that they could not get over how professional and "spot-on" the AMRP was compared with other training they had attended in South Africa.

"I have had no prior training before in either product development or pricing. This is to say that everything that has been thought through and even the topics that are still to come are of the most value to me and my organization because I do not believe that I would get as good as I am getting in this training if I were to get in my country. First because you have been dealing with this for quite sometime and second I am learning from the BEST. This is more than I could have expected. That's all I can say." Amina Amade Cassimo, Missanga, Mozambique.

"Thanks to ATA for everything, your effort and labor was not in vain, it will change the lives of thousands of artisans" Lilyanne Ndinda, designer, Kenya Gatsby Trust, Flip Flop Art Project.

Funding from the Ford Foundation, W.K. Kellogg Foundations, UMCOR and other smaller donation made it possible for 20 delegates to attend the training. The funding covered tuition fees and accommodation during the program but did not include daily living allowances or travel to and from Johannesburg. See attachments for a copy of the AMRP agenda.

In the future, the AMRP will continue as one of ATA's key programmatic services in southern Africa. The AMRP was developed under the PAED program along with materials which were specifically geared towards artisans from African including local and regional marketing (e.g. the specialties of the South African game lodge market) and import/export conditions. South Africa based professionals were used. Facilitators familiar with ATA's culture are also being developed. Quality training was provided in a regional context and is unique from other training available locally in that it offers ATA's 30 years of experience in the field combined with its ongoing development of training materials. ATA continually receives enquiries from organizations and craft enterprises interested in participating in the program.

Limpopo Province Assessment: Funded by the Ford Foundation's matching grant an assessment of artisan producers in Limpopo Province was undertaken in early 2006 by ATA's Regional Representative and the ATASA Trust Director. During the assessment meetings were held with artisans, entrepreneurs and government officials, to determine the potential and constraints of the

craft sector. The assessment included looking at the market and program opportunities available that could lead to growth of previously disadvantage-owned craft-related businesses. The assessment helped to identify gaps in the in the craft sector support and where ATA should expand its reach within South Africa.

The conclusion of the assessment was formulated against the background of a complex web of craft industry players. With this in mind ATA is carefully considering where it can usefully apply its experience and services in the future. During the assessment ATA became aware of the intricate and increased roles the Department of Trade and Industry (DTI) and the Department of Art and Culture (DAC) have played in developing the craft sector nationwide. The assessment revealed that of those involved in the craft value chain, only a small number have the characteristics of true entrepreneurs and of those many have come to expect government and other support agencies to “do” things for them. This phenomenon calls for greater attention to where and how ATA plans to apply its services.

Another conclusion of the assessment was that the South African craft sector could play a key role in piloting new program approaches that could be replicated in countries that have less support and limited or no formal educational/vocational programs for artisans, designers and exporters.

Based on the above, and the fact that Limpopo Province is known for its craft tradition yet lacks much market-ready product, ATA concluded that Limpopo producers would be ready to participate in its proposed Designer Mentoring Program (DMP), which it hopes to implement as part of its Five-Year (2006-2011) Strategic Plan.

BAT Shop Partnership: All product development was conducted in house by the BAT Shop design team funded by the BAT Shop out of its profits. BAT Shop staff were able to implement product adjustment and changes as requested by both local retailers and importers.

In Y5 existing product ranges were reviewed, new styles and colors were developed and added, and an updated product catalogue was designed and produced in time for August SARCEA as well as distributed to all existing clients. The popular ranges of baskets, jewelry and holiday ornaments were expanded and a new utility range of tablemats, candelabra, oil and vinegar bottles and bud vases introduced. Both male and female artisans participated in the BAT Shop’s product design workshops which were run throughout Y5.

Coverage in local and international media was good. BAT Shop Director, Marisa Fick-Jordaan has been nominated for a Top Billing/Momentum Life Lifestyle Achievement Award in the Product Development category. This has led to publicity in the Top Billing Magazine as well as a filmed interview at the BAT Shop, which was aired on the popular national Top Billing television show. Bat Shop products have continued to be featured in a number of magazines and editorials.

Cape Craft & Design Institute Partnership: The collaboration with Cape Craft & Design Institute (CCDI) which began late in 2004 allowed ATA to expand its reach in South Africa. The joint program was originally intended to include product development work with 12 enterprises from the formerly economically disadvantaged sector and emerging designer mentorship. The reason for promoting enterprises from the formerly economically disadvantaged sector was in accordance with the promotion of the South African government’s black economic empowerment (BEE) charter. During the first period seven artisan enterprises participated in the program. In the second period a

further eight were added, not all of whom were from the previously economically disadvantaged sector. Two of the original four young designers, also referred to as Product Development Trainees (PDT's), worked with ATA's New York based designer, Stephen Burks and the artisan enterprises.

To identify the artisan enterprises for the second period CCDI invited BEE enterprises to apply to participate in the program in its monthly newsletter in December 2005. At the same time it advertised for PDTs and a Project Manager. Response from the BEE sector was poor highlighting the fact that there are few black owned South African craft enterprises at the export-ready level. The resulting groups that were chosen included two community based organizations, the Cape Town Society for the Blind and Wola Nani (an organization working with HIV/AIDS affected women). Through Tamarind the program reached two black owned enterprises, Umoja and Ghetto Arts. Zambane is a small enterprise owned by two black women, while Streetwires is a big business working in wire and bead craft with a strong BEE component. The two remaining businesses that were affected by the program are white owned, namely Heath Nash and Tin Town.

Product Development work with ATA's product developer started on 13 February through to 25 February. In the middle of the period he was joined by Artecnic owner, Enrico Bressan. It was Bressan, the owner of a large high-design based wholesale outlet in Los Angeles, who originally suggested Burks to ATA as a possible designer. For the second week of the consultancy Bressan worked closely with the program. His experience and input regarding pricing and US market tastes was invaluable although it took up a significant amount of time.

In addition to working on new products with the new enterprises, Burks revisited the hugely successful wire table he had designed for Feeling African. Burks wrote in his report of the consultancy "Willard of Feeling African is the real success story of the work we did in Cape Town last year. From his humble room in one of the townships to the cover of South African Elle Decoration(see attachments), Willard has beaten the odds with the table design that I literally sketched for him the night before we left last year. We revisited him this year and to his surprise Enrico offered him international distribution, if he can meet the demand. On Enrico's second day in Cape Town we quickly redesigned the table and stool into a 3-part system of stackable accessories – the base and middle become baskets, the top becomes a tray. This allows the parts to stack for shipping, assemble by the consumer in any color variation to form the final product and be sold separately." Burks noted "I am very proud to have had a direct positive effect on someone's life through design. This, to me, should be the goal of all our work around the world."

Time constraints presented a challenge to Burks' product development consultancy which CCDI countered through extensive follow-up with the enterprises using the Project Manager and one of the PDT's. Products from 11 of the enterprises were shown at SARCD.A.

Monthly program meetings were held between ATA and CCDI. These assisted both organisations to keep up with developments. In addition the March visit to South Africa by ATA's Africa Marketing Manager and the Program Officer for Mozambique and South Africa included face-to-face meetings.

"I like to thank you for the first time giving me the opportunity to work for Aid to Artisans (it was my first decent job),... What I have learnt in the field could never amount to the classroom experience thank nyani nyani (It means truly speaking) to you all," Linda Nyongo, CCDI emerging designer.

Phumani Paper Partnership: Through a matching grant from the Ford Foundation, ATA was able to form a new partnership with Phumani Paper. The partnership was encouraged by the Ford Foundation as Phumani Paper works with many rurally based enterprises and many of the products are made from recycled waste. During the report period, ATA worked with four of Phumani Paper's producer groups, three of which are based in rural areas and one in an informal housing settlement between Johannesburg and Pretoria. The products developed were shown in the ATA booth at SARCD. Phumani Paper has hired ATA to conduct additional product development that will be completed after the close of PAED.

Working with Phumani Paper, ATA identified two enterprises using renewable resources, recycled materials or materials from alien vegetation, with which to develop a product development/design and market link plan. ATA had hoped to work with more CCDI associated artisans enterprises working with recycled materials, but CCDI was not comfortable adding additional enterprises due to limited timing and funding. Therefore it was decided that in order to expand to other parts of South Africa, ATA would work with Phumani Paper, a linkage facilitated through the Ford Foundation. In addition to the two groups based in Limpopo Province, Phumani Paper contracted with the ATASA Trust to supply product development/design services to a further two groups. The new products of all four groups were all exhibited at SARCD in August 2006.

In January 2006 ATA's Regional Representative and the ATASA Trust's Director visited the groups proposed by Phumani Paper in preparation for the product development workshop. An MOU was signed with each group. Phumani had originally proposed a group in Elim, Khomanani, and Lebone, in Mokopane. When the Lebone members did not arrive to meet the ATA team, the Chloe enterprise replaced it. This is a group of four people based in a remote rural area. The two-week product development workshop began in February 2006 with a two-week follow-up workshop in April. ATA employed the services of an American-born designer, Veronica Elgin, now based in South Africa. The product developer's brief included mentoring two of Phumani Paper's young in-house designers/sales people. They accompanied her to the field together with ATASA Trust's Program Coordinator. Once on the ground the design team found that the low skills levels in the two groups meant that it took longer than expected to produce the new products, hence the follow-up visit. In the case of Khomanani, a group made up of ten women specializing in conference folders covered with handmade paper, the group worked with banana fiber and recycled paper to produce mirror frames embellished with paper tiles. The Chloe group, which uses fiber from the invasive sisal plant as the base for its sheets of archival paper, produced a range of wall hangings ("wall art"), table runners and napkin rings. At the conclusion of the workshop the young designers explained that the groups themselves were not used to being involved in the design of the new products and that they felt it was better for the designs to be developed at Phumani's offices in Johannesburg and once finalized be taken to the groups to produce. ATA is not convinced of this as the groups should be part of the development process.

Phumani Paper was pleased with the outcome of the workshops. It is also working in a program with UNESCO and six of its enterprises which program includes a product design element. By the end of the period under review two of the workshops had taken place; one with Tswana, a group based in Ivory Park, a sprawling informal settlement in Midrand, Gauteng, and the other with KZN Papermaking and Packaging in Eshowe, KwaZulu-Natal. A South African product developer, Magda van der Vloed, was used and again a further two members of Phumani's staff were mentored during the process.

The business potential of the Phumani enterprises was also strengthened through the attendance of individuals from the enterprises at the August 2005 and August 2006 AMRP. Five Phumani Paper delegates attended the training, one each from the Khomanani and Lebone groups, two young Phumani emerging designers/marketing staff and Phumani Paper's Limpopo Coordinator.

Effect on Target Groups Disaggregated by Gender

Africa Market Readiness Program in August 2006 included 16 females and 4 males. Since its inception, 102 delegates have participated in the AMRP, of which 55 were female and 47 male. There were 79 participants PAED countries and of that number 44 female and 35 were male.

BAT Shop continues to have a predominately female profile which correlates traditions in craft production. Approximately 93% of the artisans working with the BAT Shop are female. BAT Shop interventions, training and marketing activities continue to have a positive impact on productivity and incomes as well as individual empowerment.

Cape Craft and Design Institute and ATA have worked with 14 groups ranging in size from micro to small to medium sized enterprises during the 2 years of the joint project. The gender composition of those involved in the groups worked with is 261 female and 124 male. ATA worked with four Product Design Trainees of whom one was female.

Phumani Paper and ATA worked with 4 paper making groups reaching a total of 31 female and 5 male beneficiaries. This included mentoring two of Phumani's design trainees, two provincial coordinators and a national trainer all of whom were female

Problems Encountered and How They Have Been Addressed

Human resources limitations in staffing experienced by the ATASA, lead to the addition of a Program Coordinator and part-time Bookkeeper in November 2005 to assist with the day to day running of the ATASA Trust. The Program Coordinator assisted with product development field work, office duties and logistics for the AMRP and SARCDA. Nearing the close of PAED, the Program Coordinator secured a job with ATASA Trust's partner Phumani Paper. ATA is confident that the investment made in the Program Coordinator will continue to serve the craft sector.

Intellectual property issues remain pertinent. Images of products developed as part of the ATA/CCDI program were emailed to various South Africa producer groups by a large US based importer. ATA's Vice President Marketing approached the company in question and it was agreed by them that they would work through the original producer. It was not always so easy to resolve copying issues and the BAT Shop continues to find infringements of its intellectual property rights which in the absence of large financial resources are not addressable through the legal system.

Copies of products made by the Mozambican based producer Boaventura found their way into the South African market. These products were first shown in South Africa at SARCDA in 2005 and less than a year later copies were in South African shops. The copies are being produced in Maputo, Mozambique and supplied to wholesalers in South Africa. The issue of intellectual property rights needs strong institutional backing and this will not happen until governments perceive the sector as being economically active enough to warrant protection. In the meantime organizations and producers have to be vigilant and where possible point infringements out to the press.

Currency fluctuations of the South African Rand (ZAR) and the US Dollar (USD) made exporting difficult especially when the ZAR strengthened against the USD. This made it difficult for local suppliers to confidently quote prices in dollars and hold the price for six months or more. For importers it meant that products could arrive at higher than budgeted prices. On the other hand the strength of the ZAR made imports, especially from Mozambique easier.

Program budgets face similar challenges. Throughout the five years of PAED, the ZAR gradually strengthened against the USD depleting dollar based budgets. To an extent this was addressed through match-funding however did decrease overall spending capacity in South Africa.

Funding constraints meant that in the second half of the program ambitions to conduct two AMRP trainings was not possible. In its future work in South Africa ATA intends to make the AMRP one of its key activities and appropriate funding is being sought from interested donors.

Limited Trustee Involvement was a challenge to the ATASA Trust. The South African Trustees were chosen for their profiles, community positions as well as their interest in the craft sector. Unfortunately two of the Trustees have rather busy schedules and therefore it has been challenging to capture their involvement, particularly in the scheduling quarterly meetings. To meet South African legal requirements, there must be a minimum of three South African trustees. ATA is reviewing the situation and the structure of the Board.

Rising materials costs continues to pose a threat. Increases in material costs, is straining profit margins and it remains increasingly difficult to maintain prices. An alternative to the copper core for the telephone wire is being investigated with the manufacturer with the hope of the same qualities but at a reduced price.

Steady prices for glass beads from Taiwan has assisted the BAT Shop to hold prices on the beaded accessories range and some of its Christmas ornaments, with the result that these products have remained competitively priced.

Impact on Local Institutions, Policy and People: (Outside the Project)

ATA's leadership and experience in the field of artisan development, and its methods which combine product and business skills development with market access have led to a noticeable increase of similar programs in South Africa. However many of these organization do not have the same level of experience and profound market linkages that ATA does, which leaves a large gap to be filled.

Participation in key events played a key role in ATA's effort to network. The Director of the ATASA Trust has been invited to participate in and contribute to the Department of Trade and Industry's National Craft Steering Committee's regular meetings. The Director also participated in a panel discussion at the W.K Kellogg Foundation's "Folk Art Development and Access to Markets for Southern African Artisans – the Santa-Fe Experience" conference in Johannesburg.

ATA's persuasive development message was delivered to exhibitors at Design Indaba in February by ATA's design consultant Stephen Burks on the last day of his consultancy to ATA's program with CCDI-related craft artisans in the Western Cape. ATA offered the Expo organizers the opportunity of having Burks talk about his work and the importance of design to producers and exhibitors at a special briefing. He used the opportunity to explain how ATA works as well as the importance and

integrity of design: “There has to be an African presence in the work. It is important to allow the work to evolve. It must be a collaboration; that’s the way it must go. That ownership with that culture I think.”

ATA’s Regional Representative was invited to speak at the following forums:

- AGOA conference held in Ethiopia in October 2005
- Trade Facilitation Office of Canada conferences in Dar es Salaam, Tanzania (*The National Handicrafts Workshop, Exhibition, and Launch of Tanzania Handicraft Association*, April 2006) and Johannesburg, South Africa (*Round Table Meeting on ACCESS! for African Businesswomen to International Trade Opportunities*, June 2006)
- United Nations World Tourism Organization (UNWTO) conference on *Tourism and Handicrafts: Opportunities for Development* which took place in November 2006 in Burkina Faso in conjunction with SIAO, the West Africa regional bi-annual craft fair.

In addition to the above activities the Regional Representative also assisted ATASA Trust’s Director in conducting her first craft sector assessment in Limpopo province, South Africa as part of match funding from the Ford Foundation; headed an assessment by ATA of the craft sector in Lesotho on behalf of the W.K. Kellogg Foundation, traveled to Senegal to facilitate ATA’s first phase contract with the IRG team leading USAID’s – Economic Growth Programme (SAGIC) program, and met with key industry players in Mali in preparation for proposal submission on an upcoming World Bank and Ministry of Craft and Tourism project.

The key staff of two South African artisan training institutions, Art Aid and Nombeko Training Consultants, attended the MRP in New York. This increased their knowledge and understanding of the sector internationally as well as supplied them with invaluable materials regarding product development cycles etc. Because of their reach in the artisan training community, the ATA message will reach artisans far beyond those directly involved in its PAED program.

Phumani Paper, ATA’s final South African in-country partner organization, employed the ATASA Trust’s program coordinator at the end of the PAED program. She also attended the MRP in New York and received extensive mentoring throughout the year in artisan enterprise development as well as general office management. Phumani Paper’s executive director expressed great pleasure at being able to hire her. Her skills should combine well with those of the emerging designers and Phumani staff who worked on the ATA related programs with Phumani Paper.

The BAT Shop received formal visits from a number craft groups and responded to numerous requests to facilitate marketing visits to BAT for participants in wide ranging training programs located in KZN and other provinces of South Africa. BAT Director is often asked to review and give advice on new development initiatives at both national and provincial level.

Relationship with Department of Arts and Culture: Throughout the program the staff of ATA, and later of the Trust as well, have maintained cordial relationships with the Department of Arts and Culture (DAC). Over the years several meetings have taken place between DAC’s Joseph Mathe. Late in 2005 a meeting with the Director General, Prof Itumeleng Mosala also took place. The DG expressed interest in having ATA advise on how the DAC could make its contribution to government’s planned Accelerated and Shared Growth Initiative South Africa (ASGISA) – requests for follow up meetings were unsuccessful.

Unintended Effects

“North meets South” exhibition selected Zenzulu™ baskets for the updated exhibition in Stockholm, Sweden, curated by influential trend forecaster Li Edelkoort.

Amaridian, a new gallery focused on promoting products from South African designers located in Soho NYC, featured BAT Shop high-end products at their grand opening. Repeat orders were received and delivered for the high-end large telephone wire platters and vessels designed by BAT Director for Design Indaba 2005.

Oprah Winfrey Leadership Academy has commissioned a bespoke range of 100 Zenzulu™ large and extra-large baskets has been commissioned for the Interiors of the newly academy built to be opening in South Africa, January 2007. In addition, orders for BAT master crafter baskets in both telephone wire as well as natural palm, Zulu dolls and ceramics is presently in production for the same project. The BAT Shop was also honored to receive an order for 150 master weave telephone wire baskets (US\$ 60,000) for Ms. Winfrey’s gifts to the high profile guests who will attend her New Year party in South Africa this year.

Oprah Winfrey Show will air a piece on the BAT shop. A surprise visit by Ms Winfrey and the HARPO television crew to the BAT telephone wire weaving project in Siyanda, was facilitated by the BAT Director in August. This will mean extensive publicity for the BAT Shop project and its producers.

Evolution and development of the AMRP, which was originally designed for micro-enterprises, produced effects that were not intended in the original proposal; that being the development of an SME-level AMRP training. After the first two trainings in 2002 and 2003 it became clear that craft entrepreneurs from very different levels were attending the AMRP and that their needs could better be catered to by offering a course specially designed for those from the SME sector. See the Annual Report 2005 for a full description of the program.

Participation in the SME AMRP by two Malagasy artisans accelerated ATA’s interest in pursuing funding opportunities to provide support to Malagasy artisans, who for years have been requesting assistance. ATA’s Regional Representative traveled to Madagascar to begin networking, and this resulted in two proposals and a concept paper being submitted to interested donors that although have not yet materialized have resulted in increased donor and artisan awareness of the kind of services ATA can provide.

Bodo Wittmer, one of the SME participants from Madagascar, sent a follow-up email regarding the impact of the AMRP for SME’s that ATA provided as part of its South Africa program:

“It’s my second trade show since we got our training in South Africa. The first one took place in Antananarivo on a smaller level but it was also successful for me. I must admit that this training has boosted me a lot! I carefully have followed ATA’s tips: not to show too many things at the same time (this was the most difficult exercise), harmony in the colors, display the goods at different heights, correctly choose the color/material you display the goods on, correctly choose the clothes you are wearing etc You know I was much stressed like a kid preparing an exam when I prepared this show. I was telling to myself, we will see if you understood ATA’s lessons! Now I feel good!”

Commercial links between two of the AMRP for SME participants were formed as a result of the AMRP. Design Afrika, a Cape Town-based wholesale importer, now regularly imports from Copabu, a Rwandan basket producing organization. To date FOB sales are over \$10,000. Similar

links were made with a Ugandan craft cooperative as a result of the AMRP although it has not been as successful.

Tribal Textiles, a rurally based producer of hand-painted textiles in Zambia, approached ATA's Johannesburg office to assist with the marketing. The ATASA Trust's Director advised Tribal Textiles to think about taking space at SARCD. In August Tribal Textiles was at SARCD and reported good sales and, even better, the sourcing of a local agent and importer.

Santa Fe Folk Art Market held in New Mexico from July 6-11 2005, again invited the BAT Shop to submit applications for BAT folk artists to participate in the third Santa Fe Folk Art Market. All applications were successful and the BAT Shop was allocated 2 booths. Alice Gcaba (telephone wire basket weaver), Jaheni Mkhize (zenzulu tm wire weaver) and Thokozani Sibisi (beader) attended the event.

Sponsorship for 50% of crafters expenses was secured from the SAIBL with the BAT Shop funding the balance. Margaret Daniel and Marisa Fick-Jordaan accompanied the crafters and managed the booths set-up, display and sales, with the helpful support of the Museum Foundation staff and volunteers. Retail sales totaled \$37,000 for the two day event with 99% of inventory sold. Telephone wire baskets and a wide range of beadwork on display remained popular with collectors and retail buyers. New relationships with US importers and retail clients were made and orders were placed and delivered to the UNICEF store in Arizona. Contact was also made with the Mingei International Museum of Folk Art in San Diego who expressed an interest in organizing a special exhibition in partnership with the BAT Shop.

An excellent relationship has been established with the Santa Fe International Folk Art Museum Shop. In Y5, the Museum of New Mexico Foundation partnered with the BAT Shop in an agreement with California based Pomegranate Design, to produce a set of postcards and boxed note cards featuring a selection of master weave baskets from the BAT Shop weavers. In addition to the excellent publicity this widely distributed product is giving BAT Shop weavers, the Foundation and BAT Shop have agreed to share royalties on sales. This income is earmarked for continued development training. A wide range of BAT Shop products continue to be ordered by the IFAM shop throughout the year. BAT Shop looks forward to continued participation in this prestigious event that has grown steadily since its inception.

Zambian Export Development Program, supported by the European Union, hired the BAT Shop Director as a consultant to develop new products and market linkages for HAPAZA producers. An additional short term consultancy was done at Choma Museum and Craft Centre supported by German Cooperative Agency (GTZ).

St Etienne Design Biennale invited BAT Shop Director, resulting from her participation as one of the 15 international designers in the Design Made in Africa workshop in Rwanda in Y4, to submit a design for a dish with reference to the designers' country. These have been manufactured by an Italian ceramic firm and will be exhibited on the 'Good Food' exhibition at the 2006 Design Biennale. BAT Shop Director's attendance at the opening and the event has been sponsored by the French Institute of SA.

Comparison of Actual Accomplishments to Those Proposed: (Includes reason for variance, anticipated obstacle and plans to address them.)

Objective 1: Respond effectively to market demands.

Indicators under this objective were successfully achieved. Please see Detailed Implementation Plan Matrix.

Objective 2: Building BAT Shop's operational and training capacity.

ATA is confident in BAT Shop's operational capacity which is evident in the early phase-out. However, the AMRP will remain an ATA implemented activity as part of ATA's continent-wide strategy as a cornerstone activity in Africa. In this context local training and facilitation capacity was enhanced and training materials were adapted to local conditions.

Objective 3: Build a network of strategic alliances in South Africa.

ATA continues to build a network of strategic alliances in South Africa. The Design Consortium held in the previous year made the identification of qualified South African designers possible. It also highlighted the dearth of designers from the previously economically disadvantaged sector. The reasons for this are many but during the program local designers were used for product development workshops in South Africa, Mozambique and Tanzania. Work with Phumani Paper and CCDI included a strong mentoring element which was rated successful by the six emerging designers who participated.

