

# Pan-Africa Artisan Enterprise Development (PAED) Project

## MID-TERM EVALUATION



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## Acronyms

ATA	Aid to Artisans
ANARTE	National Artisans Association (Mozambique, now defunct)
AMRP	African Market Readiness Program
BAT Shop	Bartel Arts Trust Shop (South Africa partner)
DIP	Detailed Implementation Plan
DTI	Department of Trade and Industry, SA
CCDI	Cape Craft and Design Institute (South African partner)
EOP	End of Program
FOB	Freight on Board (price of product leaving country)
FSC	Forest Stewardship Council (certifying body for wood)
KZN	Kwa Zulu Natal province, South Africa
LOP	Life of program
MRP	Market Readiness Program (NY)
M & E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NYIGF	New York International Gift Fair
NGO	Non- Governmental Organization
PAED	Pan-African Artisan Enterprise Development Program
PVO	Private Voluntary Organization
RISE	Regional Initiatives for Southern African Enterprises
SARCEA	South African Retail Chemist's and Drug Association
SMEs	Small and Medium Enterprises
USAID	United States Agency for International Development

# PAED mid-term evaluation

## July 2005

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### 1.1 EVALUATION PROFILE SHEET

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Aid to Artisans

Agreement #HFP-A-00-01-00023-00

October 2001-September 2006

Partners:

Mozambique: ATA field office and artisan micrienterprises

Tanzania: ADAT, Marvelous Batik, Mikono, Moto

South Africa: BAT Shop, CCDI

Beneficiary populations<sup>1</sup>

Country	Men	Women	Total
Mozambique <sup>2</sup>	1785	715	2500
South Africa	74	853	927
Tanzania	465	110	575
Total	2324	1678	4002

PVC-PVO match totals

Year	USAID/PVC	ATA cash match	ATA in-kind
FY2002	\$567,286	\$615,257	\$125,972
FY2003	\$630,487	\$596,398	\$108,161
FY2004	\$641,651	\$338,957	\$132,750

Evaluation start date: March 2004 and end date: July 2005

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<sup>1</sup> In addition to the main implementation countries, ATA worked with SMEs in Ghana and Zambia with match funding, or an additional 400 artisans.

<sup>2</sup> The majority of Mozambican artisans are reached through an informational newsletter; the gender breakdown from the 350 artisans with whom ATA has an intensive program is extended to estimate the larger group.

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## 1.2 SUMMARY OF CONCLUSIONS & RECOMMENDATIONS

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The goal of this evaluation was to determine overall progress toward goals and likelihood of meeting goals. In that regard, ATA's PAED program is on track to meet goals by September 2006, the end of the USAID funding:

- Sales remains a primary indicator for Aid to Artisans because it reflects the importance that artisan enterprises place on actually selling product, and because facilitated sales during a project constitute a step toward long-term sales. Overall, South Africa is at 140% of sales goals, Mozambique at 90% of goal, and Tanzania at 80% of goal, or about six months behind.
- ATA is on track to reach the project goal for artisans benefited (4,750). Substantial numbers of new artisans will be reached in South Africa due to new partnerships already underway. However, since the majority of Mozambican artisans are reached through the informational bulletin, staff need to ensure that it reaches the intended audience and is useful and meaningful.
- In Mozambique, where the evaluator spent the most time in the field, artisan housing and workshops were generally better than surrounding houses. South African artisans reported that they were struggling financially, but also that they were providing for their families. Rural artisans report few other opportunities for cash income. Tanzanian business leaders reported that ATA's training was useful and has helped them increase their businesses, but that US marketing links have not developed as expected.
- Most of the process indicators (see Table 2 for details) are either on track or ATA is using this information to make management decisions.
- ATA's institutional strengthening goal, which focused on increased capacity to develop and deliver training programs in the field, has been met and surpassed, with several new training products in demand.

One of ATA's great strengths is its global network and its ability to create new linkages in the sector. Due to the expense of traveling between southern Africa and the US, the project was designed with limited in-person contact. More in-person time might have prevented the disintegration of the Amka partnership in Tanzania, and would certainly have led to a more robust followup plan for Tanzania. Moreover, the addition of face-to-face planning time in Mozambique has been beneficial in creating a unity of vision.

ATA has been quite successful in raising the match required by this grant, although that has been challenging and stressful at times. The 1:1 requirement has led ATA to think more broadly about resources it could tap into, and pursue new funding sources, and after six years of match fundraising, ATA finally has match for the remainder of the project in place. The substantial relationships that the organization has with Kellogg Foundation in particular would not have happened as quickly without the matching grant.

In Mozambique, the challenges of the external environment are daunting, including low levels of literacy and numeracy, weak businesses, poor infrastructure. In the face of these obstacles, the project has had remarkable successes with the woodworkers in Maputo and

Nampula. The lack of a strong exporter was identified as a key gap in the craft sector during the planning stages. Despite efforts to address, including training candidates, the project is nearing its end without this key function in place. There is strong market demand for product, but this advantage is tempered by the poor organization of the sector. ATA staff perform many export functions, which puts even more demands on staff that is already stretched. The Mozambique program urgently needs to finalize closeout for the PAED program and confirm, for example, what role a staff-led organization would play and how it would be funded. The Mozambique program has done good work in promoting good forestry practices, and these gains should be built into the close-out strategy.

ATA's Africa Market Readiness Program, conducted in Johannesburg, has been very well received; SMEs from around Africa have spent their own funds to attend the program. ATA's strategy of South Africa as a regional market hub has been most successful for SADC countries. Tariff barriers constrained successful export to South Africa from other African countries.

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### 1.3 PAED PROJECT BACKGROUND

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The PAED program was designed as a follow-on to RISE, ATA's matching grant country programs in Mozambique and Tanzania, with an expansion into South Africa. The proposal describes PAED as helping "African craft break away from the stereotypes of Kente cloth and tribal masks and take its rightful place as an innovative provider of products that draw from deep cultural resources...so that Africa's diverse and dynamic craft industry ...generates economic and social benefits for Africans and substantially contributes to the economy" of Mozambique, South Africa, and Tanzania.<sup>3</sup> PAED was to reach 5,700 artisans and broker nearly \$3 million in sales through implementation of a comprehensive strategy to supply design innovation, access to important markets, and business trainings to artisan enterprises.

The goal of PAED is to alleviate poverty among artisans in southern Africa by opening new markets

ATA's institutional strengthening goal focuses on strengthening and diversifying training products, in particular:

- a production mentoring program, whereby small producers will learn from experienced export oriented enterprises,
- an exporter training program, specific for new exporters to the US market using Mozambican exporters as initial participants, and
- an African Market Readiness Program (AMRP), modeled on ATA's successful New York-based Market Readiness Program (MRP).

In Mozambique and Tanzania, ATA focused on capacity building through scaling up production systems, organizational development for artisan groups and expanding services to reach more artisans. In Mozambique, ATA planned to nurture the creation of a Mozambican artisan association and continue to encourage and facilitate artisans' involvement in the conservation of natural resources. In Tanzania, ATA intended to strengthen our partner organization's capacity to work in commercial markets and in advancing artisans' skills in design and building on their business knowledge, and phase out after three years. In South Africa, ATA partnered with the BAT Shop to begin to bring market-driven product development and market links to South African artisans, as well as to broaden ATA's network to include other organizations, businesses, and craft sector service providers such as designers.

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

In October 2001 as PAED was launching, ATA had a solid field office in Mozambique, led by Regional Field Director Lorraine Johnson, and a worsening relationship with Amka, the Tanzanian implementing partner. For both countries, baseline data was determined to be

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<sup>3</sup> ATA's PAED proposal, October 2000.

the final RISE indicators, which were simplified for PAED.<sup>4</sup> Baseline data in South Africa was taken from BAT Shop's previous year's performance. None of the planned training modules had progressed past the idea stage.

At the time of the evaluation, all three training modules are being implemented; a nascent Mozambican artisan association had disintegrated, but staff are planning an organization; after splitting with Amka, ATA worked directly with several craft businesses and organizations; BAT sales have increased substantially and ATA is expanding the South African network.

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## 1.4 PROGRAM EFFECTIVENESS

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### 1.4.1 Program approach

ATA's model has long been to upgrade the skills of artisan businesses, develop market-driven products, link producer groups to exporters and the global market, and then step back and allow the private sector to continue driving sales. This model still holds true, but ATA sees changes in the market that endanger the business model of our key buyers, the small importers. Adapting to these market shifts may well require additional expertise and customer service on the part of the exporter. In many projects, ATA sees a sharp increase in the potential and actual sales locally and regionally, and the need for ever-improving customer service.



*ATA's model of designing new products that combine existing skills or materials with market trends, continues to work (Tanzanian pillow covers).*

The research conducted for this evaluation shows that craft production can make a meaningful difference in the lives and livelihood of artisan clients, and that ATA effectively links artisans to local, regional, and global markets. ATA assumed that African artisan businesses cannot compete on price, but rather must compete on the basis of design and customer service, and this is still true, especially given the fierce and increasing price competition from China.

The PAED program was designed drawing heavily from the RISE final evaluation, but even so, some assumptions that were designed into the project were less valid. In Mozambique, despite difficulties in finding an exporter during RISE, ATA assumed that the existence of Mozambican entrepreneurs willing and able to serve as an exporter. This has been more difficult than expected, and even foreigners in Mozambique, who are often the most successful exporters because of their cultural connection to the target market, have been hard to bring into the craft sector. ATA also assumed that it could effectively organize the Mozambican craft sector through an organization; this organization failed to really form and organization of even larger scale production that is demanded by the market is slow. ATA's

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<sup>4</sup> See Tables 1 and 2 for indicators and baselines.



gamble that the relationship with Amka could be salvaged did not hold true. Last, ATA has been able to identify fewer African SMEs than expected who might pay for marketing services, and has not been aggressive in recruiting those companies.

#### **1.4.2 Achievement of objectives**

This section will review the results of program achievements against goals through September 2004, the end of the third year. Table 1 addresses the overall strengths and challenges in progress toward goals, and Table 2 covers progress on each indicator identified in the DIP. The last part of this section discusses the results of the artisan interviews, particularly as they apply to artisan livelihood.

Sales remains a primary indicator for Aid to Artisans because it reflects the importance that artisan enterprises place on actually selling product, and because facilitated sales during a project constitute a step toward long-term sales. Overall, South Africa is at 140% of sales goals, Mozambique at 90% of goal, and Tanzania at 80% of goal, or about six months behind. We expect that the Tanzania project final number will end at about 90% of goal.<sup>5</sup>

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<sup>5</sup> The Tanzania activities, originally scheduled to end in September 2004, were extended to June 2005 to compensate for the time lost when the partnership with Amka disintegrated.

Table 1. Progress toward major goals

Major objective	Strengths	Challenges, and constraints
<p>Capacity Building</p> <ul style="list-style-type: none"> <li>▪ Improve ATA’s ability to produce training materials and deliver training to partners;</li> <li>▪ Diversify and expand training programs;</li> <li>▪ Improved ability to build artisan capacity</li> </ul>	<p>ATA has developed 3 planned training modules (exporter training, production training, and Africa Market Readiness Program, or AMRP) and have presented them in several new venues, and an additional intensive module on costing and pricing. ATA shares basic modules with partners and new trainers greater reach (for example, our Guatemala partner has translated most of the MRP modules to Spanish, which ATA has used in our Latin America projects. We are adapting current curricula for different scale of enterprise and different literacy levels.</p> <p>When planning the exporter training module, ATA shifted to mentoring focus at the exporter’s facility, rather than at the importer’s facility, to better address constraints.</p> <p>ATA field staff meetings have synthesized lessons learned from different projects.</p>	<p>Changing trends require constant updating of market-related information. Ensuring quality of presentation when training is done locally remains a challenge.</p> <p>Much of ATA’s mentoring is done one-on-one, effective but expensive.</p> <p>Effective training of the right lesson at the right time to the right, homogenous group, is always a challenge.</p> <p>The Africa Market Readiness Program (AMRP) is not currently less expensive than the New York MRP, due to smaller group size and Johannesburg-based costs. Most non-project participants in MRPs are funded through a third party, rather than paying their own way.</p>
<p>Use IT to deliver services cost-effectively and to market products.</p>	<p>Information technologies shift rapidly, and so has our expectation of the best use of IT for ATA. Currently, in addition to ATA’s website that provides overall information about the organization, the website’s commercial client log-in and draws new wholesale and retail clients who ATA would not have met otherwise.<sup>6</sup></p>	<p>ATA has not yet determined an appropriate link between buyers and non-project producers that maintains ATA’s reputation for screening both buyers and producers.</p> <p>Although we have done long-distance design, it has not used IT only to transmit the information, rather than to create it or facilitate a discussion. IT-based design is not a key priority for ATA.</p>
<p>Increase earned income</p>	<p>ATA developed a plan to provide both a first export opportunity to new program participants and an opportunity for earned income for ATA. This resulted in \$250,000 in gross warehouse income in FY04, but a net loss of \$30,000.<sup>7</sup> ATA did provide valuable feedback on the quality of export services and placed test orders with new exporters and producers.</p>	<p>The earned income effort can be distracting from ATA’s main mission, and is inherently risky. ATA’s 2004 warehouse loss was greater than expected.</p> <p>ATA developed fee-for-service pricing for the Pan-Africa market link at a subsidized rate; however, many of the businesses unable or unwilling to pay a substantial portion of market-rate services, a combination</p>

<sup>6</sup> Website data from ATA’s IT manager.

