

PROJECT STATUS REPORT

JANUARY 2016 - JUNE 2016

SECTION 1: PROJECT SUMMARY

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

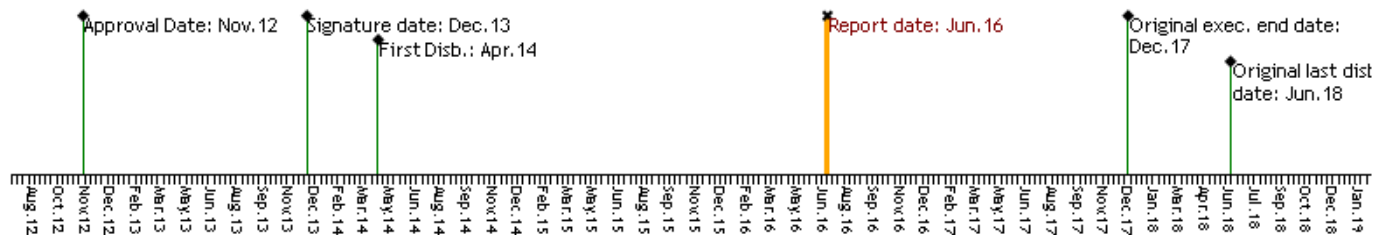
Project Number: HA-M1046 - Project Num.: ATN/ME-13545-HA

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

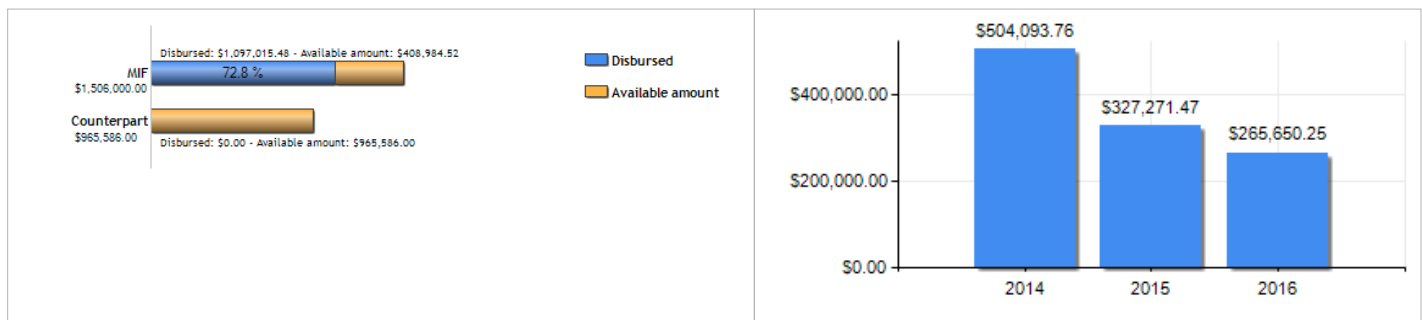
Country Admin	Country Beneficiary	Group	Subgroup
HAITI	HAITI	SME - Small and Medium Enterprise Development	BDEV - Business Development

Executing Agency:	FONDATION RÉSEAU D'ENTREPRISE DES ARTISANS	Design Team Leader:	ESTRELLA PEINADO-VARA
		Supervision Team Leader:	FREDNEL ISMA

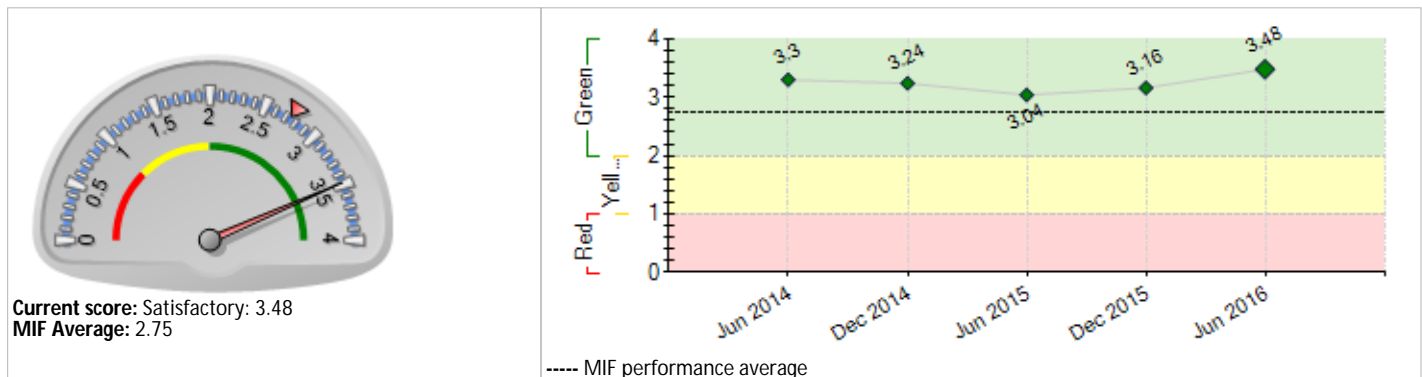
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE

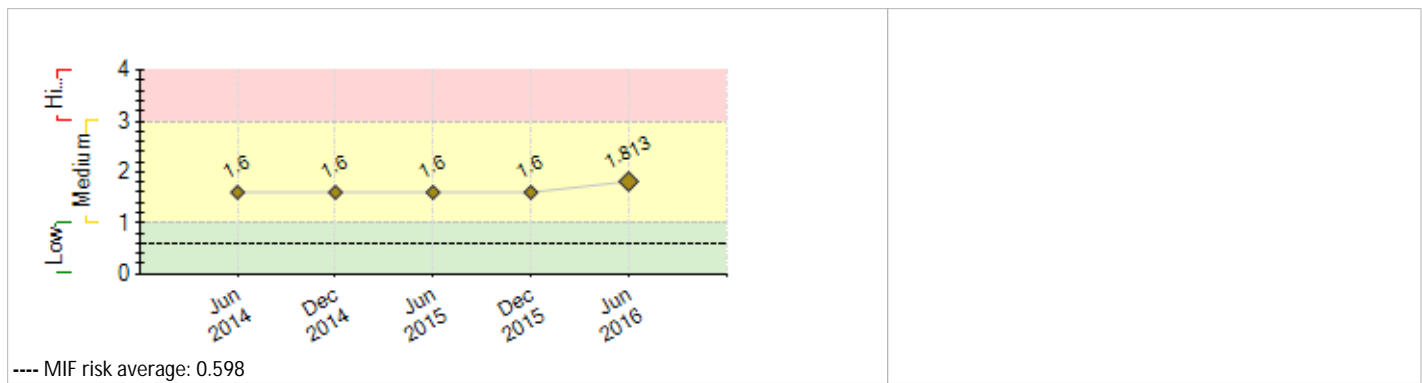


EXTERNAL RISKS

INSTITUTIONAL CAPACITY

Risk

Financial Management:
Procurement:
Technical Capacity:



SECTION 2: PERFORMANCE

Summary of project performance since inception

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)

Completed Component 3.9 and 3.10 requirements: 32 new product lines are developed and ready to sell; 22 small businesses trained on market trends identification; and, 22 small businesses trained on new finishes and production techniques.

Delays in completing some of the training due to logistics issues with both artisans and consultants hired. Better communication procedures have been implemented to avoid such issues in the future.

Low buying season has thrown off our expectations (especially from Macy's) and artisans got a bit discouraged with low sales.

We are still moderately optimistic that the project will achieve its final objective. We've completed several requirements, we are focusing on sales & marketing efforts to increase sales and improve the lives of the artisans.

EU will work on solidifying relationships with existing and new buyers. Work with network of influential bloggers to spread the news about ABN and its artisans through positive story telling. Strengthen bonds with partners locally & abroad to fine tune strategies that will results in financial empowerment for ABN & its members.

Work with Fonkoze and Kellogg Foundation to improve conditions of artisans within selected areas.

Begin transition to smaller scale but sustainable business model.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The performance of the project so far lacks the marketing component critical for the survival of ABN. At this stage of the project, ABN should have been assessing the results of its marketing instead of putting it in place. While the optimism remains in terms of achieving the project's objectives, its sustainability still raises questions. The MIF is eager to assess the leverage through Kellogg and Fonkoze to see how the sustainability part is addressed. ABN at this point needs to be more strategic in its operations as we are approaching the final stage of the project. On July 31st 2016, ABN was able to only generate enough to cover just 30% of its cost. The Website created as no indicator to monitor traffic and the number of members visible in the website is exactly 12. These constitute some aspects of the concerns manifested by the MIF in considering the path toward sustainability.

Summary of project performance in the last six months

Sourcing, Export Marketing, Prod Dev were the main focus this past semester.