Through its partnerships with the Cape Craft & Design Institute and Phumani Paper, as well as the Assessment of the craft sector in Limpopo Province, ATA deepened its network of strategic alliances in South Africa combined with access to many craft enterprises. In addition to this, ATASA Trust staff are invited to and regularly attend the South African Department of Trade and Industry's National Craft Sector Steering Committee meetings which committee is made up of key governmental and not-for-profit representatives from the whole industry. Contact with governmental provincial craft organizations especially the North West, Eastern Cape, Limpopo and Mpumalanga was maintained. It was not always possible to visit the organizations but wherever possible meetings were held. The organizations themselves were not formally assessed but many artisan enterprises were and together these combine to give ATA a good indication of its future role and usefulness in South Africa.

Objective 4: The BAT Shop uses ATA website as a marketing tool to supplement marketing efforts.

See Section II, Objective 2: Capitalize on existing information technology, for how the website is being utilized for marketing purposes.

Objective 5: Develop and expand marketing and sales opportunities for South African Artisans

Indicators under this objective were successfully achieved. Please see Detailed Implementation Plan Matrix.

Objective 6: Provide artisans with business development services.

Generally as can be seen from the high sales figures through the program, quality control was excellent especially on products generated out of the BAT Shop. As noted previously the Pre-Post test was eliminated as the means of measuring business knowledge gained at the MRP as explained above. Artisans served is lower than anticipated, which is due to changes in partner organizations reach.

Objective 7: The BAT Shop provides training, design consultancies and market link services to artisans after EOP.

BAT Shop and ATA are confident that the BAT Shop is able to continue to provide quality services to both producers and clients post PAED. The BAT Shop hopes to continue its relationship with ATA and explore the possibilities of working together in the future should the opportunity arise.

Objective 8: Artisans are able to develop quality products for international export independent of ATA.

Due to the way in which the program developed and the fact that new partnerships were only formed in the second half of the program, this objective was not developed enough to be met. The BAT Shop, apart from some early design interventions which it did not find wholly satisfactory, managed its own product development in-house which was very successful.

Description Local Implementing Partner Relationship: (includes background on partner and structure of the working arrangement of partnership.)

BAT Shop has been run as a for-profit enterprise based in Durban focusing on sales of high quality, design driven products made by the artisans of KwaZulu-Natal since 1998. The artisans are drawn from urban, peri-urban and rural areas and their skills range from weaving baskets from natural materials, to weaving home ware items from telephone wire, and fine beading of accessories and ornaments.

During the first two and a half years of the program, the BAT Shop was ATA's sole partner in South Africa and the relationship was defined in MOU settling out the mutual obligations which included the provision of institutional, marketing and financial support matched by assistance with the implementation of the PAED program in KwaZulu-Natal, the supply of design and business services to artisans.

The BAT Shop exhibited such excellent business management skills and over the program sales far exceeded sales goals that it was thus mutually agreed to taper financial assistance to the BAT Shop ending in March 2006. ATA support concluded with products shown finally at NYIGF in January 2006 and at SARCDA in August 2006. Market leads continued to be supplied to the BAT Shop through to the end of the program.

By the beginning of Y5 it had become apparent that the BAT Shop had outgrown the office and warehousing space available at the BAT Centre and a move to larger premises was inevitable, after 10 years in the same location. BAT Shop staffing remained stable and the new systems to track orders and dispatch more efficiently has assisted in improved follow-up to enquiries as well customer relations and satisfaction in general.

The BAT Shop was able to continue its activities independently and to grow both the local and export market for BAT Shop products. Sustainable relationships with importers in the US, France, Germany and Australia were maintained and look secure for the foreseeable future.

Cape Craft & Design Institute works with artisans located within the Western Cape Province, where a wide variety of products are produced. It is a joint venture between the Provincial Government of the Western Cape and the Cape Peninsula University of Technology, with start up funding from the national Department of Arts and Culture. Established in 2001, it is a registered not-for-profit company which grew out of a craft sector study conducted by the Department of the

provincial Economic Affairs, Agriculture and Tourism. The study found that the sector lacked product development, marketing, financial assistance, information as well as technical and business skills development. Its mission is to provide support necessary to empower crafters to create unique, world-class products that use the potential of the export, tourism and local home-ware markets and in so doing, encourage job creation. CCDI has about 560 members on its data base and it provides crafters with a voice in the community, local market links, long-term training, buyer round-table feedback and overall sector promotion. See www.capecraftanddesign.org.za for more information

In 2004 ATA and CCDI established a mutually beneficial partnership in terms of which ATA would bring its market and training links to assist CCDI's strong connections to the Cape-based craft sector combined with its infrastructure which would make a program possible. Both organizations were funded by the W. K. Kellogg foundation to make the program possible. Over the program artisans from 15 producer groups were taken through an integrated product development, business training, and market linkage program.

Phumani Paper, established in 2000, works with 17 papermaking groups across South Africa, many rurally based. It grew out of the South African government's optimistic, but largely unsuccessful, Poverty Alleviation Program. The survival and continuous innovation of Phumani's activities can be counted as one of the few successes of that program. Also a not-for-profit company with funding from diverse sources including the South African government, it has assisted in the creation of more than 250 jobs in communities affected by high unemployment and HIV/AIDS. The support it offers to its 17 member enterprises includes access to markets, business skills training and innovative technology and design support. Its vision is to provide the hand-made paper-making enterprises with a path towards reaching their goal of individuality and economic sustainability. See www.phumanipaper.org.za for more information.

Phumani Paper and ATASA Trust signed an MOU in 2005 in terms of which ATA would provide product development workshops, training and marketing assistance to two of Phumani Paper's groups located in the Limpopo Province. Following the success of the intervention Phumani entered into a further two product development contracts with the Trust, the second of which extends beyond the life of the PAED program. Phumani Paper raised the money separately for these two interventions.

SECTION V: Management Review and Analysis of Home Offices & Support Functions

Comparison of Actual Accomplishments to Those Proposed: (Includes reason for variance, anticipated obstacle and plans to address them.)

Due to changed in the donor environment and transitions in several of ATA's major projects, ATA's annual budget experienced a slight decrease this past fiscal year. ATA's total annual budget went from US\$8 million in fiscal year 2005 to approximately US\$7.5 million in fiscal year 2006. ATA revenue was generated from a variety of sources including the US Government, local governments, corporations, foundations, individual donors and fundraising events. In the coming year, ATA plans to further diversify its funding base in order to increase the percentage of non-USAID revenue. A shift in ATA's program portfolio from an emphasis on large-scale single donor projects to more multi-donor projects of varying sizes, introduces increased opportunity for investment from donors of various types and interests. ATA concentrated on raising funds for the PAED program match

requirement throughout the course of the PAED, which has strengthened the organization's fundraising ability while it enabled execution of PAED project activities.

To match changes in the global marketplace, donor environment and emerging artisan needs in the countries where ATA works, ATA combined its Program and Marketing teams into a new Artisan Market Services department in June 2006, aimed at delivering effective and demand-driven market and enterprise development services. Staff in this department is being realigned to prioritize a more dynamic, flexible services approach, with Service Leaders assigned to ATA core competencies such as: Export Marketing, Product Development, NGO & Business Management, Training, Tourism-Linked Marketing and Local & Regional Marketing. At the same time, ATA's home office reduced its home office staff from 37 to 30, reflecting both the overall reduction of the institutional program budget due to scheduled closings of several large USAID-funded projects and an effort to streamline operations and reduce duplication in positions created through the restructuring.

Annual Planning: This year ATA's annual planning process was initiated through a one-day all-staff meeting, during which each department identified key goals and activities that will best position the agency to achieve its mission in the coming year, while laying the groundwork for continued improvement in the years ahead. ATA's President outlined three overarching goals for the organization, as follows:

- Client Focused - Respond more effectively to client needs through a market-driven, service approach.
- Diversified Funding - Increase proportion of private funding, including individuals, foundations and corporations
- Results Driven - Establish a business like organizational culture that is efficient and driven by results

With support from ATA's Board of Directors, the organization's management team is finalizing departmental and individual workplans for specific activities towards achieving these goals.

Executive Office: Mr. David O'Connor joined as ATA's President in September 2005. O'Connor comes to ATA with extensive field experience in countries such as Nepal, Moldova and Jordan. He has been an international advisor to ATA for several years, and worked in craft and tourism development, among other roles. He most recently served as Director for the US Peace Corps in China. During his first year as President, he has assumed a strong leadership position in the organization, and is collaborating with ATA's Board of Directors, staff, advisors, partners and clients to establish a clear vision and strategy for ATA's future.

As President Emerita Clare Brett Smith remains actively involved in the work of ATA and will continue to offer her expertise and oversight as Special Advisor to the Board. Smith is involved in a number of special projects, communications efforts, events and fundraising initiatives.

During the course of the year, ATA's Senior Management Team (SMT) was reduced from four to three members, reflecting the departmental restructuring; the team currently consists of the Vice President for Artisan Market Services, Vice President of Finance & Administration and President. The SMT works closely with the Directors' team, which includes 1-2 additional representatives from each department, to ensure fluent communications, clear decision making and organization-wide coordination.

Development: The Development Department underwent several strategic changes to match changes in the global marketplace, donor environment and artisan needs in the countries where ATA works. The changes are aimed at increasing and diversifying ATA's fund base. Staff in this department was realigned to prioritize increasing the proportion of private funding, including individuals, foundations and corporations and have been brought under the direct leadership of the President. The primary members of this department include the President, Director of New Business, Senior Development Manager, Washington DC Representative and the Africa Regional Representative. The team works with members of all departments to coordinate development activities. Staff was trained in improve budget management and program development skills. A new Development Manger has been hired in an effort to diversify and increase ATA's funding base through identifying, evaluating, managing and guiding the resources for donor cultivation and foundation support. With a primary focus on raising unrestricted funds, there is a continuing emphasis on capacity building and supporting ATA's programs.

This past year ATA worked with an external consulting firm to improve decision making around program development which included establishing a system and criteria. This allowed for an increased number of proposals to be submitted this past year then in the previous year. Currently a web-based tracking tool is being developed, using Salesforce.com, which will manage the program development work.

A twelve month development pipeline is kept up-to-date to allow for better agency-wide planning. This year's pipeline saw 114 proposals with a 33% win rate. Although the win rate is consistent with the previous year, it does not reflect the portfolio shift, which is largely a result of the changing donor environment. For example, many USAID mission have experience funding cuts and are unable to fund a stand-alone ATA project. The tendency is shifting towards fewer, but larger awards that are outside the scope of an ATA project. ATA's portfolio is strategically shifting to emphasize smaller consulting work with a more narrowly defined service focus. ATA has put a concerted effort into understanding the prime-sub contracting dynamics and improving ability to select the winning prime, get meaningful work out of the resulting agreement and market ATA to potential primes. Increasingly, ATA is sought after as a sub. ATA has targeted a dozen for-profit and non-for-profit companies that serve as primes and started negotiations with them.

It is estimated that fiscal year 2007 will be the first year in which three of ATA's largest projects will be entirely funded by non-US Government sources. ATA hopes to increase the percentage of non-US Government funded projects from 28% to 40% in the next year.

Finance and Administration: ATA is implementing a new Information Management System (AIMS) to streamline and optimize its business processes. The company has engaged Serenic Software, Inc. to provide ATA with an integrated fund accounting product, as phase one of an integrated information management system including financial, marketing, and program data. This new system will enhance ATA's ability to collect and analyze critical business data, while increasing its efficiency in managing this information. During the year, ATA also introduced improved systems to coordinate between home and field offices, to increase monitoring capability, while reducing the level of effort required to comply with reporting requirements. An inter-department budget management team has been formed to identify and address key issues to improve accountability and efficiency. In addition, more emphasis is being place on return on investment with establishment of tracking systems.

Information Technology: As mentioned in section II, several IT projects with organization-wide benefits were completed this year.

Artisan Market Services: As outlined above, ATA has recently combined its former Marketing and Program teams into one department, Artisan Market Services, which brings together market-based and in-country program design, implementation, marketing, training and business development activities. However, since the departments were separate through the majority of the year (combined in June), the achievements for each are outlined separated below.

Communications supports the organization through strategic public relations efforts to raise visibility for the organization through a full time Director of Communications. Communications supports all departments and field-based project teams through the publication of magazines, an annual report, international calendar, electronic newsletters, press releases, updating the web site, brochures and other collateral materials. The Director of Communications has responsibility for fundraising and public education events that are held at many locations throughout the US and serves as a consultant to the PAED country staff on local events.

Marketing staff remain focused on monitoring changes in the global market place and insuring that ATA's programmatic marketing and product development activities stayed tuned to those changes. Marketing staff made several changes in FY2006 to insure this goal, including a realigning of staff responsibilities to insure comprehensive implementation of marketing strategies, reducing our reliance on the New York International Gift Show in our sales efforts, and creating strategic alliances relating to key market trends.

Focused, targeted export marketing strategies are essential to achieving export marketing sales goals. ATA consolidated responsibilities of these export marketing strategies into the role of the Marketing Directors. Prior to this change product development was handled by one Marketing team and marketing and sales activities were handled by another. By bringing these two activities under one manager ATA insured closer coordination of these activities; this coordination is key to insuring successful, coordinated marketing strategies. This change has made a marked improvement in the coordination between ATA Hartford Marketing staff and field marketing staff.

The New York International Gift Show is a central marketing event in ATA's marketing strategies however relying too much on this event is limiting in the connections between buyers and ATA affiliated artisans. ATA founds that buyer visits (ATA sponsored trips for buyers to visit artisan enterprises) and marketing missions (ATA coordinated trips for artisan entrepreneurs to come to a target market and visit buyers) are a strategic compliment to the New York International Gift Show. Also, ATA has found that markets outside the New York International Gift Show, such as the International Contemporary Furniture Market or designer showrooms are lucrative opportunities for ATA affiliated artisans. Buyer visits and marketing missions have allowed artisans to explore those markets.

ATA Marketing notes three key market trends: a growing interest in "fair trade" or "community trade"; a growing demand for "green" and "eco" products; and a rising importance of internet market. To address these trends ATA is developing alliances and developing new strategies. To address fair trade issues ATA is working with a program to address fair wage issues. To stay tuned to eco interests ATA is looking at the technical aspects of insuring a products' environmental impact (natural dyes, lead-free glazes, organic cotton, sustainable wood). To capture internet marketing

opportunities ATA is developing a relationship with eBay's new program to develop an online marketplace for artisans

Program staff continued to adapt to project needs and ATA's ever-changing project portfolio. In November 2005, ATA's Home Office Program staff assumed additional responsibilities for program development, to better link program design with ongoing learning in active projects, to enhance the organization's ability to transition from one project approach to another in a particular country (e.g. from a USAID-funded country office to working through a partner agency), and to provide more dynamic resource allocation to new program opportunities (i.e. more staff trained to respond to donor, artisan and market needs in various regions).

Throughout the year, the Program staff in the US and overseas worked extensively on improved definition of roles and responsibilities to streamline decision-making and extend increased authority to field-based staff, while ensuring appropriate home office controls and monitoring systems. The Program also worked cross-functionally to continue enhancing ATA's project management and decision support systems, to provide critical data with respect to project planning, budgets and outcomes.

A third significant activity for the Program department this year was to strengthen ATA's systems with respect to project launch, management and closeout. Home and field staff collaborated to draft specific toolkits, checklists and administrative handbooks to support project staff and partners in the administrative aspects of project management. These tools are now being applied to major projects closing in Bolivia and Peru as well as the PAED project.

ATAs Program team also prioritized staff development this past year, and invested in internal and external training opportunities, including workshops led by staff, consultants and advisors.

Training accomplishments and achievements are described in section II.

Monitoring and Evaluation: With several projects ending, it has been a busy year for evaluation. Final evaluations were conducted in a total of five countries as part of project close-out. The evaluations included control groups. Currently ATA is working to finalize three such evaluations. High-quality project evaluation is an organizational priority.

ATA has often underestimated the amount of time it takes to plan, oversee, and finalize an evaluation. While improving technical ability, both through lessons learned and a Massachusetts Institute of Technology (MIT) course in randomized evaluation (attended by key staff), the challenge of conducting rigorous, effective, affordable evaluation still remains. ATA is investing in staff capacity to better oversee and manage final evaluations. Going forward, ATA is including additional resources for evaluation in new grants and has identified consultants to assist long-term with improving systems. ATA is planning to invest in software and additional external expertise to systematize and organize monitoring and evaluation data.

ATA continues to work to identify highly qualified evaluation advisors and has updated a key country-program database that has potential to be adapted and rolled-out to additional projects. ATA capitalized on student efforts in M&E, this time from a doctoral student in economics in Colombia. Other students in the Caribbean and Europe are doing dissertation work on craft-related topics.

Additional Institution-Building:

- ATA is adapting and responding to changes in the marketplace and donor environment – increased service orientation while maintaining core competencies/unique capabilities within the development world, reinventing ourselves while building on a 30 year history
- ATA systems are improving and this is a particular achievement given how the nature of our projects, donor support, etc are rapidly changing – implementation of financial systems and new budget management processes as an example of improvement
- Staff transition – while still in motion, these are creating opportunities for growth, more cross-functional collaboration (leading to better solutions, new approaches, more integrated systems)
- Value chain development – ATA has contributed to studies and an overall body of knowledge for international development approach to craft sectors (e.g. Haiti VC study that was just released), and invested in paying attention to lessons learned in the field and in ATA projects in order to better incorporate this systematic approach (yielding more sustainable benefits) into program design and execution

S E C T I O N V I : F i n a n c i a l R e p o r t

CORE	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Five	\$229,898	\$225,133	\$345,686	\$149,059

Mozambique	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Five	\$238,498	\$228,717	\$200,425	\$446,673

South Africa	AID Budget	AID Actual	PVO Budget	PVO Actual
Year Five	\$80,903	\$75,755	\$76,508	\$312,061

Comparison of Proposed Budget with Actual Expenditures: (both USAID and Match for all project years to date, estimate remaining project years and/or anticipated variances from the proposed budget line items.)

A summary of budget to actual is included in the attachments. Country data sheets and the ATA financial profile are also included in the attachments. (The financial profile of ATA is an estimate. The final A-133 will be submitted to USAID upon completion.) In year five, the USAID funds totaled US\$529,605 and the total match funds raised by ATA reached US\$907,793. A cumulative budget verses actual summary can be found in the attachments. This summary shows that the match requirements were exceeded by US\$415,045 cumulatively.

Overview of Fundraising Plans and Activities: (includes main sources, status, and actual or anticipated problems)

Much of ATA's donor cultivation has been focused on the match funding needs of the PAED program. The process and approach adapted by ATA for raising match funds for the PAED program complements ATA's overall effort as an institution to develop alternative funding sources and create linkages with non-USAID funding sources.

During the reporting period, the fundraising of the match requirement for the PAED program was accomplished by home office and country based staff. Donor cultivation in Africa has been geared

toward expanding ATA’s work on the continent as well as raising match funding for activities in Mozambique and South Africa.

Large Matching Grants still active in FY06

Donor	Total Grant Amount
Ford Foundation MZ	\$150,000
Ford Foundation SA	\$150,000
W.K. Kellogg Foundation	\$900,000

Note: There were several small grants and donations that supported PAED match which are not separated out here, but are included in the overall total for match reported above
ATA spent considerable effort networking with donors based in South Africa, Mozambique and across the continent, most specifically in Senegal, Kenya, Ethiopia, Mali and Madagascar. ATA put renewed energies in its regional fund raising efforts. ATA took advantage of the extraordinary networking that takes place in conjunction with the AMRP to initiate new program opportunities and jump start collaboration with future partners in anticipation of funding awards for outstanding proposals currently under consideration.

PAED Specific Fundraising Efforts:

Mozambique: Local fundraising was conducted, but not aggressively as the project was fully funded through FY06 which allowed staff to more fully focus on implementation and sustainability. Still, ATA was able to secure local fee based contracts that totaled US\$7,199 including US\$1,000.46 from PODE (Projecto para o Desenvolvimento Empresarial – funded by the World Bank) to partially cover exporter participation in Milan Artiziano in Fiera, US\$1,016.02 from Telecomunicações de Moçambique (TDM) to support the Independence Day Craft Fair and US\$5,183 from MOZARTE to revitalize the organization in terms of marketing and management. Towards the middle of the final year of PAED efforts to develop and raise funds for a follow-on 5 year strategy were intensified.

South Africa: During the period under review several applications for funding were made to the Department of Trade and Industry (DTI), to the MAPPP-SETA, to the Mpumalanga Provincial Government and to the local mission of USAID respectively.

ATA/ATASA Trust was request of the Department of Trade and Industry to submit a proposal outlining a program to develop eight artisan enterprises, to be identified from stands at the One of a Kind trade show sponsored by DTI. ATA decided to concentrate proposed activities on enterprises in Mpumalanga and Limpopo. Numerous requests for budget outlines were waived aside on the basis the South African government was making a large amount of budget available for craft development; ATA was encouraged to make a full proposal. The proposal was rejected on the basis that ATA’s quoted services were too expensive. A lingering feeling of discomfort over the matter remains as it has seemed as if the DTI has used components of the proposal to assist formulate parts of its ongoing programs.

In December 2005, an application for discretionary funding to the MAPPP-SETA was made for 20 South African delegates to the AMRP. After many delays ascribed to internal restructuring, the application was rejected on the basis that “the detail of the intervention in the documentation submitted was not adequate to support a favorable decision, especially with regard to partnerships and workplaces.” On further probing ATASA Trust was advised that the real reason for the

rejection was that (on advice) ATASA Trust had used an accredited organization through which to make its application. ATASA Trust has since initiated its application for accreditation.

The Trust was also requested to submit a proposal to the Mpumalanga Provincial Government to assist it with an artisan training program. ATA and ATASA staff traveled to Nelspruit at the request of the then head of CreateSA. The proposal that was submitted was designed to dovetail with a concurrent expression of interest in USAID South Africa's APS. The submitted proposal was rejected on the basis that it was too expensive.

Finally, in response to an APS invitation for proposals, a submission was made in December 2005 to work with a number of artisan groups in Mpumalanga and Limpopo. Early the following year the Trust received notice from the local USAID mission that the proposal had been approved in principle. However in April 2006 it was rejected because as the Trust was a subsidiary of ATA Inc (and therefore program expenses were liable to carry full home office NICRA) its lack of independence conflicted with the mission statement of the local USAID mission. It is to be hoped that clarity surrounding the issue of independence and NICRA will be clearly stated in the next APS posted by the local mission.

ATA has developed a five year strategic plan for both Mozambique and South Africa to continue to build on what has been accomplished and to ensure greater sustainability. Discussions with donor agencies, committed to seeing continuation of ATA's work in the region, are currently underway and ATA is making efforts to identify new funders to support future plans.

Overview of Cost-Share Status: (include actual or anticipated problems in meeting agreed cost-share both annual and total and corrective measures planned or taken.)

The match funding for the PAED program were exceeded by US\$415,045. Total match funding raised includes cash and in-kind contributions. It has been challenging for ATA to meet the agreed cost share. However, this was a positive challenge that ATA rose to meet. ATA's local and regional staff played a crucial role in cultivating donors and raising funds.

SECTION VII: Lessons Learned and Long-Term Project Implications

Estimates of Project Costs and Benefits

Reaching scale and increasing impact has been particularly challenging in Mozambique where the craft sector was highly unorganized, when ATA began working there in 1998. Progress has been slow. ATA believes that by assisting artisans to better manage and organize their production as well as strengthening the export structure the scale and impact of the project will begin to grow exponentially. In South Africa, ATA is able to reach a larger scale and increase its impact through partner organizations reaching hundreds of artisans. In addition, the artisan sector is increasingly well developed allowing the effects of interventions to take root faster and more deeply.

In the final year of the project, costs for the South African office increased as extra staff were hired and activities increased. It was possible to leverage the results of the program in South Africa by continuing to work with artisans through partner organizations. This had the added advantage of ensuring that the benefits from the activities extended across a broader level.

Institution Building Assessment

Institutional building continues at both the home office and country program level. Home Office capacity building focused on expanding and improving ATA's key areas of expertise and services. With increased marketing and training capacity and a wide range of tailor made programs and services, ATA is building its strength and capacity in its key services that are demanded in the craft sector. ATA is developing a list of services that can be strategically pieced together to meet the unique demands of each project beneficiary or potential customer of service. In addition, ATA continually strives to improve internal management, infrastructure and resources as described in section II and V of this report.

At country level, institution building focused on various levels, including local staff, local partner institutions and craft-related enterprises. In South Africa, ATA created a formal presence through the establishment of the Aid to Artisans South Africa (ATASA) Trust as a means to demonstrating ATA's commitment to South Africa and in particular the region at large, with ATASA Trust in charge of implementing two of ATA's Africa-wide programs (the AMRP training and the market link through SARCD) and leveraging ATA funds and programs through local fundraising opportunities and networking with local and regional industry players. At the close of the PAED program, the ATASA Trust is well positioned to serve as a training and marketing hub for future ATA programs across the continent.

