

PROJECT STATUS REPORT

JANUARY 2017 - JUNE 2017

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

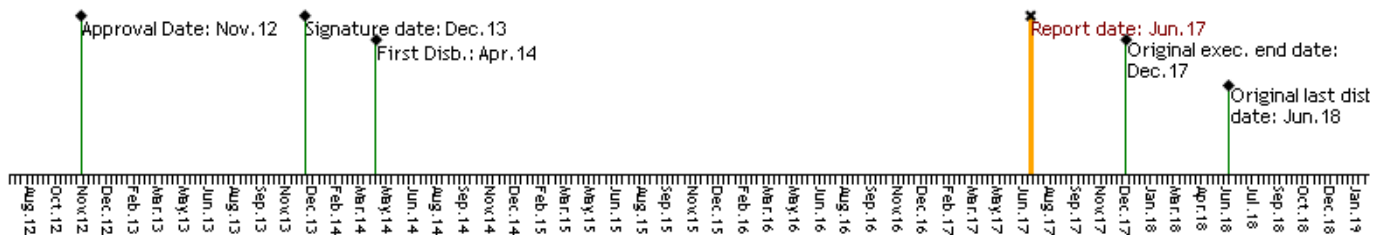
Design Team Leader:

ESTRELLA PEINADO-VARA

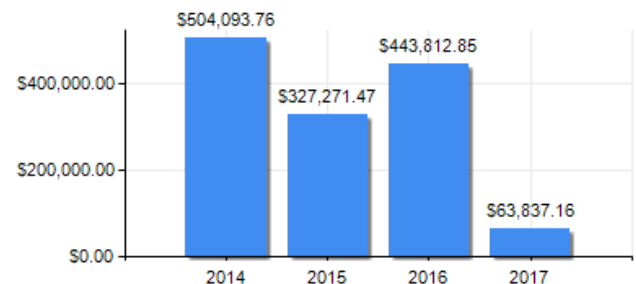
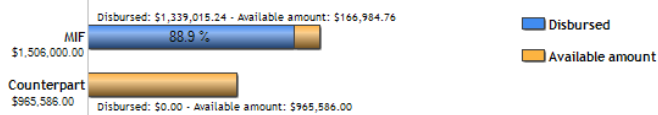
Supervision Team Leader:

FREDNEL ISMA

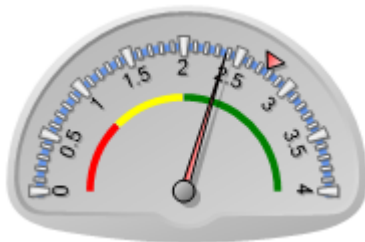
PROJECT CYCLE



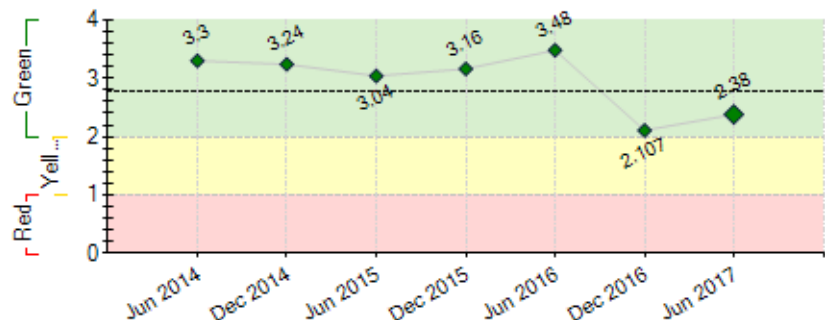
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 2.38
MIF Average: 2.766



----- MIF performance average

EXTERNAL RISKS

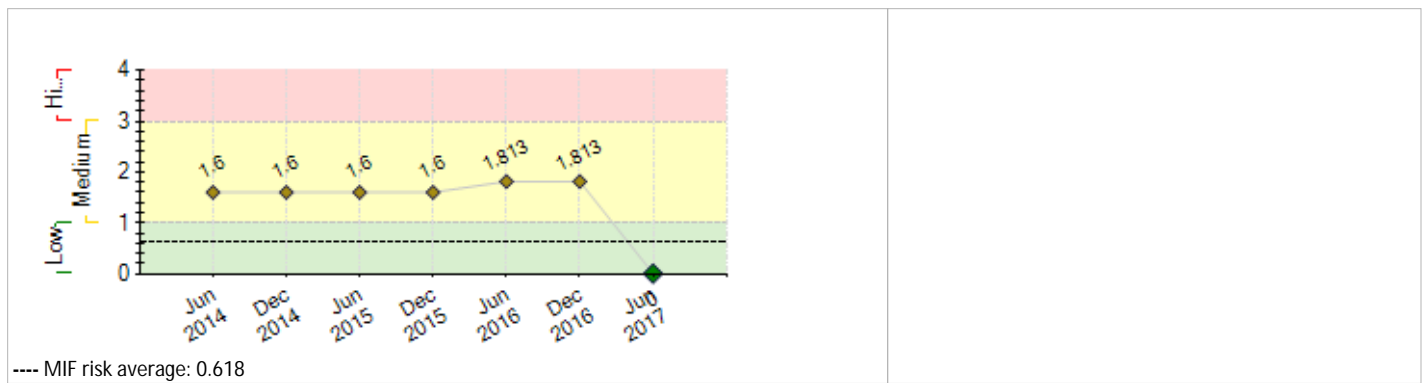
INSTITUTIONAL CAPACITY

Risk

Financial Management: 0

Procurement: 0

Technical Capacity: 0



SECTION 2: PERFORMANCE

Summary of project performance since inception

ABN is lagging behind in its overall sustainability goals. A new Strategic Plan has been devised.

