

DRAFT

AID TO ARTISANS SHAPE II PROJECT

EVALUATION REPORT

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EXECUTIVE SUMMARY

SHAPE II began in 1999 with the goal of revitalizing Haiti's handcraft sector which consisted primarily of small, rural enterprises, and craft factories that had been long-closed due largely to the international embargo imposed on Haiti in the 1990s. Building on ATA's pilot SHAPE project (which focused artisan enterprise development activities in and around Jacmel), SHAPE II set out to:

- Provide artisans in key regions throughout Haiti with the technical assistance, industry framework, and market access needed to increase incomes and participate in the creation of a strong and integrated craft economy;
- Establish the local capacity, trade models, and industry framework needed to sustain market momentum and sales beyond the program term and insure craft trade remains a long-term source of employment and community-based economic growth;
- Establish commercially beneficial linkages between the craft industry and other sectors, including raw material suppliers, shippers, banking and credit service providers, and tourism-based businesses and strengthen commercial ties between rural and urban enterprise.

As is documented in this report, SHAPE II has made important progress towards achieving these objectives through its integrated program featuring product development, design and technical assistance; business training; marketing services; association building and support; plus complementary components including a Materials Supply Initiative, e-commerce initiative and the research, compilation and production of a Haiti craft book.

As of March 31, 2003, sales attributed to the project totaled \$692,576 while short-term job creation was approximately 8,300. SHAPE II has benefited 182 artisan enterprises, or nearly 3,000 artisans in the four regions where ATA's activities have been focused (the areas in and around Port-au-Prince, Jacmel, Cap Haitian and Jeremie). In turn, these artisans have been in a better position to financially support between 9,000 and 18,000 individuals in their respective families and communities. This additional income has provided basic necessities such as housing, food and medicine, plus education for many Haitian youths. Meanwhile, artisan enterprises have been strengthened for long-term sustainability and artisans have experienced increased self-esteem and status in their community, newfound appreciation for cooperation with other workshops, and the skills and confidence to innovate and experiment to grow sales.

As the project has built credibility and momentum through its program approach, it has also integrated a sustainable approach to revitalizing the sector. Importer-exporter linkages have been built and strengthened, a local Haitian market has been developed through wholesale and retail activities, and the program activities thus far completed can serve as a valuable based for future, even more efficient interventions and sector development. In addition, SHAPE II has encouraged dying

craft traditions to be revived, and an increased awareness of issues associated with environmental sustainability.

These accomplishments are particularly notable given the difficult macroeconomic and political situation in Haiti in which the SHAPE II project has been implemented. Repeated travel bans, low literacy and numeracy rates, a lack of infrastructure, and rapid currency devaluation have been significant obstacles to implementing project activities. The international marketplace for handcrafts has grown increasingly competitive, while the global economy and specifically the international gift and accessories markets, have become more and more troubled.

SHAPE II has proven that artisan enterprise development in Haiti is possible; however, the current project also sees artisans at a critical point in the sector's development. As the macro economic and political situations only worsen, investment in continuing to assist the artisan sector in Haiti becomes even more essential, to ensure long-term stability and growth. Focus on strengthening market linkages and providing key services to facilitate new linkages being formed is critical at this point. Building on the lessons learned thus far through the SHAPE II project, ATA is well-positioned to continue its work in Haiti to achieve even more through the scheduled end of SHAPE II and beyond.

I. PROJECT BACKGROUND & OBJECTIVES

SHAPE II is a three-year USAID-funded program, begun in October 1999, with the goal of creating employment through the revitalization of Haiti's handcraft sector. Combining market-driven product design assistance, business training, marketing, and export systems development, SHAPE II continues and expands work begun during ATA's pilot SHAPE I project which began in April 1998. SHAPE I focused on connecting producers in the Jacmel region (in Haiti's Sud-Est department) to US export markets through an integrated program of product design, business training, and targeted marketing. SHAPE II has expanded this work by taking ATA's pilot model to a national level, providing artisans in key regions throughout Haiti with the technical assistance, industry framework, and market access needed to increase incomes and participate in the creation of a strong and integrated craft economy.

SHAPE II is working to establish the local capacity, trade models, and industry framework needed to sustain market momentum and sales beyond the program term and insure craft trade remains a long-term source of employment and community-based economic growth. In addressing these needs, the program draws not only on ATA's proven field strategies and international buyer network, but also on a range of positive factors and market conditions that support the prospects of Haiti's craft sector as a growth industry and employer of the poor, including the sheer numbers of Haitians possessing craft-making skills (estimated at 400,000 in USAID's Strategic Plan for FY 1999-2004), the former strength of the craft industry and multi-sector local interest in reinvigorating craft trade, the present underdevelopment of Haitian product diversity, and the interest of international buyers in Haiti as a product source if product and delivery demands are met.

The program targets a wide range of beneficiaries in the craft sector, with an emphasis on low-income artisans and producers without access to markets or capital resources to invest in business development in the USAID-identified secondary cities of Jacmel and Cap Haitien and in the Jeremie and Port-au-Prince regions. Beneficiaries include rural and urban micro-entrepreneurs and their families, managers and employees of small to mid-sized production businesses, major employers of artisan producers, and retail, wholesale, and export vendors in Haiti. SHAPE II is working to establish commercially beneficial linkages between the craft industry and other sectors, including raw material suppliers, shippers, banking and credit service providers, and tourism-based businesses and strengthen commercial ties between rural and urban enterprise.

This project design fits well with USAID's overall objectives in serving the people of Haiti. Specifically, USAID's strategic objective of creating sustainable increased incomes for the poor was executed through the integrated program outlined above, and the specific activities summarized below. These activities, in some cases modified from the project's initial design in order to best tailor interventions to the needs of the artisan sector, were consistently aimed at achieving the

project's goals. In Years 1 and 2, for example, sales goals of **US\$106,650** and **US\$150,000** were outlined at the start of each project year, while a goal of **35 product lines** was established for the course of the project. As is outlined below, these goals were surpassed, while complementary indicators including artisans affected, jobs created, and key indicators of sustainable impact measure the program's additional achievements and constraints.

In November 2002, ATA applied for and received a no-cost extension from USAID to continue the SHAPE II project through June 2003. At the time this evaluation was completed, ATA anticipated the SHAPE II funding and associated program activities would continue through September 2003, while additional funding options are being explored for the continuation of ATA's work in Haiti.

II. EVALUATION OBJECTIVES AND METHODOLOGY

Ongoing program management for the SHAPE II program includes a monitoring and evaluation system whereby ATA tracks and reports key indicators (sales, job creation, artisan enterprises impacted by the program, etc) on a quarterly basis. Therefore, the SHAPE II project evaluation was designed to build upon data collected during the course of the program to gain a broader perspective with regards to the overall achievements and impacts of the program, both foreseen and unforeseen. The SHAPE II project was originally scheduled to end in September 2002, and though the project is currently expected to continue through September 2003, this evaluation serves as an important benchmark in the evolution of the SHAPE program. Thus, it was completed including data and activities through the midpoint of Year 4 of the project (i.e. two quarters into the project's No-Cost Extension), encapsulating the majority of SHAPE II's lifecycle.

With that in mind, the objectives of the SHAPE II project evaluation were to:

- Measure the direct and indirect impact of ATA's SHAPE II program according to its stated objectives;
- Explore the sustainability of the impact achieved;
- Identify additional, unanticipated effects the SHAPE II program may have had on Haiti's handcraft sector;
- Determine lessons learned from this program to apply to ATA's ongoing work in Haiti and the organization's institutional capacities;
- Assess what needs remain to be addressed in Haiti's handcraft sector, as ATA continues to work in Haiti through the remainder of the SHAPE II program and beyond.

To achieve these objectives, the methodology employed sought to capture both qualitative and quantitative data, combining directed interviews, and workshop, office and retail store visits with targeted data analysis. Interview subjects included artisans and artisan group leaders, export partners and ATA staff in Haiti, plus US-based importers/buyers and ATA staff that have worked with the project over its three-and-a-half-year lifespan. Survey tools were designed to guide the discussion, providing a framework for capturing a wide range of information. *Please see attachments for Interviewee List and Interview Guides included in this evaluation.*

Building on this methodology, this report is structured to present not only the results of the SHAPE II project to date, but also the program inputs or interventions that were completed to execute the program, and the rationale behind the specific set of activities designed and constantly adjusted, to achieve the best results possible for the resources available to the project. It is hoped that this additional context will serve as a useful tool for project funders as well as for ATA, to be able to apply the lessons learned –both achievements and disappointments—to future work in developing Haiti’s handcraft sector.

It is important to note that the financial information contained in this report has largely been tracked in gourdes. Due to the significant fluctuations in the gourde-dollar exchange rate over the course of the project (particularly centered in the late 2002-early 2003 period), it is difficult to translate these amounts into US dollar figures with total accuracy. Therefore, as appropriate, these calculations are based on estimates of the exchange rate at the time the transaction occurred when possible, or stated in US dollars as of the exchange rate that existed at the time this report was compiled.

III. PROJECT INPUTS

The SHAPE II program is composed of a group of related, integral activities designed to best address the needs of the Haitian handcraft sector through direct or indirect provision of services focusing primarily on product design and development, training and marketing. Over the course of the project, ATA-US and ATA-Haiti have continually assessed the nature of the need for these activities and designed them as an integrated program, tailored to the needs of the artisans the project seeks to benefit. In many cases, reflecting the face of the Haitian handcraft sector, the project worked directly with microenterprises and small artisan groups. As the project progressed, ATA also recognized the potential that Haiti’s former craft factories offered to generating sustainable income within the sector, and thus actively integrated them into the program through direct service provision or by facilitating linkage with rural microenterprises. In addition, several complementary program components were undertaken as part of the SHAPE II program, such as association-building and support, materials supply and e-commerce initiatives, and a craft book featuring Haitian artisans and products.

A. Product Development, Design and Technical Assistance

Throughout the SHAPE II program, ATA design consultants have worked with artisans in a range of media – from ceramics to stone to papier mache to natural fibers – developing new products for local and external markets. When ATA began the project, many producers lacked the full product lines that are necessary for successful export marketing. Others lacked the technical skills needed to consistently produce the quality required by the local and regional markets. ATA arranged for international and local designers to work with the artisans to enhance product variety, broaden product concepts into collections, and build on existing craft skills by introducing new techniques that allowed for improved product quality and marketability.

Over the course of the SHAPE II project, **international consultants have logged nearly 30 weeks, local consultants an additional 10 weeks, while ATA-Haiti staff has provided ongoing, daily support in the field**, as part of ongoing product development design and technical assistance efforts. In total, formal product development and design workshops have thus far yielded over 600 new products in over 100 new product lines designed by these international and local designers in collaboration with Haitian artisans. This is 317% of or well above the initial goal of 35 product lines for the project. International consultant trips have been irregular in many cases, due to political unrest which has led to shortened or postponed trips, as described in further detail below.

Ongoing interaction with buyers, facilitated by ATA, has contributed numerous product samples, tailored to the needs of the international marketplace. In addition, artisans have also learned valuable insight into the product development process, as well as several new techniques that can be applied to future new product development efforts geared towards local, regional and international markets. *A full listing of product development, design and technical workshops held to date, as well as product appearances and promotional materials featuring the products developed over the course of the SHAPE II project, are included in the attachments to this report.*

International consultants include:

- **Frederic Alcantara** has assisted several different groups over the life of the project in the fields of basketry, metalwork, papier mache, and product merchandising;
- **Chris Arena** sent designs for forty new products developed at her studio in Connecticut;
- **Carol Campbell** designed beaded ornaments in conjunction with Explors;
- **Patti Carpenter** developed new designs in beadwork and textiles.
- **Gloria Delaney** helped makeover the project's three retail stores;
- **Barbara Faibish** helped several different groups in Jeremie by introducing and refining basic sewing and embroidery techniques;
- **Peter Flint** worked with papier mache artisans in developing new products and production techniques that would reduce the current impact on the environment;
- **Lori Grey** worked on designs for the stone leaves line for Exploris;
- **Evelyn Liataud** worked in Jeremie with three different sewing groups, assessing each one's ability, and making suggestions for general improvement;
- **Kamu Liladhar** developed new finishes for metalwork;
- **Holland Millis** troubleshoot production and merchandising techniques for producer groups;
- **Lyn Nelson** worked with artisans in Jacmel to design new products for exhibition at international gift fairs;

- **Lawrence Peabody** helped set up a showroom at the Petion-Ville office and designed best-selling metal products for Aptech in Cayes-Jacmel;
- **Mimi Robinson** created designs and papier mache prototypes in her studio in San Francisco, which were then sent to and developed by Haitian artisans;
- **Jeff Rogers** worked with ceramic groups to develop alternative firing and glazing techniques;
- **Suzanne Seitz**, a representative of Royal Caribbean Cruise Lines, worked with vendors in Labadie to refine their sales techniques to accommodate the foreign tourist market
- **Natalie Walker** assisted bead and sequin artisans to develop new products, and improve the efficiency of their production techniques;
- **Mary Whitesides** worked with several groups of seamstresses and a group of ceramic producers in developing new designs to be marketed locally;
- **Margaret Wood** who helped sewing and embroidery groups in Jeremie develop products to sell in the local markets;

In addition, **nine local designers** such as Ginette Taggart, Patrick Mourra, Axelle Liautaud, Joseph Effront Silencieux, Ronald Mevs, William Evans, Simone Ambroise, Senec Ridore, and Cherisme Fougere worked with artisans to design and enhance products for the local and regional markets. These include doll workshops in Cap Haitian, basketry workshops in Lavallee and Jeremie, cut iron and beaded purse workshops in Petion-Ville, and a papier mache workshop in Jacmel to teach new designs, among others.