<sup>7</sup> Income data from ATA Finance.

		of small-scale business and the expense of export marketing.
Diversity funding sources and strategic alliances	<p>ATA's strong relations with several large funders, reflect the effort required over the first several years of in project. In mid-2004, ATA was awarded \$900,000 from the Kellogg foundation, for Mozambique and South Africa, and two \$150,000 grants from the Ford Foundation, for Mozambique and South Africa. The Kellogg grant is actually more funding that ATA requested, and reflects what ATA expects to be a longer-term, deeper relationship between the two institutions. ATA is particularly proud that the field has been central in the cultivation of funders. For Kellogg, ATA's deliberate, planned change from expatriate to local leadership of the Mozambique project was important.</p> <p>In addition, ATA is investing in Regional Rep for Africa, the former Regional Director who has a proven track record in fundraising.</p> <p>Field offices overall are participating much more actively in donor cultivation and proposal development.</p> <p>As funders increasingly seek to fund local organizations and as ATA's network grows, we are deliberately expanding our network of craft-based organizations, developing proposals with those organizations, and providing targeted services while strengthening these partners.</p>	<p>Overall growth in ATA's budget included a higher percentage of USAID funds, so our funding diversity dropped in FY05 for the first time in years. However, ATA sees less opportunity for successful unsolicited proposals to missions, which has been an efficient and effective way to win project funds, and we expect a lower ATA budget in FY06 than FY05.</p> <p>A gap in staffing in development department in 2004 led to modest lag in fundraising.</p> <p>We have been slow to cultivate relationship with AGOA hubs ATA is new at relationships with the for-profit development industry in general, and so are moving carefully but deliberately to pursue this opportunity for both corporate-level and project-level partnerships.</p> <p>ATA was slow to cultivate relationships with the AGOA hubs, too; although they include a craft component now, they were heavily focused on the textile sector initially.</p>
Offer services to artisan enterprises elsewhere in Africa (See 1.4.4 for lessons learned during ATA's Pan-Africa SME project funded by the IFC. See Appendix 5 for the next evolution of ATA's thinking on how to work with African craft SMEs.)	<p>With match funding, ATA offered participation in the AMRP and South African marketing to additional SMEs from Ghana and Zambia, and screened additional companies in Mali, and Swaziland. Additional funding from MEPI enabled ATA to open a small, two-year project in Morocco that is funded through an amendment to the PAED agreement.<sup>8</sup></p> <p>ATA's focus on Africa has resulted in small contracts in Madagascar.</p>	<p>Fewer African exporters than expected can afford to pay a substantial amount toward marketing efforts—those that can do not need ATA assistance or are capable of getting grant resources on their own.</p>

<sup>8</sup> The Morocco project quarterly reporting is separate from this southern

	<p>The South African market is most appropriate for SADC countries which are not subject to import duties (although the strength of the rand makes product from most other countries increasingly marketable). ATA's expertise in the SA market is growing.</p>	
Increase public awareness of ATA	<p>Fourth ATA awards event in January 2005 drew 500 people, including many in the gift and decorative accessories industry. We surpassed the goal for media appearances relating to Africa. Well-known PR firm, Slover &amp; Company, is now branding ATA.</p>	<p>Gap in staffing in PR department may cause lag in media appearances in FY05.</p>
<p>Tanzania:</p> <ul style="list-style-type: none"> <li>▪ Enterprises effectively serve commercial markets</li> <li>▪ Increased marketing and sales opportunities</li> <li>▪ Independent creation of marketable product</li> </ul>	<p>ATA shifted focus to match markets with scale of businesses, emphasizing primarily high-end local and regional markets. Marvelous Batik, a key business client opened a high-end local shop; other work is to foster linkages directly with buyers.</p> <p>Some local design capacity, but new markets are more demanding of more Tanzanian-themed product.</p>	<p>After the split with partner organization Amka, ATA was reluctant to do another assessment of Tanzanian producer groups, which might have led to additional positive results.</p> <p>Sales results in the US have been disappointing, despite multiple attempts.</p>
<p>Mozambique:</p> <ul style="list-style-type: none"> <li>▪ Strengthen organization of artisan, export sectors</li> <li>▪ Provide business development services</li> <li>▪ Increase local staff fundraising and financial management responsibility</li> <li>▪ Increased marketing and sales opportunities</li> <li>▪ Scale up and expand impact of work</li> <li>▪ Businesses sustainable at project end</li> </ul>	<p>There is strong market demand for Mozambican products in regional and US markets. Several South African buyers are committed to long-term sourcing from Mozambique. To increase production capacity, ATA has linked producers to tools and is identifying sources of microcredit, and cross-trained different producer groups to increase production capacity.</p> <p>Local staff were instrumental in securing \$1.2 million from Ford and Kellogg in 2004, and have independently acquired additional funding from the UN and other Mozambican sources.</p> <p>Additional local staff in the provinces has increased the quality and effectiveness of ATA's reach. ATA's local newsletter has been issued more regularly.</p> <p>Business skills are coming along. Maputo artisans much more sophisticated in costing, pricing, business planning than the Nampula artisans, who have had fewer interactions with the office. But even in Nampula, people are changing from associations to private enterprises.</p> <p>External facilitators of our Africa Market</p>	<p>Artisan organization failed to coalesce; staff are seriously considering forming an organization or business to partner with ATA post-project.</p> <p>Mozambique's good progress against main quantitative measures (sales and artisans benefited) mask key weaknesses in the program, specifically the lack of strong exporters, weakly organized production capacity, and a lasting problem of sustainable wood accessibility. Staff have worked hard on these issues, which have been identified for some time, but long-term solutions are slow to be effectively.</p> <p>Serious weaknesses remain in export services, production capacity, and business cash flow, despite ongoing efforts of staff to address these issues. Without an exporter, staff take on many of the export functions, which causes distortions in the market chain (although pricing markups assume a commercial player) and which is time-consuming for staff.</p> <p>The local newsletter is not a priority for staff and could be more effective in reaching the poorly-educated artisans in the province; the effectiveness of the</p>

	<p>Readiness Program (AMRP) report that the Mozambican microentrepreneurs are much more prepared and able to absorb information than other participants, even South Africans for whom language is not a barrier.</p> <p>The Nampula artisans are more engaged in artisan work than in Maputo—they have more orders, and they produce more for the local market.</p> <p>Wood use: ATA has sought to use precious woods responsibly; encourage the use of alternate species; and foster improved forestry management, and had some success in each of these. Many artisans are harvesting or purchasing wood legally due to the large fine for illegal use. ATA’s wood bank provides a source of well-managed sandalwood in Maputo.</p>	<p>newsletter will be assessed in the 2006 evaluation.</p> <p>The project is well behind targets for number of businesses in local and international markets.</p> <p>Basket weavers in Inhambane were added to the project in 2004 and dropped in 2005, using staff time and resources without a substantial result.</p> <p>Wood use: African blackwood remains the most popular wood in the market, and artisans are not truly concerned about the long-term sustainability of the resource. We do not have a viable long-term strategy for the wood bank.</p>
<p>South Africa:</p> <ul style="list-style-type: none"> <li>▪ BAT Shop responds effectively to market demands; operational, training capacity stronger</li> <li>▪ ATA builds strategic alliances in RSA, including additional partners</li> <li>▪ More business for RSA artisans</li> </ul>	<p>BAT Shop sales increasing, particularly in domestic market; producers and staff have positive evaluation of MRP; many buyer visits are independent of ATA; plans underway for BAT to have separate booth in local trade show.</p> <p>ATA has new partnership with CCDI; has identified more than a dozen South African designers and started a mentorship program with young designers; formed an ATA South Africa Trust to access local funding and sustain training and marketing work post-PAED.</p>	<p>Joint activities with CCDI moving slowly despite good relationship; ATA increasing staff effort to jump-start. Government funding, as expected, is bureaucratic to access. The strength of the South African rand, combined with the dollar’s weakness, make South African products extremely expensive in the US for the near term.</p> <p>The talented young designers we have identified so far are primarily white, although we continue to seek out and invest in young black designers.</p>

Table 2. DIP results status

DIP indicator	Baseline	Y3 Targets?	Y3 Achieved?	Data verified	Comments
<b>Mozambique</b>					
Number of competent exporters available to artisans	0	2	1	Yes	Mozambique has a limited pool of entrepreneurs with the skill set required for success in export. ATA has identified half a dozen potential exporters, but only one actually exports.
Number of trained exporters	0	2	2	Yes	One trained businesswoman decided not to pursue craft export
* Percentage of wholesale buyers who re-order within nine months	50%	75%	28%	Yes	Reported at 28%, but erroneously included buyers whose first order was placed less than 9 months previously: internal confusion on indicators. Data not available to reconfirm/recalculate percentage.
* Percentage of groups with MOU that have a bank account	52%	80%	54%	No	Number of groups with bank accounts has increased, but not as quickly as total number of groups, resulting in lower percentage.
* Percentage of groups with MOU that keep financial records	6%	20%	61%	No	Field staff report that most enterprises' financial records are not complete and accurate.
* Business Knowledge gained in SA or US MRP	n/a	20 point increase	20 point increase	No	This indicator has been met every year, but is of limited use.
Number of artisan enterprises/associations register with the Ministry of Finance	0	4	4	No	
Number of local funders identified/developed or renewed by local staff	0	3	3	Yes	Mozambican staff skills are improving steadily.
Number of proposals developed by local staff (with HQ and RFD)	0	6	3	Yes	Number of proposals developed is under goal, but the local staff were essential in winning large proposals to Ford and Kellogg, as well as identifying smaller opportunities with Mozambican funders.
Local staff managing financial reporting independently by year 2	Reg'l Field Dir submits	Local staff submits	Local staff submits	Yes	Mozambique office responds well to home office changing financial reporting format, and no major problems were identified in limited financial review.

Number of craft businesses with exposure in international trade shows by EOP	10	25	19	No	
Number of businesses with exposure in Mozambique annual holiday fair	10	34	18	No	Have not identified new producers with a different range of product at a high enough quality for the fair.
* Annual Local fair sales in USD	\$2,200	\$7,000	\$ 8,590	No	Market in Maputo is still modest, but fairs are growing.
Number of buyer visits	3	6	3	Yes	
* Total cumulative sales by EOP	33,000	\$175,000	\$ 151,104	Yes	Mozambique sales are 15% under goal throughout project, but continuing to grow. Limited production capacity is major constraint to sales, as products are highly demanded in the market.
* Number of artisans served during the LOP	1,350	2,500	2500	Yes	Artisans served through intensive project activities is much lower, approximately 350. Other artisans are reached through the bulletin. Survey in 2005 will test assumptions about reach of bulletin.
* Number of new product lines accepted into international markets	0	42	16	No	Sales of existing product lines were still strong, so ATA focused more on increasing production capacity rather than new product development.
* Percentage of orders that meet buyer quality control standards	60%	70%	70%	Yes	
<b>South Africa</b>					
* Percentage of (new) wholesale buyers place repeat orders within 9 months	100%	90%	100%	Yes	Data sheets not available to confirm.
25 trainees to attend the MRP by EOP	0	15	22	Yes	Additional GOSA funding allowed more South Africans to AMRP; most are not with the BAT shop
Active participation of SA designers to use regional talent in providing design/technical assistance	0	6	5	Yes	ATA actively seeking designers; match Ford Foundation funding obtained specifically to identify and hire young black designers, who are relatively scarce.
Number of Craft Organizations visited and assessed by EOP	0	10	4	Yes	ATA decided to found ATA South Africa Trust to access local funding and manage marketing and training activities long-term.