Additionally, ATA provided training opportunities at ATA's MRP and through strategic planning meetings with its South African partner organizations, specifically with the Cape Craft and Design Institute (CCDI). Through this partnership ATA was able to build the capacity of CCDI staff to better understand the needs of the sector.

In Mozambique, efforts were focused on building the country office's ability to address the needs of the craft sector, building exporters' business strength to ensure post-project sustainability, and building artisans' business skills, production management and quality control. ATA provided on-the-job support to exporters Kissange Artesanato and Artes Mondlane Craft Center through a mentoring process that focused on building their capacity to develop their own marketing plans and simultaneously put management systems and processes in place, including the transfer of ATA's production management system developed by the local team. Both companies have improved corporate images and better tailored marketing plans. Organizationally both showed great progress in managerial methods, although there is still much improvement needed in order for these two businesses to perform successfully. Lack of financial capital caused by a prohibitive Mozambican banking system creates critical challenges for the exporters to pre-finance orders, develop staff skills or improve working conditions.

The local ATA team is now transitioning the skills and experiences learned during their tenure with ATA over the last eight years to the formation of a new local, craft-related NGO, CEDARTE (Centro de Estudos e Desenvolvimento de Artesanato). ATA plans to provide one year of financial and mentoring support post-PAED in order to ensure a solid transition. Although the team will still need much mentoring support over the next couple of years, we believe with continued commitment and diligence they will create a solid local NGO that is dedicated explicitly to the Mozambican craft sector, and can serve the sector for years to come. ATA believes however that it will take more than just one such entity to ensure complete reach and maximum success.

Estimate of Sustainability

Sustainability refers to artisan enterprise capacity to continue to develop marketable product lines, maintain current while creating new market links, and manage their business, finances and natural resources used in the development of their products, all independent of ATA. ATA has been working toward sustainability from three different approaches: building design capacity of the artisans and equally important with emerging designers through a mentorship program with a professional design consultant and market-readiness training; building artisans' and exporters' business skills by providing business, market readiness, and export training; and building market links, both locally and internationally, that have now been transferred to and being managed by exporters or in-country organizations. Capacity building of exporters, export agents and/or local organizations is the key to long-term sustainability of the market link for artisans. ATA realizes that it is essential to create an enabling environment for the entire craft sector to ensure long-term sustainability, and will therefore continue its efforts to address and strengthen all the links in the chain as it moves forward with its new phase of service support.

ATASA Trust will continue to serve as one of ATA's key implementers of its 10-year Africa strategy, with one of its principal responsibilities being a marketing and training hub for the craft industry continent-wide. ATASA will continue to work locally, assisting artisan enterprises through South African partner organizations. Formal registration in South Africa allows ATASA to capture local funding opportunities in which ATA's home office would institutionally not have access as a foreign registered organization. One of the key challenges will be ATASA's ability to remain competitive by complementing work that is being accomplished by local institutions rather than diverting funding.

ATASA Trust is dedicated to building on the unique skills and traditions of African artisans, promoting their talent as a means not only for forging sustainable market links and developing sustainable businesses, but also for preserving and further developing the skills and raw materials used in craft production. By the year 2011, the ATA SA Trust plans to be known as one of the leading, cutting edge organizations based in Africa providing training and market link services to handcraft-related enterprises.

The Mozambique country program has grown significantly during the past couple of years resulting in considerable craft sector improvements, particularly in production and exports as exemplified in the pool of buyers that import from Mozambique whom have indicated high satisfaction in business quality (including delivery deadlines, product quality and communications) and the increasing number of artisans that desire to join the program. Nevertheless, ATA believes that the Mozambican craft sector will not be able to sustain the current level of demand and is still in need of assistance due to low production capacity and weak export structure.

Working through local partners has been key to ATA's capacity to successfully expand reach to areas where it did not have a physical presence, for example in Inhambane and Manica provinces. ATA provided organizational support to and training opportunities for two local NGOs to begin to improve their capacity to work in the craft sector, with the intention of ensuring their ability to continue supporting the sector beyond ATA's program. During this fiscal year period, ATA partnered with the local NGO ACUDES based in Inhambane. ACUDES had shown interest in the development of the province's craft sector, and was already working with a US Peace Corps Volunteer, Lee Ann Peterson, who has a background in the arts. Prior to partnering with ATA, ACUDES has been interested in assisting communities to generate income, however they did not have enough experience and background to work in business/market oriented projects. In

partnership with ATA and the US Peace Corps, ACUDES began to establish new partnerships with local donors and public institutions, such as German Technical Cooperation Agency (Gesellschaft für Technische Zusammenarbeit), SNV and INAS, in order to raise funds that would enable them to continue crafts development activities in Inhambane.

ATA has learned valuable lessons throughout its tenure in Mozambique. ATA's evaluation of its efforts to date has revealed that ATA is the main, full-time driver for what is happening in the Mozambican handcraft sector today. Although this demonstrates the positive effect ATA has had in the Mozambican craft sector, it also highlights the need for fully-dedicated, locally-driven initiatives to fill this gap to ensure sustainable support to the sector, as new and emerging artisans and entrepreneurs seek to gain a greater market share yet with limited information on how to start. With additional organizational support in place, a greater share of the thousands of artisans spread throughout the country can be reached and be better positioned to address the limited production capacity experienced during PAED. ATA therefore plans to provide (post-PAED) needed support to a core team of current local ATA staff which has shown interest and commitment to developing the local NGO CEDARTE. ATA sees CEDARTE as a critical partner among those enterprises and institutions with which it works to attain sustainable results.

A growing artisan dependency on ATA as their major client, recent and increasing interest from Mozambican exporters to grow their businesses and proven strong international demand has resulted in an urgent need for continued support to both the exporters and the artisans, with ATA and CEDARTE providing tailored, on-the-job coaching while eliminating its direct role in the value chain. This critical step is of utmost importance in order to retain buyer confidence and attain long-term sustainability for sales of Mozambican handcrafts within the global marketplace beyond ATA's support. ATA sees this next phase of work over the coming year as an opportunity to deepen its support, yet with an approach that aims to create independence through direct market links created by and between artisans and exporters (supported by CEDARTE), which results in successful market links by and between the exporters and importers (supported by ATA).

International market trends and Mozambique's ability to adapt are increasingly critical to the future of Mozambique's handcraft sector. The current demand for Mozambican products is due to a high acceptance of new market-driven products introduced to the market under the ATA program and highly skilled artisans. Yet limited production capacity to meet buyer demand and insufficient environmental practices related to the sourcing and use of precious raw materials in craft production will continue to stifle growth of the sector if not addressed. Other organizations are now supporting craft sector development as a small portion of their development work influenced by the results that ATA has shown in the marketplace and the new development trend which significantly boosts the craft sector as a key economic driver for poverty alleviation, especially within rural communities. Collaboration with natural resource management projects could augment market appeal by providing "carbon-neutral" or "zero carbon footprint" options related to sales. As the speed of change accelerates in international markets, flattening distribution channels in craft-related markets, in particular, more responsibility is placed on fewer participants in the global value chain. That translates into an even greater need for market intelligence and the know-how and responsiveness to adapt to maintain and grow export sales, and indeed diversify market opportunities (regional, local and tourist) for Mozambican artisans. ATA's plans to provide direct coaching to those Mozambican exporters which it assisted under PAED, and the possible addition of one provincial exporter, combined with CEDARTE's efforts to establish a Technical Resource Center (TRC) to address raw

material issues and work at the artisan level (initially in Maputo province but potentially expanded to other provinces) will begin to close these gaps in the distribution channel over the next year.

The sector is also constrained by limited access to capital which is desperately needed to fund growing export orders. Through ATA's market link program supported by ATASA Trust in South Africa, a key South Africa-importer relationship was created, and is proving to be a consistent and important source of sales for the craft sector in Mozambique. However, new banking restrictions in South Africa only allow importers to transfer payments based on delivered goods. This causes a financial strain for artisans and exporters as they struggle to purchase raw materials and retain workers to fulfill orders based on anticipated future payments. Lending institutions are very conservative in providing support to the artisan sector. Even established, formal businesses (be they micro or small) with a performance history find it difficult to find appropriate financing for their business ventures. Interest rates are high and banks resistant to extending credit to craft value chain actors. Seed money is also difficult to obtain for infrastructure investments that would greatly enhance their capacity. ATA has begun discussions with local institutions that have shown significant inclination to include the sector in their financial packages, but advocacy through continued networking is critical.

Benefit Distribution (disaggregated by gender)

See country program sections of report.

Local Participation (disaggregated by gender)

See country program sections of report.

Leadership Development (disaggregated by gender)

In Mozambique, ATA focused heavily on ensuring that there would be a local organizations prepared to continue assistance to the craft sector. ATA encouraged Abel Magibire (ATA's former Nampula Business Coordinator) and Samuel Simango (ATA's former Sofala Business Coordinator) to establish their own business as agents to continue assisting the exporters in production coordination on a fee base and eventually become exporters themselves. Beside the training and experience gained during all the time when they worked with ATA, both had a chance to purchase their working equipment and operational systems as ATA closed the offices where they operated.

Additionally, as outlined above, ATA has encouraged local ATA staff to develop options for how to leverage their existing knowledge and leadership gained through their work under RISE and PAED to ensure a local effort to support the craft sector. This has led to ATA now planning to support the creation and development of CEDARTE.

In South Africa, leadership development centered around the ATASA Trust and AMRP facilitation. The ATASA Trust Program Coordinator and two craft and enterprise development training specialists traveled to the United States to attend the MRP and visit ATA's home office.

Innovation and Technology Transfer

The IT Department continues to work with country and partner offices to improve access to and knowledge of technology. Please see Section II for details on these efforts.

In Mozambique, ATA purchased Primavera V6.2, a commercial and financial management software, to optimize the internal process of management. This system improved management of inventory, buyer accounts, supplies and invoicing.

Policy Implications

There was no specific work in this area during the reporting period. Still, the Mozambique country program has worked to influence the government in policies related to wood.

Collaboration/Networking with Other US Agencies

ATA established a partnership with Peace Corps who appointed one of its volunteer with background in arts to give a technical management support to the Inhambane Basketry Development project. Lee Ann Peterson is serving the project through ACUDES, a Mozambican local NGO that is partnering with ATA. The overall outputs of this partnership ensure a mid term continuity of the actions developed so far as the Peace Corps volunteer is working directly with a local counterpart who is being trained in order to substitute Petterson when she ends her mission in Mozambique. Collaboration with Peace Corps will open doors to bring other volunteers from other areas that may interest ATA in future programs.

ATA is working to build strategic alliances with donor agencies, non-governmental organizations and with key buyers through the ATA Trade Network. The ATA Trade Network is a group of socially-conscious businesses whose interests lie in the world of decorative arts, textiles, home furnishings and fashion. ATA Trade Network works with ATA to assist artisan enterprises by:

- Supporting ATA's training programs
- Participating in market-driven product design and development
- Expanding product and merchandising opportunities for artisans worldwide

Partnering with Local Entities

See country program sections of report.

Replication Potential of Project Approach and Activities

Many initiatives implemented in the PAED program demonstrate the potential for successful replication. For example, ATA hopes to use Mozambique's EXPORT, PRODUCE and Designer Mentoring programs as the basis for similar programs in other project areas worldwide and the AMRP is being replicated in India. ATA does recognize that regardless of the success of an approach or activity, its replication must not preclude adaptations to accommodate varying cultural contexts. ATA's conclusions and lessons learned over the life of PAED, together with the mid-term and final evaluations, will be important tools to identify replicable successes and lessons learned.

S E C T I O N V : L i s t o f A t t a c h m e n t s

Please see previous year's annual reports for copies of the BAT Shop - MOU, CCDI - MOU, Artisan MOU Sample,

Report Photos
ATA Financial Profile
PAED Budget Summary
Country Data Sheets
Cumulative Match Summary
Detailed Implementation Matrix
Mozambique Five Year Strategy
South Africa Five Year Strategy
SARCD A Gold Award
AMRP Agendas
Mozambique Product Sheets
South Africa Product Sheets
Phumani MOU
ATA Key Buyer Interview Samples
Media Features and Product Placements
Ambiente 2006 brochure
SARCD A Invitation
ATA Magazine
ATA Trade Show Invitation

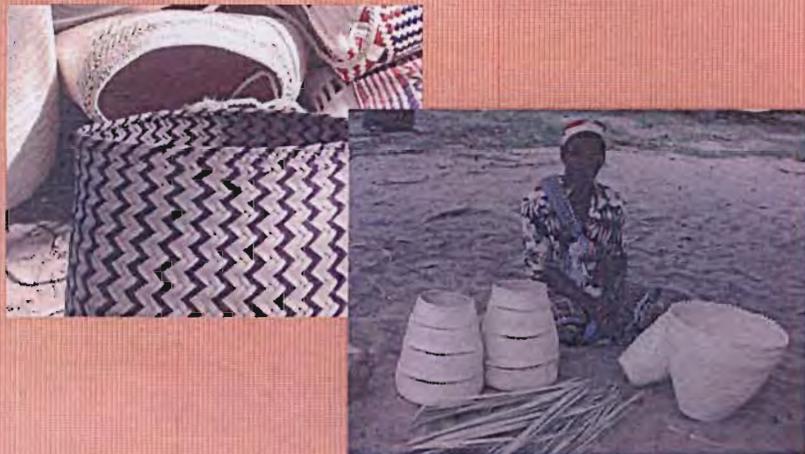
Mozambique



Regional Business Training Workshop



Reforestation Work



Basketry, Inhambane Province



Artes Mondlane Craft Center

Mozambique



NYIGF January 2006



NYIGF August 2006



As Mãos (ATA's National Holiday Craft Fair)



Independence Day Fair (with Minister of Education)

Mozambique



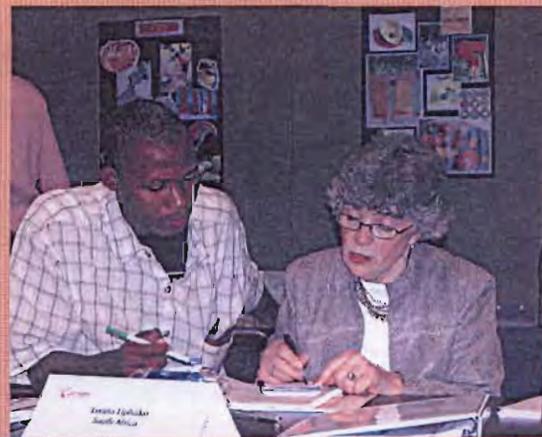
Tourism Fair



Technical Resource Center



Solar Wood Kiln

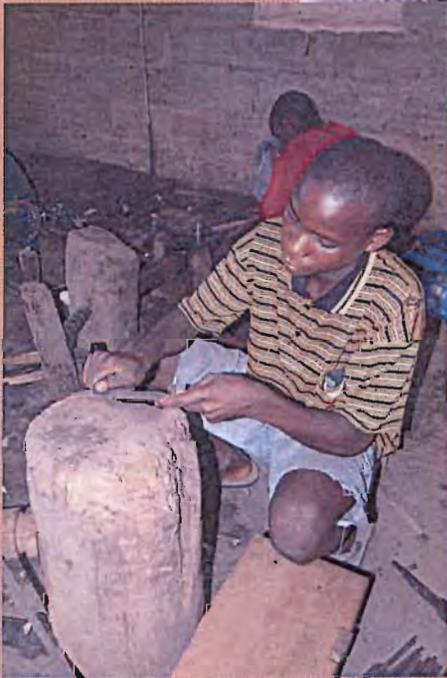
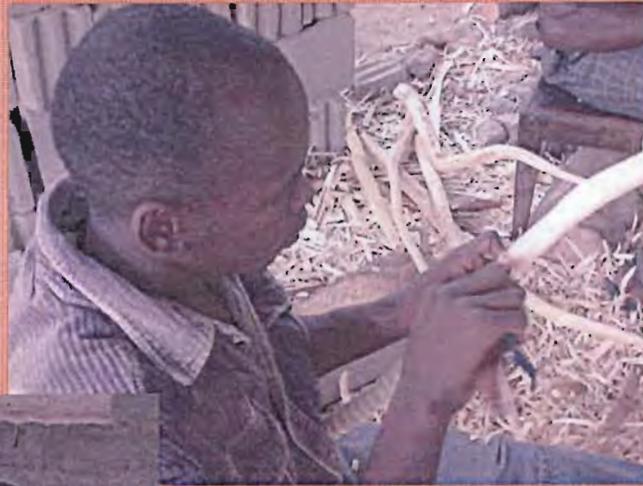


Nampula PBC at MRP

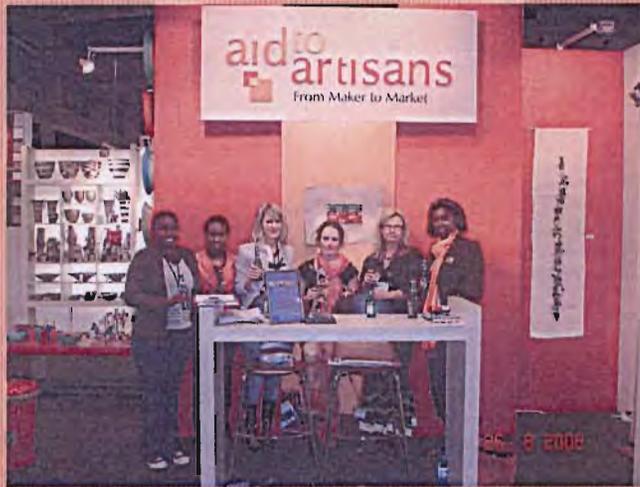


Tools & Equipment

Mozambique



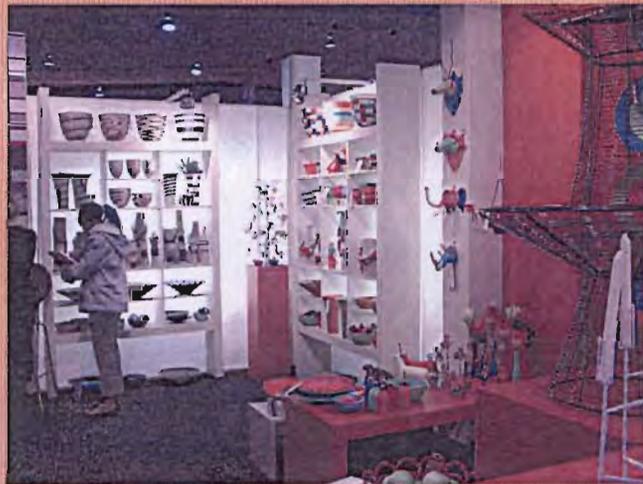
South Africa



SARCD A 2006



Best Stand Award

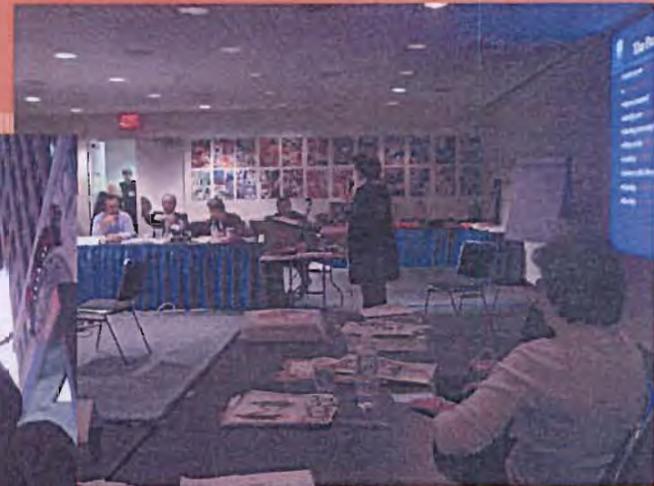


ATA's booth

South Africa



NYIGF January 2006



MRP



AMRP August 2006



AMRP Participant with certificate

South Africa



ATASA Trust Launch

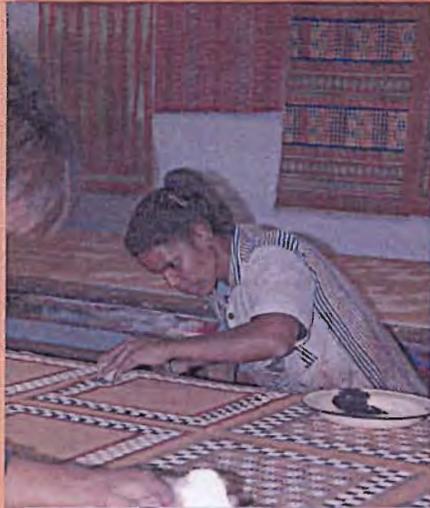


Feeling African



Mandela Park Mosaics

South Africa



**Financial Profile of the PVO
For the Twelve Months Ending
September 30, 2006**

A. Total ATA Expenditures

Small Project Grants	22,012
Training	21,580
Program Management	6,071,922
Fundraising	272,128
Indirect Costs	1,249,720

TOTAL WORLDWIDE PROGAM **7,637,362**

B. Sources of Funds

AID Matching Grant	529,604
Private	744,170

Multilateral/Other Gov. 76,377

Other AID Grants/Contracts	4,711,189
Other US Gov.	6,615

Other	
Corporation/Foundation	519,459
Individual Contributions	264,084
Misc.	634,485
	7,485,983

TOTAL **(151,379)**

**PAED Project
Budget to Actual, Year Five
To September 30, 2006**

Line Item	Core Strengthening			PVO Budget	PVO Actual	Mozambique				
	AID Budget	Total AID Exp 9/30/2006	Balance			AID Budget	Total AID Exp 9/30/2006	Balance	PVO Budget	PVO Actual
I. Program Elements										
a. Salaries	\$ 118,889.00	\$ 116,398.07	\$ 2,490.93	\$ 171,652.00	\$ 107,202.58	\$ 99,543.00	\$ 105,612.04	\$ (6,069.04)	\$ 22,489.00	\$ 101,734.28
b. Fringe Benefits	\$ -		\$ -	\$ -	\$ -	\$ 658.00		\$ 658.00	\$ -	\$ -
c. Travel, Transp, Per Diems	\$ 6,445.00	\$ 12,343.68	\$ (5,898.68)	\$ 5,504.00	\$ 15,865.00	\$ 16,643.00	\$ 12,347.49	\$ 4,295.51	\$ 25,928.00	\$ 22,319.06
d. Subcontracts	\$ -		\$ -	\$ -	\$ -	\$ 12,257.00		\$ 12,257.00	\$ 12,257.00	\$ -
e. Other Direct Costs	\$ 23,483.00	\$ 38,091.78	\$ (14,608.78)	\$ 38,674.00	\$ 25,990.96	\$ 43,914.00	\$ 34,181.73	\$ 9,732.27	\$ 53,199.00	\$ 140,017.01
SUBTOTAL: Program Elements	\$ 148,817.00	\$ 166,833.53	\$ (18,016.53)	\$ 215,830.00	\$ 149,058.54	\$ 173,015.00	\$ 152,141.26	\$ 20,873.74	\$ 113,873.00	\$ 264,070.35
II. Training										
a. Workshops	\$ 3,827.00		\$ 3,827.00	\$ 2,251.00	\$ -	\$ 1,970.00		\$ 1,970.00	\$ 7,597.00	
b. Salaries	\$ 9,156.00		\$ 9,156.00	\$ 6,916.00	\$ -		\$ 5,375.00	\$ (5,375.00)	\$ -	\$ 6,813.76
c. Travel, Transport, Per Diems	\$ 844.00	\$ 504.29	\$ 339.71	\$ 4,502.00	\$ -	\$ 2,026.00	\$ 2,973.59	\$ (947.59)	\$ 16,562.00	\$ 22,959.91
d. Other	\$ 8,594.00		\$ 8,594.00	\$ 37,366.00	\$ -	\$ 3,799.00		\$ 3,799.00	\$ 5,487.00	\$ 2,961.41
SUBTOTAL: Training	\$ 22,422.00	\$ 504.29	\$ 21,917.71	\$ 51,034.00	\$ -	\$ 7,795.00	\$ 8,348.59	\$ (553.59)	\$ 29,646.00	\$ 32,735.08
III. Procurement										
a. Consultancies	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
b. Vehicles and Equipment	\$ -		\$ -	\$ -	\$ -		\$ 2,125.00	\$ (2,125.00)	\$ 5,628.00	\$ 2,065.00
c. Supplies	\$ 2,926.00	\$ 4,021.69	\$ (1,095.69)	\$ 1,126.00	\$ -	\$ 1,339.00	\$ 11,472.41	\$ (10,133.41)	\$ 2,690.00	\$ 29,889.65
SUBTOTAL: Procurement	\$ 2,926.00	\$ 4,021.69	\$ (1,095.69)	\$ 1,126.00	\$ -	\$ 1,339.00	\$ 13,597.41	\$ (12,258.41)	\$ 8,318.00	\$ 31,954.65
SUBTOTAL: Direct Expenses	\$ 174,165.00	\$ 171,359.51	\$ 2,805.49	\$ 267,990.00	\$ 149,058.54	\$ 182,149.00	\$ 174,087.26	\$ 8,061.74	\$ 151,837.00	\$ 328,760.08
IV. Indirect Costs	\$ 55,733.00	\$ 53,773.27	\$ 1,959.73	\$ 77,698.00	\$ -	\$ 56,350.00	\$ 54,629.24	\$ 1,720.76	\$ 48,588.00	\$ 117,913.29
SUBTOTAL: Indirect Costs	\$ 55,733.00	\$ 53,773.27	\$ 1,959.73	\$ 77,698.00	\$ -	\$ 56,350.00	\$ 54,629.24	\$ 1,720.76	\$ 48,588.00	\$ 117,913.29
TOTAL PROGRAM EXPENSES	\$ 229,898.00	\$ 225,132.78	\$ 4,765.22	\$ 345,688.00	\$ 149,058.54	\$ 238,499.00	\$ 228,716.50	\$ 9,782.50	\$ 200,425.00	\$ 446,673.37