ATA also facilitated **technical workshops** that were offered by collaborating with local and international organizations to bring talented craft professionals into contact with Haiti's craft sector. For example, ATA coordinated one workshop in conjunction with the Mexican Embassy, where Mexican papier mache artisans met with papier mache artisans from Jacmel, to demonstrate a mold technique that would improve production efficiency and give a slightly different, smoother appearance from those techniques traditionally employed.

Finally, and most critical to long-term success in export marketing, ATA has supported the product development process that takes place **between a US-based buyer and a Haitian artisan workshop**. Often in conjunction with an in-person visit, buyers request numerous product modifications and new products, in line with what they know to be market demands and the artisans' technical capacities. The ATA-Haiti staff plays an important role in delivering designs (should the artisan not have access to email, for example), interpreting them (providing additional detail with respect to color, form and materials), and following up with the artisan to ensure that problems in the sample production process are identified early and communicated to the buyer. In addition, ATA staff has also coordinated gathering artisans at the ATA's Petion-Ville office, when buyers are unwilling or unable to visit handcraft workshops or markets, such has been the case with Port-au-Prince's iron market.

B. Business Training

Over its 26-year history, ATA has learned that entrepreneurial skills and behavior can make all the difference in the success of an artisan enterprise. As part of its programs, ATA seeks to **identify individuals who demonstrate entrepreneurial behavior** early on in the process, and cultivate those talents over the course of its projects, through both formal and informal capacity-building activities. These may be individual artisans who employ others in the community, for example, and seek to grow their business by providing more work to more people. In some cases, artisans form into associations or other formal entities, and elect or appoint a leader for the group. Finally, these entrepreneurial leaders are often found in the commercial role filled by the export agent or other intermediary, who acts as the key liaison with the buying agent, retail shop, or other customer.

In the SHAPE II program, as with all ATA programs, business training has been integrated into product development, design and marketing activities and happens largely on a one-to-one basis with project staff and/or local or international buyers. For example, during product development and design workshops, the topic of pricing and costing has been addressed often, to ensure that a new product will be both marketable and profitable for all players in the supply chain (thus making the product a sustainable one worth investing in and producing). Similarly, production efficiency has been addressed in the artisan workshops, where staff, consultants and artisans discuss ways to physically arrange a workshop for maximum efficiency and quality control.

One example of this type of activity includes ATA's continuing work with **Paradis des Indiens** (Les Abricots), where ATA's Export Manager has been working with Michaele de Verteuil to organize sample patterns, materials and workspace within the textile work area, to ensure that patterns are consistently cataloged, labeled and filed, for example, so that they can be located in a timely fashion and contribute to consistently sized products.

Another example of this type of training extends to Einstein Albert, a woodworker and owner of **Einstein Originals**, who currently employs 70 artisans in his workshop in Carrefour. The bowls, utensils, and other servingware and decorative accessories that Einstein produces are in great demand from the international marketplace, so much so that he has consistently faced delays and quality control issues during production. ATA consultants, staff and (most importantly) international buyers have visited Einstein repeatedly, to coach him in production management techniques and reiterate the importance of ongoing communications with buyers. Though Einstein still faces significant challenges in delivering to demanding US buyers, his work represents both the significant progress that has been made during the term of the SHAPE II program, and daunting challenges that remain ahead for his business to continue growing.

In serving as an incubator or "sympathetic importer" for Haitian craft products entering the US market, ATA provides direct and detailed feedback regarding packing and shipping, quality control, export documentation, and other

performance linked to the export production process. Recommendations for improvement for both the artisans and exporters are then relayed back through the chain as appropriate. Also in support of this direct and market-driven training process, ATA's Export Manager provides in-person, one-on-one feedback to artisans with regard to sample and production quality (principally with respect to how well it matches the buyer's expectations with regards to finishing, sizing, colors, quantity etc). Once an export order has been received, ATA provides further assistance by working with the artisan leader and/or commercializing party to design and implement a realistic production schedule, for example, identifying problems along the way that would otherwise hinder on-time delivery. As part of its marketing activities, ATA employs a transparent sales process through which it identifies, markets to and follows up with international buyers. By modeling a customer-focused, service-oriented relationship with the buyer, the SHAPE II project has demonstrated to artisans and exporters how to develop and maintain these critical relationships.

In addition to the business-oriented training that has been integrated into the various project activities, the SHAPE project has also included hands-on workshops addressing business-oriented topics, both in Haiti and in the US.

SHAPE II included the participation of **nine artisan enterprise leaders in its flagship Market-Readiness Program**, held twice a year in conjunction with the New York International Gift Fair. These included Mario Charles, Andre Metellus, Silencieux Effrant, Ferland Marsan, Georges Metellus, Guilno Joseph, Leslie Val, Philippe Allouard, and, most recently, Sandra and Fred Russo of Fred Bernard gallery and export business. In total ATA completed 45 days of New York-based training as part of this program, which is specifically designed for group leaders and/or export enterprises who have limited or no experience in exporting to the US, but will, with some assistance, have the organizational capacity and technical skills to do so in the foreseeable future. It includes seminars and workshops led by ATA's international design and marketing consultants, building on and integrated with the international trade show experience.

In many cases, as is outlined in further detail below, these artisans returned to their communities to share their experiences, observations and, more specifically, insights concerning how their craft enterprise fit into the global market for giftware and decorative accessories.

Etzer Lindor, papier mache artisan and community leader in Jacmel described the awakening that took place on his part, as a result of this experience, with regards to international competition for the artisans of Jacmel, "We thought we were good, but we were far from good." This example illustrates the important change in mindset that is critical to a successful artisan enterprise development program, as artisans who have been historically isolated from their markets (even locally) have their first glimpse into the complexities and challenges of the craft export business. By sharing his experience with artisans in Jacmel, the impact of Mr. Lindor's visit was much broader than the understanding of one artisan, rather ripples were created through the craft community.

Unfortunately, due to the unanticipated choice by two Haitian artisans not to return to Haiti following completion of the MRP and the subsequent concern this has raised with USAID, ATA decided that no project-funded Haitian artisan-entrepreneurs would participate in this program.

During July 2000 a ten-day **Production Management Training** was held at Atuto's workshop in Honduras, during which metal artisans learned technical skills relating to metal welding, as well as the organizational skills and planning experience related to producing crafts in volume. Several artisans interviewed noted the fantastic technical training opportunity this provided, though also pointed out that the inconsistent availability and expensive costs of electricity in Haiti rendered a portion of this experience difficult to apply (i.e. welding). Complementing this training with assistance in riveting technologies, for example, might have been more relevant to the reality of the situation these artisans currently face.

To complement ongoing mentoring, Haiti-based ATA staff led numerous small, informal workshops in **costing, packing, labeling, painting, finishing and quality control**, to address artisan development as needed.

C. Marketing

1. *Market Research / Strategy Development*

Integrated with the product development process, ATA has been working with Haitian artisans and commercializing agents to assess artisan technical and business capacities, along with the products and services they yield, in order to best align artisans and their products with the local, regional, US and European target markets that best suit them. As the first step in the marketing cycle, ATA's SHAPE program has continually sought to **match Haitian artisans with the customer that fits** with the product design, price, quality, production capacity and business services that the artisan enterprise has to offer the marketplace. In addition, **ATA encourages artisan enterprises to pursue a multi-market strategy** through which these artisans can diversify their revenue sources amongst local, regional, US and European clients, to help mitigate the inherent risk in each. Revitalizing the handcraft sector by means of export development has the added advantage of bringing much-needed US dollars into the Haitian economy, and holds the potential for significant volume orders, if producers can deliver the quality and service required.

In the case of **Jeremie's seamstresses**, for example, ATA field staff, consultants, and US-based marketing team have agreed that the technical skills that these women have to offer are best-suited to the local shops and expatriate market in the area, in addition to selling opportunities in the shops of Port-au-Prince. Wholesale sales records can serve as valuable market research for the project, and have shown that products priced in the \$10 and lower range, in tourist-friendly product categories such as frames, textiles and small, carved stone are best-sellers in the strictly-controlled stalls in the **Labadie** market near Cap Haitien. In the case of US-oriented sales opportunities, ATA and local craft commercializing agents

work closely with international buyers to understand their marketing challenges, individual styles, price points and distribution channels, to best tailor products to their target clients. The recently-developed seaweed metal collection, along with the papier mache fish and crustaceans, has been actively marketed to importers such as the **San Diego Zoo**, which offers animal and biosphere-related products through its retail stores.

2. Export Marketing

ATA's SHAPE II project was designed to revitalize the craft sector, which had flourished prior to the US embargo. This pre-existing challenge has provided a significant obstacle to the overall competitiveness of Haitian handcrafts in the global marketplace, and has been the source of severe economic constraints in the sector. Against this backdrop, ATA introduced numerous regional and US-oriented marketing activities, to increase awareness of Haitian handcraft products in the international buyer community, and encourage the development of an export infrastructure.

Trade shows were identified as one venue for the promotion and sale of Haitian products, as these events provide wide exposure to many retail and importer buyers, while providing an opportunity to solicit orders in relatively small quantities, to build production and export capacities for artisans new to the export business. ATA has participated in a number of international trade shows on Haiti's behalf, including the **New York International Gift Fair, San Francisco International Gift Fair, Atlanta International Gift Fair**, and **Ambiente and Tendence**, both held in Frankfurt, Germany. Displays at these shows, combined with pre-show promotion and post-show marketing campaigns have reintroduced the international audience to the quality and innovation of Haitian crafts.

Based on ATA's market research and knowledge of the international companies who import crafts, ATA's marketing team has also identified specific buyers that provide a particularly good fit with the collection of handcraft products available in Haiti. As part of its US sales strategy, ATA coordinates individual meetings with wholesale, retail and importer buyers, and has supported close to twenty **buyer visits** to Haiti, in order to introduce new buyers to Haitian handcrafts and to encourage the development of a strong business relationship where repeat orders can be anticipated.

International buyers such as Leslie Mittelberg of **Swahili** imports have praised ATA's buyer visit support and ongoing buyer services, and the value they add to a consistently challenging export-import environment. Says Leslie, "[ATA did] quite a lot. I was really impressed with the level of service and attention...Anne [Pressoir] did an incredible job of following up on everything."

Finally, it is important to note that several of the largest US-bound orders placed over the course of the project were placed during or immediately following buyer visits to Haiti. Examples include buyer visits by **Lee Carter, Exploris** and **San Diego Zoo**, yielding purchase orders totaling approximately US\$20,000, US\$14,000 and US\$22,500 (FOB), respectively.

Regional trade shows held in Puerto Rico and Grenada, among others, has been an important and complementary approach to finding a sustainable export market for these goods. In addition, the SHAPE project has actively marketed to buyers from various Caribbean islands, including St. Croix and the Dominican Republic. The SHAPE II project also participated in the 2001 Caribbean Gift and Craft show organized by the Caribbean Development Agency. ATA had its own booth, and also sponsored two other booths through the Jeremie and Jacmel Chambers of Commerce. Sales for this event were reported at \$3,261, but perhaps more importantly, contacts were made with 13 stores on 8 different islands in the Caribbean.

In Jamaica, an e-commerce client, Tobi, continues to place small orders, with the intention of establishing a permanent relationship with SHAPE that would include placing orders on a regular basis. In St. Croix, Cancared Russoli places orders every three months, either through ATA, or its agent, Eric Bertheau. These buyers have most often contacted ATA through the SHAPE showroom in Port-au-Prince, and the new ATA-Haiti website, discussed in further detail below. When interviewed, several artisans (e.g. the Leogone stonecarvers) specifically expressed interest in renewing or initiating regional market links to shops and other buyers in the Caribbean. One Jacmel artisan noted that he had previously had an active relationship with several Caribbean buyers, however over the last four to five years, had been unsuccessful in maintaining them.

Another critical service that ATA has provided as part of its package of services is the identification of artisans who would be well served by a relationship with Haiti's **craft factories or export-oriented commercializing agents**. As so many artisans are challenged by limited resources, lack of English and computer skills, or even basic literacy and numeracy, ATA has, when appropriate, worked to connect rural artisan groups with companies like Drexco and export agents like Eric Bertheau, who are better equipped to respond to the demands of an international buyer. In fact, in the case of Mr. Bertheau, ATA has provided significant support and training to encourage the development of his export business. One of the most important services that ATA has provided to initiate and strengthen this connection is that of **production support, including quality control, production planning and followup** on sample and order production. Buyers identify this as one of the most challenging aspects that remains in the process of importing craft products from Haiti on a regular basis.