Transfer of AMRP to BAT by Y4	No AMRP	BAT managing	ATA implements 2x/year	Yes	ATA and BAT mutually agreed that ATA, rather than BAT, would implement the AMRP. ATA's newly formed ATA South Africa Trust will implement the training program, and is eligible for South African government funds for SA participants.
Craft businesses with exposure in international trade shows by EOP	3	10	19	No	All 19 microenterprises supply the BAT shop.
Buyer visits	6	8	38	Yes	Actual is number of visits, including local wholesale buyers and importers; target was intended for international buyers only, but recordkeeping does not allow disaggregation
* Total cumulative sales of EOP	\$200,000	\$ 325,000	\$556,000	Yes	BAT's reporting reviewed. ATA setting additional sales targets for CCDI businesses.
* Percentage of orders meeting buyer control standards by EOP	70%	82%	90%	No	
* Number of artisans served during the LOP	700	1000	927	Yes	
* Business knowledge gained in SA or US MRP	20 point increase	20 point increase	14 point increase	No	Previous years participants met (but did not exceed) the 20% goal.
* Number of new product lines accepted in international markets	10	23	19	No	Weaker dollar and stronger rand result in less price-competitive products.
<b>Tanzania</b>					
Increase in the number of enterprises selected	2	4	4	Yes	
Number of businesses with repeat orders		2	2	Yes	
Number of artisans served during the LOP		500	575	Yes	
* Total Cumulative sales by EOP	\$ 130,000	\$ 235,000	\$213,000	Yes	
* Business Knowledge gained in SA or US MRP		20 point increase	25 point increase	No	
* Number of new product lines accepted in international markets	0	20	10	No	In Y3, ATA modified marketing strategy toward local high-end buyers; regional buyers; and special events in South Africa



* Percentage of orders meeting buyer's quality control standards	n/a	85%	77%	Yes	
* Percentage of wholesale buyers place repeat orders within nine months		75%	0%	Yes	Buyers are expected to place additional orders, but have not met the 9-month time frame of the indicator
<b>Core program</b>					
New standard artisan enterprise training modules established and accessible to field and headquarter staff by year2	n/a	3 modules	materials further refined	Yes	EXPORT, PRODUCE, and AMRP curricula completed and tested. ATA Training Officer regularly updates MRP modules and makes them available to the field offices, which then edit them for local use.
Use of Central Training Units in the field by year 3	n/a	Completed	Completed	Yes	
Number of time curriculum used in the field	n/a	n/a	Annually for each group	No	Strategy changed be be more demand-driven; groups had different needs.
Three training modules to be revised and modified by EOP	Ideas for modules	n/a	training materials further refined	Yes	
Number of trainees that pay to participate in training	n/a	n/a	37% of training fees paid by third party	Yes	Fees paid by a third party, eg, the South African government, rather than by artisan microenterprises. However, SME participants have paid for their own travel and food, a substantial investment.
ATA uses internet as marketing tool, recruiting new buyers	0 buyers	n/a	691 buyers (July 05)	Yes	Only these registered buyers have access to product pricing; 32% are wholesalers, 68% retailers. Most are new to ATA.
* 400 (African) products on site by EOP	0	200	163	Yes	447 products, total, on website as of July 05
Non-program business pay for 30% of Pan-Africa Market Link trade show expenses by EOP	0%	20%	Approx 5%	Yes	Actual for Y3 was much well under goal, rather than above goal as reported in Annual Report; participating SMEs have paid for their own travel, meals, samples, shipping, and a nominal show fee, which is normally about 20-30% of the total cost.
Number of media features promoting Africa as a source of innovative products	2	3	4	Yes	
Number of product placements in trade publications	2	3	3	Yes	

Number of new funding relationships developed or renewed with non-USAID funding institutions (excludes individual donors)	27 non-USAID funders in FY01	15	15	Yes	Indicator is inconsistently tracked as ATA evolves. Existing funders are awarding more and bigger grants, but total number of funders is actually shrinking.
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### 1.4.2.1 Poverty alleviation, artisan income, and program impact on clients

As part of the evaluation trip in June 2004, research assistants conducted 114 interviews with artisans in the three PAED countries (60 in South Africa, 35 in Mozambique, and 19 in Tanzania). ATA is vitally interested in its contribution to artisan livelihood; this section addresses those issues. This section also includes some comments from project clients about the project. Data summaries for each country are included in the appendices as well as a livelihood table in each section that summarizes answers to key questions. The artisans were selected in a variety of ways and thus do not constitute a random sample.

#### Mozambique

Mozambique remains one of the poorest countries in the world, and the project faces obstacles of literacy, numeracy, health, and infrastructure, among others. Artisans are clearly poor but not the poorest members of society; there is a subset of project clients that are able to meet household expenses and save money. Table 3 below details responses to some of the livelihood questions from the survey. Artisan homes and workshops that were visited during the assessment were usually slightly better than neighboring housing stock. Where ATA had provided small grants (usually \$1,000), substantially better quality workshops had been built with additional artisan investment.

Table 3. Mozambican artisan livelihood survey responses

Mozambique	Least poor	Poor	Poorest	Comments
How are craft earnings spent?	Mostly on self: 27%	Both Self and Household: 12%	Mostly on household: 61%	Compared to other countries where ATA has asked this question, this is a good response.
Are you able to save?	Yes: 55%		No: 45%	Surprisingly good
Compared to your friends and neighbors, how is your household?	Better than most: 13%	The same: 47%	Not as good as most: 40%	Seems lower than expected given responses to other questions and overall Mozambican poverty.
With the money that is brought into the household, is the household able to meet your monthly expenses?	Most of the time: 22%	Some of the time: 66%	Rarely: 13%	Respondents did not fall consistently in any one column. Reported ability to meet expenses did not correspond to the comparison with others.
Monthly artisan income USD=20K MZM	2-2.5m MZM, 22%	1-2M MZM, 33% (\$50-100)	>1m MZM: 44%	Non-craft income contributes substantially to household income.
Household income	3-7m MZM: 25%	1-2m MZM: 38% 2-3m MZM: 19%	>1m MZM: 19%	Some of the largest households, with more income earners were most likely to meet needs.
# income earners	3: 12% 4+: 12%	2: 39%	1: 36%	Artisans have large households (mean 4.5) but three-quarters of the respondents had only 1-2 other income earners (average 2.3 total).

The overall comment from the research assistant in Mozambique who interviewed artisans was “as I understood the accomplishments of the artisans, they like [ATA] and they ask for help (equipment, finance and training), new product development and opportunity for more sales and orders.” Some Nampula-based artisans were very positive overall, pointing to the MRP in particular as important and “life-changing.” ATA clients were able to identify tools, machinery, and buildings that were the result of income earned through ATA market linkages and, in some cases, through ATA small grants. Other Mozambican artisans, however, seemed indifferent and complained about ATA’s work, despite the fact that most of their income comes from ATA buyers. This might be attributed to ATA’s long time frame in Mozambique, such that artisans are just accustomed to ATA’s project, which is certainly true; to cultural differences in the acknowledgement of impact; to a sense of entitlement as noted in South Africa; or that ATA’s work is simply not seen as valuable. In the March 2005 follow-up trip, however, which focused on post-project planning, artisans seemed surprised and concerned that the PAED program ends in 2006.

#### South Africa

KwaZulu Natal has one of the world’s highest rates of HIV and AIDS, and our survey found that respondents had large households (average 6) with few income earners (average 1.7). The survey showed a worryingly high percentage of respondents that could not save (87%); 43% who were worse off than friends, family and neighbors (43% think they were the same as others); and 75% who could “rarely” meet monthly household expenses (see Table 4). The few artisans who said they could meet their needs most of the time were all wire weavers. However, when asked an open-ended question about what the most important changes in their lives have been due to working with BAT Shop, 42% responded that they were able to provide for their families, and 18% said that they had financial independence.

Further, artisans saw few other employment options open to them that would pay as well as artisan work. Most have little more than primary education. Alternative jobs might provide a fixed salary, but just 10% of respondents thought that they would be able to make more money at an alternative job. 15% volunteered that they were able to make more money with BAT than at alternate employment.

Table 4. South African artisan livelihood survey responses

South Africa	Least poor	Poor	Poorest	Comments
How are craft earnings spent?	Mostly on self: 8%	Both self and household: 54%	Mostly on household: 37%	
Are you able to save?	Yes: 13%		No: 87%	
Compared to your friends and neighbors, how is your household?	Better than most: 13%	The same: 43%	Not as good as most: 43%	
With the money that is brought into the household, is the household able to meet your monthly expenses?	Most of the time: 7%	Some of the time: 18%	Rarely: 75%	

Household income US\$=R6	>2000 rand/mo: 18%	R1001- 2000/month: 34%	≤R1000/month: 45%	Of the non-craft sources of income to households, 56% were government pensions or child support. <sup>9</sup> 62% of respondents thought they would earn less than R1000 in an alternate job.
# income earners	3 or more: 18%	2: 27%	1: 55%	Mean: 1.7. Half of the artisans are the sole earner in their households, and 71% contribute more than half of the household's income.
# household members	1-2: 9% 3-4: 21%	5-6: 36%	7-8: 21% 9+: 12%	Mean: 6

Several respondents mentioned that working with BAT earned respect from peers due to a change from being a domestic worker, being able to open a bank account, or financially providing for their family. However, one interviewer found that many crafters actually failed to recognize other meaningful benefits their work carries other than money. Sadly, some crafters have had international exposure, quality training organized by BAT, skills in new designs, etc – but still fail to see anything positive and could not mention (without probing) how they have grown out of the experiences as individuals. A learning made while conducting the interviews is that, all those crafters who took part in the study are more concerned about money and getting more money – they do not attach much value in trainings.

As is common in many places, income data was challenging to gather, and a partial comparison of self-reported income with BAT Shop records showed large discrepancies in both directions. One interviewer reported that “in terms of responses regarding their salaries, many [respondents] highlighted the difficulty of stating the exact figures, since they would have occasions of long periods without work. Even when work is available, the number of orders vary all the time.”

#### Tanzania

ATA tried to interview artisans who had been supported by previous funding through Amka, but Amka did not consent to the interviews and ATA was not comfortable interviewing without their agreement. The remaining data set paints a picture of a group that says it is better able to meet their needs than either the South Africans or the Mozambicans.

Table 5. Tanzanian artisan livelihood survey responses

Tanzania	OK	Poor	Very poor
How are craft earnings spent?	Mostly on self: 0%	Both self and household: 59%	Mostly on household: 41%
Are you able to save?	Yes: 62%		No: 38%
Compared to your friends and neighbors, how is	Better than	The same: 100%	Not as good as

<sup>9</sup> Please note that it's not 56% of the households that were receiving government support, but rather more than of household members responsible for income (including multiple children in the same household receiving child support), received a stipend rather than earning it.

your household?	most: 0%		most: 0%
With the money that is brought into the household, is the household able to meet your monthly expenses?	Most of the time: 41%	Some of the time: 59%	Rarely: 0%

If they were not working in craft, Tanzanian respondents would turn to a range of alternative occupations, with the largest number to animal husbandry. Two respondents indicated that they earned more money working as a weaver, and although several artisans responded that their present job as an artisan was better than previous jobs, they did not specify why. Artisans surveyed reported that their income had increased through working in craft and that they had developed better product and business skills. Respondents also said that they has learned to share their ideas, develop new ways of thinking and had gained self-confidence. See the partnerships section, 1.4.3.1, for more information about the Tanzanian partners.

#### **1.4.2.2 Progress from the RISE final evaluation, October 2001**

The PAED project is a follow on grant from the RISE project (1998-2001). ATA has generally improved systems and practices since then. The RISE mid-term evaluation and final evaluations were both exhaustively comprehensive documents conducted by external consultants. This summarizes some of the most relevant points from the final evaluation, primarily concerning Mozambique, and ATA’s progress since then.