PAED Project
Budget to Actual, Year Five
To September 30, 2006

Line Item	Tanzania					South Africa					Total AID Exp 9/30/2005	TOTAL PVO 9/30/2006
	AID Budget	Total AID Exp 9/30/2006	Balance	PVO Budget	PVO Actual	AID Budget	Total AID Exp 9/30/2005	Balance	PVO Budget	PVO Actual		
I Program Elements												
a. Salaries			\$ -	\$ -	\$ -	\$ 2,701.00	\$ 29,196.26	\$ (26,495.26)	\$ -	\$ 95,972.66	251,206.37	304,909.52
b. Fringe Benefits			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	0.00	0.00
c. Travel, Transp, Per Diems			\$ -	\$ -	\$ -	\$ 2,402.00	\$ 8,425.31	\$ (6,023.31)	\$ 3,252.00	\$ 22,256.25	33,116.48	60,440.31
d. Subcontracts			\$ -	\$ -	\$ -			\$ -	\$ 5,628.00	\$ -	0.00	0.00
e. Other Direct Costs			\$ -	\$ -	\$ -	\$ 52,839.00	\$ 18,616.77	\$ 34,222.23	\$ 38,979.00	\$ 72,891.95	90,890.28	238,899.92
SUBTOTAL: Program Elements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,942.00	\$ 56,238.34	\$ 1,703.66	\$ 47,859.00	\$ 191,120.86	375,213.13	604,249.75
II Training												
a. Workshops			\$ -	\$ -	\$ -	\$ 985.00		\$ 985.00	\$ 985.00		0.00	0.00
b. Salaries			\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 3,074.57	5,375.00	26,034.48
c. Travel, Ransport Per Diems			\$ -	\$ -	\$ -	\$ 2,138.00	\$ 268.82	\$ 1,869.18	\$ 4,840.00	\$ 16,611.73	3,746.70	19,573.14
d. Other			\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 14,758.73	0.00	17,720.14
SUBTOTAL: Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,123.00	\$ 268.82	\$ 2,854.18	\$ 5,825.00	\$ 34,445.03	9,121.70	67,180.11
III. Procurement												
a. Consultancies			\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		0.00	0.00
b. Vehicles and Equipment			\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		2,125.00	2,065.00
c. Supplies			\$ -	\$ -	\$ -	\$ 225.00	\$ 1,153.55	\$ (928.55)	\$ 4,277.00	\$ 6,575.78	16,647.65	36,465.43
SUBTOTAL: Procurement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225.00	\$ 1,153.55	\$ (928.55)	\$ 4,277.00	\$ 6,575.78	18,772.65	38,530.43
SUBTOTAL: Direct Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,290.00	\$ 57,660.71	\$ 3,629.29	\$ 57,961.00	\$ 232,141.67	403,107.48	709,960.29
IV. Indirect Costs												
SUBTOTAL: Indirect Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,613.00	\$ 18,094.15	\$ 1,518.85	\$ 18,547.00	\$ 79,918.83	126,496.66	197,832.12
TOTAL PROGRAM EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,903.00	\$ 75,754.86	\$ 5,148.14	\$ 76,508.00	\$ 312,060.50	529,604.14	907,792.41

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

PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECT

Project Information

Name of Organization

Aid to Artisans, Inc.

Project Number

HFP-A-00-01-00023-00

Grant Contract Number

Start Date(MM/DD/YY)

10/1/2001

End Date(MM/DD/YY)

09/30/06

AID Project Officer's Name

Tom Carter

AID Obligation by AID FY (\$000)

FY	AMOUNT	FY	AMOUNT
2005 - 2006	\$ 225,133		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

Agribusiness Capacity & Sustainability of African Craft Business

COUNTRY INFORMATION

Country

CORE

Location in Country(Region, District, Village)

Hartford, CT

PVO Representative's Name

Lisa Yoreo

Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION

Year	2005 - 2006
AID\$	225,133
PVO\$	
INKIND	149,059
LOCAL	
TOTAL	374,191

Purpose(if other than project purpose)

Status

FOR OFFICIAL USE ONLY

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

AID 1550-11 (8-85)

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

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

Project Information

Name of Organization

Aid to Artisans, Inc.

Project Number

HFP-A-00-01-00023-00

Grant Contract Number

Start Date(MM/DD/YY)

10/1/2001

End Date(MM/DD/YY)

09/30/06

AID Project Officer's Name

Tom Carter

AID Obligation by AID FY (\$000)

FY	AMOUNT	FY	AMOUNT
2005 - 2006	\$ 228,717		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

Agribusiness Capacity & Sustainability of African Craft Business

COUNTRY INFORMATION

Country

Mozambique

Location in Country(Region, District, Village)

Maputo, Mozambique

PVO Representative's Name

Lisa Yoreo

Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION

Year	2005 - 2006
AID\$	228,717
PVO\$	446,674
INKIND	
LOCAL	
TOTAL	675,390

Purpose(if other than project purpose)

Status

FOR OFFICIAL USE ONLY

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

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

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

Project Information

Name of Organization

Aid to Artisans, Inc.

Project Number

HFP-A-00-01-00023-00

Grant Contract Number

Start Date(MM/DD/YY)

10/1/2001

End Date(MM/DD/YY)

09/30/06

AID Project Officer's Name

Tom Carter

AID Obligation by AID FY (\$000)

FY	AMOUNT	FY	AMOUNT
2005 - 2006	\$ 75,755		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose

Agribusiness Capacity & Sustainability of African Craft Business

COUNTRY INFORMATION

Country

South Africa

Location in Country(Region, District, Village)

Johannesburg, South Africa

PVO Representative's Name

Lisa Yoreo

Local Counterpart/Host Country Agency

ATA South Africa Trust

COUNTRY FUNDING INFORMATION

Year	2005 - 2006
AID\$	75,755
PVO\$	312,061
INKIND	
LOCAL	
TOTAL	387,815

Purpose(if other than project purpose)

Status

FOR OFFICIAL USE ONLY

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

**AID TO ARTISANS
PAED Project
Budget to Actual, Five Year Cumulative Results
To September 30, 2006**

Line Item	Core Strengthening					
	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 163,493.00	\$ 190,707.22	\$ 27,214.22	\$ 252,828.00	\$ 278,526.06	\$ 25,698.06
Year 2 Totals	\$ 199,615.00	\$ 214,453.85	\$ 14,838.85	\$ 310,440.00	\$ 366,055.39	\$ 55,615.39
Year 3 Totals	\$ 215,144.00	\$ 229,200.49	\$ 14,056.49	\$ 308,983.00	\$ 183,940.58	\$ (125,042.42)
Year 4 Totals	\$ 215,038.00	\$ 234,537.00	\$ 19,499.00	\$ 347,176.00	\$ 109,645.24	\$ (237,530.76)
Year 5 Totals	\$ 229,898.00	\$ 225,132.78	\$ (4,765.22)	\$ 345,686.00	\$ 149,058.54	\$ (196,627.46)
Cumulative Totals	\$ 1,023,188.00	\$ 1,094,031.34	\$ 70,843.34	\$ 1,565,113.00	\$ 1,087,225.81	\$ (477,887.19)

Line Item	Mozambique					
	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 278,767.00	\$ 283,094.24	\$ 4,327.24	\$ 181,149.00	\$ 337,741.80	\$ 156,592.80
Year 2 Totals	\$ 287,135.00	\$ 290,340.87	\$ 3,205.87	\$ 186,096.00	\$ 182,160.02	\$ (3,935.98)
Year 3 Totals	\$ 232,979.00	\$ 263,645.48	\$ 30,666.48	\$ 184,635.00	\$ 172,230.98	\$ (12,404.02)
Year 4 Totals	\$ 183,892.00	\$ 202,769.00	\$ 18,877.00	\$ 195,586.00	\$ 374,693.44	\$ 179,107.44
Year 5 Totals	\$ 238,498.00	\$ 228,716.50	\$ (9,781.50)	\$ 200,425.00	\$ 446,673.37	\$ 246,248.37
Cumulative Totals	\$ 1,221,271.00	\$ 1,268,566.09	\$ 47,295.09	\$ 947,891.00	\$ 1,513,499.61	\$ 565,608.61

Line Item	Tanzania					
	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 98,240.00	\$ 38,463.64	\$ (59,776.36)	\$ 69,957.00	\$ 54,590.12	\$ (35,366.88)
Year 2 Totals	\$ 97,397.00	\$ 33,346.06	\$ (64,050.94)	\$ 88,864.00	\$ 33,185.58	\$ (55,678.42)
Year 3 Totals	\$ 100,642.00	\$ 54,479.64	\$ (46,162.36)	\$ 91,855.00	\$ 34,007.14	\$ (57,847.86)
Year 4 Totals	\$ 50,060.00	\$ 17,891.00	\$ (32,169.00)	\$ -	\$ 74.00	\$ 74.00
Year 5 Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Totals	\$ 346,279.00	\$ 144,200.34	\$ (202,078.66)	\$ 270,676.00	\$ 121,856.84	\$ (148,819.16)

Line Item	South Africa					
	AID			PVO		
	Budget	Actual	Surplus/(Deficit)	Budget	Actual	Surplus/(Deficit)
Year 1 Totals	\$ 26,945.00	\$ 55,002.35	\$ 28,057.35	\$ 46,197.00	\$ 70,371.63	\$ 22,174.63
Year 2 Totals	\$ 46,340.00	\$ 61,451.76	\$ 15,111.76	\$ 54,553.00	\$ 123,158.19	\$ 68,605.19
Year 3 Totals	\$ 52,839.00	\$ 94,326.26	\$ 41,487.26	\$ 63,908.00	\$ 81,528.83	\$ 17,620.83
Year 4 Totals	\$ 71,680.00	\$ 76,112.00	\$ 4,432.00	\$ 60,391.00	\$ 212,580.45	\$ 132,189.45
Year 5 Totals	\$ 80,903.00	\$ 75,754.86	\$ (5,148.14)	\$ 76,508.00	\$ 312,060.50	\$ 235,552.50
Cumulative Totals	\$ 278,707.00	\$ 362,647.23	\$ 83,940.23	\$ 323,557.00	\$ 799,699.61	\$ 476,142.61

Line Item	TOTAL EXPENSES					
	AID			PVO		
	Total Budget	Total Actual	Surplus/(Deficit)	Total Budget	Total Actual	Surplus/(Deficit)
Year 1 Totals	\$ 567,445.00	\$ 567,287.45	\$ (157.55)	\$ 572,131.00	\$ 741,229.61	\$ 169,098.61
Year 2 Totals	\$ 630,487.00	\$ 599,592.54	\$ (30,894.46)	\$ 639,953.00	\$ 704,559.18	\$ 64,606.18
Year 3 Totals	\$ 801,604.00	\$ 641,651.87	\$ (159,952.13)	\$ 649,381.00	\$ 471,707.53	\$ (177,673.47)
Year 4 Totals	\$ 520,610.00	\$ 531,309.00	\$ 10,699.00	\$ 623,153.00	\$ 696,993.14	\$ 73,840.14
Year 5 Totals	\$ 549,299.00	\$ 529,804.14	\$ (19,494.86)	\$ 622,619.00	\$ 907,792.41	\$ 285,173.41
Cumulative Totals	\$ 2,869,445.00	\$ 2,869,445.00	\$ -	\$ 3,107,237.00	\$ 3,522,281.87	\$ 415,044.87

PAED Planning Matrix – Headquarters

Goal: To alleviate poverty in artisan communities in Southern Africa.			
Major Planned Activities	Objectives	Indicators	Measurement and data Management Methods
<i>HQ/ Capacity building</i>			
<ul style="list-style-type: none"> ▪ Review and analyze current training curriculum ▪ Identify artisan training needs and adapt existing curriculum to a more user-friendly level ▪ Network with peer organizations to improve and value add to the existing training materials 	<p>1. Improve ATA’s ability to produce training materials and deliver training to artisans and business partners.</p>	<ul style="list-style-type: none"> ▪ Standard artisan enterprise curriculum and training modules established and accessible to field and headquarters staff by Y2 <p>Standardization of training materials and resources was completed and made accessible to country and home office staff during Y2. These resources are continually updated.</p> <ul style="list-style-type: none"> ▪ Use of central training units in the field by Y3 <p>Central training units are regularly used by country and home office staff as of standardization in Y2.</p> <ul style="list-style-type: none"> ▪ Number of times curriculum used in the field <p>Target Y1: 1 Actual Y1: 2 (tested in AMRP and India) Target Y2: 1 Actual Y2: 2 (used in AMRP, tested in Mozambique) Target Midterm Y3: 1 Actual Midterm Y3: 10 Target Y4: 1 Actual Y4: 10</p>	<ul style="list-style-type: none"> ▪ Mid-term and final evaluations ▪ Standard Training modules

		<p>Target Y5: 1 Actual Y5: 7</p> <ul style="list-style-type: none"> ▪ Number of trainees that pay to go for training <p>Target Y1: 1 Actual Y1:</p> <ul style="list-style-type: none"> ○ January US MRP, 4 out of 13 ○ August US MRP, 22 out of 33 ○ August AMRP, 1 out of 9 <p>Target Y2: 3 Actual Y2:</p> <ul style="list-style-type: none"> ○ January US MRP, 7 out of 26 ○ August MRP, 4 out of 25 ○ August AMRP, 3 out of 9 (paid subsidized fee) <p>Target Midterm Y3: 4 Actual Midterm Y3:</p> <ul style="list-style-type: none"> ○ January and August US MRP, 24% of the total training costs for 56 participants ○ March and August MRP 50% of total training costs for 35 participants <p>Target Y4: 5 Actual Y4:</p> <ul style="list-style-type: none"> ○ January and August US MRP, 23% of the training costs for 81 participants ○ May AMRP 25% of total training costs for 12 participants <p>Target Y5: 7 Actual Y5:</p> <ul style="list-style-type: none"> ○ January and August US MRP, 46% of the training costs for 32 participants ○ August AMPR participants were responsible to cover round trip travel 	
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		<p>and per diems. One trainee was sponsored by a South African company</p>	
<ul style="list-style-type: none"> ▪ Hands on training for small producers through site visits to potential mentoring locations. ▪ Create a Market Readiness Training Program in South Africa. ▪ Training the partner organization to manage and implement the AMRT. 	<p>2. Diversify and expand ATA's training programs.</p>	<ul style="list-style-type: none"> ▪ Diversification of the AMRP to address separately the needs of micro-enterprises and SME (no targets set) Actual Y3: ATA experimented with separate training levels through the AMRP. The March 2004 focused on SMEs while the August 2004 focused on micro-enterprises Actual Y4: In May 2005 the AMRP was held exclusively for SMEs for which several new training modules were developed. The August 2005 AMRP was held at micro-enterprise level. Actual Y5: In August 2006 the AMRP was held at micro-enterprise level. ▪ Implement a field-based production mentoring program for small producers in Y2 See Y4 annual report ▪ Number of (AMRP) participants from outside PAED project countries (no targets set) Actual Y1: 1 Ghana Actual Y2: 3 Zambia Actual Y3: 20 South Africa non-PAED Actual Y4: 6 Ghana, 2 Madagascar, 2 Kenya, 1 Uganda, 1 Rwanda, 1 Botswana, and 1 Zambia Actual Y5: 4 Lesotho, 1 Kenya, 6 South Africa non-PAED and 1 Zimbabwe 	<ul style="list-style-type: none"> ▪ Mid-term and final evaluations ▪ Trainee evaluation ▪ Standard training modules

		<ul style="list-style-type: none"> Handover the AMRP to the BAT shop in Y4 <p>See South Africa matrix</p>	
<ul style="list-style-type: none"> Finalize relationship with an e-commerce partner, build an ATA wholesale website. Train ATA staff in customer training and to maintain the site. Conduct long distance design consultancies via the Internet. 	<p>3. Capitalize on existing information technology to supplement ATA's marketing efforts and develop product lines cost effectively.</p>	<ul style="list-style-type: none"> ATA wholesale Internet site developed in Y1 <p>Actual Y1: Wholesale website developed but in need of further development. Actual Y2: Website launched in June 2003 and is maintained regular updates.</p> <ul style="list-style-type: none"> 400 products on site by EOP <p>Target Y1: site developed Actual Y1: Haiti only Target Y2: 100 Actual Y2: 288 global Target Midterm Y3: 200 Actual Midterm Y3: 800 global Target Y4: 300 Actual Y4: 1,939 global Target Y5: 400 Actual Y5: 1,050 global</p>	<ul style="list-style-type: none"> ATA website inventory. Long distance design workshop reports. Quarterly website update and maintenance by US marketing department
<ul style="list-style-type: none"> Trade show participation Cost analysis of trade shows Promote ATA's tradeshow and training programs Offer trade shows and MRP participation to non-program businesses for a fee 	<p>4. Increase ATA's total earned income.</p>	<ul style="list-style-type: none"> Non-program businesses pay for 30% of Pan-African Market Link trade show expenses by EOP <p>Target Y1: 5% Actual Y1: 4.4% SARCD Target Y2: 10% Actual Y2: 2.5% SARCD Target Midterm Y3: 20% Actual Midterm Y3: 25% SARCD Target Y4: 25% Actual Y4: 25% SARCD Target Y5: 30%</p>	<ul style="list-style-type: none"> Financial statements. Tradeshow reports and cost analysis Mid-term and final evaluation. Training reports

		Actual Y5: 0% SARCDAs (Booth size was decreased due to phase-out of project.)	
<i>HQ/ Service Delivery</i>			
<ul style="list-style-type: none"> ▪ Exhibit at major US, European, South African trade shows ▪ Promote ATA through PR events and its products through the website ▪ Promote MRP in US and SA ▪ Develop and promote the Pan-African market link program in the US, Europe and SA 	<p>5. Expand market and sales opportunities for African artisans.</p>	<ul style="list-style-type: none"> ▪ # of craft businesses with exposure in international trade shows See country program matrix ▪ # of (African) products on site Target Y1: site developed Actual Y1: 50 Target Y2: 100 Actual Y2: 100 Target Midterm Y3: 200 Actual Midterm Y3: 163 Target Y4: 300 Actual Y4: 259 Target Y5: 400 Actual Y5: 239 ▪ # of new shows for Pan-African craft collection Target Y1: 1 Actual Y1: 1 (SARCDAs) Target Y2: 1 Actual Y2: 1(Tendence) Target Midterm Y3: 2 Actual Midterm Y3: 0 Target Y4: 3 Actual Y4: 4 (Sources, Macau, Sharjah and Verona Fiere) Target Y5: 4 Actual Y5: 2 (Milan Artiziano in Fiera, Catanhede and Cantinho dos Artesaos) 	<ul style="list-style-type: none"> ▪ Trade show reports ▪ Website inventory ▪ Mid-term evaluation ▪ Final evaluation

		<ul style="list-style-type: none"> ▪ # of buyer visits per country See country program matrix sections 	
<ul style="list-style-type: none"> ▪ Public relations campaign 	<p>6. Influence public impressions through appearances in trade, consumer and news media.</p>	<ul style="list-style-type: none"> ▪ # of media features promoting Africa as a source of innovative products Baseline: 2 Target Y1: 2 Actual Y1: 1 Target Y2: 3 Actual Y2: 2 Target Midterm Y3: 5 Actual Midterm Y3: 4 Target Y4: 8 Actual Y4: 4 Target Y5: 10 Actual Y5: 21 (It should be noted that ATA is not always aware of every media feature, despite a concerted effort to track this.) ▪ # of product placements in a trade publication (catalogue, tradeshow directory) Baseline: 2 Target Y1: 2 Actual Y1: 1 Target Y2: 3 Actual Y2: 2 Target Midterm Y3: 5 Actual Midterm Y3: 3 Target Y4: 8 Actual Y4: 9 Target Y5: 10 Actual Y5: 37 (It should be noted that ATA is not always aware of every product placement, despite 	<ul style="list-style-type: none"> ▪ Articles or features in media. (US and regional press) ▪ Mid-term and final evaluation

		a concerted effort to track this.)	
<i>HQ/ Sustainability</i>			
<ul style="list-style-type: none"> ▪ Research, cultivation and stewardship of potential new partners. ▪ Develop a plan to charge artisan enterprises fee for services. 	<p>7. Continue to diversify ATA's funding sources and build strategic alliances.</p>	<ul style="list-style-type: none"> ▪ # of new funding relationships developed or renewed with non-USAID funding institutions. <p>Target Y1: 5 Actual Y1: 4 Target Y2: 10 Actual Y2: 27 relationships only Target Midterm Y3: 15 Actual Midterm Y3: 5 Target Y4: 8 Actual Y4: 13 funding, 11 in-kind Target Y5: 30 Actual Y5: 21</p>	<ul style="list-style-type: none"> ▪ Financial statements ▪ Mid-term and final evaluations ▪ MOUs with peers

PAED Planning Matrix - Mozambique

Goal: To alleviate poverty among artisans in Southern Africa by opening new markets.			
Major Planned Activities	Objectives	Indicators	Measurement and data Management Methods
<i>Mozambique/ Capacity building</i>			
<ul style="list-style-type: none"> ▪ Foster organization through artisan workshops and training ▪ Train exporters through mentor program ▪ Transfer export activities to private sector 	<p>1. Strengthen organization of artisan and export sectors and address key weaknesses.</p>	<ul style="list-style-type: none"> ▪ # of competent exporters available to artisans Baseline: 0 Target Y1: 0 Actual Y1: 0 Target Y2: 2 Actual Y2: 0 Target Midterm Y3: 2 Actual Midterm Y3: 1 (Exporters were receiving order for shipment passed through ATA for quality control.) Target Y4: 2 Actual Y4: 2 (Exporters were exporting to own clients and increasingly ATA clients.) Target Y5: 3 Actual Y5: 2 (Exporters exporting independent of ATA.) ▪ # of trained exporters Baseline: 0 Target Y1: 1 Actual Y1: 0 Target Y2: 2 Actual Y2: 2 Target Midterm Y3: 3 	<ul style="list-style-type: none"> ▪ Key artisan interviews ▪ Monthly marketing and M&E field reports