3. Domestic Marketing

An important source of income for artisans participating in the SHAPE II project has been local sales, both during special sales events and on a continual basis through shops and galleries. These direct sales opportunities have been an important opportunity for the artisans who participate, offering direct market feedback and customer interaction, in addition to income.

Some examples of **events** that brought additional revenue to the artisans of the SHAPE II project include the Christmas shows that were held at USAID offices

during November of 2001 and 2002. Much organization and planning went into ensuring that these events were a success for the artisans that were selling products there.

Assistance to artisan enterprises was also provided on a less formal basis. SHAPE II sponsored the participation of artisans to several different **local craft fairs** by paying for table and space fees. These events included: the Haitian Chamber of Commerce Craft Fair in Port au Prince, the Jacmel Labor Day Fair, the 2001 and 2002 Bellevue Craft Fair, the Montana Mother's Day Craft Fair, the Kenscoff Florvil Craft Fair, and the Quisqueya Christian School Craft Fair.

In 2002, each of ATA's four regional offices—located in Cap Haitian, Jacmel, Jeremie and Petion-Ville—opened adjoining **showrooms**, featuring products from the artisans with whom the SHAPE project had worked. These showrooms, originally intended to display samples for wholesale orders, were soon converted in sales venues in response to demand from visitors who wanted to buy on site. In addition to generating sales, ATA has employed the purchasing function of the showrooms as an opportunity to model the retail buyer, coaching artisans in price negotiations, delivery dates, labeling and display.

Another important feature of the ATA showrooms is that as originally envisioned, they serve as a **wholesale operation** for local stores and galleries. Shop and gallery owners frequently visit the ATA showroom in Petion-Ville, for example, to order product from the showroom floor and place special orders. ATA, in turn, communicates these orders to the artisans, and arranges sample delivery, facilitates pricing and design, and places orders upon acceptance of the product. Similarly, these showrooms also serve an important function for “suitcase exporters” and those exporting relatively small quantities to the Caribbean. Hotel and small shop owners visit the showroom to review the product selection, place orders and pick them up when completed.

The showroom has functioned as an important **marketing tool** in connection with ATA's efforts to market to the approved vendor community at Labadie, the market area where Caribbean cruise ships dock, briefly, near Cap Haitian. Through repeated visits by staff, the SHAPE II project negotiated placement of several product lines—including carved stone, beads and sequins—with vendors in the restricted market area. As one of the only **tourist markets** in the country, this was an important achievement for the project, and will continue to be a priority going forward. So far, the project has facilitated few re-orders from these vendors, but is in the process of planning for active followup on this front.

D. Association Building and Support

Artisan associations can benefit their artisan members in several ways, including reduced costs from bulk purchases only possible in a group, collective marketing efforts that can have a greater impact than one enterprise alone, expanded production capacities through incorporating several workshops in a high-volume order, and the potential for increased sector strengthening, especially if the artisan associations coordinate development efforts with exporters, suppliers and other

sector players. Because so many of Haiti's artisans live in rural settings, association formation can be even more essential to their joint survival.

As part of the SHAPE II project, ATA staff worked continuously to support the efforts of artisans in Croix-des-Bouquets, Jeremie, Jacmel and other handcraft communities to organize themselves into associations. The majority of this support took the form of **informal guidance, technical and design workshops where techniques were shared among multiple workshops, assistance in coordinating production to ensure necessary quality control and consistency, and efforts to encourage artisans to purchase materials collectively** through ATA's Materials Supply Initiative (discussed in further detail below).

In late 2002, eleven craft exporters and factories joined together to form the Association des Producteurs d'Artesanat Haitien (ADPAH). ATA has been in close contact with this group of exporters to try to facilitate the formation and successful execution of a sector association, providing expertise and resources during the group's initial planning phase, and working with founding members to explore opportunities for ATA to provide helpful services to the group, to reduce costs and increase accessibility for the participating companies.

E. Materials Supply Initiative

In 2002, the SHAPE program launched the Materials Supply Initiative as an add-on component to ATA's core artisan enterprise development program. The fact that many raw materials involved in the production of handcrafts are imported, the international embargo imposed in 1991, plus high import and retail taxes (approximately 20% and 10% rates, respectively), domestic economic uncertainty and difficulties in finding appropriate international sources for these materials have contributed to high costs, inconsistent availability and quality across several materials categories. In turn, quality and costs affecting raw materials, result in high prices and inconsistent quality in the final handcrafted products, as well as volume limitations and/or delays in larger production settings. Finally, addressing this constraint through a Materials Supply Initiative provided an opportunity to further revitalize Haiti's craft sector by stimulating the raw materials sub-sector through a strategy that would entice additional investment from the private sector into the materials procurement and wholesale services.

Thus, ATA initiated the Materials Supply Initiative to act as a **procurement agent**, identifying raw materials suppliers domestically and internationally based on market demands (for example, a particular color of bead requested by an US importer), and providing Haitian artisans access to these materials at a discounted rate achievable primarily through volume purchasing. To date, the MSI has successfully sourced metal (sheets and drums), beads and sequins, wood, artist paint, paint/varnish (locally manufactured, but with the assistance and joint purchasing power of ATA, more readily available and cost-effective).

Table 1. ATA MSI Sales to Date, By Material.

**Materials Supply Initiative
Sales by Material**

	US\$ Sales	% of Total
Sheet Metal	\$ 31,228	79%
Drums	3,716	9%
Beads & Sequins	3,305	8%
Paints & Varnish	780	2%
Denim	500	1%
Miscellaneous	234	1%
Totals	\$ 39,763	100%

Note: Includes sales from April 2002-March 2003. US\$ sales have been adjusted to reflect the gourde-dollar exchange rate at the time of purchase. Used drums are sold locally through Matpar, and sales reflect sporadic availability.

To encourage the long-term sustainability of this program, ATA now adds a **10-15% service charge** to all sales, over and above the cost of goods for all raw materials. In some cases, the MSI provides a non-cash alternative to working capital—i.e. advancing metal and structuring a repayment system in conjunction with production and receipt of payment by the artisan—so that artisans have access to raw materials needed to produce orders over several weeks or months, a risk that most Haitian microenterprises cannot afford.

In addition, clients of the MSI have been organized into a **membership program**, which offers each artisan a membership card (a point of great pride to many artisans) and access to a printed catalog of their handcraft products (to be used to promote their products to stores or other buyers as they see fit). By tracking artisans through this membership program, ATA can track buyer behavior with regards to raw materials purchases, build an easily-managed referral base for domestic or international buyers, and better understand and assist with the development of the artisan businesses it supports. In March 2003, the membership program reached 300 members, and by July it is expected to surpass 750 artisans, representing approximately 27% of the SHAPE project's total beneficiaries.

In the case of metal, ATA has been actively exploring a strategic alliance with the US-based Heinz Company, whereby Heinz would donate metal drums valued at approximately \$150,000 (wholesale) to the MSI for sales to Haitian metalworkers at a price far below what would otherwise be possible, but that still covers costs for the long term. ATA has also facilitated this alliance by researching a metal drum crusher that could be used to appropriately crush these donated drums, in preparation for use by artisans.

Recently, ATA's MSI has also taken the lead in piloting a new approach to craft enterprise development that could significantly expand the reach of the SHAPE project in the future. By advancing \$12,000 in metal to Bagatelle, a craft factory in Port-au-Prince, ATA is facilitating the production of a significant order for US importer-retailer Pier 1. An example of the key entrepreneur that can lead sector

growth, owner Alix Pasquet actively sought and secured this \$89,000 order from Pier 1, while he explored various avenues to fund the working capital the effort would require. The MSI Manager has been carefully monitoring production and quality control, to ensure on-time delivery, and repayment to the MSI account is expected soon after delivery (and payment due from Pier 1 to Bagatelle). Already, a factory that was barely functioning has come alive with workers, and Bagatelle has received additional orders from US importers such as TJ Maxx and Ross. In addition to directly providing additional job creation within the factory setting, Bagatelle also subcontracted artisan micro-enterprises identified by ATA. This model also creates an increased volume in the demand for raw materials overall, which indirectly assists rural/microenterprise producers who benefit from lower prices generated from bulk purchases/economies of scale in the operation.

Challenges that remain for the MSI are three-fold. First, volatile materials prices can severely affect the MSI program and the artisans it serves, as prices for imports increase, and price pressures from the local or international marketplace fail to compensate. In a few months in the 2002-3 timeframe, sheet metal prices skyrocketed from 34 Haitian dollars, to 58, to 100. Second, locating international sources for much-needed materials has been challenging, particularly due to inconsistent communications links from Haiti to the US and the highly specialized nature of the materials required by market demand. Finally, though the membership program has grown, and opportunities such as the ATA-Bagatelle alliance provide hope for increased volume in materials purchases, the MSI approach is inherently dependent upon generating demand for Haitian handcrafts, to be able to realize the volume discounts envisioned at the program's initiation.

F. E-Commerce Initiative

The objective of the SHAPE program's e-commerce component was to complement the core SHAPE activities by leveraging the marketing potential of the Internet, for increased international awareness and sales of Haitian handcraft products. To achieve this, ATA employed a two-pronged approach, collaborating with PEOPLink (and NGO specializing in providing Internet catalogs and online tools to craft groups in developing countries), and the Parsons School of Design.

With PEOPLink and the technical support of a Haitian technology resource, the SHAPE project introduced CatGen, a inexpensive and relatively simple tool to 10 Haitian craft enterprises. These groups learned how to manage their online catalog, as well as use this tool to produce printed catalogs to promote their products and groups. *A list of websites developed with this tool is included in the attachments to this document.* Business leaders who participated in this program complement the service that ATA has provided, and cite several leads and/or sales that have been prompted by their company's online presence, although sales results have been limited to date. Artisans have enjoyed the benefits of the printed catalog, which allows them to promote their products without hand-carrying product samples from store to store. ATA also created the www.ata-haiti.org site, from which dozens of orders have been obtained so far.

Moro Baruk is one example of an artisan enterprise leader that has taken advantage of the potential CatGen holds for commercializing handcrafts. Mr. Baruk worked with ATA and PEOPLink to build a site (www.catgen.com/morocreations) for his Jacmel-based craft design, production and export business. PEOPLink reports that CatGen has become his main tool for reaching out to buyers, and that his website (generated by the CatGen tool) has received a steady increase in visitors, recently averaging more than 1,000 unique visitors per month. Mr. Baruk has included more than 400 products on the site and during an interview said that he was planning to continue working with local technical support staff to maintain and grow the site.

Graphic 1. Moro Baruk's CatGen-Generated Website.

In order to establish a US-based, buyer-oriented website, ATA worked with the Parsons School of Design to create a website featuring Haitian artisans and products. Since its initial launch in 2002, ATA has updated the site to include other country programs and artisan groups, and is committed to continuing to use its website to promote Haitian products to the international marketplace far into the future. ATA's Haiti office is also continuing the development of a website that is being used to promote Haitian handcrafts regionally, to complement this US-oriented primary site.

G. Haiti Craft Book

In April 2001, USAID approved funding for ATA to design, research, produce and print a book which would feature Haitian crafts and the artisans who make them, as well as the unique combination of culture, traditions and materials that brought these objects of creativity into being. As a reference book for international retail and wholesale buyers as well as collectors of crafts and cultural reference items, this book will include full-color photographs accompanied by text appearing in French and English. Slated for an initial printing of 5,000 copies, ATA's Haiti craft book is scheduled for completion in September 2003.

IV. PROJECT IMPACT

SHAPE II's success can be measured with the help of several key indicators, particularly through the sales the project has facilitated and, in turn, the jobs and income these sales have generated. In addition, it is useful to include an assessment of the benefits this income-generation has provided to project participants, as well as the context provided by comparing impact to investment for this project and relative to ATA projects in various countries and contexts.

A. Project Reach

The SHAPE II project has managed thus far to positively impact nearly **3,000 artisans** who have participated in project activities directly and/or benefited from sales generated by ATA's efforts.

