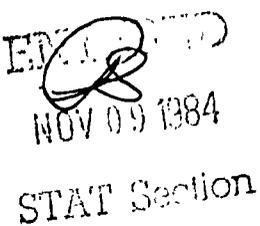


CONTRACT

PART ONE: COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

3. Contract/Agreement Number: <u>SS</u> <u>5-22-0250-G-00-4140-00</u>	
4. Contractor/Recipient Name: <u>AID TO ARTISANS, INC.</u>	5. Organization Symbol: <u>ATA</u>
6. Project Title: <u>ARTISAN PRODUCT MARKETING</u>	
7. Project Officer's Name: <u>E. ZALLMAN</u>	
8. Organization Symbol: <u>PCR</u>	
9. Requisitioning Document ID No: <u>N/A</u>	19. Budget Plan Code: <u>LDAA-84-25522-DG13</u>
10. TYPE OF ACTION: A. New Acquisition/Assistance B. Continuation of activities set forth in a contractual document C. Revision of work scope/purpose of award <input checked="" type="checkbox"/> A	20. Country or Region of Performance: <u>HONDURAS</u>
11. Amount of this PIO/T: U.S. \$ <u>N/A</u>	21. a. This Action Increases TEC by \$ _____ b. Total Est. Cost of Contractual Document \$ <u>465,000</u>
12. Amount <u>Obligated</u> Subobligated/Deobligated by this Action: U.S. \$ <u>350,000</u>	22. Amount of Non-Federal Funds Pledged to the Project: U.S. \$ _____
13. Cumulative Obligation: U.S. \$ <u>350,000</u>	23. Effective Date of this Action: <u>02/23/84</u>
14. This Action Funded Through: <u>08/22/85</u>	24. Estimated Completion/Expiration Date: <u>02/22/86</u>
15. Date Contractual Documents Signed by AID Official: <u>03/02/84</u>	25. Contractor DUNS Number: _____
16. Incrementally Funded Contract: <u>Y</u>	26. Consultant Type Award: <u>N</u>
17. Host Country/Counterpart Inst.: (Univ. Contracts)	27. Number of Person Months: (PASA/RSSA only)
18. Campus Coordinator: (Univ. Contracts)	28. Number of Persons: (PASA/RSSA only)
29. Negotiator's Typed Name:	30. Negotiator's Signature: _____
31. Date Signed: / /	32. Contract/Grant Officer's Organization Symbol: <u>USAID/H</u>
33. Contract/Grant Officer's Signature: _____	34. Date Signed: <u>09/17/84</u>

PART TWO: COMPLETE EACH BLOCK FOR NEW ASSISTANCE/ACQUISITION ACTIONS ONLY

35. SELECTION PROCEDURES: A. Formally Advertised B. Negotiated Price Competition, General Procedure C. A&E D. Ed. Inst. and/or Int'l. Research E. Collaborative Assistance F. Predominant Capability G. Unsolicited Proposal		H. Procurement to be Performed by the Contractor in Person I. Sole Source J. Impairment of Foreign Policy Objectives K. 8(a) Selection L. Grant/Cooperative Agreement M. Competitive N. Noncompetitive O. Small Business Set Aside P. Overseas Procuring Activities	<input checked="" type="checkbox"/> M
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2X

36. CONTRACT TYPE:
A. Fixed Price (Specify: FFP, FPRD, FPEPA, FPI) **D**
B. Cost Reimbursement (Specify: CR, CPFF, CS, CPAF, CPIF)
C. IQC & Requirements Contracts
D. Other

37. ADVANCE:
A. No Advance
B. Advance Non-FRLC **C**
C. Advance FRLC

38. SUBJECT TO STATUTORY REQUIREMENT:
A. Walsh-Healey Act, Manufacturer* **E**
B. Walsh-Healey Act, Regular Dealer*
C. Service Contract Act (U.S. ONLY - Guards, Maintenance, Laborers)
D. Davis-Bacon Act (Construction)
E. Not subject to Walsh-Healey; Service Contract or Davis-Bacon Act (Most AID Contracts)
* Equipment, Supplies, Materials, and Commodities

39. Country of Manufacture (Specify) _____

40. CURRENCY INDICATOR:
A. U.S. Dollar **A**
B. Local Currency
C. Combination
D. Unfunded

41. SUBCONTRACTS:
Is There a Provision for a Subcontract? (Contracts only)

42. TYPE SERVICE: **B**
A. Training of Participants
B. Technical Assistance to Host Country (Program, Project related except A&E Services)
C. A&E Services
D. Construction
E. Research
F. Technical Services to AID (other than training; usually operating expense)
G. Training Service for AID
H. Equipment, Materials, Supplies, Commodities
I. Translation Service

43. CONTRACT/AGREEMENT SOURCE: **A**
A. U.S. Contractor/Grantee
B. Non-U.S. Contractor/Grantee
C. Combination of A & B

44. TYPE OF AMERICAN OWNERSHIP: **G**
● Minority
A. Asian/Pacific Islander
B. Black American
C. American Aleuts or Eskimos
D. American Indian
E. Hispanic
F. Other (Specify) _____
G. Non-Minority

45. LABOR SURPLUS AREA PREFERENCE: **D**
● Labor Surplus Area
A. No Preference
B. Tie Bid Preference
C. Total Set Aside
D. Not a Labor Surplus Area Preference Award

46. Number of Bidders Offering Items or Services of Foreign Content:

47. TYPE OF BUSINESS: **H**
A. Source: Non-U.S. and Used Outside U.S. & Possessions
B. Source: Non-U.S. and Possessions (Foreign Purchases Used Inside U.S.) (If U.S. Source, complete C through Q)
C. Firm - Profit Making & PSC's
● Non-Profit Organizations
D. Private Educational Organizations
E. Hospitals
F. Research Institutions, Foundations, and Laboratories
G. Other
● Private Voluntary Organizations
H. U.S. Registered
I. U.S. Non-Registered
J. Foreign
● State/Local Government
K. Educational Institutions
L. Hospitals
M. Research Organizations
N. Other
O. International Agricultural Research Organizations
P. Public International Organizations
Q. U.S. Cooperatives

48. Women Owned Business?

49. TYPE AWARD: **H**
● Small Business
A. Not Set Aside
B. Partial Set Aside
C. Total Set Aside
D. Personal Service Contract
E. Individual Non-Personal Service Contract
F. U.S. Government
G. University
H. Other Non-Profit Organizations
I. Large Businesses

50. Paying Office: Payment will be made by AID/W **3**

AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES OF AMERICA AID MISSION TO HONDURAS

AMERICAN EMBASSY
TEGUCIGALPA, HONDURAS

MAR 2 1984

Mr. Raymond A. Manoff
Executive Director
Aid to Artisans, Inc.
6346 Crosswoods Drive
Fall Church, Virginia 22044

Subject: Artisan Product Marketing (OPG)
Project No. 522-0250
Grant Authorization and Letter

Dear Mr. Manoff:

I wish to reply to your letter of September, 1983 in which you submitted a funding proposal to A.I.D. for an Operational Program Grant. Subsequently, we have agreed on activity details for the Development Project for the Artisan Product Marketing ("The Project"). Pursuant to Part I, Chapter I, Section 106 of the Foreign Assistance Act of 1961, as amended, I am pleased to advise you that on behalf of the Agency for International Development (A.I.D.), I hereby authorize a grant to Aid to Artisans, Inc. (ATA) ("the Grantee") for the sum of US\$350,000, and arrange for the provision of L92,600 from local currency made available by the Government of Honduras and A.I.D. under the Economic Recovery Program No. 522-0230, to provide support for the Project. Additional funding totaling US\$115,000 will be obligated in FY85 subject to the availability of funds.