		<p>Actual Midterm Y3: 2 Target Y4: 2 Actual Y4: 2 Target Y5: 4 Actual Y5: 3</p> <ul style="list-style-type: none"> ▪ # of importers by EOP <p>Baseline : 4 Target Y1: 6 Actual Y1: 6 Target Y2: 10 Actual Y2: 13 Target Midterm Y3: 11 Actual Midterm Y3: 15 Target Y4: 13 Actual Y4: 20 Target Y5: 15 Actual Y5: 26</p> <ul style="list-style-type: none"> ▪ % of wholesale buyers who re-order within 9 months <p>Baseline: 50% Target Y1: 60% Actual Y1: 80% Target Y2: 65% Actual Y2: 38% Target Midterm Y3: 75% Actual Midterm Y3: 28% Target Y4: 75% Actual Y4: 35% Target Y5: 75% Actual Y5: 35%</p> <p>(It should be noted that the percentage decreased in some years due to new buyers lowering the denominator.)</p>	
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<ul style="list-style-type: none"> ▪ Train artisans in business management practices through in-country workshops, and MRP program in USA and SA, and production mentoring ▪ Develop and produce training materials 	<p>2. Provide artisans with business development services.</p>	<ul style="list-style-type: none"> ▪ % of groups with MOU that have a bank account Baseline: 56% Target Y1: 60% Actual Y1: 52% Target Y2: 70% Actual Y2: 60% Target Midterm Y3: 80% Actual Midterm Y3: 54% Target Y4: 90% Actual Y4: 72% Target Y5: 100% Actual Y5: 93% (It should be noted that the percentage decreased in some years due to new artisans lowering the denominator.) ▪ % of groups with MOU that keep written financial records Baseline: 5.5% Target Y1: 10% Actual Y1: 76% Target Y2: 15% Actual Y2: 90% Target Midterm Y3: 20% Actual Midterm Y3: 61% Target Y4: 35% Actual Y4: 58% Target Y5: 50% Actual Y5: 81% (It should be noted that the percentage decreased in some years due to new artisans lowering the denominator. It should also be noted that most financial records kept are of a rudimentary nature.) 	<ul style="list-style-type: none"> ▪ local training & MRP participation records ▪ monthly M&E reports ▪ mid-term and final evaluations ▪ access to artisans' monthly and annual financial records ▪ pre-post MRP Test
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		<ul style="list-style-type: none"> ▪ Business knowledge gained in SA or US MRP program Baseline: n/a Target Y1: Develop test Actual Y1: Test developed Target Y2: 20 point increase Actual Y2: 20 point increase Target Midterm Y3: 20 points increase Actual Midterm Y3: 20 point increase Target Y4: n/a Y4: The test is no longer used due its inadequacy. See South Africa section of the Y4 annual report. ▪ # of artisan enterprises/associations registered with the Ministry of Finance Baseline: 0 Target Y1: 0 Actual Y1: 1 Target Y2: 2 Actual Y2: 2 Target Midterm Y3: 2 Target Midterm Y3: 4 Target Y4: 5 Actual Y4: 10 Target Y5: 5 Actual Y5: 19 	
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<ul style="list-style-type: none"> ▪ Train local staff on grant writing and fund raising strategies ▪ Mentor local staff to take on increasing responsibilities on financial management ▪ Phase out the US national at the end of Y2 	<p>3. Increase the fundraising and financial management responsibility of local staff.</p>	<ul style="list-style-type: none"> ▪ # of local funders identified/developed or renewed by the local staff Baseline: 0 Target Y1: 1 Actual Y1: 1 Target Y2: 2 Actual Y2: 4 Target Midterm: 3 Actual Midterm Y3: 3 (A Mozambican was hired to replace the US citizen Country Director.) Target Y4: 4 Actual Y4: 1 Target Y5: 5 Actual Y5: 3 ▪ # of proposals developed by the local staff (with HQ and RFD) Baseline: 0 Target Y1: 1 Actual Y1: 0 (local staff was involved with proposal development, but did not develop any independently.) Target Y2: 3 Actual Y2: 1 Target Midterm Y3: 6 Actual Midterm Y3: 3 Target Y4: 8 Actual Y4: 2 Target Y5: 10 Actual Y5: 4 (TDM, MCEI, MIRAMAR TV, MOZARTE) ▪ Local staff managing financial reporting independently by Y2 	<ul style="list-style-type: none"> ▪ Monthly field reports ▪ Proposals developed and submitted to donors
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		Local staff began managing internal financial reporting during Y2 and continued to take on more responsibilities in Y3. At the close of Y4 and through EOP, local staff were managing all local financial reporting with oversight and external reporting support from Home Office staff.	
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<i>Mozambique / Service Delivery</i>			
<ul style="list-style-type: none"> ▪ Develop and promote the Pan-African market link program in the US, Europe and SA ▪ Develop and expand local market opportunities through local annual holiday fair & promotion through local retail venues ▪ Participation in MRP in US and SA ▪ Mozambican products displayed on the ATA's website and updated on a quarterly basis 	<p>4. Develop and expand marketing and sales opportunities for Mozambican artisans leading to revenue generation.</p>	<ul style="list-style-type: none"> ▪ # of craft businesses with exposure in international trade shows by EOP Baseline: 10 Target Y1: 15 Actual Y1: 17 Target Y2: 20 Actual Y2: 17 Target Midterm Y3: 25 Actual Midterm Y3: 19 Target Y4: 30 Actual Y4: 24 Target Y5: 35 Actual Y5: 2 (Emphasis was place on exposure of exporters rather than individual craft businesses.) ▪ # of businesses with exposure in Mozambican annual holiday fair Baseline: 10 Target Y1: 18 Actual Y1: 18 Target Y2: 26 Actual Y2: 16 Target Midterm Y3: 34 	<ul style="list-style-type: none"> ▪ Trade show reports ▪ Website inventory ▪ Buyer interviews ▪ M&E Monthly Reports

		<p>Actual Midterm Y3: 18 Target Y4: 47 Actual Y4: 33 Target Y5: 60 Actual Y5: 47</p> <ul style="list-style-type: none"> ▪ Annual local fair sales in USD Baseline: \$2,200 Target Y1: \$3,500 Actual Y1: \$3,878 Target Y2: \$5,500 Actual Y2: \$4,011 Target Midterm Y3: \$7,000 Actual Y3: \$8,590 Target Y4: \$10,000 Actual Y4: \$12,921 (Includes additional \$8,952 in sales from other local fair events.) Target Y5: \$15,000 Actual Y5: \$25,110 ▪ # of buyers visits Baseline: 3 Target Y1: 4 Actual Y1: 2 Target Y2: 4 Actual Y2: 3 Target Midterm Y3: 6 Actual Y3: 3 Target Y4: 7 Actual Y4: 20 Target Y5: 8 Actual Y5: 8 ▪ Total cumulative sales by EOP Baseline: \$ 33,000 	
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		<p>Target Y1: 75,000 Actual Y1: \$60,000 Target Y2: 125,000 Actual Y2: \$99,324 Target Midterm Y3: \$175,000 Actual Midterm Y3: \$151,104 Target Y4: \$250,000 Actual Y4: \$246,644 Target Y5: \$325,000 Actual Y5: \$349,074</p> <p>Cumulative EOP Sales: \$950,000 Target Y1: \$60,000 Actual Y1: \$60,000 Target Y2: \$200,000 Actual Y2: \$159,324 Target Midterm Y3: \$375,000 Actual Midterm Y3: \$310,428 Target Y4: \$625,000 Actual Y4: \$557,072 Target Y5: \$950,000. Actual Y5: \$906,146</p>	
<ul style="list-style-type: none"> ▪ Review artisan groups and sign MOUs with new groups ▪ Expand distribution artisan information bulletin (As Mãos Falam) 	<p>5. Scale up and expand the impact of ATA's work in Mozambique.</p>	<ul style="list-style-type: none"> ▪ # of artisans served during the LOP <p>Baseline: 1,350 Target Y1: 1,800 Actual Y1: 1,350 Target Y2: 2,250 Actual Y2: 1,800 Target Midterm Y3: 2,500 Actual Midterm Y3: 2,500 Target Y4: 2,750 Actual Y4: 3,910 Target Y5: 3,000 Actual Y5: 3,910</p>	<ul style="list-style-type: none"> ▪ Mid-term and final evaluations ▪ Monthly reports ▪ Training reports

<i>Mozambique / Sustainability</i>			
<ul style="list-style-type: none"> ▪ Trade show participation ▪ MRP training in US and SA ▪ Scouting and national account building ▪ Export sector development activities ▪ Training in booth management and responding to customer inquiries at the local fair ▪ Sensitizing artisans on sustainable use of hardwoods ▪ Implementation of 1st pilot project on forest management 	<p>6. Artisan entrepreneurs continue to reach and expand markets after PAED project ends.</p>	<ul style="list-style-type: none"> ▪ Annual Mozambique craft fair managed locally independent of ATA support See country program narrative section. ▪ Maputo wood carvers achieve FSC certification through the Djabula Community Forest Project to promote their product. <p>ATA established a wood bank during Y3, in Maputo and Nampula, which makes wood from certified forests available to artisans for purchase. Additionally, ILAM was contracted to conduct reforestation experimentation.</p>	<ul style="list-style-type: none"> ▪ Review of exporter Purchase Orders ▪ After project annual evaluation (minimum of up to 2 years after EOP)
<ul style="list-style-type: none"> ▪ Design consultancies both in-country and via Internet ▪ Product development training workshops ▪ Training in quality control and timeliness 	<p>7. Artisans able to develop quality products for international export independent of ATA.</p>	<ul style="list-style-type: none"> ▪ # of new product lines accepted in the international market <p>Baseline: 0 Target Y1: 14 Actual Y1: 29 Target Y2: 28 Actual Y2: 21 Target Midterm Y3: 42 Actual Midterm Y3: 16 Target Y4: 56 Actual Y4: 24 Target Y5: 70 Actual Y5: 6 (Due to on-going orders for current product lines and the fact that production capacity is maxed out, ATA did not place emphasis on this indicator.)</p> <ul style="list-style-type: none"> ▪ % of orders that meet buyer quality control standards 	<ul style="list-style-type: none"> ▪ Consultancy reports ▪ Annual reports ▪ Mid-term and final evaluations ▪ Key buyer interviews ▪ Marketing reports

		Baseline: 60% Target Y1: 65% Actual Y1: 70% Target Y2: 70% Actual Y2: 65% Target Midterm Y3: 75% Actual Y3: 70% Target Y4: 75% Actual Y4: 75% Target Y5: 85% Actual Y5: 62%	
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PAED Planning Matrix – South Africa

Goal: To alleviate poverty amongst artisans in Southern Africa by opening new markets			
Major planned activities	Objectives	Indicators	Measurement and Data Management Methods
<i>South Africa / Capacity building</i>			
<ul style="list-style-type: none"> ▪ Customer service and Marketing training: BAT Shop staff attends trade shows ▪ BAT shop staff to attend the ATA's MRP program in the US ▪ ATA marketing staff fosters new buyer relationships 	<p>1. The BAT Shop to respond effectively to market demands.</p>	<ul style="list-style-type: none"> ▪ % of wholesale buyers place repeat orders (within 9 months) Baseline: 100% Target Y1: n/a Actual Y1: first orders in August 02 BAT Shop Target Y2: 100% Actual Y2: 70% Target Midterm Y3: 90% Actual Midterm Y3: 100% Target Y4: 100% Actual Y4: 80% Target Y5: 100% Actual Y5: 100% reported by BAT Shop. Other producer groups' indicators for this category not measured as products relatively new. ▪ # of buyers visits to South Africa. Baseline: 6 Target Y1: 1 Actual Y1: 1 Target Y2: 6 Actual Y2: 8 Target Midterm Y3: 8 Actual Midterm Y3: 38 Target Y4: 9 	<ul style="list-style-type: none"> ▪ Key buyer interviews ▪ Trade show reports ▪ Mid term and final evaluation.

		Actual Y4: 18 Target Y5: 10 Actual Y5: 14	
<ul style="list-style-type: none"> ▪ BAT Shop Managing Director works in partnership with ATA Staff to plan and implement the AMRP at SARCD A 	2. Building BAT Shop's operational and training capacity.	<ul style="list-style-type: none"> ▪ Transfer the organization and implementation of the AMRP to BAT shop by Y4 Actual Y1: BAT staff assisted ATA in organizing and facilitating the AMRP. Actual Y2: BAT staff assisted ATA in organizing and facilitating the AMRP. Actual Y3: It was decided that BAT shop would focus on its commercial efforts rather than taking on the AMRP. Actual Y4: The ATASA Trust will run the AMRP going forward using local skill. Actual Y5: ATASA Trust will continue to run the AMRP as long as participants and funding demand. ▪ 25 trainees to attend the MRP program by EOP Baseline: 0 Target Y1: 4 Actual Y1: 4 Target Y2: 4 Actual Y2: 4 Target Midterm Y3: 15 Actual Midterm Y3: 22 Target Y4: 20 Actual Y4: 20 (AMRP), 2 (US MRP) Target Y5: 25 Actual Y5: 20 (AMRP) 3 (US MRP) 	<ul style="list-style-type: none"> ▪ Detailed training reports
<ul style="list-style-type: none"> ▪ ATA and BAT Shop strengthen relationships 	3. ATA builds a network of strategic	<ul style="list-style-type: none"> ▪ Active participation of South African designers to use regional talent in 	<ul style="list-style-type: none"> ▪ MOUs ▪ Field Reports

<p>with craft organizations and expand existing network within the crafts and export sector</p>	<p>alliances in South Africa.</p>	<p>providing design and technical assistance. Baseline: 0 Target Y1: 2 Actual Y1: 3 Target Y2: 4 Actual Y2: 3 Target Midterm Y3: 6 Actual Midterm Y3: 5 Target Y4: 8 Actual Y4: 3 professional designers, 1 professional technician, 4 Product Development Trainees Target Y5: 10 Actual Y5: 2 professional designers, 4 Product Development Trainees(2 CCDI/ 2 Phumani)</p> <ul style="list-style-type: none"> ▪ # of Craft Organizations visited and assessed by EOP <p>Baseline: 2 Target Y1: 6 Actual Y1: 0 Target Y2: 9 Actual Y2: 4 Target Midterm Y3: 13 Actual Midterm Y3: 1 organization that represents 350 groups Target Y4: 17 Actual Y4: 0 Target Y5: 20 Actual Y5: 3</p>	
<ul style="list-style-type: none"> ▪ BAT Shop staff receive training in digital imagery and product specification guidelines 	<p>4. The BAT Shop uses ATA website as a marketing tool to supplement BAT's and</p>	<ul style="list-style-type: none"> ▪ South African product information section developed by Y1 <p>South African products are posted on the website and updated regularly.</p>	<ul style="list-style-type: none"> ▪ Training evaluations ▪ Website review by US marketing department

<ul style="list-style-type: none"> ▪ Training in how to use ATA's website ▪ Customer Service Training ▪ Quarterly update of the site 	<p>ATA's marketing efforts.</p>	<ul style="list-style-type: none"> ▪ # of times key buyers visit the site See narrative section of report ▪ # of new buyers through the site. See narrative section of report ▪ # of email inquiries received See narrative section of report 	<ul style="list-style-type: none"> ▪ Mid term and final evaluations
<i>SA/ Service Delivery</i>			
<ul style="list-style-type: none"> ▪ MRT in US and SA ▪ Participation in ATA's website ▪ Conduct market-driven product development with artisans using information technologies ▪ Develop and promote the Pan-African market link program in the US, Europe and SA ▪ Develop and expand local market opportunities through local fairs & promotion through local retail venues. ▪ Exhibit existing and new market ready BAT Shop products at US, European and SA Trade Shows 	<p>5. Develop and expand marketing and sales opportunities for South African artisans.</p>	<ul style="list-style-type: none"> ▪ Craft businesses with exposure in international trade shows by EOP Baseline: 3 Target Y1: 3 Actual Y1: 6 Target Y2: 6 Actual Y2: 10 Target Midterm Y3: 10 Actual Midterm Y3: 19 Target Y4: 17 Actual Y4: 59 Target Y5: 21 Actual Y5: 72 ▪ Increase in the # of importers Baseline: 6 Target Y1: 6 Actual Y1: 2 Target Y2: 7 Actual Y2: 18 Target Midterm Y3: 8 Actual Midterm Y3: 37 Target Y4: 9 Actual Y4: 76 Target Y5: 10 	<ul style="list-style-type: none"> ▪ Buyers feedback ▪ FOB sales ▪ Trade show reports ▪ Website inventory ▪ Buyer interviews ▪ M&E Monthly Reports ▪ Mid term and Final evaluation

		<p>Actual Y5: 82</p> <ul style="list-style-type: none"> ▪ Total cumulative sales of by EOP <p>Baseline: \$200,000 Target Y1: \$225,000 Actual Y1: \$219,000 Target Y2: \$275,000 Actual Y2: \$493,298 Target Midterm Y3: \$325,000 Actual Midterm Y3: \$556,000 Target Y4: \$400,000 Actual Y4: \$620,659 Target Y5: \$475,000 Actual Y5: \$717,409</p> <p>Target cumulative EOP: \$1,700,000 Target Y1: \$225,000 Actual Y1: \$219,000 Target Y2: \$500,000 Actual Y2: \$712,298 Target Midterm Y3: \$825,000 Actual Midterm Y3: \$1,268,298 Target Y4: \$1,225,000 Actual Y4: \$1,888,957 Target Y5: \$1,700,000 Actual Y5: \$2,606,366</p> <p>It should be noted that due to the nature of CCDI's structure it was not possible to collect all sales number resulting from PAED</p>	
<ul style="list-style-type: none"> ▪ Train artisans in business management practices through in- country workshops ▪ MRP in NY and South Africa. 	<p>6. Provide artisans with business development services.</p>	<ul style="list-style-type: none"> ▪ % of orders meeting buyer quality control standards by EOP <p>Baseline: 78% Target Y1: 78% Actual Y1: first orders in August 02 BAT Shop</p>	<ul style="list-style-type: none"> ▪ Regular visits to artisans and ▪ Monthly field reports ▪ Marketing reports ▪ Mid-term and final

<ul style="list-style-type: none"> ▪ Participation in the production mentoring program. ▪ Design and Production consultancies. 		<p>Target Y2: 80% Actual Y2: 75% Target Midterm Y3: 82% Actual Midterm Y3: 90% Target Y4: 84% Actual Y4: 78% Target Y5: 85% Actual Y5: 80%</p> <ul style="list-style-type: none"> ▪ # of artisans served during the LOP Baseline: 700 Target Y1: 800 Actual Y1: 882 Target Y2: 900 Actual Y2: 957 Target Midterm Y3: 1000 Actual Midterm Y3: 867 Target Y4: 1,100 Actual Y4: 716 Target Y5: 1,250 Actual Y5: 721 ▪ Business knowledge gained in SA or US MRT program Baseline: n/a Target EOP: 20 points increase Target Y1: Develop test Actual Y1: Test developed Target Y2: 20 point increase Actual Y2: 20 point increase Target Midterm Y3: 20 points increase Actual Midterm Y3: 14 point increase Actual Y4: Test no longer used due to its inadequacy. See South Africa section of narrative report for more details. 	<p>evaluations</p> <ul style="list-style-type: none"> ▪ Key buyer interviews.
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<i>SA/ Sustainability</i>			
<p>Trade show participation and making market links</p> <ul style="list-style-type: none"> ▪ Training in customer service and MRT training in US and SA ▪ The BAT Shop continues to provide increased export services to artisan sector in addition to existing domestic market 	<p>7. The BAT shop provides training, design consultancies and market link services to artisans after EOP.</p>	<ul style="list-style-type: none"> ▪ ATA leveraged buyers working directly with the BAT shop on product development and marketing by EOP <p>The BAT shop is successfully managing several buyer relationships and adapts designs as necessary and feasible at the buyer's request. In addition, in-house designer, Marisa Fick-Jordaan, continue to develop new product lines.</p>	<ul style="list-style-type: none"> ▪ Review of BAT shop's Purchase Orders ▪ After project annual evaluation (minimum of up to 2 years after EOP)
<ul style="list-style-type: none"> ▪ Product development & design consultancies both in-country and via Internet. Training in quality control and timeliness. 	<p>8. Artisans are able to develop quality products for international export independent of ATA</p>	<ul style="list-style-type: none"> ▪ # of new product lines accepted in International market <p>Baseline: 10 Target Y1: 15 Actual Y1: 15 Target Y2: 20 Actual Y2: 20 Target Midterm Y3: 25 Actual Midterm Y3: 19 Target Y4: 33 Actual Y4: 16 Target Y5: 40 Actual Y5: 10</p>	<ul style="list-style-type: none"> ▪ Consultancy reports ▪ Annual reports ▪ Mid-term and final evaluations ▪ Key buyer interviews ▪ Marketing reports



**A FIVE-YEAR CONCEPT FOR
MAXIMIZING OPPORTUNITIES IN THE CRAFT SECTOR**
Through Competitiveness, Collaboration, and Accessible Resources
April 2006

Background

Since 1998, Aid to Artisans has been working in Southern Africa under USAID's Washington-based Matching Grant Program. Under this program, the Mozambique craft sector has matured – from a tradition that cultural products need to be preserved or safeguarded to a thriving industry where artisans' talents can blossom into businesses now linked to international markets. Mozambique is now clearly “on the map”, in the minds of American, European and even South African buyers and consumers. This “arrival” was a necessary first step - and challenge - for ATA, as it worked to build a sustainable craft sector from a country coming out of 30 years of war and a socialist-driven economy, where craft was a part of culture but not promoted as a means to creating a viable micro economy - one that could create wealth, contribute to the balance of payments, and stand alongside other industries. The craft sector has not fully “arrived” nor contributed its full potential to the nation's economy, but it now has a solid foundation, an export market that is demanding more than it can supply, a growing tourist market to capitalize on, and entrepreneurs who with guidance and support, would be willing to take the risk that will bring the craft sector to its rightful place in the local and international marketplace.

Program Summary

ATA's five-year plan (October 2006- September 2011) for its work in Mozambique is built on three pillars: Export, Tourism, and Local Leadership, which includes CEDARTE (Centro de Estudos e Desenvolvimento de Artesanato), a local NGO to be incubated and supported by ATA in the initial phase to assist in building its role as a local leader in the craft industry. The strategies for each pillar, as outlined below, are designed to ensure a vigorous craft sector that strategically and proactively serves both the local tourist and export markets, and that has access to relevant and quality service providers and a supportive political environment.

Aid to Artisans expertise in the craft industry and strategic focused approach to its work in Mozambique over the next five years adds value to the Government of Mozambique's national strategies on tourism development, increased exports of non-traditional products and value-added (wooden) exports. ATA's strategy embraces these key goals along with other industry needs through the following activities which inform ATA's overall strategy:

(1) Markets for exports expanded

- ◆ Expanding market opportunities for Mozambican craft producers and exporters, and enhance these companies' abilities to meet stringent export market expectations.
- ◆ Providing incentives for the development of new and strengthening of current craft-related business alliances between Mozambique and both the US and South Africa.

- ◆ Providing key training to craft-related SMEs that enable them to increase their capacity to penetrate new markets and maintain and grow current buyer relationships; as well as improve business skills necessary to sustain the sector.

(2) Enabling environment for exports improved

- ◆ Stimulating the development a craft council in conjunction with CEDARTE that has both public (including government ministries, IPEX, CEDARTE, etc.) and private sector participation to strategically address trade policies and physical infrastructure issues that affect the sale and shipment of craft exports, either through formal trade or through tourism, ensure better coordination among industry players, and develop a national branding of handmade Mozambican products that strives to promote and sell quality craft exports that meet market niche standards.
- ◆ Founding a local NGO, CEDARTE, staffed with experienced personnel trained and previously employed by ATA, will serve the sector and ensure the artisans voice in key issues and discussions that impede or strengthen the development of the craft industry; sensitize local institutions (and thus the clients they serve) and emerging and seasoned entrepreneurs to the important role the craft industry plays (locally, regionally and internationally) and the economic impact it can have on craft-related enterprises and the economy at large.
- ◆ Improving the competitiveness of the craft sector through tailored trainings and practical support, including the development of a micro-credit fund managed and administered by a respected Mozambican micro-finance institution (such as GAPI) and earmarked for craft-related enterprises.

(3) Capacity of labor-intensive industries strengthened

- ◆ Wood products and tourism are two of the potential areas of support identified by the Mozambique Government which ATA can directly address through strategic support of the craft industry that focuses on building craft-related entrepreneurs capacity to respond to the demands of a more developed tourism sector, through not only increasing demand for and increasing the sale of Mozambican products but improving the enabling environment that provides for a successful flow of products from relevant provinces to key tourist destinations. ATA will demonstrate the success resulting from strategic support to the craft sector through a pilot project that aims to strengthen the craft sector's contribution to tourism in the north of Mozambique, resulting in increased employment for the sector.
- ◆ Conducting a survey of tourists with anticipated collaboration with the Ministry of Tourism and Customs that provides a baseline of craft purchases per visitor from the onset of the program, and repeated each year thereafter during the life of the program in order to measure increase in sales of crafts.
- ◆ A strategic focus on building up and/or increasing local service providers (product development and design services, business plan developers, organizational development services, legal, accounting, etc.) confidence and interest in serving and supporting participants along the craft value chain.

ATA has estimated a total budget of US\$5 million for this five-year program. Based on lessons learned, institutional reflection, and feedback from those with whom ATA serves, ATA's proposed programmatic approach for its work over the next five years addresses the Mozambican craft industry's needs. ATA seeks donors (both public and private) whose institutional goals not only *fit* ATA's but will be furthered by investing in ATA's program initiatives. ATA hopes that this new five-year program will gain support from funders who have supported ATA's

Mozambican program in the past and have shown interest in continuing to support and invest in the craft sector and in particular, ATA's expertise.

The Three Pillars

Tourism

The Mozambican tourist market is growing, and the government, donors and private sector are strategizing to capture this growing market, with a particular emphasis on the North of Mozambique. The tourism sector is part of Mozambique's National Strategic Plan and getting focused attention. Artisans are not maximizing results from the local/tourist market, and with increased attention to specific weaknesses in the sector and a relevant response to tourist market opportunities and demands, more artisans can be involved and livelihoods improved. However, it is critical that artisans understand the composition of the varied tourist groups that now visit Mozambique and be able to produce marketable goods that appeal to the luxury tourist, for example, or the backpacker. Artisans, most especially those located in non-tourist destinations, lack networks or formal links to key retail buyers, hotel personnel, and interior design clients. Insufficient transport networks that ensure a steady movement of handcraft from production areas to points of sale limits the product diversity available to tourists. The majority of artisans and street vendors lack costing and pricing skills, and often use an ineffective sales approach when selling to foreign clients. A national tourism strategy without a parallel craft strategy is a missed opportunity, with millions of dollars of hard currency lost to the economy.

