

ISSUE

50

May/June
2009

Volunteers for Economic Growth Alliance is the world's largest nonprofit consortium dedicated to promoting economic growth in developing and transitional nations.

this issue

NEWS: Citizens Development Corps is Now CDC Development Solutions **P.1**

NEW MEMBER: Aid to Artisans **P.2**

PROGRAM SNAPSHOT: US Ethiopian Diaspora Community Maintains High Momentum **P.3**

PUBLICATION: VEGA 2008 Annual Report **P.3**

DIRECTOR'S CONER: Business Volunteers in the Muslim World **P.4**



CITIZENS DEVELOPMENT CORPS IS NOW CDC DEVELOPMENT SOLUTIONS



As VEGA Member Organization, Citizens Development Corps moves toward twenty years

providing innovative and market-driven solutions to clients worldwide, the organization has changed its name to CDC Development Solutions. In the past six months, the staff took stock of clients, programs, and achievements, and made a number of important strategic decisions to take the organization into its third decade and beyond.

The leadership decided on CDC Development Solutions (CDS) as the new name because it keeps the focus on development and also captures the results-oriented nature of its programs. They have kept "CDC" in their name in recognition of the successful programs that have been implemented in more than fifty countries on five continents over the past twenty years.

In addition to renaming the organization, CDC Development Solutions has also reorganized around four practice areas that draw on its unique experience and tested methodologies in varied industries with both public and private sector clients.

Through these practice areas, the organization is able to maximize its impact on programs implemented with USAID, while continuing to build partnerships with well-known multinational companies and international financial institutions, which now comprise approximately 80% of CDS' business.

These four Practice Areas are:

Supply Chain Development

Solutions that Create Local Economic Opportunities through Global Supply Chains

Tourism Development

Solutions that Utilize the Power of Tourism to Drive Growth in Emerging Markets

Global Citizenship and Volunteerism

Solutions Engaging the New Global Citizen to Address the Complex Challenges of Our Time and

Stability and Economic Recovery

Solutions that Strengthen and Rebuild Economies and Promote Prosperity in Challenging Environments

All service offerings under these Practice Areas provide long-term solutions to development challenges leveraging corporate partnerships, public resources, local expertise, and volunteer service.

To celebrate the new name, new website, and new Practice Areas, CDC Development Solutions held a launch party on July 16 at the offices of its new pro bono law firm, DLA Piper. The attendees included partners and funders such as IBM, VEGA, Citi, the Grassroots Business Fund, USAID, the U.S. Department of Commerce, the U.S. Department of State, the World Bank, and the Millennium Challenge Corporation.

If you have questions or would like to discuss future partnerships, please contact Kate Ahern, Director of Business Development, at kahern@cdc.org or 202-530-7663.

Please visit CDC Development Solutions' new website at www.cdcdevelopmentsolutions.org.



VEGA WELCOMES NEW MEMBER: AID TO ARTISANS

Aid to Artisans

The Volunteers for Economic Growth Alliance prides itself on its diverse group of members and wide range of capabilities in implementing broad-based economic growth programs. VEGA recently welcomed its newest member, Aid to Artisans, the **recognized leader in the field of economic development for the craft sector**. Aid to Artisan's specific expertise in the craft sector adds yet another valuable skill set to the alliance.

Aid to Artisans (ATA) is an international non-profit organization that creates opportunities for low-income artisans around the world to build profitable businesses inspired by handmade traditions. Their programs offer producers access to new markets, business training, eco-effective processes and design innovation to promote sustainable growth and community well-being. Through its unique marketing and training approaches, ATA creates self-sustaining, profitable business that thrive after receiving mentoring from ATA.

Currently, ATA is implementing programs in: the Caribbean, Colombia, El Salvador, Haiti, India, Jordan, Mexico, Lesotho, Mali, Burkina Faso, Benin, Chad, Senegal and South Africa.

The programs in El Salvador and Haiti link the agriculture, tourism and craft sectors. In West Africa,

ATA provides value-added operations in cotton processing and development into finished goods. In India, ATA works with local partners to build capacity of artisans working with silk, cotton and wool. In Lesotho, ATA provides workshops and local market access for artisans working in mohair and wool felt.

In Jordan, ATA is developing a national strategy for crafts within the tourist market and also conducting training programs on marketing, product development and retail management – all aimed at demand creation. ATA is also working with internally displaced people in Colombia where artisans produce crafts from natural fibers, tagua nuts, bamboo and other natural resources.

Past projects have been in countries such as Armenia, Ghana, Honduras, Peru, and Russia. In Honduras, the craft export businesses that started as a result of ATA's 1984-86 project have generated US \$15 million in sales; no artisan business existed prior to the project.

