

ACTION LESOTHO: CRAFT SECTOR DEVELOPMENT

BREAKING THE CYCLE OF POVERTY

Theory of Intervention

Action Lesotho has pushed for craft sector development in Lesotho as a means to income generation throughout its 4 year funding from Irish Aid. Whilst piloting interventions that support the growth and potential of existing craft companies Action Lesotho have been building capacity with the government ministries and state agencies who are mandated to influence the growth of the sector.

Our interventions in the craft sector over the past years and subsequent relationships to Ministry of Tourism, Environment and Culture (MTEC), BEDCO, Ministry of Agriculture and Ministry of Trade, Limkokwing University have resulted in:

- The establishment of the Lesotho Mountain Craft association for craft sector companies providing a platform through which business training, technical skills development, marketing and sales can occur cooperatively. A report from a review meeting this week is attached as Appendix 1.
- Leribe District Enterprise Community Network to pilot a programme of intervention aimed at economic growth and stimulation of the sector through BEDCO, MTEC, 3rd level institutions, Ministry of Agriculture and Ministry of Education (who are not yet on board) and evolving an active community arts programme.
- A craft symposium hosted by Irish Embassy in Maseru in February 2014 which resulted in the formation of a Sector Wide National Working Forum to develop the Arts and Crafts Sector in Lesotho. This forum is headed by MTEC.
- MoUs have been signed in 2014 between MTEC and BEDCO with Action Lesotho (copies with Enterprise committee)
- MoUs have been drafted in 2014 with Ministry of Agriculture, the Lesotho Agricultural College and Limkokwing and will be signed by the end of the year.
- The appointment of a Craft Sector Consultant to work with MTEC who will work in partnership with Action Lesotho over the next 3 years
- Action Lesotho have facilitated the initiation of a pilot planning process for two key national site development projects; Katse Dam and Morija Museum and Arts.
- The creative arts are being included for the first time in the Government's national strategic plan for economic growth
- Action Lesotho has been invited to head the Technical Working Group on Crafts for the Government Job Summit in November 2014 and draft a strategic plan for same. Through this forum Action Lesotho facilitated the development of a 3 year strategic plan which has defined the roles of all players in craft sector development and sought inter-ministerial/agency support to avoid duplication of services and resources, completed a SWOT analysis of the sector, identified the constraints and developed an Action Plan for the next 3 years through which nationwide improvement of the craft sector can take place.
- An intern programme for students from Limkokwing University for attachments to existing craft sector companies, international designers, MTEC craft sector consultant and international buyers who visit Lesotho.
- Her Majesty Queen Masonate of Lesotho is the patron of the LMC project
- LMC has a showcase gallery and shop in Teyateyaneng where products and companies are promoted centrally. They also have their products in a major shopping mall in Maseru (Pioneer Mall). Some products are being exported to America, Canada and UK.

3 year strategic plan goals:

- ❖ Lesotho Mountain Craft is an independent and sustainable support association for those engaged in income generating activities through the craft sector by the end of 2017.
- ❖ 12 LMC companies are able to sustain all employees with income above the international poverty line by the end of 2017.
- ❖ 12 LMC companies have attracted youth to work with the company.

- ❖ Interns from Limkokwing University will have attachments with LMC companies, International designers and buyers on an annual basis co-ordinated by MTEC
- ❖ Action Lesotho and the PSCEDP/MTEC Craft Sector Consultant will have transferred the skills necessary to have a sustainable craft sector beyond end 2017
- ❖ MTEC will have a thriving and sustainable community arts programme in all districts for children, youth and adults by the end of 2017.
- ❖ A curriculum will have been created for the craft sector which can be delivered by BEDCO in all districts. The curriculum will include Innovation and Entrepreneurship training, business management skills, international market access, retail and trade fair sales, product design, production capacity, working to trend, access to finance and financial management.
- ❖ BEDCO, MTEC and Ministry of Agriculture will have an inter-ministerial programme for job creation that effectively places 500+ families above the international poverty line by the end of 2017. The Enterprise Community Network will be our platform for this.
- ❖ A methodology will have been tried and tested for national site development drawing on whole value chain within the community in which the site is situated (e.g. Katse Dam and Morija Cultural Museum and Arts Centre)

Planned interventions

Capacity Building of LMC as an organisation - To continue capacity building of craft sector companies through Lesotho Mountain Crafts initiative to ensure independent sustainability of the organisation beyond 2017

Capacity building of LMC companies – to ensure all owners and employees are raised above the international poverty line through income generating activities within the craft sector value chain

Youth Empowerment Forum of Lesotho - Action Lesotho will work with the Youth Empowerment Forum of Lesotho to encourage participation in the craft sector so that all companies will have youth working with them and be able to sustain their future.

