

PROJECT STATUS REPORT

JULY 2016 - DECEMBER 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Facilitating the integration of Haitian artisans into high-value supply chains

Project Number: HA-M1046 - Project Num.: ATN/ME-13545-HA

Purpose: Stakeholders in the value chain participating in the project are strengthened to meet unmet demand of export quality Haitian artisan products.

Country Admin

HAITI

Country Beneficiary

HAITI

Group

SME - Small and Medium Enterprise
Development

Subgroup

BDEV - Business Development

Executing Agency:

INTER-AMERICAN DEVELOPMENT BANK

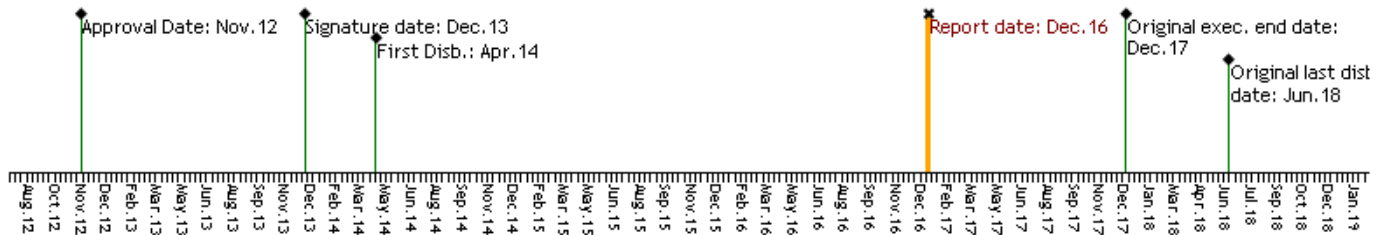
Design Team Leader:

ESTRELLA PEINADO-VARA

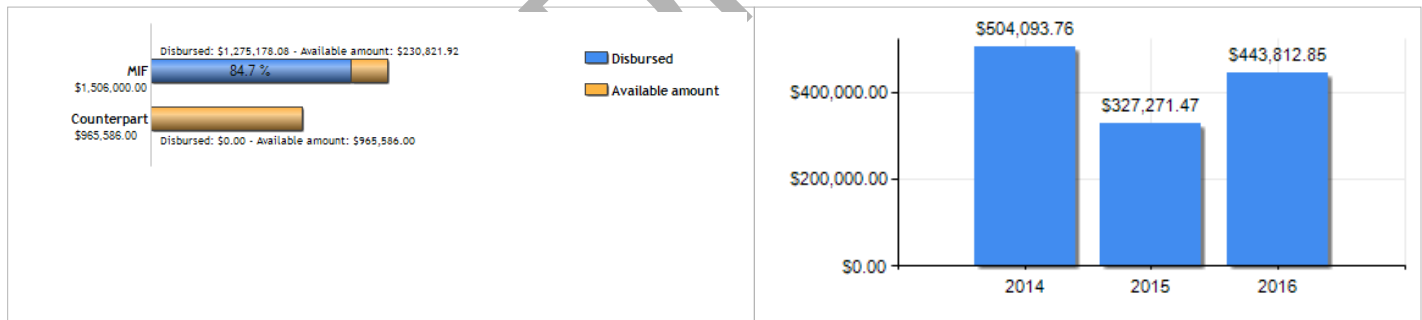
Supervision Team Leader:

FREDNEL ISMA

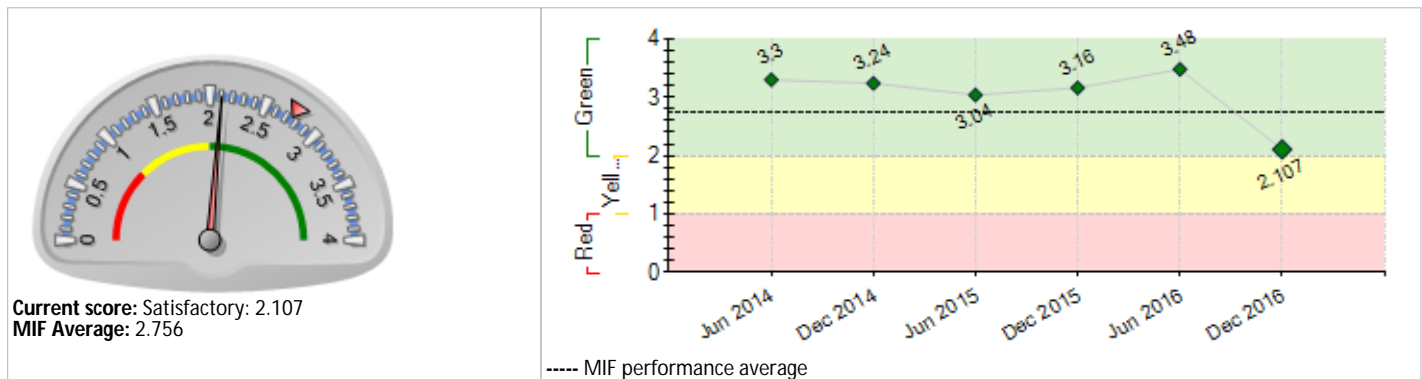
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