The purpose of this project is to implement and operate a Honduran and U.S. sited facility directed to the substantive support and measured commercial upgrading of selected Honduran Artisan industries. The goal of this activity is the enhancement of local incomes and employment opportunities. This is to be achieved through an increase in Honduran artisan product penetration in principally export markets. The objectives are identified with the delivery of ATA comprehensive product development and marketing actions to Honduran artisan industry. This activity is directed to the enhancement of private sector export activities for the artisan sector as well as the development of government services for the artisan sector.

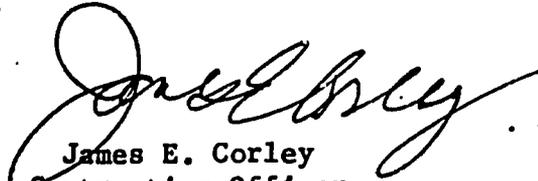
This Grant is effective and obligation of the U.S. dollar funds is made as of the date that this letter is returned to the Controller, USAID Honduras following your countersignature below on behalf of ATA and shall apply to commitments made by the Grantee in furtherance of Program objectives during the period beginning February 23, 1984 through February 22, 1986. Upon satisfaction of the Conditions Precedent to Initial Disbursement of the Grant, A.I.D. will instruct the Central Bank of Honduras to disburse directly to the Grantee the amount in Lempiras, for the estimated Project expenditures.

CONFORMED COPY

This Grant is made to ATA on the condition that the funds herein provided be administered in accordance with the terms and conditions as set forth in Attachment A, "Detailed Project Description," Attachment B, "Conditions of the Agreement," Attachment C, "Standard Provisions," Attachment E, "Payment Procedures," and Attachment F, "Statement of Assurance of Compliance" which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance (Attachment F), enclosed herewith, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted. Please return the Statement of Assurance of Compliance and the original and six (6) copies of this letter to the Agency for International Development, Mission to Honduras.

Sincerely,



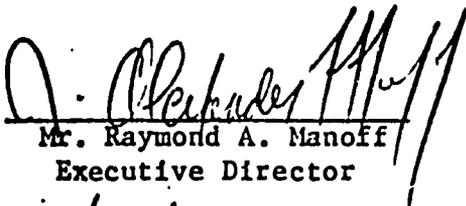
James E. Corley
Contracting Officer

Attachments:

- A. Detailed Project Description
- B. Conditions of the Agreement
- C. Standard Provisions
- D. Alternations in Grant
- E. Payment Procedures
- F. Statement of Assurance of Compliance

ACCEPTED: Aid to Artisans, Inc. (ATA)

BY:



Mr. Raymond A. Manoff
Executive Director

DATE:

March 15, 1984

PA-522-84-011
A400647

FISCAL DATA (U.S. Dollar portion only)

Appropriation: Special Development Account
Allotment: LDAA84-25522-DG13 per State 023897 dated 01.26.84
Project No.: 522-0250
Current Grant Amount: \$350,000

Drafted: PCK: MJBaTtodano

cleared: PCR: MBrant in draft

PCR: ERZallman

MGT: JCorley

CONT: PAmos

DID: RLNicholson

522-0250
Attachment A

Development Project for the Artisan Product Marketing OPG No: 522-0250

Detailed Project Description

Attachment "A" consists of the following:

The Artisan Product Marketing project proposal and financial plan prepared and presented to A.I.D. by Aid to Artisans, Inc. (ATA).

MAR 1 1984

Mr. Raymond A. Manoff
Executive Director
Aid to Artisans, Inc.
6346 Crosswoods Drive
Fall Church, Virginia 22044

Subject: Artisan Product Marketing (OPG)
Project No. 522-0250
Grant Authorization and Letter

Dear Mr. Manoff:

I wish to reply to your letter of September, 1983 in which you submitted a funding proposal to A.I.D. for an Operational Program Grant. Subsequently, we have agreed on activity details for the Development Project for the Artisan Product Marketing ("The Project"). Pursuant to Part I, Chapter I, Section 106 of the Foreign Assistance Act of 1961, as amended, I am pleased to advise you that on behalf of the Agency for International Development (A.I.D.), I hereby authorize a grant to Aid to Artisans, Inc. (ATA) ("the Grantee") for the sum of US\$350,000, and arrange for the provision of L92,600 from local currency made available by the Government of Honduras and A.I.D. under the Economic Recovery Program No. 522-0230, to provide support for the Project. Additional funding totaling US\$115,000 will be obligated in FY85 subject to the availability of funds.

The purpose of this project is to implement and operate a Honduran and U.S. sited facility directed to the substantive support and measured commercial upgrading of selected Honduran Artisan industries. The goal of this activity is the enhancement of local incomes and employment opportunities. This is to be achieved through an increase in Honduran artisan product penetration in principally export markets. The objectives are identified with the delivery of ATA comprehensive product development and marketing actions to Honduran artisan industry. This activity is directed to the enhancement of private sector export activities for the artisan sector as well as the development of government services for the artisan sector.

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Please sign the Statement of Assurance of Compliance (Attachment F), enclosed herewith, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted. Please return the Statement of Assurance of Compliance and the original and six (6) copies of this letter to the Agency for International Development, Mission to Honduras.

Sincerely,

James E. Corley
Contracting Officer

Attachments:

- A. Detailed Project Description
- B. Conditions of the Agreement
- C. Standard Provisions
- D. Alternations in Grant
- E. Payment Procedures
- F. Statement of Assurance of Compliance

ACCEPTED: Aid to Artisans, Inc. (ATA)

BY:

Mr. Raymond A. Manoff
Executive Director

DATE:

PA-522-84-011
A400647

FISCAL DATA (U.S. Dollar portion only)

Appropriation: Special Development Account
Allotment: LDAA84-25522-DG13 per State 023897 dated 01.26.84
Project No.: 522-0250
Current Grant Amount: \$350,000

Drafted: PCR: MJBallozano

cleared: PCR: MBrant in draft

PCR: ERZallman

MGT: JCorley

CONT: PAmos

DMD: RLNicholson

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 - 2.3 Peace Corps
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A. Purpose of Grant

Aid to Artisans, Inc. (ATA), a private non-profit and voluntary organization, proposes to implement and operate a Honduran and U.S. sited facility directed to the substantive support and measured commercial upgrading of selected Honduran Artisan industries.

The goal of this activity is the enhancement of local incomes and employment opportunities. This is to be achieved through an increase in Honduran artisan product penetration in principally export markets.

The objectives are identified with the delivery of ATA comprehensive product development and marketing actions to Honduran artisan industry. This activity is directed to the enhancement of private sector export activities for the artisan sector as well as the development of government services for the artisan sector.

B. Background

1. The Problem and Proposed ATA Response

The Honduran artisan industry is perceived by ATA as inadequately developed relative to existing hand skills and resource availabilities. Current Honduran artisania has a limited national market and no significant export penetration.

The inadequate development of this labor intensive industrial sector is measured in lesser employment than would result from a more effective artisan industry.

A recent ATA review of Honduran hand skills and natural resource availabilities (May 1983) indicated a clear underemployment of these assets. ATA submits that Honduran hand skills though less trained and practiced than those of neighboring Guatemala are not less skilled and are well suited to produce marketable items under shortrun training.

Honduran natural resources include wood; clay; precious metals; semiprecious stone; important quantities of vegetable fibers; some leather; soft stone; shell and seeds and recycled material (glass, rubber, metal). All of these resources are currently underemployed with the possible exception of selected woods.

Existing Honduran artesiania, with limited exceptions, has not been developed into commercially acceptable product lines. Design work is not market responsive. Quality controls are generally weak.