**Sales:** The RISE evaluator noted that substantial increases in artisan income were due to ATA’s work. Still the most important indicator for ATA, sales continue to grow for all three PAED countries. BAT Shop sales in South Africa continue as the strongest and well over goal.

**Artisan involvement in design:** The evaluator noted that ATA designers are competent and successful—this is still true—but noted that the entire design process is mysterious to artisans and that design trips need to be longer. During PAED, design trips are fewer but longer. Throughout ATA, local design capacity is seen as a key element of long-term success,<sup>10</sup> and the Mozambique office has implemented design competitions and worked with the local visual arts school to mentor Mozambicans to design for the marketplace. However, there is limited human capacity with an eye for design combined with market knowledge, and ATA’s South African design mentorship program is more likely to be a source of sustainable design for the near term than local Mozambican design.

**Business training:** The evaluation finding that ATA lacked a “coherent, systematic approach to each individual enterprise” was one impetus for selecting training as the key service module to strengthen. The home office has developed merchandizing and product development plans for more than 100 small and medium enterprises that ATA works with globally, and field offices are charged with similar planning for microenterprises. The plans

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<sup>10</sup> This is a lesson suggested not only in the RISE evaluation but that came out strongly in a series of case studies of past ATA projects funded by the Ford Foundation. The cases can be found on ATA’s website, [www.aidtoartisans.org](http://www.aidtoartisans.org).

are not consistently updated and are only a moderately useful tool so far. As noted above, ATA's training modules are updated centrally and provide a valuable and well-used tool in the field.

**Weaknesses in the value chain and prospects for business sustainability:** The evaluation described the "sustainability model as a distant vision" in Mozambique, given the mismatch between the exporter skills and market requirements, and given the limited production capacity. The Mozambique office has put a concerted effort into finding and training new exporters, but this effort has been only marginally successful. With 18 months remaining in the project, new exporters are still being brought on board for training. Production capacity issues are improving more quickly, with the Mozambique office facilitating acquisition of tools and adequately dried, sustainably harvested wood.

**Niche markets:** The evaluator encouraged ATA to examine the potential for better use of the booth at the New York trade show; exploit niche markets, especially African-American ones, and encouraged continuation of the regional marketing strategy. In 2004, ATA re-launched its presence in the US wholesale shows as a "resource to the industry." This effort, combined with an unexpected large influx of new buyers from the website, has grown ATA's buyer list from 800-1000 at the time of the RISE evaluation to 3,000-4,000 – approaching the "several thousand" recommended by the evaluator. Niche markets have been approached in modest ways, but ATA's FY06 goals is to do so more proactively. Overall for ATA, sales in local markets make up half of total FY05 sales, a huge increase from previous years.

**Partner relationships:** The evaluator noted that the Amka relationship had been "allowed to languish," and it collapsed completely soon thereafter. Relationships with South African partners have been stronger, and ATA has formed a new partnership with CCDI there. The potential exchange between Tanzania and Mozambique has happened at the enterprise level during training programs and formally during capacity building for ANARTE, the Mozambican organization. ANARTE had been seen as a channel for sustainability and ATA dedicated resources to organizational development, but ANARTE did not coalesce and ceased to exist without significant ATA pushing.

**Financial sustainability and fundraising:** Mozambican artisans continue to pay for services through a modest MOU fee. While this does not actually pay for the cost of services, it does indicate that artisans value ATA's services. Two grants totaling \$1.2 million, awarded in the summer of 2004, put ATA ahead of total match requirements for the first time in PAED or RISE. Much of this was done in the field by the former field director (now Regional Representative for Africa) Lorraine Johnson, and more recently by ATA's new Mozambican country director, Evaristo Madime, who has grown considerably in developing funder relationships and in successfully winning proposals.

**Mozambique wood sustainability:** The Mozambique office continues to push for use of sustainably harvested wood, has worked with a local community on good management practices of their forest, and has brought the artisan voice to the national wood debate.

Project staff overextension: During RISE, the Mozambique office was overextended, serving more artisans than was realistic given the infrastructure constraints of the country. During PAED, the geographic area was cut back to two primary areas in the north and south, and provincial business coordinator (PBC) was added for the north. This is working well. Donor pressure caused ATA to add Manica (with another PBC) Inhambane (serviced out of Maputo), but neither of these additions are providing large benefits to artisans yet. Inhambane is not as easy to manage from the Maputo office as projected, particularly after regional access to a vehicle fell through.

### **1.4.3 Cross-cutting issues**

#### **1.4.3.1 Partnerships**

ATA has major partnerships with BAT Shop and CCDI in South Africa, with four producers in Tanzania, and works through a field office in Mozambique. These relationships are summarized below, but see also Appendix 1, Partnerships Table.

Mozambique, ANARTE (Mozambican start-up NGO). Mozambican artisans had expressed an interest in starting up a local NGO. Hoping that this organization would take over some of ATA's activities, the project supported this initiative through national training events so that artisans would get to know each other and by providing direct training in organizational development. However, when it became clear that artisans placed a rational priority on their own nascent businesses over the association, and that they viewed the association as ATA's initiative rather than their own, ATA stopped pushing the organization and it quickly disappeared.

Mozambique, nascent staff NGO. In 2004-05, ATA staff are considering forming a spin-off organization. It is early and still in the planning stages, but offers another opportunity for sustainability.

Tanzania, Amka, former primary NGO partner. This relationship, a follow-on from the RISE program, was rocky by the third year of the program (2001) when the PAED proposal was developed. Despite efforts to restructure the project to meet Amka's needs, there was a serious breakdown in communication and mutual trust, and ATA formally ended the partnership in February, 2002. ATA has tried to maintain as positive relations as possible, referring buyers to Amka and sending information, but in 2004 Amka refused to grant permission for ATA's research assistant to conduct interviews with basketweavers for whom ATA and Amka jointly built a building.

Tanzania, Marvelous Batik, a small business. The relationship with Marvelous has been uniformly positive and productive. Flotea Massawe, the owner, pointed to product development and training as particularly useful: "I started with the same product as everyone else. I got some product development, went to marketing training.... Now, I am so different from competitors. I know where to go to get information on trends, to magazines. Now I have a full tabletop line, and I've done entire bedrooms (curtains, bed linens,



everything), all custom work.” She added that “sales have increased, but not always from ATA’s designs” and often from her own marketing efforts.

Mikono, a formerly state-run fair trade company. Stating that it is “better to provide knowledge than food” Mikono said that they have transferred knowledge learned from ATA to other markets. Mikono has had substantial funding from a range of international donors and fair trade buyers, but still finds sales challenging. Selling to the US market hasn’t been successful, but management acknowledged that this may be Mikono’s responsibility, “maybe we didn’t use everything, didn’t follow all the opportunities.” Sales were projected to increase 20% in 2004, which they attributed to ATA’s product development.

Mikono identified the MRP as important because they learned about quality demands of the US market, which they are trying to implement. “We have a problem with quality, because the artisans keep saying ‘no, it’s ready, take it to market’ and so we have a 50% rejection rate.” Mikono has switched to checking quality of the prototype and then after 2-3 are made, which has resulted in about a 20% rejection rate.

Tanzania, ADAT, a training center with a small subsidiary shop. Only about half of the ADAT participants at the detailed pricing and costing training actually use the information. Of the two product development consultants, one was very well received and the other quite poorly received, but product development in general was cited as the most useful, providing new ideas.

Tanzania, Moto, a non-profit that promotes the use of solar cookers on Zanzibar and that has a shop. People are unwilling to cook with the solar cookers, but do use them for dyeing fibers, so the organization has put considerable effort into reviving old basket patterns, standardizing sizing, and establishing production capacity. The shop is a colorful and fashionable respite from the repetition of most of the products on Zanzibar. Work with Moto’s European leader has been slow as the two organizations struggled to align expectations. The product development consultancy, which resulted in successful products and production innovations, was characterized as “stressful.” Moto had complaints about how sales leads were handed off, but is inexperienced and unsuccessful in following up those leads. However, ATA continues to recommend Moto to buyers.

South Africa, BAT Shop, a business with a socially responsible outlook, which does considerable training. This relationship of equals continues to be mutually beneficial and effective. Marisa Fick Jordaan, the head of BAT Shop, provides considerable advice and guidance on the South African craft sector; ATA has provided staff and artisan training, product development, and South African trade show exhibition. BAT sales have increased substantially in the South African market as a result of the domestic trade show.

South Africa, Cape Craft & Design Institute (CCDI), an NGO. This young NGO has an outlook very similar to ATA’s, and the two organizations successfully obtained separate funding from the Kellogg Foundation for joint work. Implementation has started slowly, but includes “graduation” of CCDI’s more advanced microenterprises to the CCDI-ATA

project, which includes trade show marketing in Johannesburg and AMRP training. ATA's other field offices has adopted or is considering adopting some of CCDI's local activities, including a corporate gift mini-trade show and a monthly sector forum.

South Africa, Aid to Artisans South Africa Trust. In order to access Government of South Africa funding, and to provide long-term continuity for the AMRP and South Africa marketing, ATA has started a local Trust in 2005. Although currently an ATA subsidiary, it has a combined South African and ATA board and may become completely independent.

#### **1.4.3.2 New tools, guidance, or standards**

Under the matching grant, ATA has developed a few internal tools that other ATA projects have adopted, including key buyer interviews and the pre- and post-test for the Market Readiness Program.

The training modules, in particular the sessions presented during the Africa Market Readiness Program, have been adapted in other ATA country projects by field staff. ATA has also been able to equip other consultants to do craft-related training in the field.

#### **1.4.3.3 Advocacy**

ATA has not historically been involved in advocacy work, and the PAED project has not focused on advocacy. However, the Mozambique office has represented the artisan's voice to the national discussion around forestry issues, and has brought artisans to participate in a national forestry conference. There are continuing plans to advocate to rescind a recently enacted increase in the tax on precious wood species, for value-added products such as craft.

#### **1.4.3.4 Conflict mitigation/prevention**

ATA does not start to work in conflict situations; our international market link activities are markedly less successful when buyers do not feel safe traveling.

#### **1.4.3.5 Sustainability and scale-up**

ATA is refining definitions of artisans served to reflect different levels of investment and impact. In Mozambique, many artisans are reached primarily through the bulletin, which includes marketing, product development, and trend information. In countries with a business partner where ATA works primarily through that partner, all artisans involved in the business are included. See Table 6 below.

Table 6. Scale of PAED outreach

Country	Total artisans; artisans with major benefit (% women)	Sustainability	Potential for scale-up
Mozambique	2500 total; 350 (more than 60% men) receive in-depth project services. Remaining artisans are reached through the widely distributed newsletter and regional training opportunities	Exporter still urgently needed, and considerably more progress has been made on this issue in early 2005. Staff considering forming successor organization.	Scale-up is challenging with low levels of education and production poorly organized.

South Africa	927 BAT Shop artisans CCDI artisans to be reported in Y3 annual report.	High; ATA is phasing out assistance to BAT Shop to focus on other producers, such as those with CCDI	By working with more South African organizations, designers, and market, the effort is highly scaleable.
Tanzania	575 (150 women)	Generally good but varies by business.	Modest though existing business growth; Mikono may add groups but has limited marketing capacity.

#### 1.4.4 Lessons Learned and Program Recommendations

This section discusses lessons learned in the implementation of the PAED project as well as one of ATA's match-funded, projects, the SME Pan-Africa project.<sup>11</sup> The SME project included ATA's Tanzanian and South African partners, and sought additional African craft-based SMEs to participate in product development, training, and market link work. Zambian and Ghanaian enterprises participated and approximately another ten were evaluated. See also section 1.5.8 for program management lessons learned.

In Mozambique, ATA's office is still squarely in the commercial chain, despite efforts to *recruit exporters*. The project is finally looking at expatriates in Mozambique, but should have looked at these potential entrepreneurs much earlier. Once the office stops doing the functions of an exporter, considerable staff time will be freed up for other program activities. Sustainability is still a long way off without this key link in the commercial chain.

Mozambican artisans are facing *cash flow problems*, which makes export orders less appealing. The office has made some initial links to microcredit, but credit is still quite expensive and credit products do not match artisan needs well. To partially address this problem, where ATA is acting as the exporter, artisans are now being paid upon receipt—more common in the industry globally—rather than paid when payment from the buyer arrives, usually 30-60 days later.