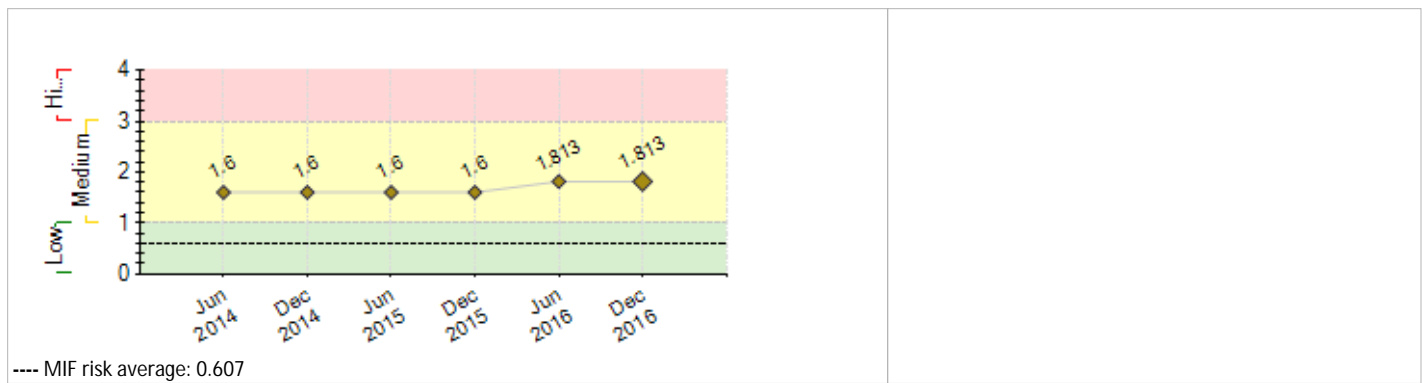
INSTITUTIONAL CAPACITY

Risk

Financial Management: 0

Procurement: 0

Technical Capacity: 0



SECTION 2: PERFORMANCE

Summary of project performance since inception

On a positive note, ABN brought in over 40 new clients, our delivery rate is over 90%, a few clients are reordering and we are improving workshops within the network.

We continue to face a challenge sales wise.

To meet our sustainability goals, we would need yearly sales of about \$400K. We are now around \$130K.

We are approaching the end of the FOMIN project yet we have not been able to attain the sustainability level desired. This is a really big concern as we would like to continue to provide our services to the network and connect them to the global markets to improve their economic status.

The Executing Unit will be implementing a new strategic plan.

These efforts include:

- Organizational : Capacity Building + Professionalize Procedures & Routines
- Calendar of recurring events (NY-Now, Fairs, Receiving Buyers' trips, Conferences, Happenings) and Staff requirements for each
- Board members: Review role of Founding Members & Board membership procedures
- Establish standards for ABN artisans and a curriculum accordingly
- Financial : Development towards Sustainability
- Reconsider spending habits
- Reconsider Revenue pointers within ABN members' network
- Consider new Grant requests (IDB?)
- Marketing : bring Structure and Clarity

Local:

Connect with Tour Operator & Guesthouses & Beaches

Reconsider Store @ Marriott

Upgrade store at ABN's main office

-Foreign: opening/expanding new markets (Nathalie)

professionalize packaging procedures (place, tables, structure)

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The cumulative performance as reported by ABN is consistent with the status of the project as of December 2016. Meanwhile, it is important to look deeper at some of the indicators for a better reporting. A clear example is the Indicator 4 of Component 1: "The ratio of input cost to total cost has decreased by at least 25%." While the expected result is 25%, having a lower indicator would suggest "success" for ABN. However, the report indicates that ABN has a 10% but still complaining about being unsuccessful. In fact, the reported number should not have been 10%. It's way higher. This is a misunderstanding of the sense of the indicator where the effect and the realization don't go to the same direction.

On this same indicator, the MIF is eager to see the deliverable produced by the consultant hired. There is a report attached which is clearly a listing of some suppliers but the MIF has another understanding of this consultancy. It would be good for ABN to share with us the TORs for the Consultant.