Tourism in Mozambique contributes to employment creation, economic growth and poverty alleviation, and enhances the quality of life for all the people of Mozambique.¹ Developing the craft value chain leverages the tourism investment, as it involves not only the thousands of artisans that exist in the country but also suppliers of raw material, distributors/transporters, and sales people (either at the street level or in a trendy hotel shop) nationally. In 2001, the statistics showed approximately 400,000 visitors to Mozambique, with 60% concentration in the capital city of Maputo, and the 40% remaining relatively balanced amongst the provinces. If the projected four million tourists per year by the Year 2025² increase average spending by just US\$10 on handmade goods, a new US\$40 million dollar market will have been created. With a sound product development strategy, competitive pricing, good customer service, and organized transport/distribution mechanisms, artisans can reach and even surpass that vision.

With the development of a pilot project in tourism focused on the Northern provinces, the program will demonstrate the contribution of craft industries to generating employment and improving livelihoods in Mozambique. ATA will develop and conduct a tourism survey at key points of entry into the country in collaboration with the Ministry of Tourism and Customs in order to create a baseline for trends in tourism spending, with a specific focus on craft purchases made during their visit to Mozambique (kind of raw material/product, amount of craft purchases, and location of craft purchases) and geographic locations visited during their stay. This will be conducted on the onset of the program in order to be able to more accurately project an estimated increase in spending over the life of the program, and then implemented yearly thereafter in order to measure success and growth of the sector through the support of ATA's program. This survey will be coupled with the development of a marketing and product development strategy for the local tourist market, one which will serve to inform the sector and guide industry players with the development of their businesses, from local designers who will provide market-driven product

¹ Tourism Policy and Implementation Strategy, Resolution N° 14, of the 4th of April 2003, Republic of Mozambique, Ministry of Tourism

² Plano Estratégico para o Desenvolvimento do Turismo em Moçambique (2004-2013), Republica de Moçambique, Ministério do Turismo, 12 de Outubro de 2004.

development services (initially through ATA's Designer Mentoring Program) to craft companies, to guiding individualized marketing strategies as part of comprehensive business plans developed by companies and supported by local service providers.

Export

Under ATA's program to date, ATA has spent considerable effort building the capacity of micro-enterprises, and these efforts have born fruit. This has included market-driven product development and design (90 new product lines were developed and accepted in the export market under the current PAED program), business and market readiness training (for producers, exporters and local staff), and the creation of market links including the development of an annual local fair As Mãos (total fair sales grew 550% over the life of the project). The PAED program facilitated US\$712,000 in sales to date, including local sales and export to South Africa, the US, and Europe. Twenty importers actively buy from artisan enterprises linked to ATA's PAED program, and 75% of the orders meet buyers' satisfaction (the goal is to reach 85% by the end of the project this year). Mozambican products have been highly successful in the international marketplace.

Additionally, ATA has also provided support to producer-exporters through its EXPORT program, which included hands-on practical training both in Mozambique and in the US. Currently, two exporters are participating in the program, yet still face challenges with, for example, access to capital and lack of business management skills; and one of them is a start up business just putting its business and marketing plans into place.

From the onset of the program, ATA not only facilitated the link between the producer and the buyer, but also, in the absence of a "ready" exporter, temporarily filled a direct role between producer and buyer in order to secure buyer interest. Although this resulted in a high level of trust from producers, buyers and exporters, it is not sustainable in the long term. In this new phase and with a basic foundation in place from which to grow the sector, ATA will complete its removal from the craft value chain, and allow the market forces to work, with ATA providing a strategic, hands-on mentoring program to exporters and artisans (in collaboration with CEDARTE). This new positioning role means that current and new buyers will do business directly with the exporters, and the exporters will deal directly with the producers, distributing the orders and ensuring quality production and on-time delivery. This requires a new approach, which includes the addition of a more effective "local agent" role, creating a healthy sense of competition; coupled with individualized, hands-on business mentoring services available for SME level companies involved in the program. A Business Mentoring Program and Design Mentoring Program will be developed under this initiative and provide targeted, demand-driven, and concentrated support to critical players in the craft value chain, who in turn will provide critical services to the larger craft community.

Fundamental components to the success of this approach include identifying entrepreneurs amongst the emerging business graduates, retired business people, local institutions responsible for creating a learning environment in which entrepreneurs can flourish, and developing an awareness campaign that sensitizes this community to the business potential within the gift and home accessories market. Equally important is the development of relevant service providers with orientation toward the craft sector - from local design and business management services, legal and accounting services and a micro-credit scheme. By enabling the craft value chain, the sector will be better positioned to sustain the current market links and create new ones.

By providing relevant and up-to-date market information, ATA will serve to inform the sector and guide industry players with the development of their businesses, facilitating the development of a marketing and product development strategy for export markets (US/ Europe and South Africa). Additionally, annual industry meetings that share current trends in the market, from product



development, design, color and lifestyle trends to trends within market structures and ways of doing business, and the publication of an annual trend report will provide the industry with the information needed to grow and thrive.

This overall approach will work toward ensuring continued product appeal and diversification, and increased export sales, with a wider variety of SMEs (some located in key provinces) directly linked to buyers and producers, and with the ability to link to more micro-enterprises to fulfill market demand. Additionally, with some SMEs choosing to create more concentrated production units through employing micro producers, production can be maximized and timely deliverables more certain under more formal environments with strong leadership and management, and more organized and steady market links and customer service.

Local Leadership

In an emerging economy such as Mozambique, ensuring a sustainable craft value chain that has the capacity to grow and change in accordance with demand, involves not only the private sector but government and non-profit institutions. There is no existing Mozambican structure that addresses comprehensively the needs of the handcraft sector. ATA envisions interlocking institutions that will fill this gap in the future.

CEDARTE

ATA has played a very important role in the craft sector by offering relevant, practical, hands-on and market-related services that made a difference in the lives of hundreds of artisans. The difference between ATA support and ad hoc support given by others under the realm of supporting income generation activities is that ATA is "in" the market and therefore knows what the market demands (in terms of product, price, quality, production and service) and able to make relevant and appropriate market links that lead to long term business relationships. It is this understanding that current Maputo staff want to bring to a new local NGO, CEDARTE. ATA will support CEDARTE's development during Year 1, and continue to work in partnership going forward. During Year 1 CEDARTE will complete a 3-5 year strategic plan with mentoring support from ATA and industry professionals, and begin to cultivate donors and raise funds so that it develops a sound approach and foundation for its future work. CEDARTE's initial proposed approach is five-fold: export competitiveness, tourism competitiveness, market access, a strong networking and collaborating arm, and the management of the Technical Resource Center (TRC), a pilot for-profit arm of CEDARTE which will fill the gap in critical supplies needed by the sector and generate revenue for the NGO. These initial plans however will be reviewed and a formal plan will emerge during this first year of support from ATA. It is anticipated that CEDARTE will play a key leadership role within the craft council and the sector at large.

Craft Council

ATA and CEDARTE will encourage the formation of a craft council through the development and distribution of a *white paper* that outlines the need for such an institution and make suggestions as to the unique role it can play in serving the needs of artisans and craft-related enterprises in maximizing opportunities in both the export and tourist markets. The craft council would be a neutral body that might lobby, among other things, for policy changes at Parliament level that would improve the enabling environment that impacts the overall success of the sector - as it relates to both tourism and export related activities.

Educational Institutions and Private Sector Service Providers

Artisan enterprises need to constantly develop marketable product collections for a demanding market. The School of Visual Arts has a key role to play in this regard, and under PAED, ATA has begun to work more closely with the institution. ATA and the School are interested in working together to develop a product development and design curriculum that not only addresses

designing market-driven, handmade products but also the elements of business in design. ATA will also encourage business schools to use craft-related case studies in their course material; and through strategic presentations of the depth of the craft industry and its role in the market share, ATA will be able to promote the sector as worthy of investment, attracting emerging entrepreneurs that can facilitate the growth of artisan enterprises.

Goals & Objectives

Sustainability of the craft sector depends on: access to capital; an enabling infrastructure; locally inspired, demand-driven product innovation; year-round access to environmentally sound raw materials; engaged entrepreneurs (orientated toward the gift and home accessories market); excellent customer service; local ability to maintain and create new market links (buyer confidence); production capacity that meets demand; and a steady flow of skilled, business-oriented artisans (transfer of skills to younger generations). Over the next five years, ATA will shift from a “implementer” role to a “facilitator” role – removing itself as a direct business player between the producer and the buyer, empowering SMEs and service providers to work directly with micro-enterprises, thereby stimulating competition and self-reliance, and encouraging buyers’ confidence in ATA and indeed CEDARTE’s new role.

Overall Goal

To foster the development of a dynamic, self-reliant, market-driven craft sector-through both private and public sector support services-that readily develops and delivers competitive handmade products to both the tourist/local and international market.

Objectives

Objective 1: Support a local team of like-minded, dedicated individuals (previous ATA local staff) as they work toward legalizing the indigenous craft-related NGO CEDARTE, developing a strategic plan, determining its feasibility, and building professional skills, thereby maximizing their potential and capacity to support the short- and long-term needs of the artisan sector.

Objective 2: Determine the feasibility (and thus possible creation) of a for-profit Technical Resource Center (TRC), proposed to be owned and managed by CEDARTE, that fulfills key gaps in goods and services (warehousing, quality packing materials, wood supply, key quality materials and supplies, and tools and equipment rental) needed by the craft sector, while generating revenue for CEDARTE

Objective 3: To secure increased export sales and sustainable market links through concentrating support to SME level enterprises that assume a direct role of marketing and exporting products.

Objective 4: To build the competitiveness of micro-enterprises and increase local/tourist sales, through strategic, locally-inspired product development and diversification, sound costing and pricing, improved customer service, appropriate distribution strategies, and sustained links to key buyers (retail, hotel shops, interior designers, street vending, etc.) at tourist destinations.

Objective 5: To stimulate networking among and collaboration between private and public sector entities to ensure a healthy enabling environment, one that invigorates the craft sector through strategic collaboration within the tourism sector, increased export sales, improved infrastructure and policies, and sensitized and/or strengthened craft-related service providers, thereby maximizing the likelihood of success for the sector.

Objective 6: To strengthen and/or stimulate the creation of craft-related service providers (focusing on design services, but also orienting others to the craft sector: business plan developers, organizational development consultants, accounting and legal services, etc.) that serve artisans’ and exporters’ needs and ensure a competitive and sustainable craft value chain.

Objective 7: To develop a micro-credit fund oriented toward the craft sector and administered and managed by a respected micro-finance institution (such as GAPI) that will enable craft

entrepreneurs to finance production, expand their businesses and purchase critical tools & equipment.

Monitoring & Evaluation

This five-year program involves a diverse set of participants across and influencing the craft value chain, and each set of participants has different needs, interests, priorities, timelines and definitions of what success means. From the onset of the project, program participants will be asked to define their individual success goal, and individual achievement toward that success monitored and evaluated in accordance to definitions. Overall organizational goals will be evaluated according to an action learning approach that continually assesses and documents the initiative's actions, lessons learned and strategies utilized to overcome impediments to project success. This formative research process will outline clear paths for collection of data, analysis, and dissemination of the initiative's progress and findings to all major constituencies.

ATA and CEDARTE will meet formally twice yearly (as funding allows) to review successes and failures and agree upon next steps in the initiative's development. These continuous improvement methods will allow for immediate and agreed upon course corrections as challenges or obstacles present themselves. Quarterly reports will provide quantitative data about actions and events, but also will identify "best practices" in terms of building the export and tourism sectors, networking, and empowering local service providers to actively work within the sector.

A mid-term and final evaluation will be implemented. Some key sources of information for data collection may include:

- *Initial enterprise interviews* along with subset interviews and ongoing informal interviews through the life of the project will inform the base line information, contribute to effective monitoring of activities and progress made toward achieving results and enable changes to be made as needed to ensure project success.
- *Key buyer interviews*: a phone or email survey gathers client satisfaction, project ability to meet demand, and buyer plans to re-order on a systematic basis. This will be conducted on a yearly basis
- *Consultant reports*: Each consultant is required to submit a detailed report that includes: number and gender of artisan clients; daily log of activities; discussion of trip's success, obstacles and recommendations of next steps.
- *Trade show reports* a standard tool to share information on trade show results: After each show cycle, marketing staff compile a report detailing all marketing contacts, feedback from buyers/customers, total sales figures, and analysis of most successful products by units sold and dollar amount sold. This is used to refine the product development plan.
- *Monthly Field reports*: Information generally includes an update on support services.
- *Monthly SME/agent data collection*, a telephone-based survey with key program SMEs and agents, that includes sales performance and review of any program issues.
- *Annual tourist survey* conducted in coordination with the Ministry of Tourism.

Conclusion

This five-year strategic plan is dependent on ATA's ability to raise critical funds to implement the activities needed to meet the stated goal and objectives. It also assumes that CEDARTE's formation will be realized and its elected staff's commitment and experience will result in a strong leadership role for the sector and ensure internal capacity to continue to raise needed funds to keep the NGO operational over the long term. ATA also assumes that the strategy developed will remain valid as it works toward raising needed funds to completely implement the plan envisioned,

however it recognizes that changes within the sector and its players may take place that may influence ATA's envisioned plans. ATA will adjust its program and fundraising efforts in accordance with need as it moves forward.

ATA anticipates a total of US\$700,000 from the W.K. Kellogg Foundation and the Ford Foundation to cover Phase I activities from October 1, 2006 through November 30, 2007. Current activities planned to be implemented under this initial 14-month funding cycle are to be linked to the following objectives, which have been selectively chosen or developed from the above strategic plan based on the need to prioritize (with limited funds available under a very tight timeframe) and critical needs of the sector based on ATA's eight-year history of working in Mozambique and current buyer demand.

Phase I Objectives

Objective 1: Support a local team of like-minded, dedicated individuals (previous ATA local staff) as they work toward legalizing the indigenous craft-related NGO CEDARTE, developing a strategic plan, determining its feasibility, and building professional skills, thereby maximizing their potential and capacity to support the short- and long-term needs of the artisan sector.

Objective 2: Determine the feasibility (and thus possible creation) of a for-profit Technical Resource Center (TRC), proposed to be owned and managed by CEDARTE, that fulfills key gaps in goods and services (warehousing, quality packing materials, wood supply, key quality materials and supplies, and tools and equipment rental) needed by the craft sector, while generating revenue for CEDARTE

Objective 3: Maintain and grow current market links for the Mozambican craft sector, thereby securing increased export sales (which inevitably impacts local sales), through concentrated, tailored, on-the-job support to SME level enterprises that assume a direct role of marketing and exporting products

Objective 4: Enable craft entrepreneurs to finance production, expand their businesses and purchase critical tools and equipment through a small grant fund oriented toward craft exporters while networking with micro-finance institutions to ensure a demand-driven financial package for long-term access to capital.

ATA will continue to identify interested donors and anticipates securing the needed funds to enable a full-funded program to be implemented over the next five years in accordance with its strategic plan outlined in this document.



A FIVE-YEAR CONCEPT *for* AID TO ARTISANS
***in* SOUTH AFRICA**
MAXIMIZING OPPORTUNITIES FOR THE CRAFT INDUSTRY
June 2006

Since 1998, Aid to Artisans (ATA) has been working in Southern Africa under USAID's Washington-based Matching Grant Program, supporting and strengthening craft-related enterprises' capacity to successfully meet market demands. ATA's activities spread across Mozambique, Tanzania and South Africa; additionally, it reached out to artisans across the African continent by providing opportunities for established producers and exporters to experience and consider the South Africa market, gain valuable market information, and strengthen existing business skills. Building on the successes and lessons learned from ATA's program efforts to date and working with and through the Aid to Artisans South Africa Trust (ATASA Trust), ATA's forward-thinking five year plan for South Africa (October 2006 – September 2011) hinges on supporting local leadership and emerging entrepreneurs in their efforts to build a solid craft value chain, while serving as a resource for ATA's program efforts in Southern Africa and the continent at large.

Background

In South Africa, ATA has worked with three in-country partners (the BAT Shop, the Cape Craft and Design Institute and Phumani Paper) supporting 856 artisans and generating roughly US\$ 2.2 million in total sales. Through key partnerships, ATA provided design mentoring opportunities for six emerging designers and shared "lessons learned," enabling partners to improve programmatic activities and impact. Developing networks within the sector and strengthening capacities through participation in ATA's Market Readiness Program (MRP) training has led to a small, but significant pool of South African craft industry professionals who serve as designers, mentors or trainers for our Southern Africa program, and will continue to play a key role serving as mentors to emerging enterprises in the region.

Over four years, 82 artisans from around the African continent attended ATA's Africa Market Readiness Program (AMRP) training in Johannesburg. Through its presence at four SARCD (one of South Africa's major trade shows for the gift, decorative and home accessories market) exhibitions, ATA generated the equivalent of US\$214,755 in wholesale local sales. Trade show presence at SARCD was the catalyst for creating and expanding markets for artisans supported through ATA's regional program; indeed, it was a key contributor to increasing artisans' sales in Mozambique, with the highest level of export sales supported by ATA currently being generated by a single South African importer. With these two programs forming the cornerstone for ATA's support to the sector not only in South Africa but on the continent, and the project's increasing scope and reach in South Africa, in 2005 ATA registered the Aid to Artisans South Africa (ATASA) Trust.

As a subsidiary or extension of ATA, ATASA provides a key role in both representing and implementing ATA's program in South Africa as well as playing a critical role in serving as a training, market link and networking hub for ATA's programs and providing critical services to craft-related enterprises across Africa.

South Africa is fairly unique in Africa in that the craft sector has strong government and non-governmental agency support – support backed by considerable financial commitment. However, this is not evenly spread – tending to favour the large metropolitan areas – and the relevant skills of those charged with designing programs are limited. It also has a strong and sophisticated consumer culture that shows signs of continued growth, which provides good market opportunities for artisans on the continent. Many informal traders do flock to the markets in the large cities; however, accessing the formal, highly developed retail sector remains a challenge. European markets have still not been explored to their fullest potential and there is still considerable interest in products generated from the region that beg attention.

Against this backdrop, ATA sees its future role in South Africa as complimenting existing government and NGO efforts. Through enhancing the skills of local industry leaders, building the capacity of emerging entrepreneurs (emerging designers and business people from the historically disadvantaged communities), ATA can strengthen government and local leaders' capacity to address the needs of the private sector (craft-related enterprises) and increase its probability of success. Through providing a hands-on, practical learning approach using ATA's trade show presence and implementing field level activities in those provinces where government and NGO support has not been as strong, ATA will add value to the sector and fill important gaps in the short term, while building local leadership capacity to successfully guide the sector over the long term.

ATA's overall efforts aim to assist in the development and sustainability of a vigorous craft sector that strategically and proactively serves the tourist, local and export markets; and that has access to relevant and quality service providers and a supportive political environment.

Using the solid foundation laid by its work in Southern Africa to date, over the next five years ATA's work in South Africa will focus on:

- ◆ supporting local leaders (government, local NGOs, and private sector) in their efforts to strategically and successfully serve the craft industry;
- ◆ strengthening the capacity of emerging business entrepreneurs (designers and business people) to work directly with craft micro-enterprises,
- ◆ offering training and marketing services for artisans, exporters, and emerging designers on the continent through ATA's Africa Market Readiness Program and Market Link Program; and
- ◆ serving as a networking resource for ATA's program efforts on the continent, most specifically in Southern Africa.

ATA has estimated a total budget of US\$5.0 million for this five-year program.

Goal

The overall goal of the five year program is to foster the development of a dynamic, self-reliant, market-driven craft sector in that readily and successfully develops and delivers competitive handmade products to both the tourist/local and international markets through strengthening public and private sector's capacity to strategically serve and support the growth of the craft industry both in South Africa and on the continent.

Summary of Proposed Strategies to Achieve Goal and Objectives

Market Readiness Program (MRP)

ATA's MRP training (both in the US and in Africa) is a unique, hands-on learning experience designed to strengthen craft-related entrepreneurs' and service providers' (artisans, designers, exporters, and those that serve the craft industry-government ministries and NGOs) capacity to maximize success in the marketplace (be it tourist, local, international). The MRP's pioneering approach to participant learning, through market immersion and guidance by a large pool of industry professionals developed over the last 30 years, adds a unique value to other complimentary efforts undertaken by peer organizations in South Africa, and therefore there has been ongoing demand for the MRP trainings. Through the development of an Annual Scholarship Fund that enables key craft-related entrepreneurs and service providers (both public and private) participation in both the AMRP and MRP trainings, as well as the updating of relevant training materials, ATA will provide a critical service in building indigenous knowledge and awareness needed to both motivate and appropriately remove obstacles to sustainable development and growth.

Pilot Design Mentoring Program (DMP)

Conscious of the critical need for artisans to be able to offer constant, demand-driven product innovation to both maintain and create new market links and limited local design capacity at the enterprise and design service level, ATA will embark on a three-year *pilot* design mentoring program that will result in a small, but competent pool of emerging South African designers, an institutionalized approach to design mentoring throughout ATA-related programs in Africa and increased sales and market links for micro-enterprises in three underserved provinces in South Africa (Mpumalanga, North West and Limpopo). Product development in these three provinces will serve as the practical field work for the emerging designers enrolled in ATA's DMP. ATA will work with a team of four design experts (comprised of international and South African designers) to establish a core curriculum for the program, provide one-on-one design mentoring (both in the field and through digital dialogue) for program participants and immerse participants in the complete product development and design process, from market research and strategy development, to prototype and sample development, trade show participation and product fulfilment. The program will serve as a first step in stimulating the development of business relationships between producers, emerging designers and entrepreneurs, relationships which are vital to ensure a sustainable craft value chain.

Development of Emerging Business Entrepreneurs

To address the lack of craft-related business entrepreneurs from the previously disadvantaged sector, especially in the provision of services to artisans in the more remote and rural areas, ATA will work with locally based entrepreneurs to develop skills to manage businesses that provide critical services to micro enterprises in the craft industry (e.g. developing buyer relations, promoting and marketing products, providing market feedback and guiding product development). ATA will seek to identify suitable candidates in three priority provinces (Limpopo, North West and Mpumalanga) and provide critical training and mentoring needed to develop functional and trustworthy

relationships with producers, designers and buyers. This will provide cost effective service providers and create jobs in provincial locations.

Market Links

ATA will use its extensive market links and existing trade show presence in the US, European and South African markets to assist South African craft-related enterprises to build long-term buyer relations and increase sales. Working with ATA's Marketing Department, the program will continue to explore and develop alternative ways to improve access to markets. ATA in South Africa will build on its Johannesburg trade show presence at SARCEA and use its established networks to offer artisans, designers and craft entrepreneurs' throughout Africa access to the South African market. ATA will relocate to a larger office to allow space for showcasing ATA-related products from the region, providing a market link service for both buyers and producers (specifically a database of producer/buyer contacts that both can use to develop and build direct business relations).

Supporting Local Leadership

ATA recognizes that national/government strategies designed to support the craft sector will succeed only if those in the position to design and support such initiatives are well informed about the strengths and challenges of the craft sector, the demands of the marketplace (be it tourist, local or international) and the depth and kind of commitment needed by all to reach and/or maximize the probability of sustainable success along the craft value chain. As a means to maximizing efforts currently underway to grow the craft sector, ATA will work with the South African central government, provincial officials and craft-related local NGO's in a supportive role. ATA plans to support the Department of Trade and Industry's stakeholders' forum for the craft sector and strengthen its constituencies by conducting an annual presentation on global market trends (with focus on South Africa, US and European buyer demands). It would provide similar support to provincial level leaders in the three provinces in which ATA proposes to work. It will offer its active participation in relevant committees as a means of sharing lessons learned, and it will sponsor government leaders' participation in ATA's US-based Market Readiness Program, exchange between peers, and visits to ATA-related projects where lessons could be learned.

Networking and Informational Support to ATA Continent-Wide

Networks provide invaluable support to program efforts by bringing key players together on important issues. ATA will seek to use its existing knowledge, networks, and resources in this area to create opportunities for exchange between industry leaders and professionals, including both long distance and face-to-face sessions that generate practical, action-oriented results. In a more concrete way, ATA will maintain and expand its already existing database of South African designers (emerging and professional) and make this information accessible to its other programs on the continent. Additionally, in order to assist ATA's Africa programs to access business mentors, ATA's South Africa program will develop and maintain an accessible database of suitably qualified people.