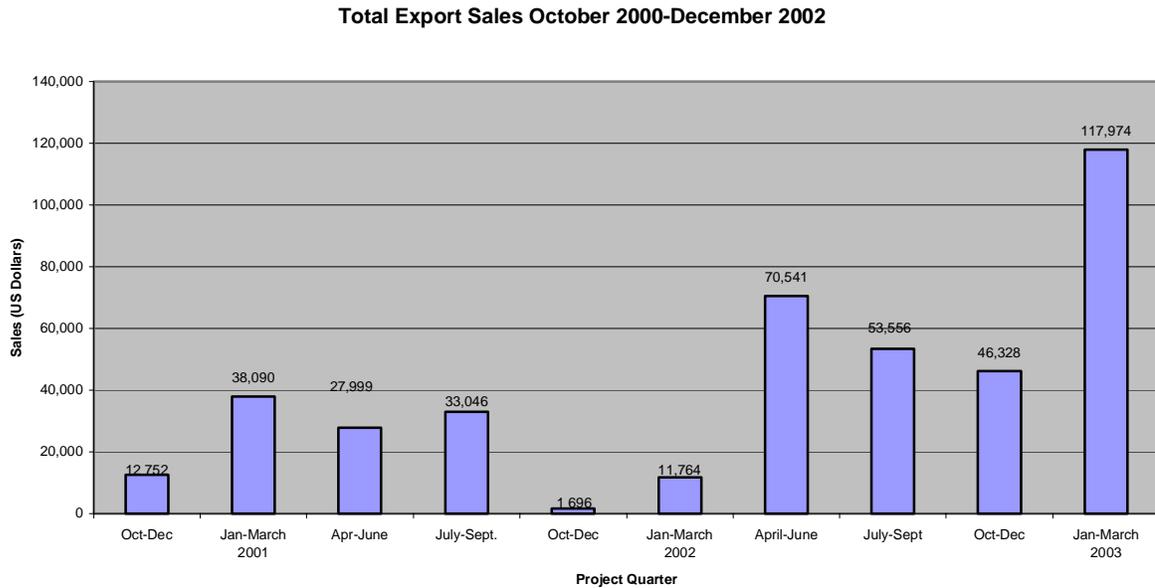
Table 2. SHAPE II Project Reach.

Indicator	Result
Artisan enterprises benefiting from project activities	182
Total number of artisans/employees benefiting from project activities	2,983
Individuals benefiting from the project (estimated 3-6 family members supported by each artisan)	9,000-18,000
Number (%) women artisans assisted by project activities	1,220 (41%)
Number (%) of men artisans assisted by project activities	1,763 (59%)

NOTE: This data includes SHAPE II project activities through March 31, 2003.

B. Export Sales

As of March 31, 2003, the SHAPE II project has generated \$413,846 in export sales, including sales generated by ATA's sales and marketing efforts, as well as those which occurred as a result of ATA's product development, training and market linking activities prior to the time of the actual sale. As represented below, export sales for the project have been growing over time overall, though with notable periods of growth and decline.

Graphic 2. SHAPE II Export Sales by Quarter.

NOTE: Craft sales are subject to significant seasonalities, which contributes to the uneven nature of the SHAPE II export sales as reported here. In addition, a single event—trade show, buyer visit—can contribute a proportionally significant amount, as is described below.

Additional indications of the project's success include the number of new importer/wholesaler/retailer businesses who began sourcing in Haiti, or who expanded their purchases from the country, as a result of project support or activities. This includes US retail chains such as **Pier 1, Orvis Catalog, Smith & Hawken, Sundance Catalog, San Diego Zoo, and Eziba**. Wholesalers have also been attracted to Haiti through ATA. Firms distributing to vast retail networks of 1,000 or more stores including **Phillips Collection, Lee Carter, Sanford Enterprises, Dwelling, Exploris, Bamboula, and Swahili Imports** carry Haitian products (or an expanded collection) as a direct result of the SHAPE II project. Several international buyers, such as **Steve Todd Associates, Russoli Cancared, and K&M Imports**, have renewed their import activities that had ceased prior to the project, as a result of ATA's support.

In many cases, new contacts have produced long-lasting business relationships with buyers that place repeat orders with increased frequency. In fact, several international customers that made purchases from SHAPE II artisans came back to place at least one additional order.

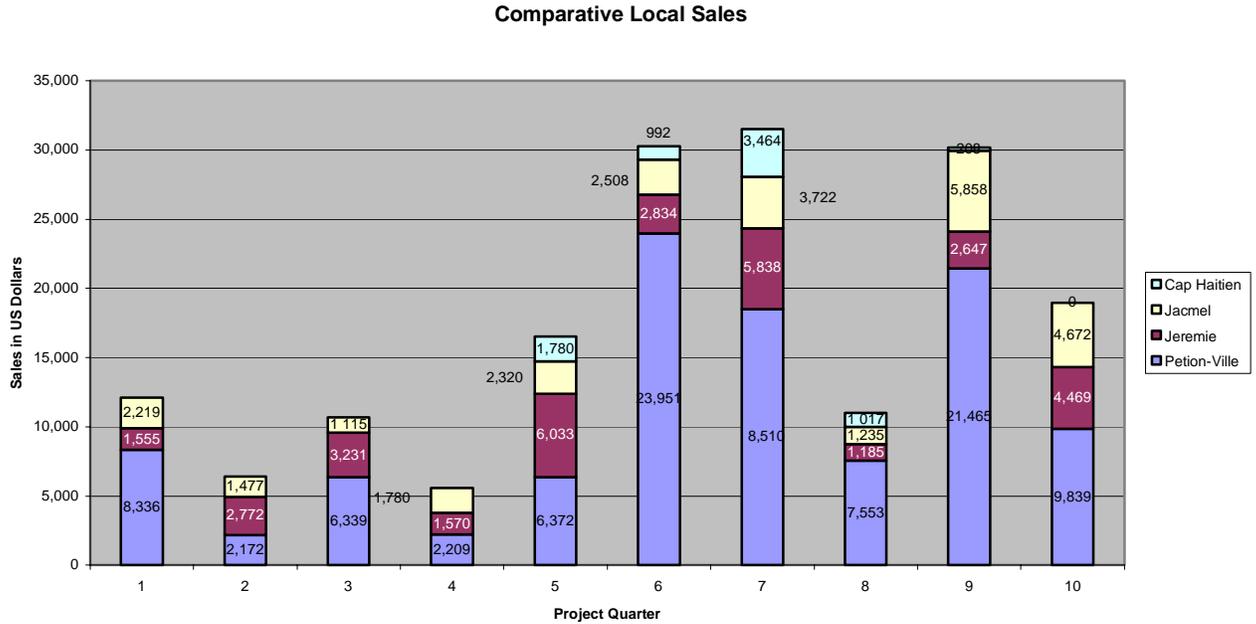
For instance, after being impressed by an initial buying visit in September of 2000 where \$4,500 worth of crafts was purchased, the **San Diego Zoo** placed a follow-up order for \$8,814 in product during June of 2001, a third order in December 2001, and several since. Buyers from Exploris were also pleased with their first \$14,000 order of crafts from Haiti during September of 2000 and placed a second order during 2001 for \$18,000 worth of similar product.

Perhaps the best example of a truly satisfied international customer in Haiti is **Lee Carter**. Mr. Carter started his relationship with Haitian artisans with a \$3,000 sample order. After all expectations of these samples were met, he traveled to Haiti in June of 2001. As a result of this visit, he placed a second order totaling \$6,000. During the 2001 holiday season, he requested another \$2,450 in crafts. Once more, in June of 2002, Mr. Carter made a second buyer trip to Haiti. After visiting several different individual workshops, and making multiple purchases, Mr. Carter bought a total of over \$20,000 worth of crafts. As a result of this positive experience, he shared with ATA, "I do not believe I have ever met a group of artisans so enthusiastic and so accommodating."

C. Domestic Sales

As with export sales, domestic sales represent income to the artisans, as well as to various sector participants who add value to the craft production and sales process (e.g. retailers, intermediaries, and materials suppliers). An important achievement of the SHAPE II project has been to prove that there is a significant local market, consisting largely of upper class and ex-patriate residents, whose discretionary spending has not been as radically affected by the uncertain economic situation in Haiti. Thus far, **ATA's showrooms have generated approximately \$164,000, while the project's involvement in coordinating local sales events at USAID, for example, generated an additional \$17,300.** As the sales figures below illustrate, this local market can serve as an important source of income, while also providing a training ground for those artisans who are working to grow their businesses to compete in the global marketplace.

Graphic 3. ATA Showroom Sales.



NOTE: Although ATA’s four project showrooms were officially opened in 2002, notable local sales results began as early as the 2001 holiday season.

As illustrated above, ATA’s Petion-Ville sales room has, to date, led the project’s local sales, reflecting the highly concentrated market of ex-patriate and local customers in that area.

Of the total local sales generated through ATA’s showrooms, an estimated 23% were wholesale sales, or products purchased for resale in Haiti. The Petion-Ville showroom was the source for many of these wholesale sales, and the product development and production coordination services that accompanied them, provided by the ATA staff.

In addition to the local sales activities directly supported by the SHAPE II project, ATA has encouraged the artisans it has worked with in Haiti to pursue local sales opportunities on their own. Thus, though it is difficult to track the results of such activity, it is valid to assume that many of the product ideas, designs and craft techniques introduced by ATA consultants and staff, have created additional income-generating opportunities for artisans through local sales to shops (or through shops of their own), along the roadside, and to the occasional tourist.

D. Artisan Enterprise Revenue

As described above, it is the combination of entrepreneurial skills, marketable product and market access—all of which ATA’s SHAPE project aimed to strengthen—that lead to sales for an artisan enterprise. The following table

recounts those artisans who received the most income as a direct result of the SHAPE II project; that is, export and local sales that were coordinated by the project, in addition to whatever local sales the artisan pursued outside project activities.

Table 3. Microenterprises Received the Highest Sales Through SHAPE II.

Rank	Artisan	Total Sales (Gourdes)	Product Category
1	Pierre R. Desrosiers	524,249.22	Metal
2	Cherisme P. Fougere	361,750.00	Beads & sequins
3	Jean Wilber Bruno	255,842.26	Metal
4	Gadesa	191,258.46	Beads & sequins
5	Jean Joseph Peterson	152,475.00	Metal
6	Jean Exuvara Jolimeau	141,305.00	Metal
7	Josnel Bruno	98,969.00	Metal
8	Georges Valris	93,675.00	Vodou flag
9	Jean Baptiste Jean Joseph	82,260.00	Vodou flag
10	Louis Jean Chery	78,680.00	River stone

NOTE: These figures reflect total income over the life of the SHAPE II project through March 31, 2003.

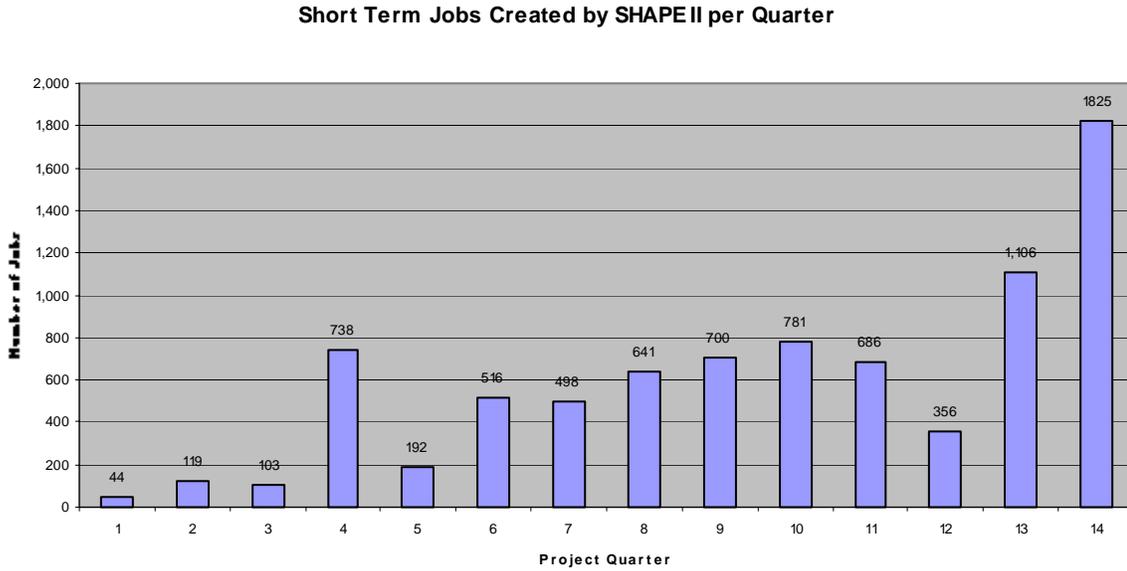
Several artisans stated during the in-person evaluation that ATA represents a majority of their current sales activity. In some cases, including some of the artisans listed above, artisans are known to have significant non-ATA local and international market links and income. When interviewed, several of these same artisans alluded to significant increases in sales revenue, as a result of working with Aid to Artisans. In some cases, **gross sales were cited as having increased as much as 300%**, while in other cases, a more moderate 50%. The manager of a small factory integrated into the SHAPE II project early on stated that 50-60% of the company's success could be attributed to the collaboration of ATA. Artisan leaders with relatively sophisticated business skills also alluded to **increased profit margins**, as a result of new technologies, economies of scale and product ideas that make efficient use of available artisan skills.

E. Job and Income Creation

Though the most direct measures of the project's accomplishments are those related to sales, as outlined above, the most important indicator of a successful program is counted in terms of income or jobs generated for the target beneficiaries, in this case the artisans that the SHAPE II project was designed to assist.