Summary of project performance in the last six months

New clients for ABN (Summer/Fall 2016)

Participation in various local and international events

Soft launch of ABN part sales program

Exploring new markets in Aruba, Cuba, DR

Completion of Gender Assessment & Mid Term Evaluation

Transition of new executive director (Dec 2016)

Some organizational changes within ABN (Dec 2016)

New board members (2017)

New strategic plan (Beginning Feb 2017)

Launch of new Kellogg project with Fonkoze (Summer 2016 through Spring 2018)

New website with e-commerce capabilities (currently working with web designer)

Launch new phase of ABN with support of Social Media Manager (increased visibility)

Establishment of network to facilitate document management and back up system

(Being planned by new director)

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

For the last semester, ABN needed to achieve two important Milestones 1 - 70% of ABNs cost recovery 2- Artisans with improved work spaces and working conditions. The former is reported Not achieved while the latter is still pending. It is of utmost important for ABN to manage these milestones as per the manual. The MIF will not be able to disburse funds for the activities as the deadline is expired.

In both cases, it would be good for ABN to not only express its concerns, but also to suggest measures to mitigate these risks of not fulfilling these milestones on time.

SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: Stakeholders in the value chain participating in the project are strengthened to meet unmet demand of export quality Haitian artisan products.	R.1 At least 1500 artisans increase the value of their sales by 100% on average	0			1500 Dec 2017	378 Dec 2016	
	R.2 At least 22 small businesses increase the value of their sales by 100% on average	0			22 Dec 2017	9 Dec 2016	
	R.3 At least 40 new clients for ABN members	0	20 Jun 2015		60 Dec 2017	71 Sep 2016	
	R.4 At least 500 artisans with improved work spaces and working conditions	0			15 Dec 2017	152 Jun 2016	
	R.5 At least 90% of orders delivered on time	0	85 Jun 2015		90 Jun 2016	97 Dec 2016	
	R.6 At least 70% of ABNs cost recovery	0			70 Jun 2016	40 Dec 2016	
	R.7 15 small businesses with improved work spaces and working conditions	0			15 Dec 2017	7 Jun 2016	
	R.8 60% of clients place repeat orders within 12 months from their previous order	0	50 Jun 2016		60 Dec 2017	50 Dec 2015	
	R.9 100% of orders shipped complete	0	75 Jun 2016		100 Dec 2017	97 Dec 2016	
Component 1: Strengthening artisans and enterprises access to more affordable raw materials and appropriate financial tools. Weight: 10% Classification: Satisfactory	C1.11 At least 40 artisans trained in sourcing inputs (purchasing and inventory management techniques, import requirements and market research on how to identify viable input suppliers, negotiation skills)	0			40 Dec 2015	65 May 2015	Finished
	C1.12 At least 500 artisans are trained in financial education	0			500 Dec 2015	500 Jul 2016	Finished
	C1.13 At least 20 small businesses entities are trained in financial education	0			20 Dec 2017	20 Jul 2015	Finished
	C1.14 The ratio of input cost to total cost has decreased by at least 25%	0			25 Dec 2017	10 Dec 2016	Delayed
	C1.15 At least 22 small firms trained in sourcing inputs (purchasing and inventory management techniques, import requirements and market research on how to identify viable input suppliers, negotiation skills)	0			22 Dec 2017	22 Nov 2015	Finished
	C1.16 22 small businesses open bank accounts at financial institutions	0			20 Dec 2015	5 Aug 2015	On Course
Component 2: Improving business management and production skills for artisans and small businesses to meet market requirements Weight: 20% Classification: High Satisfactory	C2.11 At least 15 artisans participate in site-visits (in-country and internationally)	0			15 Dec 2015	18 Aug 2015	Finished
	C2.12 At least 6 small business entities participate in site-visits (in-country and internationally)	0			6 Dec 2015	6 Dec 2015	Finished
	C2.13 At least 22 small businesses receive mentorship	0	10 Dec 2015		22 Dec 2017	34 Nov 2016	Finished
	C2.14 At least 22 small businesses are trained in business management, health and safety and export management	0	10 Dec 2015		22 Dec 2017	30 Dec 2015	Finished
	C2.15 At least 22 workshops workspace improved by month 48	0			22 Dec 2017	11 Jun 2016	On Course
	C2.16 5 ABN staff trained in how to address and improve working conditions and gender issues for artisans and small businesses	0			5 Dec 2015	6 Jul 2016	Finished
Component 3: Expanding the product range of Haitian artisan products Weight: 30% Classification: High Satisfactory	C3.11 32 (cumulative) new product lines are developed and ready to sell	0	16 Dec 2015		32 Dec 2017	32 Dec 2015	Finished
	C3.12 22 small businesses trained on market trends identification	0	15 Dec 2015		15 Dec 2017	24 Jun 2016	Finished
	C3.13 22 small businesses trained on new finishes and production techniques	0	15 Dec 2015		22 Dec 2017	14 Dec 2015	On Course
Component 4: Facilitating artisans and small businesses access to markets Weight: 30% Classification: High Satisfactory	C4.11 At least 22 small businesses participate in gift and home décor markets/fairs	0	9 Dec 2015		22 Dec 2017	40 Dec 2016	Finished
	C4.12 At least 22 businesses participating in the trainings have identified new markets or new channels in existing markets	0	9 Dec 2015		22 Dec 2017	22 Apr 2016	Finished
	C4.13 At least 40 (cumulative) purchase orders by new buyers received	0	20 Dec 2015		40 Dec 2017	56 Dec 2016	Finished
	C4.14 40 artisans participating in the trainings have identified new markets or new channels in existing markets	0	10		40	200	Finished