In Ghana, ATA implemented a four year project with \$1.4 million of funding from USAID. The objective of the project was to increase non-traditional exports, improve artisan livelihoods and communities and continue developing the country's intrinsic artistry and central position in West

African trade routes. ATA, along with the Ghana Export Promotion Council, brought buyers to Ghana, including Pier 1 Imports, Cost Plus and Mar Maxx (includes Marshall's and TJ Maxx). Several Ghanaian producers supplied not only the large buyers but also small niche importers of African products such as Bamboula, Swahili Imports and Tribalinks. Cumulative sales amounted to \$859,000 at project end. Sales continued to increase and surpassed the project budget within two years of end of project and Ghana's exports increased from \$160,000 in 1989 to \$11 million in 2002. The Ghana Export Promotion Council attributed 60% of this increase as a direct result of ATA.

Aid to Artisans has recently launched two new initiatives which incorporate Environmental and Health Issues: 1) Artisan Health & Safety Manual—it is a comprehensive technical manual on all materials and production processes affecting artisans, 2) Lead-Free Initiative—Aid to Artisans partnered with Barro Sin Plomo a local organization in Mexico's Michoacan state, that works with potters in 122 communities to remove lead from traditional pottery.

ATA is also in the process of launching ATA University, which is a comprehensive online university, including modules on all aspects of developing a profitable craft business.

Learn more at
www.aidtoartisans.org



An artisan from the workshop Aagor Daaga Afad, in Rowmai, Assam, India, weaving a textile in the traditional Bodo style.

Over the past 10 years, Aid to Artisans has raised the incomes of over 125,000 artisans in more than 41 remote countries to improve their lives, the lives of their families, and their communities.

- Aid to Artisans has enabled artisans to earn as much as four times their countries' per capita income.
- Aid to Artisans efforts leveraged nearly \$230 million in retail sales in the past 10 years.
- Approximately 50 grants, ranging from \$500 to \$1,500 are awarded each year to artisan groups to help purchase equipment and materials.
- About 70% of the artisans Aid to Artisans works with are women.

Read an ATA Publication

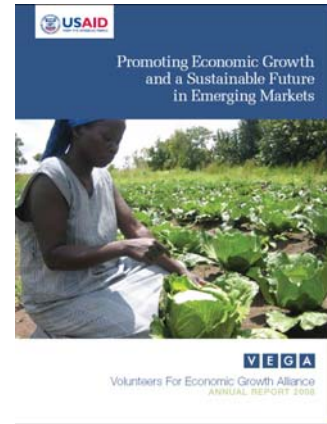
Recently, David O'Connor, ATA President, conducted an informative presentation on the best practices and lessons learned in providing assistance to handicraft entrepreneurs, enterprises and markets. Read the publication, *Building a Profitable Craft Business*, on the Business Growth Initiative website in the Notes from the Field section at <https://www.businessgrowthinitiative.org/BGIProducts/Pages/Publications.aspx>

VEGA 2008 ANNUAL REPORT

The past year brought exciting changes to VEGA, we accomplished a great deal of results in our economic development programs worldwide. A highlight of the year was our extensive use of the Diaspora community in carrying out work in often adverse situations. We've influenced relationships between creditors and SMEs in West Africa and supplied reliable technical assistance to the American Chambers of Commerce in Indonesia, Kazakhstan and Armenia. Our grants management program provided opportunities for historically disadvantaged organizations in South Africa, and our experts enhanced organizational capacity for associations and business centers in Jordan. These are just a few of the highlights of our efforts. As we look forward to 2009, we expect a year of continued growth and lasting impact.

To learn more please download the 2008 Annual Report at:

<http://www.vegaalliance.org/annual-reports>



US ETHIOPIAN DIASPORA COMMUNITY MAINTAINS HIGH MOMENTUM IN INVESTING IN LOCAL BUSINESS OPPORTUNITIES

The VEGA USAID funded program in Ethiopia has been integral to the increase of exports and the growth of local businesses. One of the successful strategies used to achieve program objectives has been involving the Ethiopian Diaspora, who have built partnerships, enhanced trade linkages and invested in Ethiopia. VEGA AGOA+ has appealed to Ethiopian Diaspora through its international outreach efforts and through promoting investment projects in the country.

In June 2009, VEGA Ethiopia sponsored a Diaspora business forum organized by The Ethiopian American in Washington, DC and Los Angeles. The overall vision of the forum was to educate and provide information to potential high-value Ethiopian Diaspora investors who are interested in investing in Ethiopia. The forum attracted Diaspora investors by making a business case for investing in Ethiopia and highlighting US Government and other resources in support of Ethiopian American investors. Forum participants discussed business opportunities in Ethiopia, and the current

Ethiopian American investors shared their experiences conducting business in Ethiopia. The forum panel discussions were facilitated by distinguished guests including Sehul Truesaw (VEGA AGOA+ Diaspora Direct Investment), Borany Penh (USAID African Diaspora Marketplace), Rick Anguoni (The Export Import Bank of the United States), as well as a representative from Western Union who promoted the partnership between USAID for a business competition project.