Organizational:

- Capacity building: addressing organizational frictions and troublesome spots in logistics, and give hands-on workshops on practical issues as packaging, planning, reporting
- Professionalize procedures and routines:
 - o Standardization of documents; introduction of Templates to reduce workload and errors
 - o Reporting to be ongoing and always up-to-date (continuously updated and added onto)
 - o Introduction of software for bookkeeping and accounting
 - o Internal and external branding: use of ABN logo on all communication

Financial:

- Reducing Staff, as activities have been reduced
- Reporting on each Sales event in terms of ROI, and declining any sales opportunity where such profitability could not be made apparent beforehand
- For local Sales efforts, shifting towards selling Artisan products under consignment terms
- After closely monitoring the 2 ABN POS (Pacot and Marriott) and concluding that revenues do not match the costs; thus proposed closing the Marriott and relocating the Pacot POS.

See Upload: **ABN Strategic Plan v6**
Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The overall performance addresses some important hurdles impeding ABN from achieving sustainability. As a newly created Organization, the MIF foresaw some challenges throughout the path to sustainability. Yet, it seems as if the progress on the cost recovery (Milestone 11) got a big boost from 40% December 2016 to 68% June 2017. The target being 70%, if at this point ABN, has achieved 68% this is an tremendous improvement. We will discuss the long term sustainability plan of ABN at the next supervision visit.

Summary of project performance in the last six months

Semester Performance

Addressing the areas of concern implied a temporary but necessary slowing down of activities so as to lay the foundation for a more business-like functioning. The outside world may interpret this as a negative twist of performance, yet ABN is convinced that only in this way re-growth can start in a business-healthy way. ABN has kept up low-maintenance activities for its programs, yet temporarily held off activities requiring recalibrating with the current overhaul of ABN's ground rules, and/or not profitable in any sense. Examples are the discontinuing of formerly regular travel schedules for ABN staff members, invitations to foreign visitors on ABN's expense, retail opportunity in New York, attending international fairs and sales events, hosting a Bloggers Trip, engaging in high-pay Social Media Content contracts – and any other event for which no solid ROI could be established based on previous reporting or the lack thereof. Sales figures have been disappointing, both locally and internationally, partly because of disgruntled customer no longer accepting repeating shipping and packaging mistakes, partly by lack of systematic re-contacting ABN's existing loyal customer base. Both of these issues will be remedied in the period leading up to the NY-Now August'17 trade show, which will be an obvious occasion to touch base with our international customer base.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

While the MIF agrees with the report for the Semester, it is of utmost importance to realize that ABN is approaching the end of the project. In that regards, it would be necessary to report on the plan to finalize the activities. In particular, ABN could address the activities where the status remains "on course" and decide on their relevancy and the strategy to complete them.

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	15 Jun 2017	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 Jun 2017	Delayed
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 2017	Delayed
	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: 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	0	10			40	200	Finished

	markets or new channels in existing markets		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	Delayed
	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	68	Jun 2017	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	336	Jun 2017	
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 is able to maintain and extend its services to current and new members of the network	Low	A strengthening plan for ABN will be designed, including an analysis on its executing capacity (financial, procurement and monitoring systems).	Project Coordinator
2. 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	Low	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

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 3 **IN EFFECT RISKS:** 2 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 1

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: HP - Highly Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

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

As recent analysis of ABN's financial and organizational situation has indicated that it is not only lagging behind in its sustainability goals but even in danger of (partly) collapsing when the program ends, swift action needs to be taken. Part of these contingency measures have included a downsizing in activities and human resources, and a decision to move to less costly facilities. Next steps will include low-cost Sales efforts by ways of email campaign and a shift towards local Sales activities from the new Showroom, reaching out to new market segments (tourists and missionary teams on their way back to the airport); these measures mostly have to do with shaping up ABN's own behavior and responsibility. Yet, also the restructuring of the Network and collecting membership fees must be part of ABN's new cost recovery, including a discussion on introduction of schemes to have ABN participate in the successes of ABN-artisans flying out on their own (Finders fees; signing commission contracts after Sales exposure by ABN, etc). ABN would benefit from guidance in this area, to ensure that the very artisans ABN claims to help, will not be held responsible for ABN's own success.

SECTION 6: PRACTICAL LESSONS

1. • Indicators: ABN feels it is unjustly valued as it comes to "artisan success rates". Exactly there where ABN fulfills its role of taking artisans by the hand and bringing them up to independent	Relative to Design	Author de Gier, Evelien
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entrepreneurs operating on the global market, these successes are no longer under the control and measure of ABN, thus skewing the very figures which were set out to prove the success rate.

2. • Auditing: auditor's reports contain much valuable information on improvements and adjustments to be made by the organization or the program. With the current pace of auditing, these lessons are being communicated a year after closing the period being audited, thus wasting valuable time in making changes AND the organization appearing to make little progress whereas progress is made 2 periods later but not accounted for.

Implementation

de Gier, Evelien