Over the course of the SHAPE II project, an estimated **8,300 short-term jobs** were created for artisans in micro-, small and factory enterprises in Haiti. The table below includes estimated job creation over the course of the SHAPE II project thus far.

Graph 4. Short-Term Jobs Created by SHAPE II per Project Quarter.



To determine jobs created and sustained by the project, ATA employed three methods. First, direct job creation has been tracked as much as possible by workshop-based observation, informal interviews with enterprise leaders, and with the artisans who work for them. These interviews and observations were conducted over the course of the project, as well as during the in-person evaluation interviews conducted in researching this report. However, because this method cannot possibly capture every short- and long-term job created, ATA has also employed a calculation based on known sales generated by the project, as follows: Total sales (as reported above) are reported in terms of labor costs/income to the artisans (estimated at 1/3 of the final ex-works price of the product), and related to the target minimum daily wage (in this case, \$5). Calculating the number of jobs based on a \$5 minimum daily wage improves the quality of these jobs for artisans involved. In Haiti, the minimum daily wage is \$1.80; ATA’s figure more than doubles daily income, providing more for artisans and their families to live on.

The result of this calculation yields an approximate number of jobs created in terms of workdays sustained as a result of project sales, which can then be couched in terms of workweek and long-term employment. In this case, it has been assumed that 5 days constitute a workweek, three weeks justify “short-term job” status, and approximately six short-term jobs are the equivalent of one long-term position. Finally, as part of the in-person evaluation exercise, artisans were asked to estimate sales for a monthly period, for example, or as related to “small” and “large” orders. The interviewer then talked through with these artisans the various estimates to convert these sales figures into average monthly income (i.e. total sale, units/sale, unit price, labor/unit, payment for that labor, raw materials costs, etc).

Although the SHAPE II project can be credited with directly or indirectly creating income opportunities at the level outlined above, it is important to note that many of these jobs have been relatively short-term, rather than permanent positions. This is largely due to the inconsistent flow of orders (and, in turn, sales) in both the local and external markets which, in turn, translates into hugely inconsistent income flows for households that depend on craft income for their livelihood.

For example, one of the SHAPE project's most successful artisans who works in metal, states that he currently receives orders every 1-2 months in a good period, in addition to weekly orders for sales through the ATA showroom. Order sizes vary significantly—from 60,000-100,000 gourdes for a large order, to 25,000-30,000 gourdes for a small order. Another artisan cites orders up to 60,000 gourdes, (or \$7,500, defined as a “good month”). But other, less commercially successful artisans cite much more sporadic order flow, whereby in some 6-week periods, for example, the entire family may be employed, while for months at a time in other periods, they may receive only minimal orders or no work at all.

In a society where so much is uncertain and many of these artisans have little experience in home financial management, this uncertain and inconsistent flow creates a difficult circumstance for artisans and their families. Smoothing this inconsistent flow should be a primary objective of ATA's continued work in Haiti.

F. From Income to Impact

Though the intended result of the SHAPE II project has been largely to generate income for the artisans it has worked with, it is important to review the true *impact* that income has had on the lives of the people who have earned it. During the course of many in-person interviews and firsthand accounts, artisans have relayed the ways in which added income improved their lives and the lives of family members, strengthened communities and laid the foundation for future economic security in a country full of unknowns.

Many artisans have applied the additional income received from craft-related work to basic needs such as food (including investments in livestock), medicine and shelter. Several have purchased land and started building a concrete house (a few have finished them), which will provide a significantly improved quality of life over their current adobe structure. Most of those interviewed cited an investment in their childrens' education—school uniforms (required by public as well as private schools in Haiti), books and fees—as the main reason they were thankful to have additional work. “You can't let your kids grow up without education.” Pointed out a papier mache artisan from Jacmel. In another case, an artisan created a savings fund, where the profits from his basket sales were put aside; from that savings the community was able to build a school, to service 150 children and hire 5 teachers. One metalworker described his situation as follows: “Iron relieves us of daily problems, so with a little income coming in, we can eat, and then try to send our kids to school.”¹ Some are now better equipped to support aging parents. Others have built new workshops, bought cell phones,

¹ Wilbert Bruno, personal interview.

equipment, tools or additional materials, to reinvest in their craft business and their own future by facilitating communications or increasing efficiencies. A few artisan groups that have formed during the course of the SHAPE II project have instituted savings funds; in one case, a group of young men put aside approximately 30% of each sales receipt for future investment in materials and, eventually, land to build their own workshop.

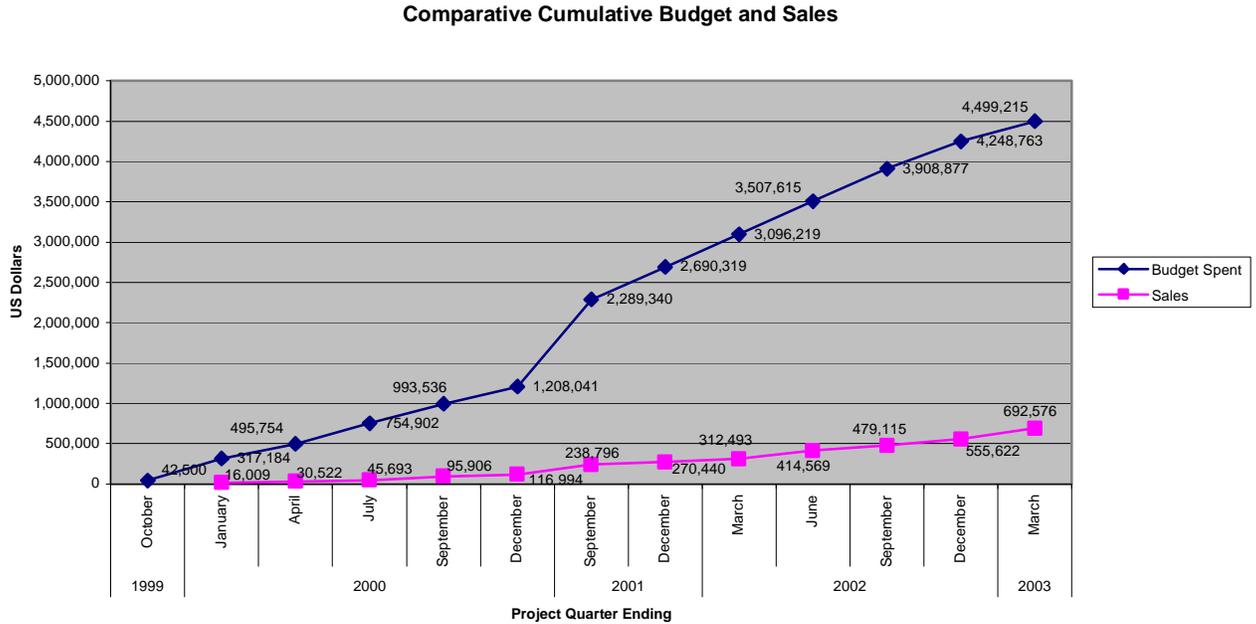
It is also important to note that beyond assistance to the individuals affected by the SHAPE II project, ATA-facilitated activities have also **strengthened the artisan enterprises** (including microenterprises, small and medium craft businesses, craft exporters and factories) that will serve as income-generating institutions far beyond the end of the SHAPE program. In this context, the SHAPE II has clearly contributed to increased sales as well as profits, as artisan-entrepreneurs have become more aware (if not fully, and not always) of issues involving costs. ATA-led product development and design workshops have broadened the offering of these artisan enterprises and as a result, the markets they can access for future sales. With increased sales, many workshops have been able to hire more artisans, or hire the same artisans with more frequency. In some cases, new businesses have formed where once the artisan worked for his neighbor. In others, such as the metalworkers in Croix-des-Bouquets, artisans have established an association which they hope will give added leverage in price negotiations, economies of scale in purchasing raw materials, and the ability to accept larger orders by coordinating production among several workshops, thus growing their individual businesses in the process. Several of Haiti's craft factories, such as **Drexco, Aptech, and Bagatelle** have begun to experience a rebirth, as the sector is gradually revitalized by SHAPE II's assistance together with private sector players who are willing to accept significant business risk.

The SHAPE II project has also **benefited US-based businesses that are importing and commercializing handmade products from Haiti**. These gains include access to a wide range of products, innovative designs, increasing quality and growing production capacity, all of which translate into a competitive advantage in the marketplace. As these commercial benefits have grown and continue to do so, these importers will continue to invest in creating, importing and marketing Haitian crafts to their various retail customers (who, in turn, market them in retail outlets across the US).

G. Impact Versus Investment

Yet another useful indicator when examining the effectiveness of the SHAPE II project, is to compare the resources required to implement the program to the results achieved. As sales results are the most direct measure, the graphic below compares the cumulative SHAPE II budget expenditures to the sales the project has generated to date.

Graphic 5. SHAPE II Cumulative Budget vs Sales



While the overall investment is certainly significant and to date have significantly outpaced sales growth, it is important to note that many of the resources invested in SHAPE II have been critical to establishing the project, creating credibility with the artisan community, and creating momentum in project activities and results alike. ATA’s experience has shown that most projects require a minimum of three to five years for significant sales results, and assuming that strong market links are created over the course of the project, much of the sales volume initiated by the project occurs years following the project’s end. Given the difficulties associated with working in Haiti, this timeframe will certainly be even longer.

H. Comparative Impact

Over its history, ATA has worked in several countries in Africa, Asia, Eastern Europe and Latin America. As a result, it is possible to compare the results outlined for the Haiti project, above, with key results obtained as part of ATA’s other international artisan enterprise development projects.

Table 4. Comparative Results of Selected ATA Projects.

Country (Project)	# Months Invested	Total \$s Invested	Artisans Benefitted	Cost per Artisan	Total Sales	Return on Investment*
Haiti*	41	\$4,499,215	2,983	\$1,508	\$692,576	15%
Honduras	24	\$964,441	696	\$1,385	\$428,668	^44%
Macedonia	15	\$756,112	150	\$5,040	\$33,378	4%
Mozambique	17	\$1,298,000	450	\$2,884	\$108,484	8%

*Return on Investment is calculated as follows: Total \$s invested / Total sales.

**As outlined throughout this report, the SHAPE project remains in operation beyond the scope of these indicators.

^77% of Honduras' export sales come directly from Atuto, ATA's lead export collaborator in the HACER project.

It is important to note that in each country where ATA has worked, the handcraft sector is composed of a unique set of participants (including the artisan enterprises, suppliers, exporters, intermediaries, and the business service providers that support these players) and circumstances. While artisans in these countries often share challenges, such as distance from the US market, lack of appropriate designs or design know-how, and limited technical skills, in many other ways each project presents its own obstacles to be overcome. Thus, while results across projects can be compared, this should only be done in the context of the projects under examination.

In this case the project listed above with the greatest similarity to SHAPE II is ATA's multi-country PAED project, which includes Mozambique. These two countries currently share a lack of exporter infrastructure, for example, which results in limited US-targeted export activities, when compared with other countries with more sophisticated exporter enterprises. In addition, the artisan sector in both Mozambique and Haiti are largely rural, while there is a high rate of poverty and extreme poverty in each. Honduras, meanwhile, currently relies heavily on the export experience of a single exporter, while others have been relatively slow to develop (though the project there has been severely limited by a short, 30-month total timeframe). The return on investment and overall impact of the project can also be greatly affected by the timeframe of project activities and most often, the most significant results occur after the project has ended. In the case of Peru, for example, sales beyond the scope of the project term continue to grow significantly, as a lasting result of the progress made during the MSP project. Variances in cost per artisan can also reflect relative costs associated with implementation in these countries.

V. SUSTAINABLE IMPACT

The SHAPE II program was designed to create both short- and long-term benefits, by implementing the activities outlined above in a manner that would increase the opportunity for sustainable progress in Haiti's craft sector. As a result, many project activities were implemented with financial, environmental and cultural sustainability in mind. In addition, ATA has learned that the professional development of a single entrepreneur can have a substantial effect on the income and jobs that individual's enterprise is capable of generating. Thus, the behavioral changes that have occurred as a result of SHAPE II are equally important to its long-lasting success. Finally, as outlined in the project objectives, SHAPE II has further attempted to ensure long-term impact via a sector approach, integrating various handcraft sector/cluster participants into the program design over time.

A. Financial Sustainability

The challenge of the SHAPE II program has been to revitalize a troubled sector in a difficult and unstable country. An important aspect of the product development, training and marketing activities that have occurred as part of the program, is that they have been designed with the market in mind.

For example, ATA's international design professionals who know the market from their daily work in it led product development efforts intended for the international marketplace. As described above, ATA's "sympathetic importer" role models the role of a commercial importer, so that exporters and artisans marketing to the US gain the benefit of this experience, before ATA hands off these relationships to a strictly commercial supply chain. At the same time, ATA's SHAPE project has provided assistance for export and import only as needed, to prevent over-subsidization and over-reliance on ATA's services. Several buyers and artisan groups have transferred their buying relationship from ATA to a much more direct commercial relationship, relying on ATA-US and ATA-Haiti staff only for basic production follow-up, for example, importing directly. In other cases, ATA has linked rural artisans with Haitian craft factories, who deliver product directly to international buyers with no assistance from ATA. Though there are varying degrees of continuing reliance on ATA's services, there is clear progress towards a financially self-sustaining sector.