Program Highlights for the Past Quarter

On the ground, VEGA AGOA+ has been involving the Ethiopian Diaspora through its implementation of the first Diaspora Direct Investment (DDI) Facility for Ethiopia which aims to extend business loans to Diaspora and women entrepreneurs. Over 80 investors have completed the application process.

During the second quarter of 2009, DDI successfully secured financing for two separate projects, a recreational center and a food spice and flour processing plant. Each project was approved for funding of

ETB2,000,000 (Ethiopian Birr), USD178,800. The loans were made with the assumption that the borrowers had sufficient collateral and also because the projects exhibited profitable business models. Below are profiles on each project.

Bata Recreational Park

Bata Recreational Park is a project promoted by a local woman entrepreneur. The center is set up with the objective of providing full recreational services to tourists and the general public. The space is well structured to host seminars, conferences, meetings and other events, particularly wedding ceremonies. The loan secured by Bata Recreational Park was facilitated through the Bank of Abyssinia to finance mainly working capital requirements.

The promoter has contributed ETB4,726,130 (USD422,500), approximately 70% for fixed assets, while the bank financed the remaining ETB2,000,000, 30% for working capital. The projected income statement shows that the recreation center will be able to generate sufficient annual net

profit over the next five years.

Habtamu Dagne Food Spices & Flour Processing Center

Habtamu Dagne Food Spices and Flour Processing Center is a project promoted by a Diaspora from the United States. The project owner had previously constructed a production warehouse facility in Kality, in the outskirts of Addis Ababa. After completing the warehouse which was financed 100% through personal funds, the investor required additional capital to purchase machinery, equipment, as well as working capital to start operations. All machinery and equipment were purchased from the local market; the availability of machinery and equipment in the local market provided an advantage to secure financing in an environment where SMEs find it difficult to access finance. The business has the potential to generate up to ETB8,100,000 (USD724,119) of annual profit. The company is now in the process of installing the required machinery to be able to start full operations.

Director's Corner



President Obama made a historic speech at Cairo University on June 4, 2009. Being an American University of Beirut alumnus, I found his speech in Cairo truly responsive to the needs of developing countries. The mes-

sage of seeking "... a new beginning between the United States and Muslims around the world, one based on mutual interests and mutual respect", rightly defines where we are in the development community at the beginning of this new administration. I actually read the speech several times as it was a very good read and uplifting in its content.

In his discussion of economic development and opportunity, President Obama mentioned the creation of a new business volunteers corps to partner with counterparts in Muslim-majority countries. Connecting business volunteers with counterparts in developing countries is a signature hallmark of VEGA and has been since its inception in 2004. Whether it is the Diaspora involvement in Sudan or the efforts in Iraq, Lebanon, Afghanistan or Indonesia, VEGA volunteers work daily with counterparts in the Muslim world, enriching each other in the experience. This will continue into the future as VEGA endeavors to promote economic growth and stability, with the involvement of Diaspora communities, especially in conflict zones.

Again back to the Cairo speech as one paragraph struck me profoundly. "All of us share this world for but a brief moment in time. The question is whether we spend that time focused on what pushes us apart, or whether we commit ourselves...to find common ground...." By nature, the work that VEGA undertakes harnesses the capabilities of individuals and unites them into a collective effort. We in the VEGA Alliance look forward to continuing the promotion of economic development and opportunity going forward.

Kind Regards,

VEGA

The 15 member strong Volunteers for Economic Growth Alliance has made tremendous progress worldwide. With the support of more than 65,000 volunteer experts and professional in-house staff we've undertaken 18 projects in 21 countries constituting \$50 million of activities that span all USAID regions. VEGA holds a Leader with Associates (LWA) cooperative agreement with USAID through which it provides services of its membership organizations.

VEGA MEMBERS

VEGA members include the best in international development and have substantial experience and records of accomplishment across the spectrum of economic development programs, business sector development in particular.

- ACDI/VOCA
- ◆
- Aid to Artisans
- ◆
- CDC Development Solutions
- ◆
- CNFA
- ◆
- Florida Association for Volunteer Action in the Caribbean and the Americas, Inc. (FAVACA)
- ◆
- Financial Services Volunteer Corps (FSVC)
- ◆
- IIE/Emerging Markets Development Advisers Program (EMDAP)
- ◆
- International Executive Service Corps (IESC)
- ◆
- International City/County Management Association (ICMA)
- ◆
- International Real Property Foundation (IRPF)
- ◆
- International Senior Lawyers Project (ISLP)
- ◆
- Land O'Lakes, International Development
- ◆
- Opportunities Industrialization Center International (OICI)
- ◆
- Partners of the Americas
- ◆
- Winrock International

VOLUNTEERS FOR ECONOMIC GROWTH ALLIANCE

1900 L Street NW | Suite 405 | Washington, DC 20036
 Tel: 202.223.7012 | Fax: 202.223.7240 | Web: www.vegaalliance.org