There are few Honduran enterprises that are perceived as currently able to penetrate and maintain important commercial markets that are, in fact, now available to this production sector.

The development of product adequacy and the capture and maintenance of Honduran artisan product markets can provide a wide base increase in Honduran employment.

The population targeted for this employment increase is largely rural. Women beneficiaries are anticipated to predominate over men.

The specific problems to be addressed by ATA are (1) the current inadequacy of Honduran craft industry products and (2) the need for commercial market development.

1.1 Proposed ATA response

ATA proposes to implement and operate a comprehensive ATA managed product development and marketing facility within the Honduras and with a U.S. based (ATA) oversight and marketing support facility.

This proposed ATA response requires professional Honduran participations as well as Peace Corps contributions of personnel.

ATA proposes the implementation of a two-year ATA facility. ATA proposes to place an ATA Field Director in Honduras. ATA proposes that a Honduran professional counterpart manager (Associate Field Director) be trained to deliver Honduran artisan product development services after two years of ATA operations.

ATA has proposed to Peace Corps/Washington and to Peace Corps/Honduras the placement of a Peace Corps Product Development Specialist (Volunteer) within the ATA facility as a professional staff member. ATA has further proposed the employment, of Peace Corps Volunteers for field support to artisan producers. ATA has positive response on this proposal from both Peace Corps/Washington and Peace Corps/Honduras.

The ATA nominee for Project Field Director is an accomplished artisan industry product development specialist. His credentials are characterized by extensive practice and generalized experience. This experience will permit completion of all phases of product development performances, i.e.:

1. Marketing Analyses

identification of specific market interest in Honduran products.

2. Marketing Actions

introduction of product lines to prospective purchasers; obtaining sample and production orders; maintaining communications with purchasers; assisting in product change or new product interests of the market.

3. Product Design

Under market guidance, the design of product lines indicated as having market penetration potentials. Product design includes packaging and packing preparations.

4. Product Development

specifications of production systems; specifications of equipment and materials; introduction of quality controls; equipment and material procurement supports.

5. Producer Training

evaluation of extant producer skills; preparation of producer skills training programs for actual production requirements.

6. Commercial Practices

guided by program policies on returns to producers, the preparation of commercial prices that are relevant to market opportunities; training for production and commercial management of artisan enterprises; training, as indicated for export process management; training for commercial display and for promotional materials preparations.

7. Environmental Reviews

the identification of environmental effects resulting from employment of specific resources and production systems; mandatory determination of benign environmental impact resulting from a proposed product manufacture.

It is proposed that ATA will coordinate its work in cooperation with and within the physical facilities of the Centro de Desarrollo Industrial (CDI). Under this arrangement ATA will support through training and direct actions the development of CDI staff capacities to execute product development activities.

ATA will comprehensively assist CDI in their development of Honduran products for presentation in the A.I.D. sponsored caribbean artisan products marketing effort in Atlanta in July 1984. ATA will also support CDI in their participant showing of Honduran artisan products at the Museum Shop Association Exhibition in San Antonio, Texas in May, 1984. ATA anticipates occupying some 60,000 square feet of work space within a CDI property located at Valle de Angeles. The woodworking machinery now in place within this facility will be available to ATA. ATA anticipates the use, as available, of CDI desks; chairs and office equipment within this facility.

ATA anticipates that CDI will provide suitable secure storage space and appropriate shelving within the Valle de Angeles facility for the storage of product samples; working materials and supplies.

Notwithstanding the presence of the ATA work facility within the CDI property and the close support by ATA to CDI product development actions, ATA professional services will also be available, under guidelines, to other Honduran entities seeking to expand artisan industry exports.

ATA envisions its support to CDI to relate to product development actions. ATA anticipates that actual commercial exportation of Honduran artisan products will be undertaken by Honduran commercial (private sector) entities. ATA, under guidelines, will encourage and support private sector efforts to export products developed through ATA product development actions.

ATA also seeks to support the development of producer groups that are CDI members.

2. Aid to Artisans - Capabilities and Policies

Aid to Artisans a non-profit tax exempt institution was established in 1977 by James S. Plaut current President of ATA. Dr. Plaut is the former Secretary General of the World Crafts Council; an art historian; author and cultural affairs advisor to industry and governments. He is practised, as well, in craft goods marketing and in the evaluation of product designs and presentations.

Dr. Plaut will provide project oversight, marketing assistance and project evaluations.

Raymond Alexander Manoff is the Executive Director of ATA and manages ATA international operations from the ATA Washington Office. Mr. Manoff is experienced in craft industry development and has managed similar projects for A.I.D., the United Nations and the Inter American Development Bank.

Clare Smith, ATA Director for Women's Programs and Marketing is located in Farmington, Connecticut. Ms. Smith, a former owner and operator of a crafts importing company (Primitive Artisans) remains closely associated with national and international craft marketing activities. Ms. Smith will be Marketing Specialist for this project.

ATA policies are generally directed to the support of disadvantaged artisans worldwide. ATA policies and programs are ratified by a board of directors represented by a broad spectrum of professional disciplines. (We have noted our Directors under annex.)

ATA has been involved in special assistance (technical assistance, grants and marketing) to disadvantaged artisan producer groups in many Third World countries since the start of our activities in 1977.

We have imported craft and folk art items in volume, paid the producers promptly and assured them a profitable return. Our markups have been low and designed to cover our overhead and grant awards.

We have, in past years, directly sold some \$100,000 (annually) of craft items to museum shops (some 100); mail order houses (Lilian Vernon; Smithsonian; Boston Proper; Save the Children) and through our promotional actions have created importer interest in their own direct purchases from producer groups whom we have identified.

Importers such as Primitive Artisans and Matus Imports have and continue to purchase substantial volumes directly from ATA identified producers. Their sales are made to gift shops and department stores. Commercial importer volumes far exceed the amounts directly imported by ATA "to seed" interest in these items.

We feel that these sales by ATA directly or by importers introduced to these products not only benefit the producers but, in the case of ATA sales to museum shops, are made to educational institutions and to a discerning group of consumers. ATA through the use of "information tags" has promoted an awareness of the cultural and traditional connection of each object. In this manner, we have created market interests.

ATA has imported craft and folk art pieces from Africa: Benin; Togo; Kenya; Asia: India; Indonesia; Bali; Java; S. Korea; Philippines; Sri Lanka; Taiwan; Thailand and Nepal; Caribbean and Central and South America: Colombia; Ecuador; Dominican Republic; Guatemala; Haiti; Mexico and Panama.

ATA views "artisans" as persons who fabricate utility or decorative items essentially by hand and essentially with local resource material. The work of artisans tends to be characterized by folkloric and other cultural influences. Artisans tend to employ simple hand tools though machinery is often used for materials preparations (i.e., ceramics; woodworking).

"Artisan products" are utility or decorative items produced by craftspersons or craft groups generally employing local resources and generally characterized by local cultural influences. Artisan production is also characterized by low capital requirements and, at times, by cottage manufacture.

"Small Industry" is a structured production system generally characterized by a legal proprietorship; fixed work place; management and employee roles; employment of industrial process and systems.

In Honduras, ATA anticipates that its client beneficiaries will be both existing and to-be-trained crafts persons.

Artisan beneficiaries of this project may be cooperatives, individuals; family groups; or small shop (micro-industry) producers.

ATA tends to plan and direct its support programs to achieve an optimum number of beneficiaries for the total of project funded product development and marketing inputs made. This said, ATA seeks to give particular, but not exclusive, attention to those artisan sectors where numbers are significant and where participants are clearly targeted by USAID/H and GOH as appropriate beneficiary populations.