To support the international buyer interest demonstrated above, Haiti's export infrastructure has shown dramatic signs of revitalization. Exporters have grown in number (increasing from **one to seven** since the inception of SHAPE), and expanded services that they had previously provided. These enterprises have additional untapped potential to grow production and export volume to realize additional sales to US importers sourcing in Haiti currently and in the future.

Eric Bertheau, a primary export service provider for the project, now packs, documents and ships in exchange for a 20% markup (recently dropped from 25%), for importers such as Lee Carter, Exploris and Phillips. Because Mr. Bertheau still lacks sufficient production oversight to meet the rigorous demands of international buyers, the ATA project continues to facilitate this aspect of the export process, though the project support required continues to diminish. Others, such as craft factory Drexco, work directly with major importers with only minimal facilitation

by ATA-Haiti staff. San Diego Zoo, for example, orders direct while Drexco charges 5-10% service charge for shipping these export orders, a viable long-term business proposition for this Haitian company. The Lavallee basketmakers that Samford (Orvis) have sourced from to date are disperse and therefore inherently difficult to coordinate, but ATA has facilitated this relationship, and believes this type of support could come locally from a non-project source in the future. In a few cases, artisans themselves have made significant progress towards self-export, such as the cases of Einstein Albert and basketmaker Silencieux Effrant.

Though US buyers still express concerns about delivery deadlines and quality control, at least one has expressed interest in further investing in production management methods that would fit the needs of Haitian artisans, but support a profitable export/import business relationship. In short, there appears to be potential for these artisans to learn the production management and customer service skills (or supplement their workshops with individuals whose strengths lie in these areas) to support such a model. Ongoing SHAPE/ATA activities in Haiti are working to strengthen these long-term relationships and services.

In the domestic Haitian market, ATA's SHAPE II program has also managed to build sustainability into its project design. As outlined above, a significant (and increasing) portion of the retail sales through the project's ongoing showrooms are to Haitian retail shops for resale in the local market. As one gallery owner observed, "Where else [besides the ATA showroom] can you buy everything with nice quality and a good price?" Over time, ATA has added a 10% service charge to these orders (and expects to add more in the future, depending on the price sensitivity of its clients), to cover a portion of the costs associated with this activity, but more importantly to provide an economic incentive to the shops, over time, to work directly with the artisans whose products they purchase and market. Josel Bruno, a metalworker from Croix-des-Bouquets, states that he has at least two new direct retail clients, galleries in Petion-Ville, as a result of ATA's efforts in this area. ATA is working with both the retail shop buyers and the artisans to assist each party in understanding the strategies and expectations that will define a successful, long-term relationship. For example, ATA is coaching artisans to ask for detailed feedback with regards to product price and design, then assisting them in applying that knowledge to new design efforts.

To build on the success of its retail shops and coinciding with a reduction in project operations in late 2002 and early 2003, the SHAPE project negotiated an arrangement with the **Mont Joli hotel in Cap Haitian** and the **Haitian Health Foundation (HHF) in Jeremie**, to take over these retail operations. Soon after this arrangement was complete, the Mont Joli purchased approximately \$2,000 in craft product inventory, and ATA's Petion-Ville Retail Store Manager worked with the hotel to set up its new shop. Since then the hotel has initiated renovations of its lobby which have forced the temporary closure of the gift shop; however, ATA understands that it plans to reopen a larger, fully-stocked shop in the near future, so that this will provide a continuing outlet for Haitian artisans in the Cap Haitian area and around Haiti. Similarly, the HHF is in the process of making a final, board-level decision with regards to the future location, structure, and management of the former ATA-HHF retail craft store in Jeremie, though the

organization's leaders have recognized its financial viability and the service it provides to the ex-patriate consumers that visit Jeremie with some frequency (many in conjunction with HHF programs).

A key to increasing the sustainability of the local market is also found in the structure of ATA's work with the **Labadie market**. ATA's facilitator role here will remain crucial, to actively pursue repeat and increasing orders from these specialty vendors and to assist the artisans in developing and marketing design- and price-appropriate products for this market.

In the long term, financial sustainability of the SHAPE II project's impacts will come through the established (and, hopefully, greatly strengthened) **commercial chain from artisan to the international marketplace**. For example, the SHAPE project has succeeded in some cases in training the artisans well enough in the process of product design so that they are now in a position to receive product designs, without relying upon an expensive international consultant visit. In late 2002, ATA contracted a US-based consultant to develop designs that were then sent to Haiti; with the help of Haiti-based ATA staff, several of these products have already been included in local and international marketing efforts. During interviews, several artisans cited this skill as one they did not possess before the project, and as a more cost-effective way for them to interact with buyers in the future.

In terms of financial sustainability for the artisan enterprises, the project has succeeded fundamentally in **increasing product sales** to increase the viability of the micro-, small and medium enterprises it has assisted. In addition, the project has **diversified the sources of revenue** for these business—through the development of new product lines and new markets—also increasing the long-term potential that these businesses will survive and grow.

B. Environmental Sustainability

The SHAPE II project has demonstrated its commitment to environmental sustainability primarily through encouraging artisans to use raw materials that result in a minimal impact to the environment, and focusing marketing efforts products that are sustainably harvested. For example, Einstein Albert's wood products are made from fast-growing, plantation-harvested *gommier* wood, and his designs maximize the use of the wood felled. ATA's Cap Haitian Regional Coordinator worked with local carvers currently working in slow-growth hardwoods, to switch to this same wood.

SHAPE II's MSI has sourced lead-free paints for artisans working in various media, including papier mache and metal. Ensuring artisans work with lead-free paints not only addresses health issues faced by the artisans during production, but also minimizes health risks to end-consumers who buy the product in local and international markets, even if the product is not designed to be food-safe.

Consultant **Peter Flint**, who worked with papier mache artisans to research new finishes, introduced a new technique by using environmentally-safe sand to add

texture to three-dimensional items such as vases. Unfortunately, sales of this product line were limited, but the experience introduced the concept of experimenting with finishes to these traditional artisans, which may well be applied at a later date.

C. Cultural Sustainability

In revitalizing the handcraft sector, it was also an objective of the SHAPE II program to revive cultural traditions that were not providing adequate income to permit traditional artisans to continue this work, or to teach it to new generations of Haitian artisans. In this sense, the SHAPE II project has been instrumental in reviving the art of sewing beads and sequins into colorful patterns, traditionally applied to Haiti's voodoo flag production. In particular, the project introduced new product shapes and designs, including three-dimensional decorative accessories (vases, bottles, stones, cha-chas) covered in hand-sewn beads and sequins. These smaller items, less expensive than the traditional voodoo flags, are more saleable in the international gift and accessories market, if they can be produced with reasonably consistent quality and at a competitive price point.

Another aspect of preserving the cultural traditions of Haiti lies in the fact that in most places, artisans learn their trade within their local communities, from family members and/or neighbors. By supporting largely rural production, the SHAPE II project has also enabled countless artisans to remain in rural areas, where they can continue local traditions including teaching their craft to the next generation of artisans. A number of the artisans participating in the SHAPE II program are relatively young and while facing a desperate situation every day in their country, appear optimistic about the potential for craft sales to improve their lives. Of course, should income streams from craft production not prove sufficient, these individuals might choose to relocate and pursue other income-generating activities in Port-au-Prince or elsewhere.

D. Entrepreneurial Development

Long after ATA's work in Haiti is finished, it will be the Haitian entrepreneurs who lead artisan enterprises who will sustain the work of the SHAPE II project. Thus, to gain a complete view of the sustainability of the project's impact, it is important to review the **change in behavior of the entrepreneurs** who are the sector's leaders. Over the course of the project and during the interviews conducted in preparation for this report, ATA staff and the artisans themselves have noted substantial changes in how artisans approach managing and growing their businesses.

Many artisans cite the value of product development and training, for example, stating that they know they need additional help in management skills to develop and execute a successful business strategy, and new designs to keep their products fresh. Others, having formed into associations and cooperatives (in Croix-de-Bouquets and Jeremie, for example), have realized the importance of collaboration, and how their businesses can grow more successfully if they share resources. Many formal and informal artisan groups described formal, structured

ways in which they divided and coordinated production orders, to provide incentive for faster and higher quality work, asking artisans to redo poor work, and/or divide the income amongst group members based on adherence to delivery date and quality expectations. As a result of this group collaboration and the increase in sales the project has provided, many artisans are now working in volumes not seen before, which develops production management and quality control skills needed to grow their workshops.

E. Sector Outreach

Another contributor to the long-term sustainability of the SHAPE II project's long-term impact will be in its ability to revitalize a sector. The project's **MSI efforts** demonstrate that model through increasing the availability of materials, which in turn increases the artisans' prospects for price and quality competitiveness in the international marketplace. Though SHAPE II is in the process of developing a long-term strategy for local materials retail sales, it has shown the potential that supplier development holds for the sector.

As described above, SHAPE II has also succeeded in **linking numerous rural artisans to intermediaries who will assist in exporting** (Eric Bertheau or craft factories such as Drexco) and serve as links to external markets. In Jacmel, ATA facilitated access to a microfinancing program for local artisans who desperately needed a means by which they could finance materials and other working capital for orders. Previously described links to tourism, through hotels and the cruise ship crafts market, offer important cross-sector development opportunities.

VI. ADDITIONAL PROGRAM IMPACT

Beyond the quantitative results reported above, this evaluation process uncovered a number of **additional program results that are more difficult to quantify**, but no less important in the incredible progress they represent for the artisans of Haiti. Various interviews and ongoing observations by project staff revealed several instances where artisans, not traditionally regarded with great respect in Haitian society (according to Haitian and ex-patriate sources), have experienced an **increase in self-esteem and status** within their communities. For example, the membership cards, t-shirts and training certificates issued as part of the SHAPE II project, are displayed with great pride, while artisans report that they are leaders in their communities, and sources of income for their neighbors.

Artisan organizations and groups are **cooperating more**, realizing the need for sharing orders, innovating within the group, and using their collective resources to buy materials and market their products, for example. As one group leader in Jeremie commented, "We live with some kind of hope that we can sell things together." This same group leader has already experienced a doubling of her income in the time the project has worked with her, though sales of her group's products remain relatively modest. Several cited their group's newfound, unified voice and the need to use that voice to create positive change in Haiti's artisan community.

Individual artisans have learned how **to experiment with new forms and new materials, as well as specific skills** in calculating costs (although for many this remains an obvious challenge) and negotiating prices with ATA, retail and international buyers. Others have learned a new respect and recognition for quality and quality control, as one artisan commented with respect to his time with one of ATA's international consultants, "...I learned the idea of being perfect [in the work I do]. If it's not right, you do it again." An embroidery group in Jeremie chose to lose members rather than lower the quality standards that the group (and their buyers/customers) expected.

When asked what difference the SHAPE II project has made in their lives, artisans describe themselves as **more motivated to meet expectations, to innovate, to research markets and change their products to meet market demands.**

In a unique exchange between two artisans, describing their experiences with ATA to date, one artisan suggested that with fewer resources, perhaps the project could simply invest in marketing for products that the creative artisans could design, rather than needing to invest in costly design consultancies. His colleague responded, "We may do beautiful things, but they [the buyers] might not like them. We need ATA to tell us what they like. If they like pink, I'll give them pink."

Others commented upon their own broadened perspective, in more than one instance with regards to the potential to grow export sales. Following participation in ATA's Market-Readiness Training program, an artisan from Jacmel commented, "My competition is not in Haiti, it's in the international market."

Other artisans summed up their experience in the program with the following comments:

"...[The ATA program] has really changed the life of my business and my life."

"...[ATA training] helped me to discover talents that I didn't know I had."

"...It has opened up a completely new horizon."

"...Contrary to other projects, this project goes to the root of what's needed."

"...I want to be able to make a living at what I was born to do, and ATA is helping me do that."

VII. CONSTRAINTS TO PROGRAM IMPACT

Both the **political and economic environment** in Haiti has been turbulent over the past several years, including the time during which ATA's SHAPE II project has been implemented. Constraints encountered by ATA in implementing the project and producing the anticipated results include an unstable government prone to controversy and coups, rapidly deflating currency, and working in an economy with negative growth, a poor international reputation, and a large trade deficit.

Haitian politics and economics have a long history of negatively influencing one another. Overwhelming poverty for most of Haiti's population and corruption in the forms of embezzlement and misallocation of public funds has made the

government prone to uprisings. Some of these problems have been alleviated since the installation of a democratic government in 1991. However, following Jean Bertrand Aristide's election, a military coup occurred in 1991 and persisted until 1994. More recently, during Mr. Aristide's second term a controversy erupted over alleged fraud during the elections in 2000. This matter remains unresolved and adds to the continued uncertain climate in the region.