		Dec 2015		Dec 2017	Jun 2015	
Component 5: Knowledge Management, Communications and Outreach Weight: 10% Classification: High Satisfactory	C5.I1	At least 30 of project main audiences (segmented by types) reached and sensitized	0	30	25	On Course
	C5.I2	300% increase in website viewers (3,000 monthly hits, based on a baseline of approx. 1,000)	0	300	100	On Course
	C5.I3	5 press and media events organized	0	5	10	On Course
				Dec 2017	Nov 2015	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	7	Jun 2014	7	Apr 2014	Achieved
M1 Conditions Prior	7	Jun 2014	7	Apr 2014	Achieved
M4 Training (roundtables) on market trends for product development organized	1	Dec 2014	1	Oct 2014	Achieved
M5 Training workshops on new finishes and production techniques organized	6	Dec 2014	7	Oct 2014	Achieved
M6 ABN Show room reopened	1	Dec 2014	1	Dec 2014	Achieved
M1 Training in business management, health and safety (including small equipment) and export management adapted	1	Jan 2015	3	Aug 2014	Achieved
M2 Design board created	1	Jan 2015	1	Aug 2014	Achieved
M3 ABN Website running	1	Jan 2015	1	Jan 2015	Achieved
M7 Artisans trained in sourcing inputs (purchasing and inventory management techniques, import requirements and market research on how to identify viable input suppliers, negotiation skills).	40	Dec 2015	40	Jul 2015	Achieved
M8 New product lines are developed and ready to sell	16	Dec 2015	53	Dec 2015	Achieved
M9 Purchase orders by new buyers received	20	Dec 2015	38	Dec 2015	Achieved
M10 New clients for ABN members	20	Dec 2016	20	Jun 2015	Achieved
M11 70% of ABNs cost recovery	70	Dec 2016	58	Dec 2016	Not Achieved
M12 Training workshops on new finishes and production techniques organized	24	Dec 2016	26	Aug 2016	Achieved
M13 New clients for ABN members	40	Dec 2017	41	Dec 2015	Achieved
M14 Artisans with improved work spaces and working conditions	500	Dec 2017	289	Dec 2016	
M15 Purchase orders by new buyers received	40	Dec 2017	43	Jun 2016	Achieved

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. ABN has only been one year in operation and is still highly dependent on donors funding. If the flow of resources is interrupted, ABN will not be able to keep up with the activities	High	The executing agency together with the project's partners will design and implement a sustainability strategy. ABN could generate income by charging a fee to exporters, intermediaries and artisans for any service provided.	Project Coordinator
2. Entrance of new players in the market, which could have a negative effect on prices and demand for Haitian Handicraft.	Medium	The project will maintain systems of market intelligence that keep the local sector up to date with market trends, and other suppliers.	Project Coordinator
3. ABN is able to maintain and extend its services to current and new members of the network	Medium	A strengthening plan for ABN will be designed, including an analysis on its executing capacity (financial, procurement and monitoring systems).	Project Coordinator

PROJECT RISK LEVEL: Medium TOTAL NUMBER OF RISKS: 3 IN EFFECT RISKS: 3 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

Issue	Comments
[X] Lack of a sustainability plan or its inadequate implementation	ABN is not recovering the its cost at the targeted rate (70%). As such a sustainability plan is necessary.

Actions related to sustainability which have been taken in the reporting period:

ABN hired a sales rep in California (Laurie Kanes) to help us reach our sales goals.
We also participated in the NY NOW Show (8/16).
Overall we gained 35 new customers - individual POs were low, \$400-500 on average.

On the local front, sales at the Marriott Gift Shop are still not meeting expectations - avge \$2300 month
The store remains open as it gives the network some much some visibility.
An in depth analysis of this partnership will determine whether it's the effort or if we should close it down.

ABN also partnered with Lakou Lakay, a gift shop in PV to offer additional Points of Sales to our clients while increasing the revenues of the network.
This collaboration has proven fruitful so far.

Two mission trades (Aruba and Cuba) with the Ministry of Commerce, Caribbean Export Dev Agency and Benelux gave us the opportunity to explore the Caribbean market and meet some key buyers. Based on buyers's feedback, we will develop 6 new products, geared toward the tourism industry. These new items will be presented to the Aruba/Cuba markets in the next semester.

Project sustainability remains a concern as we have not been able to meet expectations as of yet.

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]

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