*Local and regional markets* provide a tremendous opportunity that ATA had largely overlooked in the past. The South African market was deliberately built into the PAED plan, and that strategy is bearing fruit for all three of the PAED countries. Mozambique's most reliable, biggest buyers are South African, and BAT Shop's local sales alone are nearly at the sales goal. In the first half of FY05, half of the global sales that ATA leverages were local. It is essential that ATA capture the knowledge acquired in field offices on local marketing so that it can be easily disseminated.

After struggling to recruit and screen Tanzanian companies, ATA adapted previous internal screening tools and developed an SME diagnostic tool. ATA used both on-site assessments and asked companies to fill in the diagnostic; in both cases, US-based staff reviewed the

<sup>11</sup> The IFC funded the two-year, \$500,000 SME project. Half the SMEs were African and the other half were Asian, Latin American, and Eastern European. African enterprises were markedly less developed overall.

candidates' profiles for marketability, pricing, business skills, and design. Not surprisingly, *on-site evaluations* consistently provided more accurate assessments of the companies.

*Entrepreneurial leadership* of these businesses is a key to success, but is much more accurately assessed in person. Given the investment per company, the project investment in the in-depth, on-site assessment is well worthwhile.

The project sought to find cost-effective service mechanisms for SMEs, balancing the need to provide tailored and useful services with the expense of travel. *Joint development of the SME workplan* for each company was essential, and considerably more challenging for the places where ATA did not have an intermediary to assist in this function. One of the functions of the initial assessment visit should be to carefully review and comment on the enterprise's business plan, practices, and product. If the company is selected, then there is a solid, mutually agreed upon base from which activities are planned for the rest of the project. If the company is not selected, then it still gains a benefit from the project, in a market-based review of its plan.

In-depth knowledge of a market is acquired and kept fresh by continued presence in that market. For SMEs who plan to export, *travel is an expensive requirement for success*. For projects that seek to broker market links, travel is also an expensive requirement for success. Face-to-face interactions speed up long-distance market facilitation because firsthand knowledge enables the producer to understand the market or the business advisor to understand the company and its setting, depending on where the meeting takes place. Product development on-site can more easily overcome the constraints faced by a particular business, and is much more successful. In-person meetings obviously build trust and confidence. The project asks the business to take a leap of faith to follow its advice, which only happens when the business has confidence in the service provider's competence.

Linking small and medium enterprises with a *lead mentor* who serves as the primary contact for each producer strengthens the personal connection and builds trust. ATA's most successful mentors are knowledgeable about the media and market in which the company works, and have strong personal contacts in the industry to strengthen and leverage ATA's marketing and sales rep team. ATA has not tried to formally link micros with mentors in small businesses, but should examine existing best practice on this concept and consider implementing local mentors as well.

Successful participants in the SME project are willing and able to *share costs for services* and to pay a modest fee. This indicates an understanding that export marketing has costs that the company will bear after the project, and expresses confidence in ATA as a market facilitator. Companies who are too small or unable to pay the fee and costs (\$250 per market cycle for the Pan African participants, plus samples, shipping, airfare to the market, and hotel during the trade fair) were generally unable to continue in the export market after the project ended.

*External environmental factors*, particularly the exchange rate of the South African rand, played a key role for the pan-African producers. Early in the project, tariff barriers to export from West Africa to South Africa made Ghanaian products too expensive for the South African

market. While tariffs remain for countries outside SADC, the strength of the rand makes those market connections feasible now (in January 2005, the Ghanaian cedi held just 60% of its January 2003 value against the rand). Export for the South African producer, on the other hand, is declining and the BAT Shop is focusing on its domestic market for the short term. Business planning needs to be nimble enough to anticipate or at least respond to environmental changes.

At the project level, artisan enterprises responded positively to all three components of ATA's model—product development, business coaching, and market linkages, and ATA tailored work to each company's needs. Specialized training programs at trade shows were particularly well received. *Buyer trips* are the surest way to sales; ATA typically subsidizes the buyer's airfare and coordinates logistics. However, the process of persuading the buyer to travel can take 6-18 months; PAED's five-year time frame is a tremendous advantage here.

*Trade show exhibition* remains an effective means to make market connections despite the substantial expense as well as the changes in the structure of the gift industry that are reducing the space for small US importers. For maximum results, the owner or manager of the company needs to be at the show to represent the enterprise.

The presence of several companies in relatively close *geographic proximity* (such as the three Zambian companies) enables product development and business mentoring to be more economically delivered. It also enhances market facilitation since offering several potential sources to buyers increases the likelihood that they will visit. The physical distances in Mozambique and the poor infrastructure contributed to Mozambican staff infrequent visits to the north.

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## 1.5 PROGRAM MANAGEMENT

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### 1.5.1 Management approach

ATA's management approach is flexible, and allows for changes as the situation changes. For example, the project has been able to address the shifting donor demands inherent to the match while still remaining faithful to the overall objectives in the original proposal. As South African partner BAT realized that it did not want to take over management of the Africa Market Readiness Program—and ATA simultaneously realized that it wanted to continue to have a strong hand in the training—ATA was able to adjust expectations and activities. However, ATA needs to develop more rigor in annual planning and in developing realistic benchmarks for monthly and quarterly goals. This was a part of the organization's overall annual planning and goals for FY05.

Country directors have considerable flexibility and authority to direct their projects as best fits the local situation. Country offices usually develop the initial activities and budget for new funding opportunities, and take a lead role in developing the project-level annual workplan. ATA consistently finds that entrepreneurial country directors who have strong management skills are the most successful.

In South Africa and Tanzania, where we worked through local partners, ATA has moved much more slowly. Staff turnover in the home office contributed to the slowness of new partnerships in South Africa; ATA has re-directed other staff time to South African activities. In Tanzania, the dissolution of the key in-country partnership with Amka early in the project was crippling. Hesitant to do more damage to the relationship, ATA did only modest activities directly with artisan businesses, as indicated above. While additional appropriate craft organizations were identified and brought into the program, we should have spent more time looking at the entire craft sector in Tanzania and have been more thoughtful about planning what we should do and with whom we could partner.

The cost effectiveness of ATA's activities are proportional to the organization of the craft sector and overall development level in the country: we are much more effective in South Africa than in Mozambique or Tanzania. Modest investment with the BAT Shop, in particular through exhibition at the SARCONA show and Africa Market Readiness Program participation, has yielded a substantial increase in sales in the domestic market. In Mozambique, on the other hand, despite considerable financial investment and staff effort, a challenge which still remains is that of competent, reliable export services for the artisan sector. This is a key constraint, still outstanding, that must be solved for the long-term effectiveness of the effort.

### **1.5.2 Quality and status of DIP**

The DIP remains a useful and fairly accurate plan for the project. ATA's Program Officer responsible for backstopping the PAED program, Lisa Yoreo, uses the DIP frequently. For other staff, the matrices are by far the most useful component of the DIP (see attachments for ATA's indicator tracking sheets, which roll up into the DIP).

ATA has no record of PVC approving the DIP. Although ATA did considerable indicator re-projecting for the Tanzania program during the first year, no revised DIP was submitted then nor when the Tanzania country program was extended to June 2004. Rather, the changes were noted in the annual reports.

Based on ATA's experience in its first matching grant, considerable effort was placed on precise definition of indicators, and on having a modest number of clearly stated objectives. In large part, this has been successful, although the temptation to expand the indicators remains. In addition, ATA defined indicators with some precision to try to have accurate comparisons to baseline (e.g., a repeat buyer is defined as one who places a re-order within nine months of the previous order).

### **1.5.3 Financial management**

The evaluation included a limited review of finances at the Mozambique office, and found no major issues and found staff using funding frugally. ATA has recognized that financial management has needed strengthening, and is in the midst of a major upgrade in systems to reflect ATA's growth. This includes the development of a new general ledger coding; rollout of a new accounting system for both home and field offices; limited financial reviews of field offices done with every home office Program staff visit with plans to conduct more formal

financial reviews; revised and more effective forms for monthly advances to the field; and tighter internal controls on per diems. This systems work is a major emphasis in ATA's FY05 and FY06 goals in the home office.

In FY04, ATA developed an internally consistent budgeting template so that multiple funding streams for a single project can easily and accurately be rolled up into a master budget, and so that all project budgets can be rolled up into the agency budget. Past expenses in current grants were re-coded to allow for more accurate analysis based on the new coding system. In addition, ATA began the process of more thoroughly identifying and tracking in-kind gifts. At the end of FY05, the new accounting software will provide better and faster reports and analysis that must be done manually now.

ATA has struggled, since 1998, to identify and raise the match funding for PAED and the predecessor RISE grants. We knew that it would be a challenge, but the challenge has, as expected, forced ATA to focus on, and meet the match. As the PAED proposal was written, ATA expected a \$1.7 million match from the UN Office of Procurement Services (UNOPS) that would meet most of the match requirement. This fell through in 2001-02.

During the evaluation visit, home office and local staff met with the Kellogg Foundation, and negotiated a \$900,000 grant; another \$300,000 grant from Ford Foundation was also finalized over the summer. This \$1.2 million in funding, with additional funding expected for South Africa, puts ATA ahead of the fundraising requirement for the first time in the six years of matching grants. Our former Regional Field Director, Lorraine Johnson, and our current Country Director, Evaristo Madime, have developed strong skills in fundraising, an objective of the grant. ATA has re-hired Ms. Johnson to develop new projects elsewhere in Africa.

#### **1.5.4 Monitoring and evaluation system**

ATA's first matching grant focused on M&E when systems could best be described as rudimentary. Although much improved since then, they are still a work in progress. In FY04, the project-level analysis for all projects was improved with consistent data collection; all projects report sales results and number of artisans benefited to the home office quarterly. These data are analyzed and presented to the management team and home office staff and this information is used to refine planned activities.

ATA is upgrading M&E systems in FY05 over all projects, including PAED, including more precise definitions of artisan benefited, and a uniform "dashboard" of enterprise-level, project-level, and ATA-level results analysis. PAED indicators are the core of new definitions, which are expected to provide greater confidence in the data. The RISE final evaluation noted that the M&E manual, which was written as part of that grant, was still in a draft form. It is currently being revised for use across the organization and expected to be conducted in late 2005.

In general, ATA is more deliberate about gathering baseline data, but needs to be more timely about that baseline data collection and more focused in using all monitoring data.

This PAED mid-term evaluation is one of the first times that ATA has conducted formal interviews during an evaluation and is formally analyzing the data. Research assistants conducting the questionnaires in Mozambique and Tanzania were not experienced enough in survey research, and the Tanzania data in particular is only moderately useful. Additional delays were caused then the consultant analyzing the data disappeared and the process had to start all over again. While the information is useful, it does not have a high level of academic rigor. ATA has identified several university faculty and other individuals knowledgeable about M&E to serve as impact advisors. With Kellogg funding in Mozambique in FY06, ATA will re-survey some of the artisans who contributed to ATA's UNESCO-funded baseline in 1999. Since not all of the participants were included in the project, this should give ATA a control group as well as a long time frame.

#### **1.5.5 Information systems**

In FY05 planning, ATA decided to develop an integrated information management system (AIMS). This was sparked by a need to update financial systems software (see section 1.5.3) and the opportunity this presents to integrate product, client, and monitoring information. The financial component of AIMS will be implemented in September 2005 and the other components by March 2006.

#### **1.5.6 Staffing and supervision**

In addition to technical visits by consultants, ATA needs more exchange between home and field offices to ensure that there is a shared vision for the project and that activities reflect the best learning available from other ATA projects. ATA now has nearly a dozen field offices, and the 2004 program conference for international project leaders was a tremendous opportunity for sharing lessons and for understanding what colleagues might have experience on any particular topic.

Home office program staff are critical for the smooth running of any project, and PAED project had two Program Officer changes in 2004. Former staff are again available, but the changes slowed project progress, especially in South Africa. Changes in staff was also a challenge in the Pan-Africa SME project, which bounced between backstoppers. In addition, ATA underbudgeted the amount of time it would take to backstop the South Africa project from the US, with only a part-time person focused primarily on marketing in Johannesburg.

The Mozambique office hired two provincial business coordinators in 2004, and this has greatly expanded the effectiveness of work in far provinces. Management of these staff, who are new to the sector, requires considerable time, and the Mozambican staff are stretched thinly.