An important way in which this situation has negatively impacted the project has been via **repeated travel bans**, preventing or shortening design consultant visits for long periods in the project lifecycle. This creates significant delays in the product development process, especially when products are scheduled to appear in an international trade show held only twice a year. On a related note, the dramatic drop in tourism that Haiti experienced in the late 1980s and early 1990s has contributed to economic stagnation and limited outlets for marketing Haitian handcrafts within the country.

Despite political difficulties, the importance of economic assistance and development on behalf of the citizens of Haiti such as that provided by the SHAPE II program is immediately apparent when looking at a brief overview of standard social and economic indicators. During the late 1990s, the era immediately preceding SHAPE's work in Haiti, only a little less than half of the population of individuals over the age of 15 were literate, and 80% were living below the poverty line.

Low literacy and numeracy rates, as well as a general lack of quality education in Haiti, provide challenges to the SHAPE II project in terms of skill-building, basic customer relations and communications. One observer also noted that many Haitians also lack the dexterity required to perform tasks requiring fine motor skills, since most Haitians cannot afford the toys and other child developmental tools taken for granted in the US and Europe. As in many countries where ATA works, the lack of English and, more specifically, relative isolation that Haiti's dominant language, Creole creates, provides an additional barrier to success in regional, US and European markets.

The macroeconomic situation was no better as halfway through the SHAPE II project, total Gross Domestic Product (GDP) adjusted for purchasing power parity amounted to \$12 billion, but with a growth rate of -1.7%. Per capita figures for GDP at that time averaged only \$1,700, accompanied by a -3.6% growth rate. Among other effects, these trends have led to a migration from rural to urban areas of Haiti, as the unemployed seek better opportunities in and around Port-au-Prince, while draining the rural areas of its talented artisans and would-be workers. In addition, a stagnant domestic market limits opportunities for local market development.

Of particular relevance to ATA's work is Haiti's international trade situation. As of 2001, the total value of exports of goods and services was \$463 million, while the total value of imports of goods and services was \$1.23 billion, yielding a \$767 million trade deficit. The growth rate of exports of goods and services during this period provided little encouragement, at -3.2%. These figures illustrate the

generally difficult situation facing Haiti's export sector, and coupled with what many describe today as the continuing hostile environment for developing businesses in Haiti, put into context the progress made by SHAPE II's craft enterprise development program.

Table 5. Key Haiti Economic Indicators.²

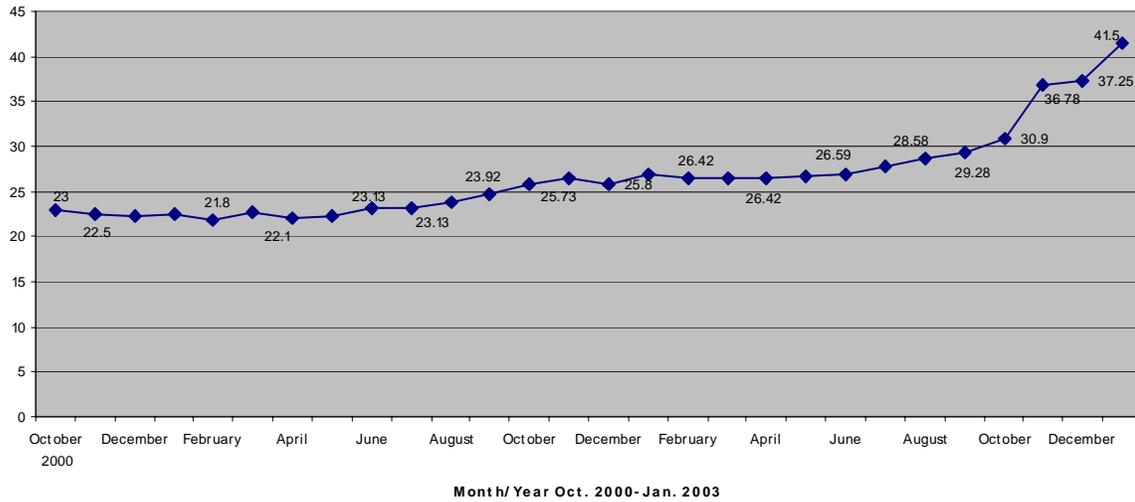
Haiti: Economic Indicators					
	1997	1998	1999	2000	2001
Exports of goods and services (% of GDP)	8	11	13	13	..
Inflation, GDP deflator (annual %)	16	13	3	15	14
GDP (Current US\$ in 000's)	3,409,384	3,885,319	4,057,451	3,950,982	3,770,892
Trade in Goods (% of GDP)	22	25	30	30	..
GDP growth (annual %)	1	3	2	-2.6	-1.7

More recently, the **troubled US and global economies** have presented a significant challenge in the way of international sales opportunities for Haitian artisans. **Competitive pressures** in the industry from Asia and other regions continue. These serious economic issue plus the concerns surrounding a US action in Iraq have caused several buyers to reconsider international travel, though these effects have been no more severe in Haiti than elsewhere.

Another issue greatly affecting the artisans the SHAPE II program was designed to assist in Haiti, as well as the ongoing operations of the project itself, is that of **rapid currency devaluation**. From October 2002 through early 2003, the gourde to dollar exchange rate increased nearly 50%, while local prices dramatically increased. In some cases, transportation costs associated with obtaining raw materials (even if the materials themselves are free, such as the case of many natural fibers and stone), become prohibitive for rural artisans such that production stopped. Haitians all over the country could not pay for the cost of traveling to work, including those who may work in craft factories. While the pressure to increase local and export prices for artisanal products grows in such circumstances, the international marketplace for handcrafts expects that prices will remain stable for a standard six-month period. ATA's MSI staff continued to obtain discounts on raw materials such as sheet metal, however, as the project has not been able to absorb the total increase in price due to inflation, artisans have seen their profit margins decrease substantially.

Graphic 6. Gourde Exchange Rate During the SHAPE II Project.

² As reported by the World Bank at <http://devdata.worldbank.org/data-query>

Haiti: Exchange Rate

Haiti's **lack of infrastructure**—roads, communications and energy—poses ongoing challenges to the SHAPE II project. These obstacles have increased the time and/or costs associated with in-country travel for artisans and the ATA project team and created delays due to halted email and phone service. The lack of dependable and affordable electricity, for example, prevents some artisans from introducing more efficient technologies to their production process. One artisan proposed that one of the services that ATA can most assist his group with at this time would be to finance the purchase of a generator.

Haiti is a country rich in culture, however that same culture commonly features a lack of trust (between Haitians and with outsiders), which can lead to problems in developing local and international commercial relationships. Some have described the Haitian psyche as so accustomed to uncertainty, that many Haitians have difficulty planning ahead. Obviously, this can limit the ability to plan long-term production schedules and business strategies. More than one non-Haitian noted the lack of inherent appreciation for quality control, observing, “This is not a Haitian characteristic.” In a society with such difficult daily barriers, change has required significant resources, the greatest of which have been time and commitment.

VIII. LESSONS LEARNED

As the SHAPE II project is now in its fourth year, this evaluation also provides ATA with an opportunity to review the collective project experiences as it applies to the organization's methodologies applied in Haiti and around the world.

The SHAPE II project has clearly shown the **viability of developing the local market** for handcrafted products, even in a relatively stagnant economy such as that of Haiti. In addition, the SHAPE II project has led the way in exploring opportunities in the **regional Caribbean market**, that ATA will be able to apply to its continued work in Haiti and in other areas that may feasibly be able to tap into this market. Furthermore, over the course of the project, the ongoing need to match producer skills and capacities (production capacity, as well as technical and business management skills), as well as their goals for developing their business, with the appropriate market remains a critical aspect of ATA's work. Gradually building upon local market experience, for example, then expanding to regional, and then export to the US, can better assure the long-term health of the artisan enterprise, rather than rushing them to the international marketplace unprepared.

On a similar note, and as outlined above, ATA has also seen the **substantial role that craft factories and other small- to medium-sized businesses can play** in stimulating growth in rural artisan microenterprises. By linking the rural artisans to craft factories for component production, for example, rural artisans with relatively limited skills can benefit from exploring promotion and the sales volume it can create. This is especially true for craft enterprises such as those in the process of forming ADPAH, who have an interest—both socially- and commercially-motivated—in expanding their production capacity through rural artisan networks.

As in other projects, Haiti has proven that it can be **one individual that makes the difference** in terms of successful artisan enterprise development efforts in a community. Focusing skill-building activities with that individual can provide the best return on investment, as that person can then influence many others. Artisan leaders such as Pierre Richard Desrosier and Ezter Lindor have taken international experiences back to their community, and continue to reinforce the importance of a market-driven approach to their businesses. In addition, their businesses generate additional jobs for neighbors, including youths they train in their workshops, while this success contributes to their status and positive influence in the community.

Yet these **leaders who demonstrate such an entrepreneurial approach are apparently rare** in Haiti. In Les Abricots, for example, where Mica de Verteuil has been actively seeking someone to manage her appliqué handcraft business, it has been quite challenging to find a Haitian who will take the responsibility and accountability of this role. Especially in the complex Haitian culture, finding and developing these leaders and their businesses can prove to be the key to the long-term success of the project, yet a daunting challenge for project staff.

SHAPE II's **regional office structure** in Haiti, built on USAID's secondary cities program, was a new experience for ATA. While more challenging to coordinate, this regional presence allowed for more face-to-face, on-site interaction with local artisan communities than would otherwise have been possible, especially considering the realities of transportation infrastructure in Haiti. In ATA's experience, and that of the SHAPE II staff, this **personal and constant interaction** is a contributing factor to the success of the project, since it allows for more ongoing coaching and mentoring, during all phases of product development

and marketing. Although an added management challenge, retail stores and showrooms that developed from this structure also provided an immensely valuable tool for the SHAPE II program, as it offered artisans a marketing outlet within their own communities, where they could gain direct feedback on product design and pricing, as well as income from sales generated.

Another important lesson from ATA's Haiti experience to date is the importance of allowing adequate time in the program design to establish **credibility and momentum** for the project, while in the process of implementing program activities. That is, in a challenging environment such as Haiti, it is crucial to gain the respect and trust of the artisans the project is attempting to support, before productive work can begin. In the case of SHAPE II, this was achieved through a combination of a substantial presence (in terms of staff, office/showroom space), as well as an open-door policy encouraging artisans to visit the project staff for frequent interactions. Of course, the credibility of the project was also greatly helped by sales, and professional interaction with artisans, including on-time and accurate payment.

The SHAPE II project also owes a great deal of its success to the **leadership and commitment of ATA-Haiti's Chief of Party** who initiated and led the project through the majority of its lifecycle, Karla Hostetler. Ms. Hostetler demonstrated enormous personal commitment and professionalism throughout her term, and worked to establish the trust and credibility the SHAPE II project enjoys among artisans and other sector participants today. Many of the achievements outlined in this report are largely due to her leadership and vision.

Given its size and ambitious objectives, a challenge facing the SHAPE II project was the **enormous amount of internal communications** required to move the project forward on a day-to-day basis, ensuring that the critical link between ATA-Haiti and ATA-US resulted in the design and implementation of cohesive strategies. Due to the sheer volume and complex nature of this work, this coordination was sometimes difficult, although both in-country and US staff collaborated to continually address and improve this aspect of ATA's work.

Finally, ATA's experience in Haiti has proven both the potential that a program such as SHAPE holds for assisting the population of Haiti, while showing how difficult that work can be. Despite the obvious accomplishments of the program to date, the challenges and obstacles that implementing an artisan enterprise development program in Haiti have surfaced cannot be understated. As a result, it is important that ATA and its supporters frame its work there in this context, and set realistic—if relatively ambitious—goals in the future.

IX. THE NEED GOING FORWARD

During the course of this project evaluation, including artisan, staff, funder and collaborator interviews, the continued need for ATA's work in Haiti was obvious. As is highlighted by the results above, the project has made great strides in providing additional income to Haiti's artisans with sustainable impact; however,

the country and the project remain at a critical point at which removing ATA's support would undoubtedly lead to negative consequences for the sector.

That said, this evaluation identified several critical needs of Haiti's artisan sector, summarized as follows:

- The **flow of sales** needs to be greater, and also more consistent over time.
- **Access to materials** (priced so artisans can invest in working capital and produce competitively) remains a critical issue for many, even beyond the materials the ATA MSI is currently sourcing. Inflation, taxes and import costs continue to severely affect the cost of production as well as the potential for a sustainable artisan materials supply sub-sector.
- **Increased production capacity and coordination** is key to strengthening international buyer relationships realized in the SHAPE II project, and making them truly independent of ATA's assistance. Production management, technical skills (linked to market-driven designs and quality expectations), and costing remain major gaps in artisan knowledge. To allow for sales growth and support increasing order size for both factories that employ artisans and the rural artisan groups they source from, a continued focus on building these skills is important.
- Similarly, **lack of packing and shipping experience/skill, as well as competitive export services in general**, remains an issue for some export operations, such that export-oriented training (labeling, packing, shipping), should continue to ensure and improve customer satisfaction and expand the markets Haitian artisans can leverage in the future.
- **New designs** are continually needed to stimulate sales (local and international), and perhaps more importantly, there is a need to develop local design capacity and artisans' and exporters' ability to interpret design ideas and market feedback from their clients, and translate them into new product offerings.
- The SHAPE II project should also explore expanding its **sector approach**, in building stronger links to tourism (although limited, this is an important market for Haitian handcrafts), financing (to support increased order size and factory revitalization), designer development (independent or within artisan enterprises) and supplementary, non-ATA training programs as appropriate.