South African Small Grants Program

ATA has been administering a Small Grants Program worldwide through the support of a volunteer committee that meets twice annually to review and award small grants to artisan groups. This small amount of demand-driven funding has enabled countless number of artisan groups to move one step forward toward realizing their business goals and dreams. In order to offer this demand-driven service to a larger number of South African craft-related enterprises, ATA will incorporate into its South African program a small grant program that provides essential tools & equipment, workshop improvements, or raw materials for product development testing to increase our reach across the sector and provide a missing gap in services or programs currently offered by peer organizations. Taking into consideration the spirit by which this program has been implemented at ATA from its home office, the South Africa Small Grants Program will be implemented by a volunteer committee comprised of South African and other African-based industry professionals.

Objective	Results
<p><u>Objective 1:</u> Develop and secure funding for an annual AMRP Scholarship Fund that ensures annual participation of artisans and other craft-related enterprises (at both the SME and micro-enterprise level) from around the continent as well as continued growth of the AMRP training materials and modules.</p>	<ol style="list-style-type: none"> 1) Annual AMRP scholarship fund in place 2) 250 artisans, exporters/business entrepreneurs, and emerging designers from South Africa (50%) and the region (50%) participate in ATA's AMRP training over 5 years, and better informed on craft-related business and marketing best practices
<p><u>Objective 2:</u> Pioneer a successful Design Mentoring Program(DMP), over a three-year pilot program, that:</p> <p>a) develops a competent pool of emerging designers in South Africa which in turn provides critical design services to the craft sector, specifically for Limpopo, North West and Mpumulanga provinces (three provinces currently under-served by national efforts);</p> <p>b) becomes institutionalized in ATA's program activities on the Continent; and</p> <p>c) informs designer-focused training programs among local institutions in key geographical positions.</p>	<ol style="list-style-type: none"> 1) 9 emerging South African designers trained through the DMP, resulting in a minimum of 6 competent young designers available to the craft industry 2) 9 emerging designers attend AMRP training 3) 6 emerging designers attend ATA's US-based MRP training 4) 18 micro enterprises in Limpopo, North West and Mpumulanga provinces increase market opportunities and sales by 50% 5) Incorporated into ATA's continent-wide program activities, specifically in coordination with ATA's program in Mozambique 6) used as a guide for curriculum development in at least 3 training institutions on the Continent (by Year 5)
<p><u>Objective 3:</u> Identify, support and invest in emerging business entrepreneurs (exporters, marketing agents, distributors) from the previously disadvantaged sector in South Africa to take on key roles in the provision of services to the craft sector through development of marketable products and the promotion and management of market opportunities for producer groups. <i>This objective is closely linked to Objectives 2 & 4.</i></p>	<ol style="list-style-type: none"> 1) 6 business entrepreneurs trained and capable of serving as agents/exporters for craft -related micro-producers, specifically for Limpopo, North West and Mpumulanga provinces 2) 6 business entrepreneurs attend AMRP training 3) 4 business entrepreneurs attend ATA's US-based MRP training 4) 6 provincial business training conducted over 2 years in 3 provinces with 54 artisans (18 per province) trained
<p><u>Objective 4:</u> Support the development of market links and increased sales for ATA-related craft enterprises from Africa (fee based), and specifically for South African enterprises linked through the DMP through trade show participation in South Africa, while providing international (US and Europe) market link support for South African producers/exporters as appropriate.</p>	<ol style="list-style-type: none"> 1) Artisan/Exporter participation in a minimum of 10 trade shows over 5 years (at least 2 per year), in either South Africa, the US and/or Europe 2) ATASA Trust showroom developed and used as a means to stimulating buyer/producer business links 3) Buyer roundtables at AMRP and MRP

Objective	Results
Support ongoing market networking for ATA-related craft enterprises in South Africa and the region.	<p>trainings used as a tool to create market links for market-ready enterprises</p> <p>4) Provide trade show participation and market link service (for a fee) to other ATA-related artisans on the Continent</p>
Objective 5: Provide tailored support to local leaders (government and NGO's) as a means to strengthening their capacity to serve the craft sector by incorporating practical, time-tested strategies and lessons learned from other industry players within the region and beyond.	<p>1) 10 government practitioners participate in ATA's US-based MRP training</p> <p>2) 60 government practitioners from the craft industry participate in 4 annual marketing seminars conducted in Gauteng, Limpopo, North West and Mpumulanga provinces</p> <p>3) 5 government craft-related practitioners linked to or participate in peer exchange program</p>
Objective 6: Provide networking support among South African craft industry players, which contributes to ATA's Southern Africa programmatic efforts, and serve as a key resource for ATA in sourcing South African designers and business mentors for its programs on the continent.	<p>1) ATA's African programs using ATASA Trust's network to identify and contract key services</p> <p>2) Key leaders in the sector identified, members of ATA's regional network and participate in regional industry-specific exchanges/seminars</p> <p>3) ATASA Trust's database of South African retailers, importers, emerging and professional designers and business mentors established and showing "membership" increase of up to 5% annually</p>
Objective 7: Create a demand-driven service through the development and implementation of a ATASA Small Grants program that assists artisans to overcome production capacity challenges (i.e. appropriate, high quality tools/equipment, improvements in work space, and experiential learning with new raw materials, etc.).	<p>1) Annual \$40K Small Grants Fund established (\$200K over 5 years)</p> <p>2) Volunteer Committee established and implementing small grant fund</p> <p>3) 100 (20 per year) small grants awarded, ranging from \$500-\$2000 per enterprise</p>

Management & Operations

Management Strategy

In order to achieve the goals of the new strategy, ATA will expand its current team in South Africa from a Director and Program Coordinator assisted by a part time Bookkeeper, to include a full time Finance and Administrative Officer (replacing the Bookkeeper), Marketing Manager and Training Coordinator. It will also hire, part-time, an Administrative Assistant to support a volunteer Small Grants Committee, who will twice yearly administer the collection of grant applications, organize committee meetings and correspond as needed to grant applicants during the bi-annual grant giving cycle. ATA and ATASA will make every effort to recruit and employ professionals from the

previously economically disadvantaged sector to fulfil its management structure in South Africa. The ATASA office will draw extensively on the support of its US based staff as well as ATA's Regional Representative. Consultants with specialised field, design, business and training knowledge will be hired as necessary to achieve project goals. To accommodate this new structure and expanded programmatic activities, ATASA will relocate to a larger office space, which will also serve to increase accessibility to and visibility of ATA/ATASA.

Fundraising Strategy

Based on lessons learned, institutional reflection, and feedback from those with whom ATA serves, ATA's proposed programmatic approach for its work over the next five years addresses both South African and regional needs of the craft industry. ATA seeks donors (both public and private) whose institutional goals not only *fit* ATA's but will be furthered by investing in ATA's program initiatives. ATA hopes that this new five-year program will gain support from funders who have supported ATA's South African program in the past and have shown interest in continuing to support and invest in the craft sector and in particular, ATA's expertise.

Monitoring & Evaluation

A limited number of simple, meaningful indicators (based on ATA's 30 years of lessons learned in the field of craft enterprise development) that can be adjusted as necessary during the course of the project defines ATA's overall "monitoring and evaluating for success" approach.

This five-year program involves diverse participants across the craft value chain. Each set of participants has different needs, interests, priorities, timelines and definitions of what success means. At the outset, program participants will be asked to define their individual success goals. Individual achievements towards that success will be monitored and evaluated in accordance with those definitions. Both indigenous and organisational goals will be evaluated according to an action learning approach that continually assesses and documents the initiative's actions, lessons learned and strategies used to overcome impediments to project success. This formative research process will outline clear paths for collection of data, self-reflection, analysis, and dissemination of the initiative's progress and findings to all major constituencies.

ATA and the ATASA Trust staff will meet formally twice yearly to review successes and failures and agree upon next steps in the initiative's development. These continuous improvement methods will allow for immediate and agreed upon course corrections as challenges or obstacles present themselves. Quarterly reports will provide quantitative data about actions and events, but also will identify "best practices" in terms of building buyer relations, supporting leaders, networking, and empowering local service providers to work actively within the sector.

A mid-term and final evaluation will be implemented. Some key sources of information for data collection may include:

- *Enterprise interviews (artisans, emerging entrepreneurs and designers)* along with subset interviews and ongoing informal interviews through the life of the project will inform the base line information, contribute to effective monitoring of activities and progress made toward achieving results and enable changes to be made as needed to ensure project success.
- *Key buyer interviews:* a phone or email survey gathers client satisfaction, project ability to meet demand, and buyer plans to re-order on a systematic basis. This will be conducted on a yearly basis
- *Key Stakeholder Interviews:* interviews with program participants such as government officials, local leaders and partners to gather client satisfaction and lessons learned
- *Consultant reports and debriefings:* Each consultant is required to submit a detailed report that includes: number and gender of artisan clients; daily log of activities; discussion of trip's success, obstacles and recommendations of next steps.
- *Trade show reports* a standard tool to share information on trade show results: After each show cycle, marketing staff compile a report detailing all marketing contacts, feedback from buyers/customers, total sales figures, and analysis of most successful products by units sold and dollar amount sold. This is used to refine the product development plan.
- *Monthly Field reports:* Information generally includes an update on support services.
- *Monthly SME/agent data collection,* a telephone-based survey with key program SMEs and agents, which includes sales performance and review of any program issues.

Design Excellence

SARCDA CHRISTMAS 2006



CREATIVE • STYLISH • CONTEMPORARY • QUALITY • EXTRAORDINARY

This is to certify that

Aid to Artisans

has been awarded the

Gold Award

for stand excellence
at SARCDA Christmas 2006

Rina Fortmann
Executive Director



aid to artisans'
AFRICA MARKET READINESS PROGRAM [AMRP]
for Micro Enterprises

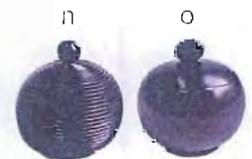
at the August 2006
SARCD A GIFT, TOY & DÉCOR TRADE EXHIBITION

NOTE: There will be a brief introductory/informational meeting in the lobby of the hotel for trainees on the evening of Tuesday, August 22, at 6:30pm. Please be prepared to come as we are anxious to meet you all!

WEDNESDAY August 23		THURSDAY August 24		FRIDAY August 25		SATURDAY August 26	
8:00	Leave Hotel	8:30	Leave Hotel	8:00	Leave Hotel	8:15	Leave Hotel
8:45	WELCOME * ATA Presentation * Icebreaker, Review of Objectives and Overview of Program & Expectations Lorraine Johnson, Aid to Artisans' Regional Representative for Africa and Course Facilitator, John Anthony Boerma	9:00	SHOP TOURS Includes Art Africa, Kim Sacks Gallery, Loads of Living, Life, Design Quarter and others Facilitator: John Anthony Boerma	8:30	TRADE SHOW What to look for in a trade show Review of show rules and etiquette Facilitators: John Anthony Boerma	9:00	TOUR OF PRODUCTION BUSINESS Fragments: Hot Glass & Jet Machining Center Guided Tour: Matthew Hayden
10:00	- BREAK -			9:00	TOUR OF SARCD A Depart for exhibition	11:30	- BREAK -
10:15	TRENDS A visual overview of the current trends in color, design, and themes in the global and South African market Facilitator: John Anthony Boerma Presenter of US trends: Lorale Liphuka Presenter of SA trends: John Anthony Boerma	13:00	LUNCH	11:00	- BREAK -	11:45	MERCHANDIZING AND DISPLAYING YOUR PRODUCTS Facilitator and Trainer: John Anthony Boerma
12:00	LUNCH	14:00	FEEDBACK on store tours	11:15	FEEDBACK on SARCD A tour	13:30	LUNCH
13:00	PRODUCT DEVELOPMENT The importance of new product development, characteristics of a product line, sources for inspiration, the product development cycle for exhibition, and sales Facilitator and Trainer: John Anthony Boerma	14:15	COSTING & PRICING As part of the product development process Facilitator and Trainer: Lorraine Johnson	11:30	EXPORTING Understanding the Process, Expectations and Variables of Exporting Facilitator: JAB Presenter: Binky Newman & Guidemore Chigama	14:30	WRAP-UP Includes BOLD Steps (Action Plans) Facilitator:
14:00	PRODUCT REVIEW a review in small groups of the participants' product samples based on: uniqueness, product line development, consistency and quality, price, and value added Facilitator: John Anthony Boerma Product Developers: Maureen Waldeck, Laurette van Zyl and Margaret Woermann,	15:45	- BREAK -	13:00	LUNCH	16:00	Evaluation of ATA AMRP training
15:15	BREAK-	16:00	Continue with Costing and Pricing; Review of Catalogs and Magazines [as time permits] Walk show	13:45	BUILDING BUYER RELATIONSHIPS Understanding buyer expectations and developing strategic alliances Facilitator: LJ Panel: Des Armstrong Laurence Brick Margaret Robertson	16:30	Closing and Distribution of Certificates
15:30	PRODUCT REVIEW Continues	17:00	Mini-Bus leaves Midrand EVENING GATHERING at Frances Potter's home	14:45	- BREAK -		
				15:00 - 17:00	PROMOTING YOUR PRODUCT Identifying and Approaching Buyers INCLUDES a practical application of developing hangtags as a promotional material Facilitator: John Anthony Boerma Trainer: Clementina van der Walt		
17:30	Mini-Bus Leaves for Hotel			17:15	Mini-Bus Leaves for Hotel	17:00	Mini-Bus Leaves for Hotel

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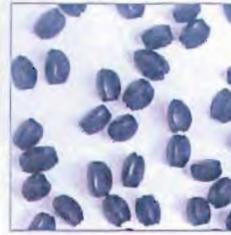
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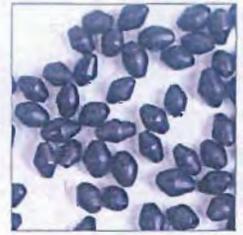
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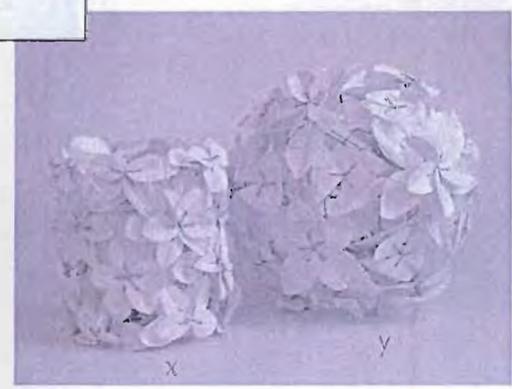
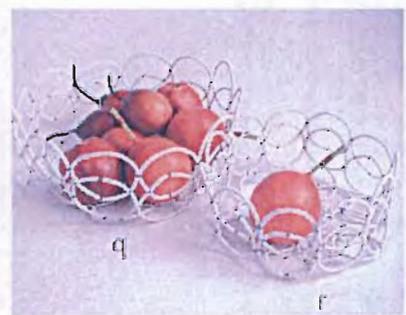
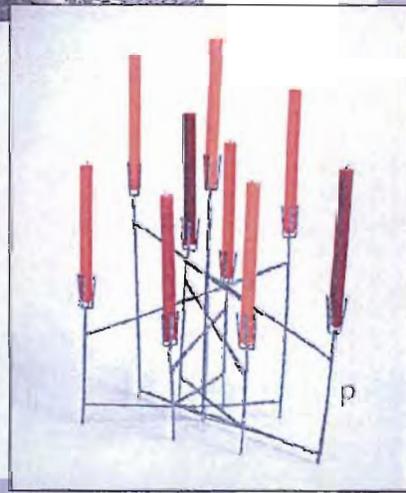
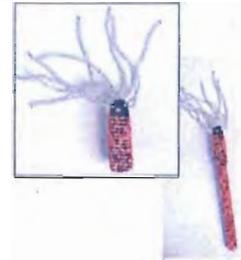
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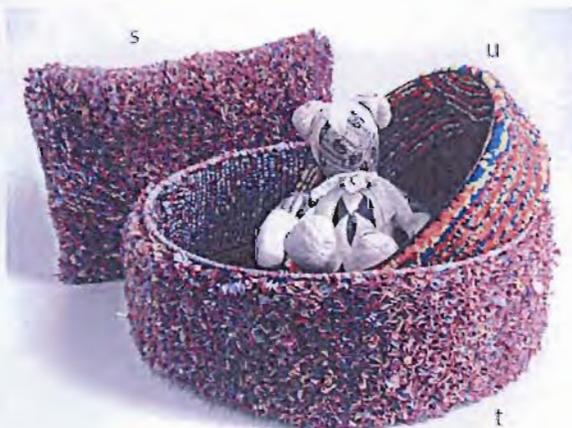
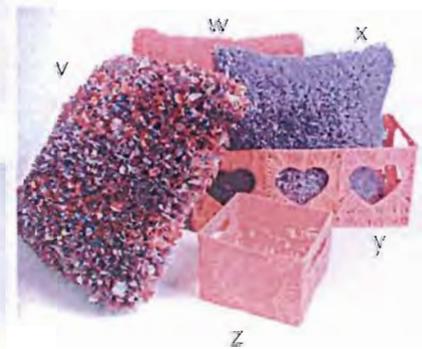
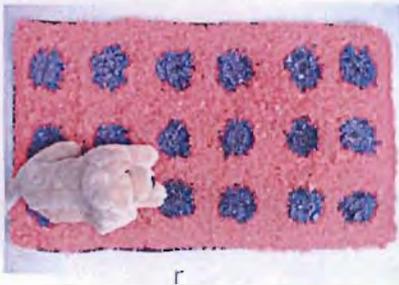
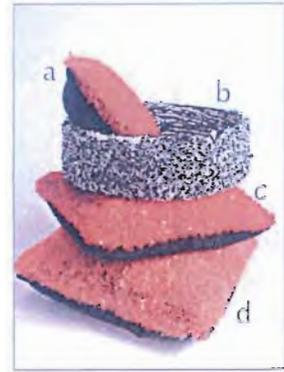
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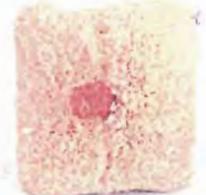
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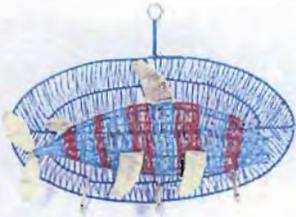
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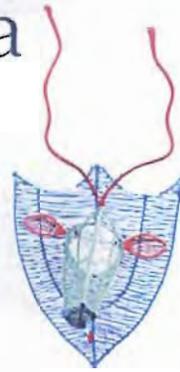
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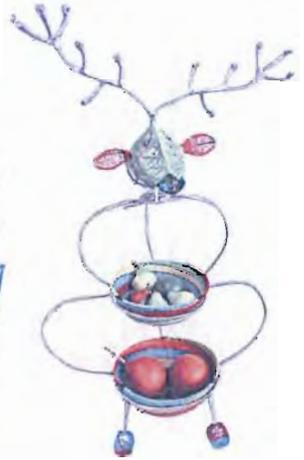
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MEMORANDUM OF UNDERSTANDING

Between

Adi to Artisans South Africa Trust

And

Phumani Paper

This Memorandum of Understanding (hereinafter "Agreement") and its Attachment 1: "Financial and Project Plan" are entered into by and between Phumani Paper, Doornfontein, Johannesburg, and Aid to Artisans South Africa Trust (hereinafter "ATASA"), 15 Northwold Drive, Saxonwold, Johannesburg.

WHEREAS, ATASA is a subsidiary of Aid to Artisans, Inc (hereinafter "ATA") with its corporate headquarters at 331 Wethersfield Avenue, Hartford, CT 06411, USA, is a non-profit organization with global programs, that seeks to improve the livelihoods of artisans worldwide,

WHEREAS, the Phumani Paper is a Section 21 non-profit organisation with paper making subsidiaries and programmes throughout South Africa that seeks to improve the livelihoods of the groups associated with it specifically through paper-making,

WHEREAS, ATASA recognizes Phumani Paper's strong relationships and effective work in the paper making sector and wishes to join efforts to further ensure the development of market ready products and sustainable craft enterprises specifically with the Khomanani Paper Art group at Elim and the Lebone Group in Mokopane (previously Potgietersrus), in Limpopo Province,

WHEREAS, Phumani Paper recognizes ATA's effective track record training artisans and promoting crafts in the US, European, and South African markets, and wishes to join efforts with ATASA to further market products and home wear accessories made from paper,

WHEREAS ATA has received a grant (HFP-A-00-01-00023-00), Pan-African Artisan Enterprise Development (PAED), from the US Agency for International Development (USAID) for the purpose of increasing the competitiveness of African artisan enterprises. Implementation of this grant requires the signing of this subordinate Agreement between ATA and the Phumani Paper. In keeping with the terms of the grant between ATA and USAID, USAID's standard provisions that apply to ATA are hereby incorporated and made party of this sub-agreement. ATA has separate funding from the Ford Foundation for this collaboration with Phumani Paper.

AND WHEREAS ATASA and Phumani Paper wish to define their mutual rights and obligations in connection with ATASA's partnering relationship with Phumani Paper.

IT IS MUTALLY AGREED THAT:

1. Project Implementation

Phumani Paper's offices will be the base of operations for the joint project.

During the life of the PAED project (ending September 2006), ATASA will offer Phumani Paper and its subsidiary associated artisan enterprises:

- 1.1 **Market - Driven Product Development and Design Workshops:** The artisan enterprises identified by Phumani Paper viz., Khomanani and Lebone will participate in design workshops. Members of ATASA staff and consultants will work hand in hand with the artisans/artisan enterprises to develop and improve the marketability and quality of their products. Products will be merchandised by ATASA's marketing team prior to participation in any ATASA-related marketing activities.
- 1.2 **Identification of a designer:** ATASA will identify two or more South African based designers whom it will propose to Phumani to work with the artisan enterprises.
- 1.3 **Craft Business Training:** Trainings will be offered in topics such as costing/pricing, production techniques, quality control, packaging, exporting,

customer service and craft business management. Trainings will be conducted by ATASA consultants and staff.

- 1.4 **Market-link:** ATASA will subsidise exhibition space at a local Gift Fair (SARCON's Christmas trade show in August 2006) to show products developed during in the workshops referred to in 1.1 above.

During the PAED project, Phumani Paper will provide the following assistance to ATASA:

- 1.5 **Coordination:** Phumani Paper will advise on activities, people and institutions and will coordinate day-to-day activities.
- 1.6 **Identification:** Phumani Paper will assist ATASA in identifying artisan producers, if they are not the two already mentioned above and assessing their businesses as well as in assisting with the choice of a suitable South African based designer to work with the groups.
- 1.7 **Monitoring and Evaluation Efforts:** Phumani Paper will share business information such as monthly sales figures and buyer contacts to help ATASA monitor and evaluate the intervention. This information will be treated confidentially.
- 1.8 **Information sharing:** Phumani Paper will share other relevant information ATASA might need to develop this craft product development and training program and measure accomplishments of the project.
- 1.9 **Financial Understanding:** Phumani Paper and ATA will provide financial support for key activities as outlined in Attachment #1 "Financial and Project Plan." This support will be a combination of cash and in-kind donations.
- 1.10 **Intellectual Property:** Nothing contained in this Agreement shall be construed to imply the transfer of any interest in trademarks, copyright and other intellectual property rights. The copyright in the written and other teaching and learning materials shall be retained by whichever organization creates it in connection with its involvement carrying out of the program activities.

2. Non Solicitation Agreement

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

3. Use of Proprietary Information

- 3.1 The parties anticipate that in order to perform this Agreement, it may be necessary for either party to transfer to the other information of a proprietary nature. All information is determined to be proprietary whether or not identified or labelled as such unless such information is already available to the public by no action of the information recipient. All individuals who shall receive proprietary information shall be bound by the same obligation to proprietary information.
- 3.2 Each of the parties agrees that it will use reasonable efforts to protect the proprietary information of the other party. Disclosure of such information shall be restricted to those individuals who are participating in the project efforts identified herein.
- 3.3 The provisions under this heading shall survive any Agreement termination for twenty-four months (2 years).

4. Restrictions

- 4.1 This Agreement shall relate only to the PAED project and to no other effort being currently undertaken by the parties jointly or separately.
- 4.2 This Agreement may not be assigned or otherwise transferred to a party.
- 4.3 This Agreement shall not preclude either party from bidding or contracting independently from the other on any other Funding Agency or industry program. Neither party can use the other party's name for the purpose of obtaining funding without written permission of the other.

5. Duration of the Agreement

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

- 5.1 By mutual agreement of both parties in writing.
- 5.2 Any significant change in the financial capability of either party which, in the opinion of the other party, seriously affects the party's ability to fulfil its responsibilities under this Agreement.
- 5.3 Termination of grant, or grants by the Donor. ATASA may unilaterally terminate this Agreement in whole or in part if the Donor exercises its termination rights in accordance with the provisions of the referenced grant.