#### **1.5.7 PVC program management**

Tom Carter has been ATA's CTO for two or three years, and he is, from ATA's perspective, the ideal donor program officer—thoughtful, knowledgeable, and considerate, pushing ATA to examine practices without being overbearing. He reads reports and provides thoughtful comments in return. He has provided valuable suggestions on resources and people to



contact.

### **1.5.8 Program management lessons learned and recommendations**

When the ATA-Amka partnership broke down, we should have returned to spend considerable time in Tanzania to completely re-think the project strategy. We have remained cordial with Amka and continue to refer buyers to Amka's trading arm, Kwanzaa, but at the time we believed that we needed to give Amka some space and thought it would be confrontational to meet with other groups. Although the Tanzania project has yielded results, we could have done more had we spent more time and effort re-planning.

We benefit enormously from more face-to-face interaction, both between the field and home offices and between the field office and the artisans. This facilitates good quality planning and helps ensure that needs are met; the lack of face-to-face interactions is one of the reasons that some of the Tanzanian relationships have been challenging, and why sometimes field offices and the home office drift in different directions. ATA's annual program conference, where country directors can share with each other, is being expanded in 2005 in part in response to this learning.

The SME program management model was to have minimal or no in-country support. While this is possible, it takes time to build trust, staffing changes are even more challenging, and travel must not be foregone. In addition, the entrepreneur, who needs to come to the market for business reasons anyway, can combine that with project planning.

ATA did not allocate enough time for this mid-term evaluation, in particular for the synthesis and writing, in a timely manner. While some learnings, such as the need for increased staff travel, was implemented immediately, the usefulness of the evaluation overall is decreased with its lateness. The formal interviews conducted by local researchers were an extraordinarily cost effective and informative way to gather information. The Mozambican and Tanzanian research assistants did not have adequate experience in interviewing techniques, and that data suffers as a result. Experienced interviewers with good English and professional data analysis were well worth the expense.

So much effort has been spent on raising the match funding that the next stage of the project, after year five of PAED, has not been a focus for the Mozambican staff. However, after a total of eight years, the project model needs to change, even given Mozambique's challenges. Local staff must consider what role, if any, they wish to play, and are seriously considering forming a local organization.

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## **1 . 6   E V A L U A T I O N   M E T H O D O L O G Y**

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This mid-term evaluation focused primarily on reviewing program implementation and early outcomes and attempted to determine whether the mid-term targets were met and the program is on track for achieving its objectives.<sup>12</sup>

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<sup>12</sup> PVC Matching Grant Evaluation guidelines, May 2003.

In addition, the evaluation also addressed some of ATA's broader questions that our case study effort has sought to answer, particularly around artisan livelihood, the long-term impact of ATA's work, and the impact of culture and enabling environment on ATA's work. In particular, the survey questions around livelihood came from the case study work. As ATA moves to a partnership models rather than direct service delivery, ATA depends more on others to deliver impact information. The fairness of payment to artisans, which is always challenging to determine, is even harder to assess when we are further removed by working through a partner. Thus ATA's capacity to develop, implement, and analyze modest surveys like this one become more and more important.

The evaluation was conducted by Mary Cockram, ATA Program Director for Africa & Europe. She was involved in the development and implementation of RISE, the predecessor program to PAED and in the development and implementation of PAED. Field and home office staff responsible for the program report to her directly or indirectly.

The sources of information for this evaluation include:

- Document review of annual reports, reports to match funders, proposal, DIP, RISE evaluations.
- Indicator tracking worksheets and backup documentation were reviewed primarily in the home office.
- In person interviews with key home office staff, field staff, implementation partners, artisans, importers, and funders. Some field interviews were conducted in June 2004 together with Jill Hobson Kassis, ATA's Executive Vice President; although her primary trip emphasis was fundraising, rather than evaluation. Additional interviews with staff and key program participants occurred in a subsequent trip in March 2005.
- Formal artisan interviews conducted by four research assistants in Mozambique (35 interviews), Tanzania (19 interviews), and South Africa (60 interviews with BAT shop artisans). External analysis of the resulting data was delayed until February 2005.

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## APPENDICES

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**Appendix 1. Partnerships Table**

Partner Type	Name of organization	Organization Type	Agreement Type (MOU, sub-grant, contract or no formal agreement)	Role/Main Responsibilities	Funds received From PVO	Quality and Outcomes of Partnership
Primary in-country partners receiving PVO MG Funds	BAT Shop, South Africa	Socially conscious business	MOU and sub-grantee	Implement program in KwaZulu Natal; advise on opportunities in South Africa	Less than 10% of budget	Very effective, although ATA's outreach to other potential KZN partners is limited
	ATA office, Mozambique	Subsidiary of ATA		Implement all Mozambique activities	100% (some raised locally)	High degree of ATA control, but sustainability a greater challenge
Other key partners who do not receive MG funds	CCDI (South Africa)	NGO	MOU	Implement program activities with select group of CCDI partner enterprises	No direct funds; separate but linked funding from Kellogg	Moving slowly; organizational missions and activities closely in synch
	Mikono (Tanzania)	Former state-run craft organization, now independent		Implementing partner	Technical assistance only	
	ADAT (Tanzania)	Training organization with subsidiary business		Implementing partner	Technical assistance only	
	Marvelous Batik (Tanzania)	Business (registered fair trade)		Implementing partner	Technical assistance only	Effective partnership with entrepreneur
	Moto (Tanzania)	Environmental organization with subsidiary business		Implementing partner	Technical assistance only	Missions not completely aligned; sometimes uneasy partnership

## ***Appendix 2. Mozambique Data Analysis Summary***

Data collection July-August 2004; data analysis February 2005

The survey of 35 artisans in Mozambique was not a random sample, so results cannot be generalized to all program participants.

### **2.1: Background**

The Mozambican artisans surveyed are young (more than half are under 30) and almost all male. The largest percentage of respondents (31%) had been artisans for 1-5 years, followed by 20% who had been artisans for 6-10 years. Thus, 50% of the sample surveyed had been artisans for 10 years or less. 40% had some primary education and 49% had completed grades 6, 7 or 8.

The sample surveyed was primarily comprised of hardwood users (60%) and softwood users (34%) and the two textile artisans. All respondents worked at least 7 hours per day; three-quarters of the respondents worked 8 to 10 hours per day. All artisans worked at least 5 days per week, and nearly half worked 7 days per week, but as with much home-based production, this is doubtlessly combined with personal activities.. Nearly all the respondents (90%) stated that their work was steady throughout the year. The majority (91%) produce both for export and traditional products.

When asked about the perception of artisans, just over half of the artisans stated that they felt that artisans were more highly regarded than in the past.

### **2.2: Income, Income Alternatives, and Livelihood**

Responses to the income questions are poor quality, since half the respondents reported that they were paid a salary, rather than by the piece, and only half the artisans responded to income questions at all. No information was collected on the other household members' contributions to income.

Mozambican artisans have large households: the mean household size was 4.5; nearly one-fourth came from 5 person households and 40% had six or more persons. Despite the household size, three-quarters of the respondents had only 1 or 2 household members contributing towards monthly household expenses (average 2.3). The largest group of artisans, almost 40%, had total monthly household incomes of 1,000,001 - 2,000,000 Meticaís per month (US\$50-100).

The quantitative survey paints a mixed picture of artisan livelihood and their ability to meet household needs (see Table 3 earlier in text). Some artisans are clearly struggling. Two-thirds of respondents (66%) felt that they were able to meet their monthly household expenses with the income they earned some of the time, 22% "most of the time" and 13% "rarely." About half felt that their household was the same as those of their friends and neighbors, while 40% felt that it was not as good as most. 45% of artisans owned land that generated

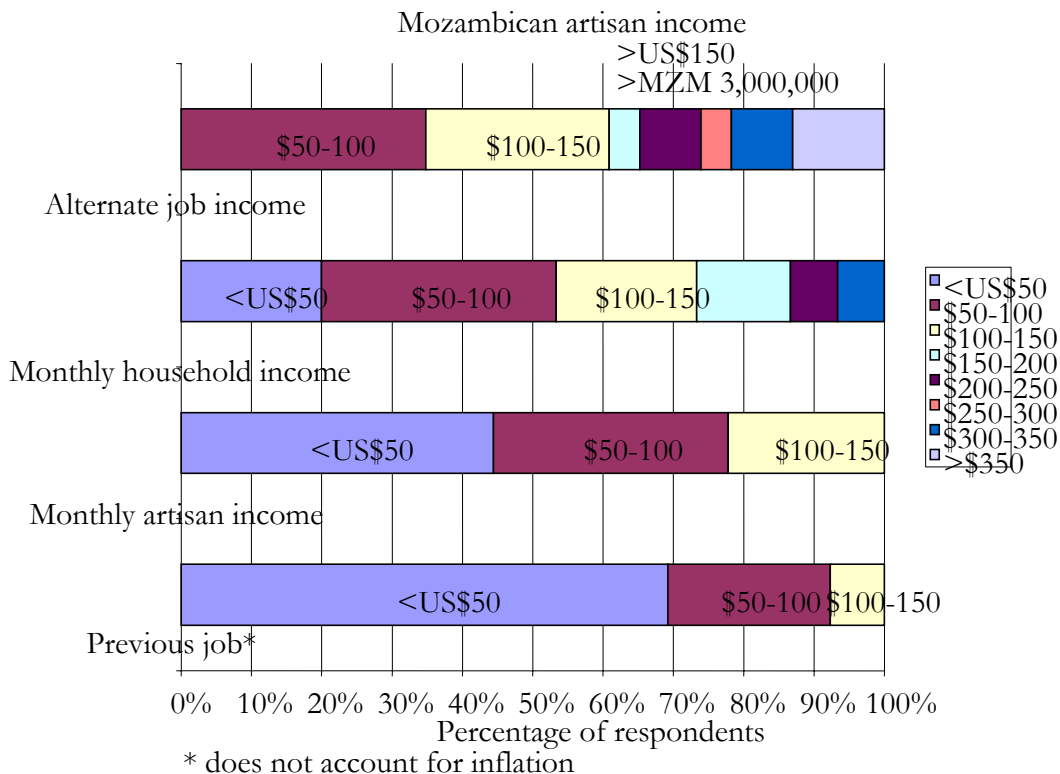
income or food. A small majority (54%) said that they were able to save. Most respondents (61%) said that they contributed most of their income to the household, rather than on themselves or both themselves and the household. More than half of the respondents said that with income from craft, they had been able to make changes in their lives or purchase products relating to home improvement, health, and school. Less than half responded that they had made changes in consumer goods purchases, and curiously, diet.

Open-ended questions elicited that the most important change in respondents' lives due to their current job was the ability to provide for their families, particularly in terms of being able to build a house, buy furniture and pay for their children's schooling, with half the respondents stating this.

Respondents overwhelmingly said the advantages of being an artisan were that they had the freedom and the opportunity to be creative. There were virtually no other responses. A few people volunteered that the disadvantages of being an artisan were the uncertainty of income and of sales.

Most respondents (84%) saw craft as a long-term occupation that they took up because they were interested in art and had always wanted to be an artisan, because they had family members who were artisans, or because they had financial need and wanted to increase their incomes.

Two-thirds of respondents were students or farmers prior to becoming artisans. If they were not artisans, respondents thought they would turn to farming, stonemasonry, carpentry, or a range of other alternate occupations. When asked what they thought they could earn in an alternate job, responses from the group indicated that they thought they could earn twice as much as from craft.



### 2.3: Artisan Learning

Artisans had learnt their skills mainly from various family members, followed by learning from a “master”. Three artisans said that they had learnt their skills through onsite training. Almost half of the respondents attended a training sponsored by ATA (14), while the remainder said they were trained by other artisans, specifically Santinho, Daude, Dino and Boaventura, all of whom are ATA clients. Although 34 out of 35 respondents stated that there were parts of training they had not used, very few gave specific examples. Of those who answered, the most common response was “export”.

Since working at the current enterprise, artisans rated as important having learned about quality control, working in a group, sculpting and learning to utilize wood properly. A number of respondents also said that they had learned how to produce softwood birds. They identified learning to use modern equipment and product development as the things that had most changed their work.

When asked about skills other than product and business skills, there was no dominant response: 2 artisans had learned to manage their finances and 2 had learned to develop and improve their relationship with buyers. 5 respondents said that they had not learnt any other skills that were useful. A few artisans surveyed mentioned some product-specific skills such as mounting arcs and doors, sculpting and learning to make “short houses” [a successful product in the export market].