X. SUCCESS STORIES

A. Pierre Richard Desrosiers

Croix-des-Bouquets, not far from Port-au-Prince, is a country village of sand streets and simple homes. It is also known worldwide as the birthplace and home of

Haiti's primary handcraft: iron cutouts. Using flattened recycled oil drum metal, hammers and chisels, hundreds of artisans create a distinctive Haitian craft. As one of its most famous artisans, Serge Jolimeau puts it: "Here in Croix-des-Bouquets we don't have a seashore, or a beautiful theater, or anything that will bring people here. This iron art is the one thing we have to offer. This is what people come here to see."

Pierre Richard Desrosiers, a vodou priest and metal artist in Croix-des-Bouquets, creates not only one-of-a-kind art pieces, but also decorative art and high quality functional items that can be sold in quantity to overseas markets. Desrosiers participated in several ATA sponsored workshops, most notably those in hand-dipped dyeing techniques and in the creation of three-dimensional bowls and candleholders, and soon became a major producer of ATA-created designs sold in the international markets. Rich and vibrant colors inspired by the Caribbean such as coral, sunshine, and seafoam all appear in his most recent collections. However, he is careful not to ignore color palettes suitable for interiors in more moderate climates.

In the first 12 months of his work with ATA, Desrosier's business, Etoile Ginen (Star of Africa) grew from 13 to 30 employees, and he was able to earn enough money to buy land and build a house. He also launched a brick-making business employing four people, and a pawn shop with two employees. Desrosier's business supports not only himself, but his immediate family, including five other adults and eight children. Many of his workers can say the same. "Before I met ATA I had only one client" Desrosiers says. "Now I have clients in the US, the Caribbean, even Europe and I have become a force in my community."

B. Jean Joseph Jean Baptiste

Flag artist Jean Baptiste Jean Joseph and his apprentices create richly textured flags depicting traditional *Lwas* (Vodou spirits) on a quiet street in Croix-des-Bouquets.

Originally a basketmaker in La Vallee, Jean Baptiste moved to Port-au-Prince and secured a job with a dressmaker, learning how to bead wedding dresses. To improve his work, he enrolled in a course. One day his teacher returned from lunch and, examining Jean Baptiste's work, told him there was no more Jean Baptiste could learn from him, as his natural talent was so exceptional.

Jean Baptiste tells the following story of how he began making Vodou flags:

One night I had a dream about my mother, who told me that I should stop working for other people and that I would become inspired to work on my own. I told her I have to work because I borrowed \$350 which I needed to pay back. She said, "Make a picture of me on a flag and you will sell it." I asked her why she would want me to make a vodou flag of her, since she is a protestant. She said because she was not really my mother, she was Erzulie!

Jean Baptiste did what the vodou *Lwa* Erzulie told him to do, and immediately sold his flag for \$650.

Jean Baptiste was well established when he met ATA, but the young man brought a willingness to be inventive and to try new products, which has made him a valued resource for many ATA buyers. For the winter 2003 New York International Gift Fair, ATA asked Jean Baptiste to supply a large beaded backdrop depicting a non-traditional subject: Botticelli's *Birth of Venus*. Jean Baptiste's rendition was fantastic: solid beads over two- yards square, a distinctively Haitian version but a beautiful reproduction as well. The backdrop set the tone for ATA's Haiti display. The piece not only sold after the show; a second version sold soon after to another buyer who saw and loved the first.

Jean Baptiste has developed into the most inventive and distinctive bead-and-sequin artist working in Haiti today, in the opinion of many. Lee Carter Company has made Jean Baptiste's work a perennial presence among its gift show offerings, and has no trouble selling pieces which wholesale at \$1,000 or above. ATA continues to bring work to Jean Baptiste, and through his work, has helped spread his reknown.

C. Einstein Albert

Aid to Artisans' SHAPE II project has chosen not to work or aggressively promote crafts made from local wood until sustainable sources of wood can be found and made available at prices that are competitive. One such alternative is *gommier*, a softwood species which takes about six years to mature, thrives in poor soil, and can be planted by simply placing a branch cutting in the ground.

Salad bowls made from sustainable *gommier* wood have been made in Mr. Einstein's family for more than 20 years, even though the company had lost its market ties during the embargo. ATA began working with the Einsteins in 2000, and showed a small line of laminated salad bowls whose finishes mimic the rich lush color of traditional endangered Haitian mahogany. The products were an instant success, clearly the most popular Haitian product that ATA had ever shown. Importer interest soon followed, and now two U.S. wholesale importers work directly with Mr. Einstein, showing his products at major U.S. gift shows. Gloria Delaney of Dwelling has visited Haiti and Mr. Einstein repeatedly over the past three years, developing her own distinct line of products. Leslie Mittelberg of Swahili Crafts began working with Einstein in 2003, expanding her traditionally Africa-only base of suppliers to include Haiti for the first time. After great success in the summer 2002 and winter 2003 shows, Mr. Mittelberg visited Haiti for the first time in March 2003. Several new Einstein products are being developed for her.

Mr. Einstein is working at full capacity, and has had to defer many other commercial possibilities brought by ATA while his business grows. To help, both ATA and his buyers are working to streamline his production process and improve his communication and other business skills. Nevertheless, even at this stage, his success has been impressive. From a few employees in 2000, he currently employs more than 70 people in a remote, rural area two hours from Port-au-Prince. In turn, those 70 people provide a livelihood for over 400 Haitians. Mr. Einstein's current buyer base is stable and ready to grow as his capacity grows.

D. Cherisme Fougere

Cherisme Fougere learned the art of bead and sequin appliqué in 1991, and by 1997

his small business in Les Cayes employed three artisans making voodoo flags. Realizing that a market existed for other sequined items, Mr. Fougere modified typical painted handcraft items such as maracas and boxes, replacing the painting with bead and sequin decorations, perhaps the first Haitian artisan to make such pieces. Several people helped Mr. Fougere's business progress. Monique Thomas at the US Embassy introduced his work to many people, and helped Mr. Fougere attend craft fairs in Puerto Rico and Barbados. Exporter Eric Bertheau worked with Mr. Fougere, and introduced him to Nadine Loiseau at USAID, and she, in turn, introduced Mr. Fougere to ATA.

Mr. Fougere's business has grown dramatically since meeting ATA. Based now in Fond-des-Negres, where few jobs exist, Mr. Fougere has 40 employees, whose families he houses as well. Dozens of artisans have been trained by Mr. Fougere in the sequin arts. Papier mache artisans in Jacmel and carpenters in Port-au-Prince are also employed creating the base forms covered by Mr. Fougere's colorful patterns.

Exploris was Mr. Fougere's first large ATA customer. This North Carolina-based non-profit sold thousands of Mr. Fougere's sequin-covered Christmas ornaments. Many other customers followed, including Lee Carter Company and, most recently, Melange. Mr. Fougere says 50% of his business comes from ATA buyers.

"It's a lot of work to develop something that is successful. I want to work as much as I can. And naturally I'm constantly training people. Not everyone stays to work. Sometimes people work just to support their schooling and eventually leave. Others will stick with this trade. When I see someone is getting ready to leave, I immediately start to scout for someone to replace them. I always had dreams but I wasn't certain they would come true. Now that I see it happening I'm extremely happy, not only as a creative person but because my activity helps other people. I pay these young men to work and they bring that money back home- often they are the only people who work in the family. But it also scares me because I know if I stop, it is not only my own loss but so many others as well. I feel all of these people are now my responsibility."

E. Les Abricots and the Women's Groups of Jeremie

Twenty years ago Michaëlle de Verteuil (Mica) returned in retirement to Haiti, her homeland, after many productive years in Canada, and looked for a place where she could make a difference in the world. She found it in the hills beyond Jeremie, an isolated, rural part of Haiti in the south-westernmost region of the country. Concerned by the total lack of education and opportunity for girls and women in the area, Mica set up schools for the unschooled, educating hundreds of girls. With no work for her former pupils available, Mica formed Les Abricots, teaching basic

sewing and embroidery skills to her former students. Although visitors and tourists are infrequent, Mica developed a small network of international and national buyers, supplying stores in Port-au-Prince and elsewhere with table linens, pillow covers and bags cheerfully embroidered with tropical flowers and greenery. Three hundred women participate in the textile work of Les Abricots, and the project's income supports ten primary schools as well.

In other communities in the hills surrounding Jeremie, other groups of women formed sewing and embroidery groups modeled on those of Les Abricots, such as the Marie Fitzback Center, and the Mothers Group. These groups, however, had no access to national or international buyers, and sales opportunities were sparse.

Aid to Artisans realized that it could contribute to the success of the 600 women in textile groups around Jeremie best by helping them improve and sell their product, primarily in local markets. Jeremie is fortunate to have in its midst a medical complex funded and staffed by Americans, and funded by the Haitian Health Foundation (HHF). Realizing that the foundation had a steady supply of visiting medical personnel and their families, ATA allied with HHF in opening a small craft store on its campus. Sales have grown to between \$400 and \$1000 a month, a small number perhaps, but still an important amount in a region with no jobs, and in a country where few make more than \$2 a day.

From 1999-2002 ATA has provided business, technical, and design help to the women's groups of Jeremie, using local and international consultants. At the end of 2002, noted textile designer Barbara Faibish volunteered three weeks to teach sewing techniques, and designed a popular new line of baby quilts which have found markets all over Haiti after their introduction in ATA's four stores nationwide.

F. Bagatelle Creations S.A.

Prior to the embargo, and long before ATA began work in Haiti, Bagatelle was an important employer of artisans in Port-au-Prince. At its height, Bagatelle supplied monthly orders totaling \$50,000 to noted U.S. retailer Pier 1, and employed 200 workers. However, production problems, a fire, and eventually the embargo kept Bagatelle closed through the last decade.

Owner Alix Pasquet, an excellent and persistent sales person, never abandoned his dream of restoring Bagatelle to its former position. In 2002 he approached ATA and began discussions on ways ATA could work with Bagatelle to make this a reality.

Starting with an ATA design of a fish candleholder, and re-figuring its production, materials and pricing into parameters acceptable to mass marketers, Bagatelle soon had the promise of a large order in hand. Financing remained a problem, and ATA worked with Bagatelle to identify funding sources. ATA's most significant contribution, however, came with the establishment of ATA's Material Supply

Initiative (MSI). The MSI works with member artisans to supply scarce, yet necessary raw materials for their work at affordable prices. Artisans with ATA orders in hand are able to get materials in advance for production, and then pay for them when they are paid for the final product. The first and most important raw material ATA provides is sheet metal for iron cutout work, exactly what Bagatelle needed to produce the nearly \$90,000 order it received from Pier 1.

In the winter of 2003 ATA advanced Bagatelle \$12,000 worth of sheet metal for use in creating components for the first and largest (\$45,000) of the three installments of Pier 1's order. Per agreement with Bagatelle, ATA is monitoring both work quality and adherence to a strict production schedule.

XI. CONCLUSIONS

Clearly, ATA's USAID-funded SHAPE II project has achieved significant progress in revitalizing Haiti's handcraft sector and achieving the objectives of the project. Just as clear, though, is the need to continue the momentum and progress towards sustainability that SHAPE II has achieved, to ensure that the results described above continue to grow in the long term, far beyond the project's end. Priority must be placed on strengthening the international and local commercial linkages required to continue growing artisan enterprises and the sector overall, while providing targeted services to artisans and other sector participants who need them to ensure that these relationships survive.

ATA is committed to continue its work in Haiti, and plans to build on these experiences and results, working through September 2003 to complete the SHAPE II program while it seeks additional funding to build upon this work in the future. As part of this ongoing project design and implementation, ATA will continue to collaborate with USAID to integrate lessons learned from this and other artisan enterprise development programs worldwide.

As one basketmaker pointed out, SHAPE II has facilitated the sales that provided him and many others the income to buy materials for a new home and other basic necessities. To lose sales now would be to leave the work undone and, he said, "ATA cannot leave my house unfinished."

XII. ATTACHMENTS

A. List of interviewees

B. Interview guides – modify to be more guide, less survey

- Artisan group leader
- Artisan
- Importer

C. Ways in Which ATA Positively Impacts Artisans

D. List of International and Local Design Consultancies

E. Ecommerce Component: Craft Enterprise Websites Developed by ATA

F. Sales/Indicator charts by Region & Over Time

G. Haiti Product Sheets & ATA Promotional Materials

H. Haitian Handcraft Product Appearances

I. Press Coverage for the Haitian Handcraft Sector