Collaboration with Creative Learning (former ATA) to create new collections for Artisanat en Fete scheduled for Oct'16

New collection for NY NOW by Aviva Shulem

- Buyers Trip that included international buyers such as:

To the Market - Jane Morris

Sir/Madam of Aesthetic Movement - Sylvia Khanna

Courtney Sloane Designs - Courtney Sloane

They are in the process of placing substantial orders with us.

Focus of ABN's efforts next semester:

- Establish solid relationships w/new buyers gained through NY NOW Show

- Dedicate resources to International Marketing Outreach - expand our network on the international market. Work with Leticia Barr to reach network of influential bloggers. Tell artisan stories in a positive way that will encourage buyers with social good intentions.

- Participate in events with high sales potentials (Bryant Park - NYC Holiday Events with ZesaRaw, Cultural Survival in MA)

- Seek new buyers in the Caribbean and research the cruise industry to offer goods to their onboard gift shops.

- Continue working with Laurie Kanes of 12 Small Things. As our Sales Rep in the Western US area, Laurie has been able to introduce ABN's goods to the California market.

- Target peer institutions and local government offices to foster collaboration that will help strengthen the artisan sector

- Work on transition from an institution supported by outside funding to a sustainable and viable business.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

While the semester performance reflects the situation of the project as of June 30th 2016, it is worth mentioning some delays in achieving 3 major milestones of the project. Only 30% of the cost are being covered by ABN's revenue while we expected this to reach 70% by December 2016 which is unlikely. Also, the number of artisans with improved workspace is still low. ABN needs to catch up to reach the number 500 anticipated for December 2017.

It would be good to know the strategy ABN is putting in place to achieve these results. Reporting on the performance remains critical; yet sharing the issues, hurdles, concerns, and lessons learned could facilitate better coordination for a more successful project. It would be interesting to discuss these particular points during the coming meetings. The MIF expect that ABN will work on a sustainability plan to tackle the challenges after the end of the project.

Finally, the MIF applauds the leverage of funds through Kellogg and Fonkoze. ABN could explain more on how these resources will be use to reach the ultimate goal which is the facilitation of the artisans into higher value added market through a solid network.

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	364 Nov 2015	
	R.2 At least 22 small businesses increase the value of their sales by 100% on average	0				22 Dec 2017	10 Nov 2015	
	R.3 At least 40 new clients for ABN members	0	20 Jun 2015			60 Dec 2017	36 Dec 2015	
	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	80 Dec 2015	
	R.6 At least 70% of ABNs cost recovery	0				70 Jun 2016	35 Jun 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	80 Dec 2015	
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	465 Sep 2015	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 2016	On Course
	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	15 May 2015	On Course
	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	17 Apr 2015	On Course
	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	4 May 2015	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	37 Jun 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	20 Mar 2016	On Course
	C4.13 At least 40 (cumulative) purchase orders by new buyers received	0	20 Dec 2015			40 Dec 2017	20 Jun 2015	On Course
	C4.14 40 artisans participating in the trainings have identified new markets or new channels in existing markets	0	10 Dec 2015			40 Dec 2017	200 Jun 2015	Finished
Component 5: Knowledge Management, Communications and Outreach Weight: 10% Classification: Satisfactory	C5.11 At least 30 of project main audiences (segmented by types) reached and sensitized	0				30 Dec 2017	20 Jun 2016	On Course
	C5.12 300% increase in website viewers (3,000 monthly hits, based on a baseline of approx. 1,000)	0				300 Dec 2017	100 Dec 2015	On Course
	C5.13 5 press and media events organized	0				5 Dec 2017	10 Nov 2015	On Course

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	30	Jun 2016	
M12	Training workshops on new finishes and production techniques organized	24	Dec 2016	19	Dec 2015	
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	283	Jun 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*[None reported in this period]***Actions related to sustainability which have been taken in the reporting period:**

With lower than expected sales, ABN focused a bit more on recruitment of new groups. We also encouraged our members to pay their membership fees in cash instead of products. Not all products can be sold quickly in the stores and we became more selective in our choices.

We began a new partnership with Lakou Lakay, a local store in Petion-Ville to whom we regularly supply handicrafts. This new collaboration has been fruitful so far and has given us some additional funds to operate on a monthly basis.

SECTION 6: PRACTICAL LESSONS

	Relative to Sustainability	Author
1. There will be market fluctuations based on the overall economy. We experienced a dip in sales this semester even though we received great feedback on the ABN collection.		TANCREDE, NATHALIE
Clients were uncertain of the economic stability therefore customers cut back on personal and 'unnecessary' purchases.		
We have learned that we need to push aggressively for higher sales during the better seasons to make up for the decreased revenues during the low seasons.		