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

Phumani Paper

Aid to Artisans South Africa Trust

Signature and Title

Signature and Title

Date

Date

Attachment 1: Financial and Project Plan

The proposed collaboration between ATASA and Phumani Paper aims to take two producer groups/enterprises from previously disadvantaged backgrounds, through an integrated product development, capacity building and market linkages programme that result in:

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

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

1. Assessment of marketability of product offerings and suggestions for improvements
2. Implementation of a design & product development programme
3. Development and delivery of samples for tradeshow
4. Business leader from producer groups/enterprises to attend Africa Market Readiness Program Training
5. Guidance with the fulfilment of orders

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

1. Producer assessments and product merchandising
2. Training of producer group leaders at the ATASA Market Readiness program
3. Tailored product development, merchandising sessions and training
4. Test marketing product collections in a local trade show (SARCDA – Johannesburg)

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

Activity 1: Producer Identification and Preparation

Activity purpose: An initial 2 producer groups have been identified for the program.

Phumani Paper's role

- Assist with providing accurate outlines of the producer groups and send with available promotional materials and photographs for each business to ATASA.
- Review CV's of designers submitted by ATASA

ATASA's role

- Review profiles, digital images, and pricing of products
- Identify suitable South African designers and submit to Phumani Paper

Timeframe

November 2005 to January 2006

Activity 2: Product development & design

Activity purpose: to engage in an integrated design and product development process with the identified producer groups with a view to getting samples ready for the trade show. Firstly this process will involve co-ordination with Phumani Paper to assess market needs and market research out of which an outline of the products to be developed will be drawn up. Product development must take into account two areas; the local tourist market and the market for homeware accessories. It must also ensure that the producer groups have necessary systems and processes in place to meet orders.

The process *may* also involve a young designer/s to ensure continuity and skills/experience transfer and for this will draw on Phumani's existing design interns.

Phumani Paper's role

- Work with producers, ATASA staff and design consultants for production of lines to be produced
- Assist with arrangements of logistics for ATASA staff and design consultants – local transport, translation, hotel, etc.
- Assist young designers follow up on prototype development with the different groups
- Assist in creating product and price-sheets for product lines in collaboration with ATASA (Phumani has templates for this purpose)

- Provide follow-up communication and facilitation for the design consultant with the groups (if they are not able to email or communicate directly)

ATASA's role

- Work with producers, Phumani Paper staff and design consultants for production of lines to be produced
- In collaboration with Phumani Paper, identify SA-based designers one of whom will be chosen as the design consultant
- Prepare the consultant for assignment; provide product development direction for consultant (based on target market discussions, capacities, etc.)
- Send preliminary designs for review by producers and Phumani Paper
- Arrange travel schedule and insurance and implement consultancy. The consultant will work one-on-one with businesses in an informal way to better understand their production process and development of new prototypes, expanding on available resources
- Share the consultant's report and provide marketing suggestions following the consultancy (by May)

Timeframe

January through to mid February 2006 work on market research and outline of samples to be developed

27th February through to 11th March 2006 field workshops with the artisan enterprises

Budget

ATA	PHUMANI PAPER / producers
Consultant salary, insurance and travel	Local transport for producers
Projects and Marketing staff time	Staff time
Communication	Communication
Local hotel, per diems and	

materials/supplies (for consultants) Costs associated with the young designers mentored by the consultant which excludes salary but includes per diem and travel expenses Materials for product development and cost of samples Samples (1 counter set x up to 12 products with 3 samples per product) Shipping of samples to Johannesburg for the trade show)	
--	--

Notes: there are no funds for daily stipends to be paid to the individuals participating in the workshops

Activity 3: Skills training & Capacity Building

Activity purpose: to develop the market readiness skills of two key business leaders from within the 2 participating producer groups by attendance at the AMRP training in Johannesburg. This training in fact took place in August 2005.

Phumani Paper’s role

- Identify craft producer/vendor participants appropriate for ATASA’s AMRP
- Distribute and collect AMRP application by deadlines
- Outline participants’ training needs and provide suggestions for specific topics that should be covered in the program

ATASA’s role

- Prepare and distribute AMRP application
- Coordinate training logistics (location, training staff, site visits, etc.)
- Provide written orientation to the program
- Prepare training materials

- Process training evaluations

Timeframe

n/a

Budget

ATA SA	PHUMANI PAPER
Training fees	Staff time
Per diem expenses,	Communication
Training venue rental	Regional transport
Group travel	
Training materials	
Projects and Marketing staff time	
Communication	

Activity 4: Trade Show Marketing (*linked to Activity 2: Product design & development & Activity 3: Skills Training and Capacity building*)

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

Phumani Paper role

- Trade show sample purchase order will be given to Phumani Paper for submission to the producer groups. Phumani Paper is to send trade show samples upon ATASA's request.
- Follow up with producers on proper production of three sets of samples
- Assist in monitoring quality of packing and shipping to ATASA

- Provide a sales person to represent and take orders on behalf of Phumani Paper on the ATASA booth at the trade show
- Monitor production of trade show orders, ensuring quality and timeliness

ATA role

- Submit Sample Purchase Order for products selected for exhibition by June 2006.
- Review samples and document quality of sample delivery
- Produce ATASA price-sheets
- Exhibit several selected lines for test marketing at SARCDA or another similar trade show
- Deliver PO on orders taken to Phumani Paper
- Report on order fulfilment

Timeframe

June through September 2006

Budget

<p>ATA</p> <p>Projects and Marketing staff time</p> <p>Booth space, signage, materials</p> <p>printing, printing of price sheets, drayage</p> <p>Sample production (labour and materials)</p> <p>Shipping costs to Johannesburg</p> <p>Communication</p>	<p>PHUMANI PAPER / Producer groups</p> <p>Staff time including sales person on booth</p> <p>Communication</p>
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Aid to Artisans' Key Buyer Interview

Project Name:	PAED
Date of Interview:	9 June 06
Interview Topic:	Mozambique
Company Interviewed:	AS'ART
Individual Interviewed:	Jean-Paul Merlin
Interviewer:	Self

Purpose of the Interview:

ATA's goal is to link maker to market as described in its mission statement. ATA seeks to do so by continually learning and improving. This interview seeks to collect crucial data from the project's buyers. ATA wants to identify what worked, what did not work and what can be done to improve overall business effectiveness so that on-going improvements can be made. All sales information is combined and reported collectively by project so that the sales information provided through this interview remains confidential.

Questions for the Interview:

- 1) Did you place any orders in the last six months? Yes
- 2) What was the value of those order in US\$ at FOB? US\$3,750.00
- 3) How many shipments have you received in the last six months? 1
- 4) What was the value of those shipments in US\$ at FOB? US\$2,250.00
- 5) Do you intend to re-order? Yes
- 6) How many products/product lines are you carrying from this enterprise? Approximately 60 to 70 references
- 7) What products/product lines are they? Sculptures from Mabanda, boxes from Chamania, salad servers from Annihoova and Caliptum, vases from Kutoma
- 8) Did you do the designs of these products/product lines? No
- 9) What do you observe to be the major strength/weakness of this enterprise? Major strengths: quality of the woods, talent of the carvers / turners. Major weakness: seems not to make so much difference between customers (old vs new, small vs big, retail vs wholesale).
- 10) What do you see as the biggest challenges to this enterprise's products in the market?
 1. Relationship with customers clarified (eg prices higher for retail than for wholesale, stopping selling products to new customers when the production capacity for these products gets saturated (not showing them at fairs...))
 2. Better management of the production capacity (priority to be given to regular customers, not to one-shot orders)
 3. More designs and more modern designs: other materials (metal, glass, etc.) could be combined with wood, small pieces of furniture could be a new development.
- 11) On a scale of 1-10, with 10 being completely satisfied and 1 being completely unsatisfied, how satisfied are you with the orders overall?

Rating	
7	Quantity of communication
7	Quality of communication
7	Timeliness of communication

7	Packaging
6	Packing
6	Timeliness of order
7	Quality control
9	Breakage
7	Design
	Other
7	Overall satisfaction (or average of the above)

(*This last number is essential to the interview and must not be left blank.)

REVAMP ISSUE 2006 SOUTH AFRICA

ELLE DECORATION

STYLISH SOLUTIONS
TO WASTED SPACES
CHAIRS SLIP INTO
SOMETHING MORE
COMFORTABLE
THE SECRET SIDE OF
5 FABULOUS CITIES



CCDI
Feeling African
wine tables
← →

N°41
R28.95 (incl. VAT)
OTHER COUNTRIES
R25.39 (EXCL. TAXES)



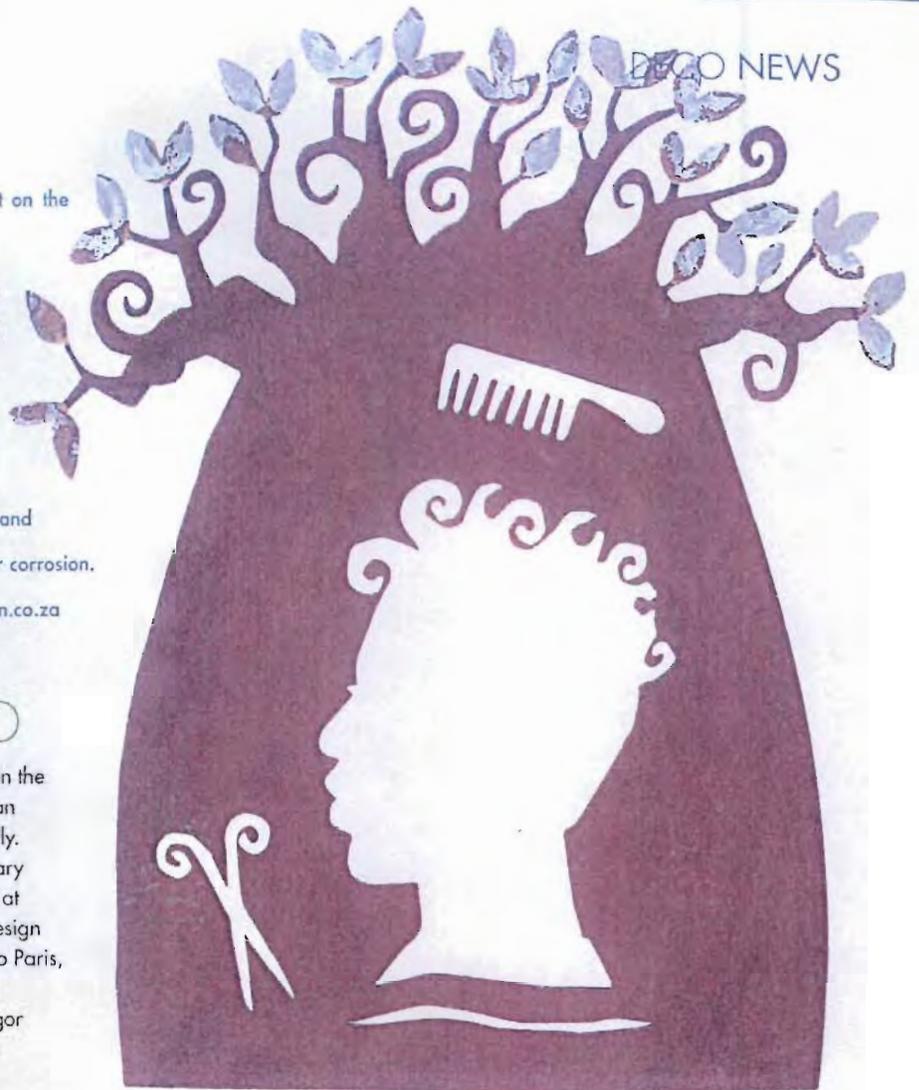
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ISSUE

OVER 100 WAYS TO REDESIGN
REINVENT AND RESTORE

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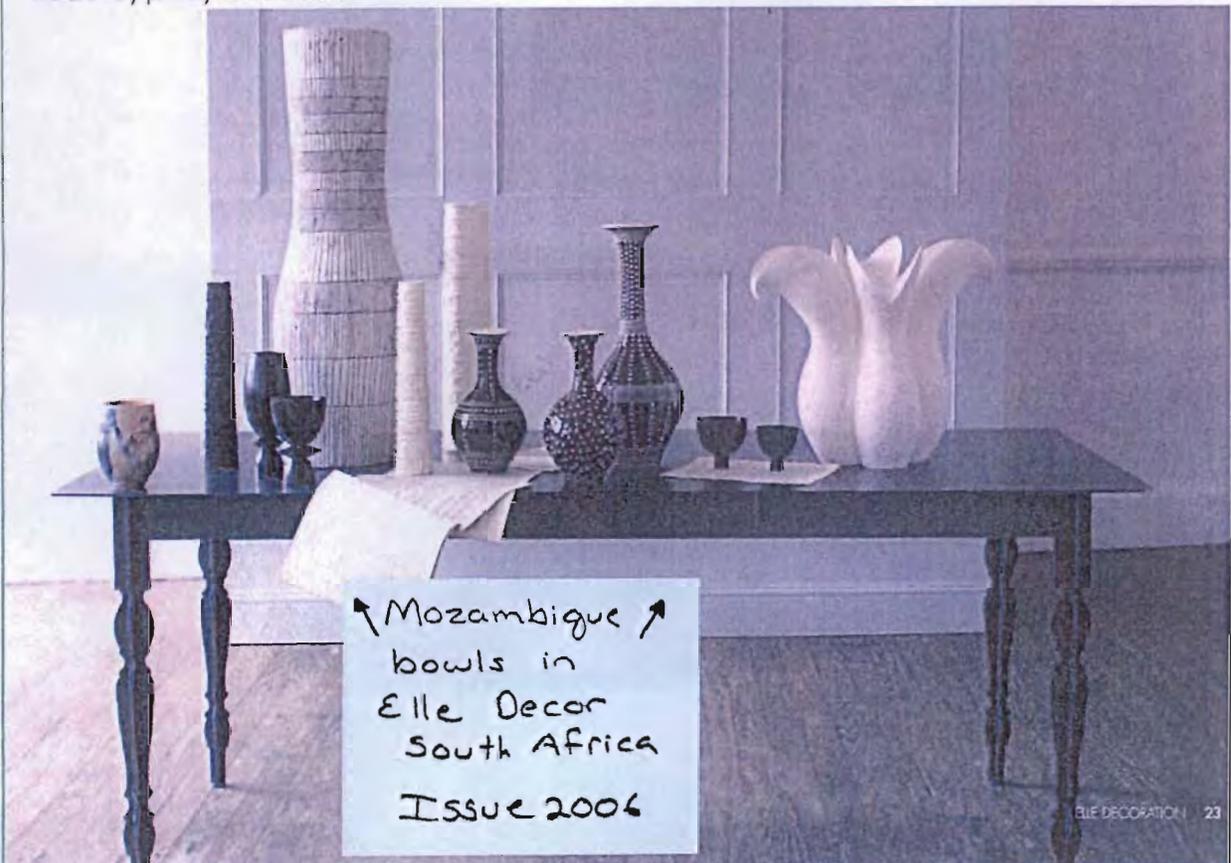
A CUT ABOVE

This mirror from TinTown is a playful twist on the traditional North African barbershop signs and reveals its African roots in the form of a baobab tree. Both sophisticated and slightly silly, it proves its mettle with an intricate pattern that gives a delightfully soft look to the metal surface. The mirror is cut from mild steel, rusted using iron and copper paints and sealed to prevent further corrosion. Call ☎ (021) 426 2226 or visit www.tintown.co.za



AFRICA ABROAD

Local design went global late last year in the largest selling exhibition of South African contemporary design held internationally. 'From Maputo to Melville - Contemporary Design from Southern Africa' launched at The Conran Shop during the London Design Festival in September, before heading to Paris, New York and Tokyo. Among the most popular products was furniture by Gregor Jenkins, ceramics by Shirley Fintz, and jewellery by Marchand van Tonder. We are very proudly South African!



↖ Mozambique ↗
bowls in
Elle Decor
South Africa
Issue 2006

CCDI
Silicone bowl
in Elle Decor
South Africa
Issue 2006

VINYL PLASTIC

Standing lamp R882, Luminaire. Window drape barrier netting R45 per metre, Cape Twines and Packaging. Mattress covered in 'Alistrop' (colour Cream) from the Beach Hut 22 range R822 per metre, Tessa Sonik. Cushions covered in 'Tekno' (colours White, Black and Red) R370 per metre, Halogen International. Transparent PVC cushions R150 each, Neville van Eeden. Hanging ball light R250, Luminaire. Slotted cut-out side table R2 450, Mila. Silicone vase R750, Lim. Butterfly chair frame made to order from R800, Gawaine Zeeman or Rob Weinek. Slipcover 80 percent shadedcloth R44, Cape Twines and Packaging. Slipcover made to order R300 excluding shadedcloth, Slipcovers. Osorom radial bench by Moraso R10 492, Twice International. Soffline jet chair suggested retail price R3 078, call ID Solutions for stockists. Slotted cut-out coffee table R2 450, Mila. Silicone bowl R499, Lim. Vera woven mat R2 900, Lindeberg

← CC DI
Silicone vase
in Elle Decor
South Africa
Issue 2006

COLOUR

'London' oil-on-canvas by Elmarie Lategan, R2 500. Day bed mattress covered in 'Seduction' (colour turquoise) from the Luxe Velvet Collection R518 per metre, Home Fabrics. Velvet cushions from R109, Loads of Living. Stripey cushions covered in 'Stripes' (colour Crystal 1) from Beach Hut 22 R804 per metre, Tessa Sanik. Lamp stand R1 100 and shade R895, both Luminaire. Feeling African wire table (small) recommended retail price R1 059, for retail outlets call Shaïda Hendriks. Tivoli Pal radio R1 695, Limeline or Chemisty. Can lamp R4 100, Lindeberg. Floor cushion covered in 'Jute' (colour Lime) by Anne Cole R280 per metre, James Russel Agencies. Butterfly chair frame made to order from R800, Gawaine Zeeman or Rob Weinek. Cover in 'Jute' (colour Aubergine) by Anne Cole R280 per metre, James Russel Agencies. Slipcover made to order R300 excluding shadecloth, Slipcovers. Spider Africa crochet scarves R590 each, Africa Nova. Feeling African wire table (large) recommended retail price R1 370, for retail outlets call Shaïda Hendriks. Glass underplates R69 each, Home etc. Shaggy carpet R6 120, M.P. Rug Company

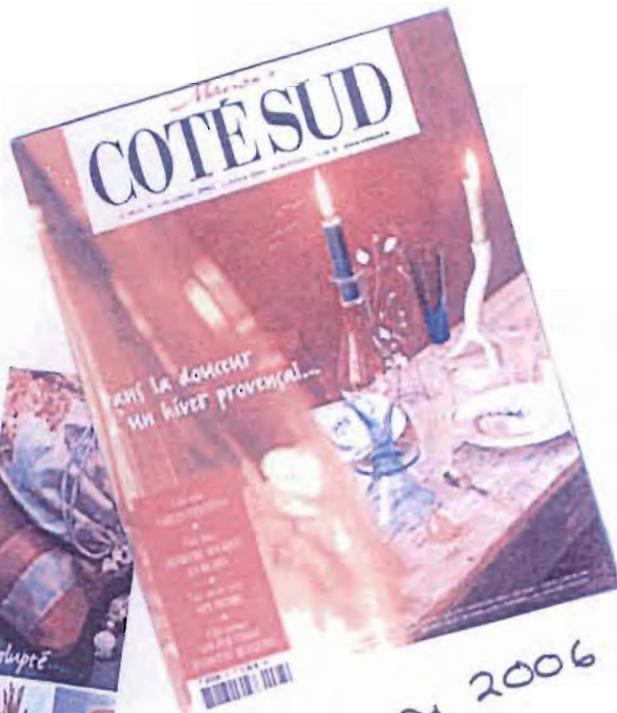
LOCATION, REWAP AND RENOVATION BY MOOI INTERIOR CONCEPTS. FOR ENQUIRIES CALL ANTHONY MEYER (021) 794 8840. PRODUCTION ASSISTANT: EMARIE LATEGAN

CCDI ↑
wire table
in Elle Decor
South Africa
Issue 2006

LOCATION: REVAMP AND RENOVATION BY MDCI INTERIOR CONCEPTS FOR ENQUIRER'S CALL ANTHONY MEYER (021) 794 8940. PRODUCTION ASSISTANT: EMARIE LATEGAN

CCOI
wire table →
in Elle Decor
South Africa
Issue 2006

mozambique
products



January 2006
cover page



House & Leisure cover page
November 2005

notes

Two recent high-profile exhibitions have thrown South Africa into sharp focus as a serious design contender

Eminent local and international designers have recently gathered in Cape Town for the first time to discuss their work and the role of design in South Africa. The event was held at the Cape Town Convention Centre, a venue that has been transformed into a world-class event space. The event was held on the 10th and 11th of November, and was a great success. The event was held at the Cape Town Convention Centre, a venue that has been transformed into a world-class event space. The event was held on the 10th and 11th of November, and was a great success. The event was held at the Cape Town Convention Centre, a venue that has been transformed into a world-class event space. The event was held on the 10th and 11th of November, and was a great success.

BAT Shop Weavers and
Marisa Fick Jordaan,
BAT Shop General Manager



Design Indaba
2005 quarter 4

Article on ATA
consultant's work
in product development
with CCDI artisan
groups.



WINTER

die afrikaanse uitgawe

Winter 2006

EKSKLUSIEF
Tanya Fourie in haar droomwit strandvilla

BONUS: KLEIN RUIMTES
Drie kompakte woonstelle
15 bladsye met ontwerp-idees

GRATIS DEKORBOEKIE
Nuwe lewe vir jou leefarea

MODERNE MEMOIRES
Japanse swier kliek met Afrika-sjiek

WEN 'n Ilike-gasstoof ter waarde van R32 000

Visi winter 2006 cover page

PROFIEL

CCDI
wire table

Willard Musarurwa se ooglopende talent, ondernemingsgees en sy unieke styl is 'n soort ontspanne verskeidenheid – gee hom 'n verspreiding op ander draad- en kunstenaars in Suid-Afrika.

Willard, wat in Kaapstad woon en werk, het aanvanklik sy draadontwerpe (met die etiket Feeling African) aan Forster in Langstraat verkoop. Hy het agter gesien dat al wat sy skulpturele pragtig en goed gemaak, kon jy soosgelyk agter elke tussende uitsteek. Dit was dus nie 'n lotende proposisie nie.

Willard het besluit om sy vaardighede te slyp en het ontwerp (Stephen Burks se yskassies) bygewoon, wat deur die Cape Craft Design Institute (CCDI) en Art to Artisans (ATA) gebring word.

Willard het Feeling African nie reuse hoogtes gever – deur sulke verskeidenheid. "Ek het altyd kleinhouers, insidre en buite op draad gemaak," sê hy. "Nou gebruik ek die draad om moderne meubels en korporatiewe geskenke te skep. Ek het ook ontvangs begin om tekeninge vir die huis te maak."

Willard het die eerste keer die oog getref met 'n driedimensionele kunstvoorwerp van draad, getiteld "Vlugte



VISI! RAAK DOEL OP DRAAD MET WILLARD MUSARURWA

van vervaardiging". Seesteden het hy al verskeie tekenings gegee, waaronder die prys vir die beste produk in Suid-Afrika (foto regs) by die Design Indaba 2006 in Kaapstad.

"Daar is my die heel belangrikste om nuutige arties te maak," sê Willard. My doel is om ons te skep wat uiteindelik is bekostigbaar is. Ek wil my werk beskryf as konterpartie met 'n tradisionele aksent – dit toekom ek dit is daarvoor om met draad en krale te werk. Dit my geskieding-mediums."

Sy draadskoppings (soms sateelies se voudebank) word in verskeie dekoratiewe en galerye, waaronder L&M, Life en Montebello, in Kaapstad en Johannesburg verkoop. Hy werk ook nog aan meer dekoratiewe se de huts, soos bedkassies, etenstafels en kroegstoelies.

Al het sy skeppings bekendheid zinnig, by die gemeenskap waar hy vandag kom is hom belangrik. "Die mens bevredigende aspek wat fieruit gekom het, is dat ek werk skep vir mense wat in byna dieselfde hoërte is as wat ek was toe ek met begin het," sê hy. Hy het vier vaste ontwerpassistente en vier projekassistenties in diens.

"My lewenshoofsaak is raad aan, ander is moet nooit los rygoor of fokus verloor nie." V

• Feeling African 073 311 0305



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aid to
artisans

Joint Stand Participants
Ambiente Frankfurt
10 - 14 February 2006

Presenting Products from:

Bolivia
Colombia
Mozambique
Peru

Aid to Artisans, a non-profit organization, offers practical assistance to artisan groups worldwide, working in partnership to foster artistic traditions, cultural vitality, improved livelihoods and community well-being. Through collaboration in product development, business skills training and development of new markets, Aid to Artisans (ATA) provides sustainable economic and social benefits for crafts people in an environmentally sensitive and culturally respectful manner.

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