For the future, artisans wanted to learn how to make new products and how to use modern equipment. The other most common thing that artisans wanted to learn was English. Respondents wanted help in financing the cost of raw materials, equipment and in securing more orders for their products.



### ***Appendix 3. South Africa: BAT shop data analysis summary***

Interviews July 2004, data analysis February 2005

#### **3.1. Background**

The questionnaire was semi-structured, consisting of both open-ended and close-ended questions. The artisans surveyed were selected in a number of different ways and therefore, do not consist of a random sample. Sixty artisans were interviewed. They were:

- All BAT shop suppliers
- 85% women;
- 67% working with telephone wire;
- the largest percentage (43%) had been working for 6-10 years in craft;
- 72% view craft as a long-term activity (for some at least because there is no appealing alternative);
- 43% had completed grade 9 or above and all had had some schooling;
- 70% were 30-49 years old;
- 35% were unemployed before working with BAT;
- 2/3 learned skills from their family.

Work is quite steady (62% of respondents), especially the telephone wire baskets (74%). Artisans would like steadier work, especially over the winter, and of course they would like higher prices. 98% think that craft is more highly regarded now than in the past; no one thought it was less highly regarded.

#### **3.2. Artisan income and livelihood**

Hours are long: 42% work 9-12 hours/day, and 35% work 13-16 hours. 58% work seven days/week; again, it is doubtful that this full amount of time is spent on craft. One of the two interviewers noted that “some crafters found it challenging to respond to questions... which aimed to determine the specific work hours” and “many were unable to comprehend the concept of working out specific working hours.”

Artisan households average 6 people, with 45% of households earning less than R1000 (\$165) per month, and 37% earning R1001-2000 (US\$165-310; see Table 4 earlier in text). Half of the artisans are the sole earner in their households, and 71% contribute more than half of the household's income. Of the other sources of income to households, 56% were government pensions or child support.<sup>1</sup> No artisans reported any earned income from child labor. 32% have access to land which they use to grow food. Income is spent on: diet (92%), health (88%), school (78%), home (50%), and consumer goods (47%).

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<sup>1</sup> Please note that it's not 56% of the households that were receiving government support, but rather more than of household members responsible for income (including multiple children in the same household receiving child support), received a stipend rather than earning it.

There were very few men in the sample, but they tended to earn more, spend more on consumer goods, and be more likely to be the sole breadwinner. They were more optimistic about potential earnings at other jobs.

Many of the artisans are clearly struggling: a worryingly high percentage (87%) say they can't save; 43% say they are worse off than friends, family and neighbors and 43% think they're the same as others; and 75% state they rarely meet monthly household expenses. The few artisans who said they could meet their needs most of the time were all wire weavers. However, when asked an open-ended question about what the most important changes in their lives have been due to working with BAT, 42% responded that they were able to provide for their families, and 18% said that they had financial independence. In addition, when a partial cross check against BAT payment records showed strikingly different payment, both more and less, than the self-reported income.

Two thirds thought they would earn less than R1000 in an alternate job (79% are currently earning less than R1000, and 78% stated they earned less than R1000 in their previous job). Alternate jobs varied, but were low-skilled jobs. Just 10% said that they would be able to make more money at an alternative job and 15% said they were able to make more money with BAT than they could with other work.

Several mentioned that working with BAT earned respect from peers due to a change from being a domestic worker, being able to open a bank account, or financially providing for their family. However, one interviewer found that many crafters actually failed to recognize other meaningful benefits their work carries other than money. Sadly, some crafters have had international exposure, quality training organized by BAT, skills in new designs, etc – but still fail to see anything positive and could not mention (without probing) how they have grown out of the experiences as individuals. A learning made while conducting the interviews is that, all those crafters who took part in the study are more concerned about money and getting more money – they do not attach much value in trainings.

ATA's interviewers pointed out two additional comments that they noted during the interviews:

Generational differences: the younger generation displayed eloquence and confidence during the interviews. For most of them, it was easy to articulate their thoughts and feelings – unlike a few older people who found it hard even to understand the rationale behind some of the questions.

Devaluation of women: one of woman crafter's name is NGENZENI, literally translated as 'what have I done?' Asked about her parents' motivation in the choice of name, she mentioned that her parents were hoping for a son when in their disappointment, a girl (herself) was born instead. This mentality is prevalent in most cultures, particularly African cultures, that boys are more important than girls as they carry the family name forward. The other lady by the name of SHOLIPHI, literally translated as 'what a bad luck!' mentions that she is a fifth child in her family, and the only child who was born prematurely (at seven months) by caesarean section. Some of the women interviewed had positive names, but in contrast, all the men who took part in the interviews have positive names such

as VUSI (short for Vusimuzi), means 'lifting up your family name' and SIBUSISO which means 'a blessing'.

#### ***Appendix 4. Tanzania Data Analysis Summary***

Research conducted July-August 2004, analysis completed February 2005

The sample in Tanzania consisted of 19 artisans. The questionnaire was semi-structured, consisting of both open-ended and close-ended questions. The artisans surveyed were selected in a number of different ways and therefore, do not consist of a random sample. Because the sample size is small, no conclusions can be reached regarding media used or gender.

##### **4.1: Background**

Although 84% of the 19 artisans surveyed were in their 30s or 40s, 47% had worked 10 years or less as an artisan, and 57% had been with their current company 1-5 years. None of the respondents surveyed had been to school beyond grade 8, and half had some primary education. Two-thirds of the sample were female, whereas ATA's project overall works with 24% women. ATA interviewed three types of media users: almost 50% of respondents work with textiles, 26% with wood and 26% palm-strip users. Most of the artisans surveyed worked 8-9 hours day, with 21% working up to 11 hours a day. All the respondents stated that they worked 6 days per week. Almost 90% said that they were without work for 2 months of the year.

All the 18 respondents interviewed stated that they felt that artisans were more highly valued than in the past three years.

##### **4.2: Income and Livelihood**

Tanzanian artisan household size was mixed, with almost equal numbers of respondents having both large and small households, ranging from 9-10 to 1-2. In contrast, however, the maximum number of people contributing towards household expenses and income was 2. Despite the large household size with few income earners, almost 60% of artisans stated that they were able to meet their household expenses some of the time, while the remainder were able to most of the time. No-one was said they were only able to meet their expenses "rarely," and all the respondents stated that their household was similar to that of their friends and neighbors.

Most artisans surveyed did not own income-generating land; the Zanzibar-based basket weavers who work with Moto were the exception. Nearly 40% reported that they were not able to save, and about 40% reported that they contributed most of their income to the household (see Table 5 earlier in text).

If they were not working in craft, respondents would turn to a range of alternative occupations, with the largest number to poultry/cattle farmers. Two respondents indicated that they earned more money working as a weaver, and although several artisans responded that their present job as an artisan was better than previous jobs, they did not provide reasons.

Overall, artisans surveyed responded that the most important life changes from artisan work was that their income had increased and that they had developed better product and business skills. Respondents also said that they had learned to share their ideas, develop new ways of thinking and had gained self-confidence.

Respondents indicated that the main reason for joining the business was due to necessity, in terms of money and employment. Prior to becoming an artisan, they were involved in a large range of occupations, ranging from carpentry to growing vegetables. One respondent was a teacher, while two were tailors. Several others were involved in farming related activities.

#### **4.3. Artisan Learning**

Artisans learned their skills from their families and one the job. Respondents did not identify a single new skill learned in the project as most important, but in general, the artisans indicated that they had learned to make both improved and different products. Color combination, batiks and embroidery were specific skills that were mentioned. Beyond product and business skills, artisans had learnt to share their ideas, express their opinions and work with others.

For the future, artisans surveyed was that they wanted to learn how to make new designs and improve the quality of existing ones. Two artisans also indicated that they would like to learn more about color mixing and develop their weaving skills. One respondent indicated a desire to learn about computers, while another wanted to pursue his/her secondary education. Four respondents said they would like more product development.

#### **4.4. Artisan comments on businesses**

Regardless of the business they were with, respondents indicated that they were generally satisfied in terms of income and orders. Specifically, a number of artisans stated that they were happy with Moto because of the prices they received, Moto's willingness to provide cash advances and its ability to obtain orders due to its access to markets. Several Moto respondents indicated that they would like transport from their village to Zanzibar and back because when returning to their village, they tend to carry large sums of money which makes them feel unsafe.

MIKONO's access to markets and the existence of their workshop for artisans to use were cited as positive. Two artisans said that they would like MIKONO to pay them more promptly.

A few respondents suggested that ADAT employ a full time officer responsible for marketing, arranging, organization of trade shows and who would also be responsible for ensuring that ADAT members take part in various trade shows.

**Appendix 5. Field Research Travel Schedule, June 2004**

Mary Cockram	Jill Kassis	Activities
6 June - Sunday		
Travel		
7 June - Monday		
Travel		
8 June - Tuesday		
Finally arrive Maputo	Travel	Meet with staff for overview -financial oversight -program planning -followup from program conference -m&e oversight
9 June - Wednesday		
	Arrive Maputo evening	Visit Filimone Meet with Vuyo Mahlati, Kellogg Foundation Meet with research assistant Dinner with Lorraine Johnson, ATA Africa Rep
10 June - Thursday		
		Chamber of Commerce presentation Financial oversight with staff Mabanda visit Visit potential new office site
11 June - Friday		
Travel to Nampula	Travel to Nampula	Artisan visits and grantee visits
12 June - Saturday		
Travel to Maputo then Durban	Travel to Maputo then Durban	Producer focus group, 4 artisans Visit Saturday market in Maputo and higher end shops
13 June - Sunday		
		Meet with Marisa Fick Jordaan
14 June - Monday		
	Travel to Botswana for program development	Shanty town visit Meet with research assistants
15 June - Tuesday		
Travel to Joburg, afternoon	In Botswana with Lorraine Johnson for program development	Coordination with Marketing Manager Frances Potter
16 June - Wednesday		
	Travel to Joburg,	Funder visits, general SA planning

	morning	
17 June - Thursday		
		Funder meetings in Joburg, including Ford, AID, all others
18 June - Friday		
Travel to Cape Town	Travel to Cape Town	Visit CCDI trade day; meetings with CCDI
19 June – Saturday		
		Nadia, DTI Robbin Island, shop visit;
20 June - Sunday		
Travel to Dar es Salaam	Travel home	Meet Adam Tabuyanaa, Local Coordinator Flotea Massawe, Marvelous Batik Visit Slipway.
Date: 21 June - Monday		
	Travel home	Meetings with Mikono, Marvelous, ADAT in DAR Tom McAndrews, USAID
Date: 22 June - Tuesday		
Travel to Zanzibar		Meetings with Antje of Moto, and Eaglewood Review research plan with Adam
Date: 23 June - Wednesday		
Travel home		Moto, ScanZa Review research plan with Adam
Date: 24 June - Thursday		
Travel home		

## ***Appendix 6. ATA's new entrepreneur-led concept for Africa***

This concept was developed as a result of lessons learned during the PAED program, and ATA is currently seeking funding to implement it.

### **Tailored Support for Entrepreneur-Led Craft Enterprises in Africa [TREC]**

#### ***Ensuring African Entrepreneurs Share in the Global Market***

ATA has 29 years of experience in business and market readiness training, trend based product development and design, an extensive market link, buyer network and trade show presence – enabling quick mobilization of resources to address the immediate and long-term goals of the craft sector.

#### ***BACKGROUND & CONCEPT***

As part of ATA's overall efforts to focus on Africa and therefore expand our depth and breadth on the continent, ATA has been thoughtfully and strategically reviewing lessons learned in other projects and at the same time conducting assessments to understand better the opportunities and challenges of the craft sector and how ATA can be most useful. This has led us to a new *pilot* approach – Tailored Support for Entrepreneurial-Led Craft Enterprises in Africa [TREC]: Ensuring African Entrepreneurs Share in the Global Market - that provides focused, tailored support that strengthens strategic alliances between the maker and the market. TREC is not country specific, rather it maximizes ATA's impact by focusing on the entrepreneurs along the craft value chain, be they, for example, producers/artisans, exporters, or suppliers, and assisting them to gain maximum returns on their strengths while transforming their weaknesses into capacities. ATA will work with entrepreneur-led enterprises on the continent addressing each one's specific needs while ensuring the development of market diversification, both internally and externally, to attain long-term enterprise sustainability. With this entrepreneur-driven approach, ATA will work at the micro-enterprise level and the SME level, as our work continually reinforces the well-known adage that attitude [in this case, of the business owner] often defines the difference between achieving success, the status quo or failure, not size.