ATA recognizes the soundness of cost effective actions and particularly in the light of a need to continue these efforts at the termination of the ATA project.

ATA, by policy, works in both rural and urban environments. ATA practice, however, has been largely in rural settings. The rural presence of working materials; the need to gain added incomes in the absence of non-agricultural employment; the greater presence of traditional and practiced hand skills tend, perforce, to create an employment generation focus in rural areas.

In sum, needs numbers and receptivity are greater for artisan employment generation in rural areas.

2.1 Marketing

ATA marketing actions are entirely catalytic. ATA neither purchases nor markets for its own account. ATA qualifies disadvantaged artisan productions and, as indicated, assists in the development of markets by introducing products to prospective purchasers. ATA has many contacts for this purpose.

ATA, by policy, is fully responsive to purchaser inquiries relating to products offered.

ATA disclosures are complete and all producer related data is submitted as understood by ATA. ATA disclosures to prospective purchasers relate to:

- 0 products design and workmanship
- 0 quality control performances
- 0 packaging and packing
- 0 production capacities
- 0 financial terms
- 0 pricing and commercial practices
- 0 timeliness of deliveries
- 0 export documentation capacities
- 0 material contents

- 0 marketing policies and exclusivities
- 0 producer histories and characteristics
- 0 summary product recommendations

ATA maintains contacts with some 52 museum shops.

Our planned strategy for marketing Honduran products is to introduce market ready products to:

1. appropriate and established import companies
2. museum shops
3. mail order houses (commercial and PVO)
4. alternative marketing organizations

ATA activities in this work will be entirely catalytic. We will add no fees on markups to merchandise to be imported by organizations contacted by ATA.

ATA will itself or in cooperation with commercial importers attend, as justified by market ready product availabilities, principal gift industry shows, i.e.

New York
Atlanta
Chicago

Dallas
San Francisco

ATA, again as justified, will attend European fairs (Frankfurt, Milan) to present Honduran items.

In these actions, ATA will act on behalf of the producers to achieve responsible, profitable and continuing arrangements with importing institutions.

ATA will attend and participate in the Museum Store Association (MSA) Conference and Trade Show to be held in San Antonio, Texas in May 1984.

ATA is a member of the MSA. We anticipate seeing some 500 museum shop managers and buyers and look forward to displaying and selling (direct import or arrangement with U.S. based importers) Honduran market ready products. We feel that this is an important marketing opportunity as is the AMC showing in Atlanta in July.

2.2 Support to Catalog Preparations by Voluntary Agencies

1. ATA has designed and published sales catalogs for items identified with disadvantaged artisans. These catalogs have been used for the promotion of artisan item sales with U.S. museum shops.

2. Save The Children

ATA has directly participated in the acquisition of selected craft items on behalf of Save the Children fundraising operations. ATA, under contract, has designed and produced several Save the Children mail-order catalogs.

3. Technical Assistance

ATA has provided technical evaluations and substantive technical supports on behalf of development donor institutions.

During the current year ATA staff has completed five international field assignments:

Guyana - January 1983 - Women's Development Fund United Nations

Dominican Republic - January 1983 - Women's Development
Fund-United Nations

Dominican Republic - April 1983 - Women's Development Fund-United
Nations

Dominican Republic - May 1983 - Peace Corps

Honduras - May 1983 - Peace Corps

Honduras - September 1983 - USAID

2.3 Peace Corps

In April 1983, Aid to Artisans signed a Memorandum of Understanding with the Peace Corps. As indicated, ATA supports the Peace Corps efforts in enterprise promotion and employment generations activities. Aid to Artisans staff believes, through experience, that Peace Corps Volunteers have a high utility for employment generation work particularly in interfacing with producer groups.

2.4 Grant Support

ATA has begun (1982-83) a modest grant support program.

Through these "mini-grants" of \$500 to \$1500, ATA seeks to assist producers to purchase essential equipment and supplies. ATA seeks to expand this program and will place ATA grants at the disposal of Honduran beneficiaries as an ATA contribution to this project.

C. Description of ATA support

1. Assumptions

1.1 Peace Corps Participation

ATA enjoys a useful working relationship with PC/Washington and PC/Honduras. ATA has recommended an expanded PC/Hon participation in artisan industry.

ATA anticipates the recruitment and placement of a PCV-Product Development Specialist, within the ATA facility. The PCV-Product Development Specialist would professionally participate in all product development activities.

The Peace Corps Director/Honduras has indicated to ATA and to PC/Washington his support of these activities and willingness to place a Peace Corps Volunteer or Volunteers, as indicated at the disposal of the project.

Peace Corps/Washington has agreed to begin immediate recruitment of a design school graduate to participate in this project.

The interfacing of PCVs and artisan producer groups is a traditional Peace Corps activity and highly useful within disciplined product development and marketing actions.

Peace Corps Volunteers will provide training actions; transport services, etc., and contribute ideas for both product design and marketing. The PCVs would, in turn, receive actual work orders; materials and supplies; skills training and transportation supports. Under this arrangement the continuity of PCV-support projects are better assured.

1.2 CDI Support

ATA assumes that through CDI project work space; utilities and some office furnishing and equipment will be made available to the project.

The ATA budget (Schedule E) provides for design and work shop equipment and for a vehicle and spare parts.

Unless other arrangements can be made for the loan acquisition of office equipment and supplies (principally typewriters; access to copiers and files) the project will rely on the budget amount. (Schedule E).

Layout and equipment specification for the design studio and the workshop within the CDI facility will be undertaken by the ATA Field Director.

- c- Visit/negotiate with importers; alternative market organizations (with support by the Marketing Manager).
- d- Provide comprehensive procurement and data research support to the field.
- e- Develop and maintain import interest in Honduran products in European and other non-U.S. markets.
- f- Administer logistic support for project field staff and administer financial management of the project (ATA).

ATA submits that these efforts and the dimensions of the "turn around" tasks to be accomplished on behalf of Honduran craft industries will require a minimum of 60% of the ATA Project Managers time.

Marketing Manager

The Marketing Manager (Clare Smith) has two tasks:

1. Product critiquing, and
2. Product marketing.

The ATA Marketing Manager is a practiced (former) craft product importer. She is an expert in matters of craft product construction, quality and design and may effectively critique product samples with a view to specific U.S. or European market possibilities.

The ATA Marketing Manager is well positioned in the wholesale craft import community and is able to direct acceptable Honduran products to the attention of appropriate purchasers.

We believe that some 50% of the Marketing Managers time will relate to Honduran requirements.

Product Development Specialist - PCV

The Product Development Specialist is a PCV post. We believe this to be an important element of the project. The Product Development Specialist will be trained, as will the Associate Field Director, in the professional performance of product development and marketing for artisan products. The Product Development Specialist will bring to her/his job a background in commercial design. This background will include professional design school training. ATA anticipates that recruitment of this individual could occupy several months. ATA has therefore proposed to PC/H and to PC/W that an interim Product Development Specialist be recruited from current PC/H volunteers. Upon arrival of the PC designer under recruitment, the interim PCV could stay on with the project.

We believe that the work of the Peace Corps Specialist in the project will be of value to participating PCV's who are working in support of Honduran craft producers.

Project Oversight - James S. Plaut, President ATA

Mr. Plaut will:

- a- Critique products.
- b- Direct selected products to museum shops presentations.
- c- Maintain marketing liaisons with U.S. catalog companies and PVO's.
- d- As opportune publish accounts of Honduran crafts accomplishments in appropriate journals.
- e- Manage the ATA Grant Program for participating Honduran groups.
- f- Evaluate the project during programmed visits.

We anticipate that Mr. Plaut will devote 50% of his time to this work.

ATA assumes that standard AID project staff benefits will apply, i.e., housing allowance; post allowances; household goods transportation. These items have been budgeted for one person. (ATA Field Director).

1.4 Consulting Support

Consulting support for this project is to be directed to specific product development and marketing actions.

By example, an approved work plan decision to include the handcrafting of paper as a programmed activity could require the short term input of a practiced paper maker.

Some consultative support that could be useful to the project:

Ceramicist
Papermaker
Fabric Printer
Wood Accessory
Specialist
Fashion/Production
Designer

Basket/Straw Product Design/
Production Specialist
Production Jeweler

Rug Weaver (all material)

2. Technical Approach

2.1 Centro Desarrollo Industrial (CDI)

Aid to Artisans anticipates a cooperative working relationship with CDI during the operation of the project. This relationship will permit ATA to bring several services to CDI, i.e.

a- CDI Staff Training for Product Development

ATA will support CDI in their development of product development staff capacities. This training work by ATA will begin with the development of Honduran artisan products for commercial presentation at the Atlanta Market Center Caribbean Exhibition in July, 1984. ATA will further support the CDI development of additional Honduran products for presentation at the U.S. Museum Shop Association exhibition in San Antonio, Texas in May, 1984. The ATA Project Manager and Field Director will train and advise CDI Staff in the practices of artisan product development.

ATA will support product development actions and marketing supports for CDI (members) producer groups.

b- ATA - Working Space and Facilities - CDI

ATA anticipates the occupation of some 60,000 or more square feet of working space and utilities within a CDI property of Valle de Angeles. This space will provide office, design facility and prototype production work space for ATA activities. The office facility will be adequate for 6 or more persons. ATA anticipates that CDI may also supply desks; chairs; tables and, as available, office equipment.

c- CDI Marketing

ATA anticipates providing commercial design support and marketing guidance to CDI for CDI efforts to enhance artisan product sales in the national market.

ATA does not foresee nor does it encourage CDI artesanía development actions beyond products development; producer support activities and national market development.

ATA envisions structured export marketing of artisan products as best performed by private sector operators.

2.2 Export Marketing

a. ATA Private Sector Development Task

ATA, by practice, is persuaded that the private sector is best suited to the meaningful operation of export industries.

This said, ATA notes that both profit and non-profit private institutions are appropriate participants in this industry.

This project considered, ATA with USAID/H and GOH concurrences seeks to encourage effective private sector Honduran investment in and operation of viable artisan export industries.

ATA proposes that this objective will be accomplished by the ATA completion of a private sector artisan export industry development task.

ATA approaches this task by the exploration of several options which are available to ATA project management, i.e.

1. Multiple Honduran Co. Operations

There are many international precedents for the development of a number of specialized export traders. These companies may export only furniture products or, perhaps, baskets or ceramics. Single product export practice tends to be viable when production volumes are significant. Where production volumes are relatively small, trading companies are likely to be more generalized in their export product offerings.

ATA anticipates that several Honduran commercial interests will come forward in the months ahead with specific interest in a trading company start up.

As indicated by actual product development results and with clear and specific market opportunities, ATA, under USAID/H and GOH guidance may encourage and support the development of one or more trading company operations.

Actual product export opportunities and the capacities of Honduran trading company proposers to deliver effective commercial service will be necessary to trading company start ups.

2. A Single Honduran Trading Co.

The actual Honduran production volumes of wood, straw, hand finished textiles, jewelry, stone and other resource products may not in fact, support many independent trading companies.

Honduran artisan exports could be well served by the operation of a single well financed artisan product trading company.

The advantages of such a company tend to include efficiency of operations. The decision of a Honduran investment group to make a commitment to implement and operate an artisan products trading operation will depend upon their perception of likely returns. If product offerings and 1984 market responses are promising a single Honduran trading company may offer to undertake a comprehensive marketing of Honduran craft products.

3. A Non-Profit Private Sector Training Co.

Honduran business interests may find existing profit margins on some Honduran artisan product lines to be unattractive and not be willing to invest resources to develop these lines over a necessary long-term.

Some Honduran artisan products may not, in fact, be marketable because they do not permit commercial profit margins in their pricing structures. This is often the case with products with production problems and where longer term efforts are needed to bring production costs into commercial acceptance. Still the products need marketing during a development process.

In such cases a non-profit private sector activity may undertake to market these products by reducing or eliminating profit margins and by shipping to alternative marketing organizations (AMO'S) to further conserve the needs for markups. (CARE does this in Haiti).

As indicated, ATA could undertake this function. ATA would, however, seek to operate a comprehensive export operation that would assure a balance of profitable export lines as well as more marginal product lines. This approach assures the appropriate support to the disadvantaged artisan sector and a widest base of employment for this sector.

This kind of operation would be considered by ATA only if existing Honduran artisan product lines fail to attract sufficient Honduran export company interest and more product development efforts are required to gain trading company participations.

ATA proposes, within the first trimester report, to recommend a specific project approach for the development of a trading company facility or facilities.

2.3 Personnel

1. ATA Project Manager (U.S. based/part time)

ATA nominates ATA Executive Director Raymond A. Manoff as Project Manager. Mr. Manoff will initiate project implementation; will provide frequent field visits and field oversight and will coordinate Honduran and U.S. based staff performances. (Dr. James Plaut will provide total project oversight and project evaluations.)

2. ATA Field Director/Honduras

ATA proposes to place in Honduras a practiced Product Development Specialist under the job title of ATA Field Director/Honduras.

3. Associate Field Director

ATA proposes the earliest recruitment of a Honduran ATA counterpart Field Director. ATA anticipates that this professional will be prepared to undertake management of a post project artisan product development facility after two years.

4. Marketing Specialist (U.S. based/part time)

ATA nominates ATA Director, Clare Smith as Marketing Specialist for this work.

5. Consulting Support - (U.S. based recruitment)

ATA proposes an availability of 162 consulting days to the project over a two year anticipated project period. Consultants will be directed to product development completions.

6. Peace Corps Staff

ATA anticipates the assignment by PC/H of a PCV - Product Development Specialist. As indicated and with USAID, PC/H and GOH concurrences ATA will welcome additional PCV staff supports.

2. Support Facilities

1. Workspace, Utilities, Vehicle and Vehicle Maintenance

During project implementation ATA will occupy some 60,000 square feet or more of office and shop space supplied by CDI. ATA will acquire, by purchase, a support vehicle with preference for a 4-wheel drive pickup type vehicle.

ATA anticipates that CDI will supply utilities for this facility. (Electricity, telephone).

2. Equipment and Supplies

The ATA Product Development facility will acquire by purchase or through CDI or other contributions:

- o office furnishings and equipment
- o design studio equipment and supplies
- o workshop equipment and supplies
- o materials for samples production

These items have been budgeted for ATA procurement.

3. Time Frame

3.1 Implementation and Work Plan

The ATA Project Manager will, upon grant approval, implement activities by a field visit of four weeks or longer as required for completion of implementation tasks. This visit will include work plan preparation and approvals..

ATA anticipates that a two year work plan will be reviewed at 90 day intervals and that detailed planning will be programmed for upcoming 90 days periods. The ATA Project Manager will complete this task.

The Work Plan outline that follows is structured to assure the ATA completion of 4 basic project tasks, i.e.:

- 1- Identification of export market opportunities for Honduran products and product development actions required to meet these opportunities.
- 2- Support actions to producer groups.
- 3- Commercial management supports to private sector exporters.
- 4- Development of Honduran professional capacities for product development.