Currently, ATA has two initiatives, the Africa Market Readiness Program [AMRP] and the Market Link Program, that are based in South Africa yet directed towards craft entrepreneurs across the continent. The AMRP exposes participants to a lively and viable market through viewing wholesalers' booths at industry trade shows and visiting high-end retail shops and galleries in and around Johannesburg. The training program strengthens participants' capacity to negotiate market links and manage their business through participation in an array of business and market-related seminars that includes product



review by experienced designers and industry professionals. The Market Link program promotes artisans' products through trade show participation at SARCEA and beyond. Both of these programs bring together artisans on the continent to share ideas and absorb valuable market and export related information that strengthens their capacity to enter not only the South African market but also the global marketplace. They learn strategic approaches to product development, branding, and developing promotional materials, and key business practices, such as costing and pricing, which enable enterprises to reach and manage success.

ATA is also working to strengthen the interconnectedness between these two continent-wide initiatives based in South Africa and this new entrepreneur-led approach (TREC) with the view of creating an overall strategy to overcome product stagnation, increase the momentum of market-driven innovation, strengthen local design capacity, improve quality, production capacity, customer service and management capacity, thereby increasing the competitive edge of African crafters in the world marketplace. We are committed to ensuring that our limited resources are used strategically in order to attain maximum success for those enterprises with whom we work. This focused support will create role models in the sector for which other entrepreneurs and producers can aspire. It will have multiplier effects, as those who are supported gain a greater market share, thereby creating more jobs as demand increases.

Also key to this entrepreneur-led approach is the services that buyers, both within and outside of Africa, provide artisans and exporters. ATA will therefore better utilize our trade network members, a network of committed and like-minded importers who assist artisan enterprises by supporting ATA's training programs and expanding product and merchandising opportunities for artisans worldwide, in supporting the growth of African craft businesses. The success of this intricate relationship is fundamental to business sustainability. We will provide incentives for buyers, as they contribute to assisting the enterprises with improved product innovation, quality, price competitiveness, on-time delivery and customer service.

The success and sustainability of a craft enterprise is dependent on its ability to continually:

- Recognize the need for new product development and actively develop marketable product, whether in-house or through outsourcing, taking into consideration the ever-changing needs and demands of the market;
- Ensure sufficient production capacity and product quality as demand fluctuates;
- Calculate and provide competitive prices based on ongoing, sound market research;
- Create and maintain NEW market links [independent of ATA, as opposed to just maintaining current market links that existed prior to ATA support or perhaps even created and nurtured through previous ATA support];
- Adjust its market strategy, sales goals and target market as needed to ensure continued success through analyzing its business goals against actual results and keep up on current business and market trends;

- Make strategic business decisions and investments that will ensure the long-term health of their business; and
- Remain open to change.

ATA's TREC program aims to support and strengthen enterprises' individual needs as they work to achieve the internal competence necessary to meet this level of success and sustainability. In the spirit of ATA's overall mission, ATA plans to slowly phase-out support as the enterprise demonstrates sufficient capacity.

## ***TREC DESIGN***

### **Why an entrepreneurial-led approach?**

The strategic difference between enterprise-led or entrepreneurial-led lies in the word *entrepreneur*. ATA recognizes that no enterprise maintains success over time if it is not led by an entrepreneur – someone who has the drive and motivation to work for a vision. It recognizes that crafters are many but entrepreneurs are few. It recognizes that the emerging entrepreneur in Africa has barriers that keep her behind her competitors. It recognizes that concentrated effort with the entrepreneur at the SME level – be it a producer or craft exporter - will maximize the impact its limited resources can have and result in stronger, larger and more sustained craft businesses. It also recognizes that entrepreneurs exist at the micro-level, and that with focused, tailored attention can reach success at a more rapid pace. This overall success will in turn provide the necessary role models within the sector that often can be one of the most important motivators for an emerging entrepreneur.

The TREC program is designed to meet individual needs of enterprises spread throughout the continent, however ATA recognizes that this ambitious goal requires a realistic approach that is cost-effective and logistically sound. The long-term vision will therefore be to create three regional TREC hubs each with its own Mentoring Team. In order to ensure the highest quality program, TREC will provide support for up to 15 entrepreneurial-led craft enterprises in the West African Region over a period of three years under what ATA considers a pilot phase. The enterprises will receive support from an ATA Mentoring Team [MT] comprised of various industry specialists who will provide needs-based assistance to the entrepreneurs. Due to an individual mentoring track structure, each entrepreneurial-led enterprise will commence and graduate from the program in accordance with initial business assessments and annual evaluations by the MT. The pilot phase will enable ATA to gather lessons learned, with input from both the participants and the MT, through the implementation phase of the concept in order to streamline the program and expand it to the other two regional hubs, that being East Africa and Southern Africa.

The Mentoring Team [MT] will include at least one of the following experts, yet direct assistance from all members of the team to one particular enterprise may not be necessary.

Business Specialist: For those enterprises with a written business plan, reviews and advises on its strengths and weaknesses, and assists the entrepreneur think through possible revisions that could improve the probability of long-term success. For those without a written plan, the Business Specialist will assist the entrepreneur with the development of a comprehensive business plan that is seen more as a working document to guide them toward meeting their business goals. Provides on-site business management training that supports business plan development or revisions; this could include how to do market research, develop market and production strategies, financial management, analysis, and projecting, costing and pricing, elements of a business plan and the steps involved in its development. Will work in conjunction with the Marketing Specialist to ensure the development of a marketing and production strategy with long-term sales goals. *Provides support on an as-needed basis.*

Marketing Specialist: Responsible for ensuring and providing assistance and activities that are focused on the end goal of creating sustainable market linkages. Works closely with Product Designer and Business Specialist. *Provides support to each enterprise throughout the duration of the TREC program.*

Product Designer/Developer – Provides product development and design assistance to craft entrepreneurs, creating new products and product lines, including the development of prototypes, pricing and costing, coding and quality control of the same. During this process, the Designer should work closely with one employee of the enterprise, in a mentoring relationship, who has this as his/her primary job responsibility. *Provides support on an as-needed basis.*

Production/Technical Specialist: Rotated in to provide media specific technical assistance. May overlap with product development person. Considers environmental impact of craft production and sustainability of raw materials. More than likely more than one technical specialist will have to be identified and offered to the entrepreneurs considering the various raw materials needs. *Provides support on an as-needed basis.*

Branding Specialist: Provides assistance in the development of an enterprise and/or product range branding strategy, that includes the design and development of strategic promotional materials and trademarks developed taking into consideration key target markets, be they local, regional and/or international. Works closely with the Marketing Specialist and Designer and will be linked to all 10 enterprises. *Provides support on an as-needed basis.*

ATA Program Leader: Overall project management, including monitoring and evaluation. *Provides support to each enterprise throughout the duration of the TREC program.*

Primary Mentor: A Primary Mentor will be identified for each entrepreneur that will *stay* with him/her throughout the course of his/her participation in the ATA TREC program. Unlike the specialists on the team, the Mentor will remain with the entrepreneur throughout the duration, while the others go in and out on an as-needed basis, and some may just provide one-off assistance. The mentor will be chosen for a particular entrepreneur based on the entrepreneur's primary business need, taking into consideration personality compatibility. The Mentor will not be an additional member of the MT, rather be chosen from one of the above specialties, thus playing two distinct roles, that of providing specialist assistance on

one hand, and a mentoring role on the other. *In his/ her mentoring role, the Mentor will meet face-to-face with the enterprise at least three times per year.*

#### OVERALL GOAL of the Pilot Phase

The TREC program aims to support and strengthen the individual needs of entrepreneurial-led craft enterprises' in West Africa through an intensified mentoring approach as they work to achieve the internal capacity necessary to strengthen and build craft businesses that are capable of successfully responding to the changing needs of the market based on sound business decisions.

#### OBJECTIVES

- Increase craft enterprises' overall competitive edge and their capacity to manage resulting success through the provision of tailored business and marketing support and training over a period up to three years.
- Increase sales for craft enterprises by 50% through the development of effective marketing and product development strategies that target diverse markets and buyers by the end of their involvement in the TREC pilot phase program. This includes enterprises' active participation in the market-link program.
- Overcome product stagnation by increasing the momentum of market-driven innovation and strengthening of internal design capacity for up to 15 craft enterprises, including the streamlining of production systems that aid in on-time delivery of product orders.
- Improve business management and marketing skills of up to 15 craft entrepreneurs through the strengthening or development of enterprise business plans that serve as working documents for the enterprises and incorporate a system of continual evaluation and feedback that influences sound business decisions.

#### PROGRAM PHASES/ACTIVITIES

##### Program Phases:

- Assessment & Recruitment (6 months)
- Identification of Mentoring Team and Familiarization (ongoing during first 6 months)
- Implementation & Ongoing Evaluation (6-36 months)

##### Program Activities:

Each entrepreneur will be receiving focused assistance based on their needs and as such, there is no list of set activities. However, there are some general program activities that can be identified per phase:

##### Assessment and Recruitment for pilot phase:

- Identify potential business by:
  - Craft enterprise assessments recently conducted in region
  - Existing ATA Trade Network members and relevant organizations
  - Networking during ongoing travel in West Africa

- Diagnostic to assess strengths and weaknesses of each selected business and determine cost share capacity [per enterprise] to be conducted by at least 2 members of the Mentoring Team [one of which should be the ATA Program Leader]
- Application process and development of MOU that includes agreed upon cost share for services rendered that will be signed by each business selected
- Businesses selected and participation confirmed through signing of MOU.
- Businesses involved meet together for orientation and preliminary Year 1 timetables developed, MT members should be present at this orientation and each entrepreneur have scheduled time to meet with the MT members, meet their proposed mentor, and work through the Year 1 schedule of support.
- Identification of MT and Familiarization :
  - Identify the Business and Marketing Specialist to work together with the ATA Program Leader during the Diagnostic phase
  - Based on the needs during the Diagnostic phase, identify other members of the MT
  - Bring relevant MT members together for an orientation and develop first year schedule of MT travel and assistance based on diagnostic
- Implementation:
  - A minimum of three face-to-face interactions between one or members of the MT and each entrepreneur will occur per year, either at the enterprise's workplace and/or in the marketplace. This could include a product development specialist, an individual training on production or technical assistant, etc.
  - Each enterprise receives an initial meeting with the Marketing and Business Specialists, who will fine tune the initial workplan as developed during the orientation session, and begin to discuss the parameters of a business plan to overcome obstacles to the business's success. An initial marketing plan will be developed whereby product line developed will be juried and displayed at ATA booths in major trade shows, in ATA marketing publications etc. Sales goals will be attached to each marketing event.
  - Product Development and Design input: The enterprise will receive a minimum of one design trip per year. This will be linked to sales target and each enterprise will pay an individually pre-determined minimum fee and percentage of actual sales achieved as a fee for service. This will be determined on an individual enterprise basis depending on the enterprise's context.
  - Business Specialist Input: A minimum of two visits to each entrepreneur per year, with the rest of information sharing and mentoring done via the e-mail. Business and Marketing Plan developed or reviewed [if already in existence] with each enterprise, with input from the team, and reviewed every 6-12 months. This may be a fee-based service and fees will be negotiated on a per-business basis in relation to total sales and number of years in business.

- Branding Specialist Input: A branding session will be conducted with each entrepreneur for all the groups involved in TREC, with review and support from ATA market staff.
- At least one visit per year will be at a major trade show or in the market.
- Review and Lessons Learned:
  - Quarterly check-in/monitoring by ATA Team Leader with both entrepreneurs and MT members [not all field based]
  - Mid-Intervention Evaluation after 18 months.
  - End of project evaluation
  - Lessons Learned Conference midway through the project and at the end
- Modify and Roll Out
  - Incorporate Lessons Learned into new streamlined program design.
  - Identify other potential, entrepreneurial-based SMEs in West Africa, as well as East and Southern Africa.
  - Develop proposal for implementation of re-designed process with new enterprises in West Africa, and in the other two TREC hubs, in East and southern Africa, either simultaneously or in a phase-in approach.

Time Line:

3 years, but some businesses will graduate prior to the end.