These tasks considered, the following elements will appear in the Work Plan:

A. Project Implementation

**1 Development of Host Institution Relationship (CDI)
Months 1-3**

- 1.1 Memorandum of Understanding Agreement
- 1.12 Work Space Identification and Occupation
- 1.13 Work Space Furnishing (Office/Design Room)
- 1.14 Temporary Vehicle Assignment (CDI)
- 1.15 Procurements (Equipment/Supplies/Vehicles)

2 Staffing Months 1-2

- 2.1 Arrival ATA Field Director
- 2.2 Recruitment: Associate Field Director/Honduran/Secretary
- 2.3 Recruitment: Peace Corps/Product Development Specialist/Acting

(NOTE: This position will be filled by a PCV now in country. A PCV designer is being recruited by PC/W. On the arrival of the designer, the present volunteer may remain as a PDS/Associate).

3 Development of Product Development Priorities and Actions Months 1-3 (90 day plan)

3.1 Atlanta Market Center (AMC)

In response to invited Honduran (CDI) participation in the Caribbean Gift Show - Atlanta - July 1984, review AMC interests; research potential producer group capacities and interests; prepare renderings and prototypes for AMC selections.

All prototypes to be supported by fact sheets and price schedules (based on product costing actions).

3.2 Museum Shop Association Show - May 1984, San Antonio, Texas

ATA will show Honduran products at this show and will take orders for CDI or other participant completions.

3.3 Implement Marketing Actions Months 1-3

3.31 ATA Project Manager

As opportune, review and evaluate AMC prototypes and other items under development for U.S. marketing actions.

3.4 Implement Counterpart Training Months 1-24

The Field Director with support from the Project Manager will provide on-the-job training for the Associate Field Director and for Product Development Specialist (PCV) for product development and marketing.

Task I: Identification of Specific Export Market Interests Opportunities

We are aware of AMC interests. Other commercial interests for Honduran craft products, however, will need identification.

Task II: Product Design and Redesign

Guided by data gained under Task I, product design and/or redesign will be undertaken. This effort will include sketch and specifications preparation, photos, prototype manufactures and product costing.

Task III: Design Jury Review and Recommendation

The participation of the local design community in critiquing and contributing to Honduran craft design is considered valuable. These persons (architects; artists; designers; crafts persons) should number no more than seven persons. The authority of the Design Jury should be limited to recommendations though these comments should be seriously attended by product development staff.

Task IV: Production System and Quality Control Development

The decision to produce a craft product for identified markets is followed by a specification of production methods; materials use; environmental impact analysis; quality control systems; equipment requirements; procurement requirements and actions; producer training planning and actions.

Commercial and transport systems need to be evaluated and modified to optimize returns to producers.

Task V: Packaging and Packing

In response to market interests, appropriate packaging of each craft line item needs to be prepared. Specification for packing to meet export requirements need to be developed at this stage.

Task VI: Pricing

Product Development requires the use of a uniform system of price development following acceptable accounting practices. All cost elements entering into a product price need careful review if FOB prices are to be market competitive.

Task VII: Fact Sheet Development

Comprehensive and accurate data needs to be published for each product and product line. This data includes production volumes; producer descriptions; order lead times; size, color and design variant options; packaging and packing specifications; prices and terms; ordering options; materials content; photographs or sketches; dimensions and weights.

Task VIII Optimum Returns to Products - Review

This task is a constant determination during the product development process to determine if the effort is optimum to the interests of producers.

3.5 Prepare Evaluation Indicators Months 1-3

These work targets will be prepared for review at months 12 and 24.

4 Operations Months 1-24

**4.1 Trimester Work Plan Months 4, 7, 10, 13, 16
and 19**

With initial consideration for the AMC activity, ATA will prepare an action work plan each 90 days. This plan will include:

- 4.11 Product Development Schedule
- 4.12 Marketing Actions Planned
- 4.13 Producer Group Actions Planned
- 4.14 Other

4.2 Trimester Report Months as above

The Trimester Report will follow the Trimester Work Plan Outline

4.3 Procurement Months 2-24

The Field Director will identify and specify project equipment and supply requirements. If local purchase or other acquisition is neither feasible or permissible, import procurement will be supported by ATA/Washington. (Project Manager)

4.4 Marketing Months 2-24

4.4.1 International

Developed products will be mailed/hand carried to ATA/Washington accompanied by fact sheets and price schedules. ATA/U.S. will undertake marketing actions. The result of these actions will be reported each trimester and for inclusion in the Trimester Report.

4.5 Peace Corps Volunteer Training Support
(Months 3-24)

The Project Team with the PCV Product Development Specialist as leader and liaison person will undertake to train through workshops and on-the-job activity, those PCV's who have elected to support producer groups working within the scope of the Project.

4.6 Export Marketing Months 2-24

ATA will, under guidelines, support Honduran private sector efforts to purchase and export market artisan products developed within the ATA project. This support will include marketing intelligence to be transmitted by ATA to this sector.

1.7 Institution Building Months 3-24

The ATA Project Manager will undertake the task of promoting the development of an ongoing (post project) Honduran professional and institutional capacity for artisan related product development.

D Reporting and Evaluations

1 Reporting

ATA proposes to submit to USAID/H, bi-annual reports including an annual report during operating month 13 and 24.

The reporting format will include:

- o Summary of Operations
- o Status Work Plan Objectives
- o Progress Report
 - o Administration
 - o Product Development
 - o Marketing
- o Findings and Conclusions
- o Recommendations

2 Evaluations

ATA proposes the execution of a performance evaluation at the conclusion of 22 months of operation. It is anticipated that this USAID administered evaluation will relate to objectives identified in the Work Plan or Work Plans as modified with USAID/H concurrences. ATA will annually evaluate this operation (Mr. Plaut) and will share this evaluation with USAID/H.

Our goal for the subject activity, as stated in our proposal, is "the enhancement of local incomes and employment opportunities -- through an increase in Honduran product penetrations in both national and export markets."

To reach this goal we have proposed the completion of 4 project tasks. i.e.:

1. Identification of export market opportunities for Honduran products and product development actions required to meet these opportunities - and - export marketing of finished products.
2. Support actions to producer groups.
3. Commercial management support to private sector exporters.
4. Development of Honduran professional capacities for product development.

As part of these tasks, ATA, during the earliest months of project activity, will develop baseline data related to current Honduran:

- o Commercial craft producer populations
- o Related micro-industry and small industry producers
- o Craft producer organizations and payment systems
- o Producer income patterns
- o Market volumes
- o Resource availabilities and related environmental data

ATA proposes to include baseline data findings in trimestral reporting.

Baseline data will be used to further establish (numerical) objectives related to increases in Honduran craft industry performances.

At this stage, however, and based upon our ongoing ATA experiences in Honduras and in the Central American region, we make some limited projections related to anticipated increases in this industry.

Our specific objectives over the life of the project are measured increases in:

- 1 Numbers of employed beneficiaries
- 2 Producer incomes
- 3 Product variety and volumes
- 4 Penetration and maintenance of export markets
- 5 National market offerings

Our experiences in other country environments suggest that important increases in the above will be achieved in Honduras in the following three resource categories:

- o Vegetable fibres
- o Wood
- o Textiles and leather (fashions and accessories)

Activities related to stone, clay, metal, semi-precious stones and other materials may also have important though likely lesser impacts on production and employment increases.

ATA submits the following minimal objectives by resource category.

- o Vegetable Fibres

ATA views Honduran fibre products as now underdesigned and undermarketed. Renewable resources are believed abundant and observed working skills are excellent. Employment need and interest is evident. Both national and export market opportunities are now identified by ATA for 1984 actions. For this category we anticipate an increase of 300% to 500% in market volumes over the life of the project.

Without baseline data we are yet unable to indicate how this will result in increased returns to producers. We will do this early in the project.

We believe that this gain in market volumes will be realized by product development and marketing actions related to:

- o Basketry
- o Xmas decorations (rack sales)
- o Clothing accessories (hats; belts; hand bags)
- o Utility accessories (garden supply; bathroom, other)

Wood

ATA is persuaded that effective product development and marketing actions will lead to a 300% increase in wood products exports by 1985. Our projection is based upon our current understanding of acceptable (environmentally benign) use of pine, laurel, walnut and some mahogany varieties. ATA staff have now identified specific market interest in:

- o Household (kitchen) accessories (exotic wood) bowls; knife stands; butcher block hardware; shelving; boxes, etc.
- o K.D. furniture (pine, exotic wood)

(By example, we look forward to early production of Honduran exotic wood jewelry and cigar boxes for AMC showing in July 1984).

o Fashions and Textile Preparations

Honduras has some weaknesses in textile and leather availabilities. Weaving activities are also weak. Notwithstanding, the production of hand printed, embroidered and dyed textiles will be encouraged as will the making of clothing and dress accessories. Honduran handskills are clearly excellent. Clothing and accessory manufacture is particularly valuable to increases in employment volumes.

ATA submits that the production of hand produced garments and accessories may be increased some 300% over the life of the project.

o ATA Paper Making

ATA seeks to initiate hand made paper production in Honduras.

o Institutional Development

ATA, as a clear objective, seeks to participate in the development and implementation of a Honduran institution (or institutions) that will provide post project support to the artisan industries of Honduras.

This institution will be characterized by a capacity for:

- 1 Markets identification
- 2 Product development
- 3 Producer services
 - a financing
 - b warehousing
 - c national marketing and services
 - d export management and marketing
 - e producer training

ATA training activities within the project are, in part, directed to the staffing needs of the ongoing post project institution.

E. Financial

1. Budget

(Schedule A) Budget Summary - (Two Operating Years)

Schedule B - Personnel	\$ 330,700
Schedule C - Travel & Per Diems	61,030
Schedule D - Direct Costs	8,000
Schedule E - Other Costs	<u>34,170</u>
	ST: \$ 433,900
Overhead (30% Base Salaries) (258,000)	<u>77,400</u>
Two Year Budget Total	\$ 511,300*

Total Two Year Budget includes \$465,000 from DA funds and L92,600 from local currency made available by the GOH and A.I.D. under the Economic Recovery Program 522-0230.

Schedule B - Personnel

	<u>Year I</u>		<u>Year II</u>		<u>Totals</u> <u>2 years</u>	
	PM	Annual Salary	PM	Annual Salary	PM	Salary
1 Project Staff						
Field Based						
Field Director	12	42,000	12	42,000		84,000
Associate Field Dir. (Honduras)	12	14,000	12	14,000		28,000
Product Development Specialist (P.C.)	12	---	12	---		---
Project Secretary (Honduras)	12	6,000	12	6,000		12,000
					ST	<u>124,000</u>
U.S. Based						
Project Manager (3)	12	33,000 (1)	12	33,000		66,000
Marketing Manager (2)	12	10,000 (2)	12	10,000		20,000
Project Assistant (4)	12	10,000	12	10,000		20,000
Project Oversight Director (1)	12	5,000	12	5,000		10,000
					ST	<u>116,000</u>
2 Consultants						
Product Development Specialists	3	8,000	4	10,000		18,000
					ST	<u>18,000</u>
		Salaries			T	<u>258,000</u>
3 Personnel Benefits						
Schedule B-1						49,000
FICA						12,000
Household Goods Transport						1,500
Housing Allowance						9,000
Automobile Transport						1,200
						<u>72,700</u>

Schedule B Total: 330,700

- (1) ATA Part Contributory (40% of time)
- (2) ATA Part Contributory (25% of time)
- (3) Part Time - 60% of time
- (4) Part Time - 50% of time

Schedule B-1
 Personnel Benefits - Aid to Artisans, Inc.
 Operating Program Grant - USAID/Honduras - 1984-1988
 Schedule of Annual Charges (US \$)

Person	ATA Position	STATUS Personnel	OPG Job Title	Salary		MEDICAL/DENTAL/INS.		VACATION		HOLIDAYS		RETIREMENT [15% Annual Salary]		PERSONNEL BENEFITS			
				Annual Salary [ATA]	OPG Prorated Time(%) and Salary	Annual Allowance	Pro-rated	Annual Allowance (Days)	Pro-rated Days OPG	Annually Approved [ATA]	Pro-rated Days OPG	Pro-rated Charge OPG	Annual Retirement Reserve	Pro-rated OPG Charge	Total [Prorated]	Life of Program [24 mos]	
Raymond A. Manoff	Executive Director & Vice President	Professional Staff/Officer	Project Manager	58,000	80%	33,000	2050	1230	18	10.8	2328	10	8	1280	8400	8040	2888 ✓
Clare B. Smith	Marketing Director & Vice President	Professional Staff/Officer	Marketing Manager	40,000	25%	10,000	2050	512	18	4.5	892	10	2.5	248	8000	1500	2050 ✓
James S. Plaut	President	Professional Staff/Officer	Project Oversight Director	80,000	8.3%	6,000	2050	170	18	1.5	348	10	1	230	9000	747	1483
OPEN	Staff Employee	Professional Staff	Project Assistant	20,000	50%	10,000	2050	512	12	8	462	10	8	285	8000	1500	2868
OPEN	Contract Employee	Contract Staff	Field Director	42,000	100%	42,000	1025	1025	12	12	1938	10	10	1815	-	-	4578
OPEN	Contract Employee	Contract Staff	Associate Field Dir.	14,000	100%	14,000	525	525	12	12	648	10	10	533	-	-	1708
OPEN	Contract Employee	Contract Staff	Project Secretary	8,000	100%	8,000	525	525	12	12	277	10	10	231	-	-	1033
OPG TOTALS								4488			6887		4835		8787	24,608	48,218

1/ATA Personnel Policy Manual - 1984 (under preparation).

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Schedule C - Travel and Per Diems

	Year I			Year II			Totals	
	RT	U	T	RT	U	T		
1. International Air Fares								
Project Staff	8	550	4,400	8	550	4,400	8,800	
Consultants	3	550	1,650	4	550	2,200	<u>3,850</u>	
						ST:	12,650	
2. U.S. Air Fares								
Project Staff	10	250	2,500	10	250	2,500	5,000	
Consultants	3	200	600	4	200	800	<u>1,400</u>	
						ST:	6,400	
	Year I			Year II			Totals	
	PD	U	T	PD	U	T		
3. Per Diems								
Project Staff (International Travel)	140	76	10,640	140	76	10,640	21,280	
Project Staff (National Travel Honduras)	90	35	3,150	90	35	3,150	6,300	
Project Staff (National Travel U.S.)	20	75	1,500	20	75	1,500	3,000	
Consultants	66	76	5,016	84	76	6,384	11,400	
						ST:	41,980	
Schedule C Total								61,030

Schedule D - Direct Costs

Medical Examinations	100
DBA Insurance	1,400
Printing (Honduran Product)	2,500
Marketing Presentations (Show Fees)	2,000
Telephone and Cables	2,000
Schedule Total	8,000

Schedule E - Other Costs and Contingency

Procurement

Design Studio Equipment (1)	5,000
Work shop Equipment (2)	5,000
Vehicle -Purchase and Spare Parts and Maintenance	19,170
Contingency	5,000

Schedule Total 34,170

- (1) Drafting Tables
- Draftsman Supplies
- Light Box
- Lighting

- (2) Small Scale Power Tools
- Crafts Equipment
- Camera and Accesories

Financial Plan (Two Years)

In US\$

	USAID/H		ATA		GOH	
	US\$	Local Currency	US\$	Local Currency	US\$	Local Currency
I Personnel						
- Field Staff						
Field Director	84,000					
-Associate Field Director (Honduran Nat.)		28,000				
Secretary (Honduran Nat.)		12,000				
Chauffer						6,000
-U.S. Based						
Project Manager	66,000					
Project Oversight and Evaluation	10,000		50,000 ₁			
Marketing Manager	20,000		20,000 ₁			
Project Assistant	20,000					
Consultants	18,000					
II Travel Per Diems	54,730	6,300				
III ATA Grants to Participating Artisans			25,000			
V ATA Direct Costs	8,000					
ATA Procurement and Contingency	34,170					
VI Project Office and Workroom Space and Utilities/ vehicle use						63,000
VII Office Equipment and supplies						9,000
VIII ATA Overhead Charges	77,400					
IX Personnel Benefits						
Household Goods	1,500					
Transport Automobile	1,200					
Shipment						
Housing Allowance	9,000					
Schedule B-1	49,000					
FICA	12,000					
TOTALS	465,000	46,300	95,000			78,000

Contributed Salaries

Project Operations - Time Frame

Actions	By*	Locale	MONTH																							
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Implementations																										
- Work Planning	PM	Hon	!																							
- Recruitments			!																							
- Asso. Field Dir.			!																							
- PCV-Prod.Dev. Specialist			!																							
- Secretary			!																							
- Peace Corps Coord.			!																							
- Cooperating Inst. Coordination			!																							
- Development of Preliminary Product Dev. Priorities			!																							
- Development of ATA Field Operations Requirements			!																							
Installation-ATA	PM	Hon	---																							
Field Director	FD		---																							
Assoc. Field Director			---																							
Reports		U.S.																								
Annual	PM	Hon																								
Semi-Annual	FD	Hon																								
Marketing Actions																										
Field Reviews	MM	Hon	---																							
Nat. Mkts. Actions	MM	Hon																								
	FD																									
Exp. Mkt. Actions	MM	U.S.																								
Evaluations	JS	Hon																								
		U.S.																								
	AID	Hon																								
		U.S.																								

* PM Project Manager
 JS James Plaut
 FD Field Director

Conditions of the Agreement

A. Condition Precedent to Initial Disbursement

Prior to initial disbursement under the Grant, or to the issuance of documentation pursuant to which such disbursement will be made, the Grantee will furnish, in form and substance satisfactory to A.I.D., evidence that the Grantee has provided a plan and budget of estimated expenditures for implementation activities to be carried out during the first year of the Project. The budget should distinguish between dollar amounts which will be directly financed by A.I.D. and local currency obligations provided by the Government of Honduras and A.I.D. Upon approval of the implementation plan and budget, A.I.D. will instruct the Central Bank of Honduras in writing to disburse the project's local currency needs directly to the Grantee. Dollar expenditures will be financed under a Federal Reserve Letter of Credit.

B. General Conditions of the Agreement

1. This Agreement provides funds for approximately 24 months, from the date of signature of this letter through February 22, 1986, subject to satisfactory progress towards objectives, and provided that project costs incurred after February 23, 1984 but prior to signature may also be reimbursed subject to the meeting of the provisions of this Grant.

2. Grant funds may not be used to finance consultant fees or any other cost incurred prior to the signing of this Agreement, except as provided in paragraph 1 above.

3. A report of progress in meeting project objectives should be submitted to A.I.D. three months from the date of this letter and every three months thereafter in order to evaluate the project and assess the degree of achievement of the project objectives listed in the Project Proposal. Each quarterly report will summarize the project progress in relation to that planned, any constraints to project implementation being experienced and efforts believed necessary to resolve the problems encountered.

4. The Grantee will give appropriate publicity to the Grant and the Project as a Program to which the United States has contributed. Project sites and goods should be identified and appropriately marked as financed by A.I.D.

5. All reports and evaluations will be submitted, in Spanish or English, to the A.I.D. Project Officer.

6. At the end of the project, an evaluation will be carried out jointly by USAID and Aid to Artisans, Inc. (ATA), to measure progress toward meeting the project efforts-as listed in the Detailed Project Description.

I have designated Mr. Marvin Brant, of our Office of Program and Capital Resources (PCR), the USAID Officer responsible for contact with the Grantee. This Officer has already been in touch with you, and once this Agreement is signed, I would expect that your relationship would continue and be helpful to both parties.

7. The following non-applicable Standard Provisions (Attachment B) are hereby deleted: 5A. Negotiated Overhead Rates--Predetermined; 7B. Payment -- periodic Advances; 7C. Payment--Reimbursement; 10B. Procurement of Goods and Services over \$250,000; 13A. Title to and Use of Property (Grantee Title); 13B. Title to and Care of Property (U.S. Government Title); 17. Prohibition on Abortion-Related Activities; 18. Voluntary Participation Requirements for Sterilization Programs.

Aid to Artisans, Inc. (ATA)

(Name of Grantee)

Operational Program Grant No. 522-0250

Payment Procedures

1. Payment Procedures for AID Dollar Resources

Payment shall be made to Grantee in accordance with the procedures set forth in Attachment C Standard Provision 7A, entitled "Payment - Federal Reserve Letter of Credit (FRLC) Advance." ATA will submit the required reports as specified herein and submit same to AID/W and a copy to the USAID Mission to Honduras. The original and one copy of the SF-272 and SF-269 reports will be sent to:

Office of Financial Management
Program Accounting Division
SA-12
Department of State
Washington, D. C. 20520

The copy for the Mission will be sent to:

Controller
USAID/Honduras
APO Miami 34022

2. Payment Procedures for AID/GOH Local Currency Resources

Separate documentation should be maintained for the AID/GOH resources from the Economic Recovery Program No. 522-0230. It is the responsibility of the Grantee to keep separate and adequate records pertaining to these expenditures in the same form in which such records are kept for A.I.D. Direct Grant Funds (described in the Standard Provisions Annex - Attachment C). The Grantee will submit to A.I.D. each quarter a summary statement detailing the expenditures pertaining to budget line items. However supporting documentation, for the AID/GOH resources, does not have to be submitted to A.I.D. A.I.D. reserves the right to audit or inspect the files in reference to ensure that funds are being used for eligible costs as defined in the Grant Agreement.

ASSURANCE OF COMPLIANCE WITH THE AGENCY FOR
INTERNATIONAL DEVELOPMENT REGULATION UNDER TITLE VI
OF THE CIVIL RIGHTS ACT OF 1964

Aid to Artisans, Inc. (ATA) (hereinafter called the "Grantee")
(Name of Grantee)

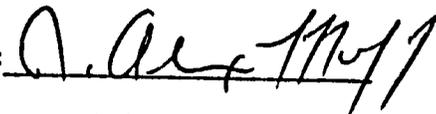
HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Agency for International Development (22 CFR Part 209, 30 FR 317) issued pursuant to that Title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under a program or activity for which the Grantee received Federal financial assistance from the Agency and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this Agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Grantee by the Agency, this assurance shall obligate the Grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Grantee for the period during which the Federal financial assistance is extended to it by the Agency.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Grantee by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Grantee recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Grantee, its successors, transferees, and assignees, and the person and persons whose signature appear below are authorized to sign this assurance on behalf of the Grantee.

Aid to Artisans, Inc. (ATA)
(Grantee)

BY (Signature):



TYPED NAME: Raymond A. Manoff

TITLE: Executive Director

DATE: March 15, 1984