Intern Programme with Limkokwing - Develop the intern programme with Limkokwing University extending internships with craft companies to all departments at the university. Interns will also be placed with international designers, international buyers and the Craft Sector Consultant for MTEC.

Partner with PSCEDP/MTEC Craft Sector Consultant - Action Lesotho will support the work of PSCEDP/MTEC Craft Sector Consultant and collaborate in areas of curriculum development, supported trainings for craft sector workers

(Elaine Bellezza has been appointed for 3 years to bring into Government policy and programming the work initiated by Action Lesotho through the Lesotho Mountain Craft project. Her first working paper is attached as Appendix 2 of this document. Her emphasis is on access to export opportunities through linkage to import buyers in USA and ensuring that companies who are market ready are working to orders for these buyers. Action Lesotho and MTEC's Craft Sector Consultant have a clear mandate to work together through the MoU signed in 2014. Action Lesotho have assumed the responsibility for medium to long term strategies for growth in the sector working through the Leribe District Enterprise Community Network to pilot a programme of intervention aimed at ensuring that companies working within the craft sector are market ready and have internationally saleable products. Economic growth will occur through stimulation of the sector through BEDCO, MTEC, 3rd level institutions, Ministry of Agriculture and Ministry of Education (who are not yet on board) and evolving an active community arts programme.)

Create a development strategy for heritage sites nationally - Katse Dam and Morija Museum and Arts. The national team of MTEC, LTDC, BEDCO, Ministry of Education and Ministry of Agriculture together with those currently operating the projects will work together to create a comprehensive development programme for both projects which will create employment, educational, social and recreational opportunities for the communities in which they are situated. These pilot interventions will assist in developing an action plan for other national heritage sites and places of interest across the country.

Leribe District Enterprise Community Network - Leribe District Enterprise Community Network to pilot a programme of intervention aimed at economic growth and stimulation of the sector through BEDCO, MTEC, 3rd level institutions, Ministry of Agriculture and Ministry of Education (who are not yet on board) and evolving an active community arts programme.

Training LMC and Action Lesotho personnel as buyer agents - Action Lesotho's Craft Sector Officer and Chairlady of LMC to train as buyer agents through MTEC Craft Sector Consultant

Develop a community arts curriculum nationwide - Develop and promote community arts curriculum through MTEC's District Cultural and Tourism Officers. This development will be facilitated by our Art Consultants, Anne Ferguson and Morag Tweedie.

Develop curriculum for Art and Craft sector business training - Develop through MoU with BEDCO and consultancy support from MTEC's Elaine Bellezza, a curriculum for craft sector business development, international market access, retail and trade fair sales and access to micro finance. The Innovations and Entrepreneurship course will be delivered to craft sector workers throughout Lesotho through training trainers at BEDCO

Learning Journey to Ireland for intercultural exchange – to bring a delegation from MTEC, BEDCO, Action Lesotho and LMC from Lesotho to Ireland for an Art, Craft and Tourism study tour. The study tour will be hosted by Lesotho Ambassador to Ireland and Action Lesotho will be responsible for developing the curriculum/programme.

Partnerships will include

Ministry of Tourism, Environment and Culture

Ministry of Agriculture

Ministry of Education

BEDCO

Limkokwing University

Lesotho College of Agriculture

Innovation and Entrepreneurship Consultancy Ireland

Lesotho Mountain Crafts

Youth Empowerment Forum of Lesotho

Approximate Budgets annually

Salaries and indirect costs	
Craft Sector Development Officer	R60,000
Intern/volunteer programme R1500 x 12	R18,000
Airtime for Intern/volunteer programme	R2,600
Airtime for Craft Sector Development Officer	R6,000
Transport Craft Sector Development Officer	R6,000
International Consultancy fees 3 x R37,800	R113,400
2 x art consultants to support community arts and sustainable art development for craft groups	
1 x weaving consultant to modernise weaving industry and achieve saleability	
Sub-Total	R206,000
Trainings and Workshops	
Monthly training for LMC 18 x 500	R9,000
Stationery costs for above trainings	R5,000
BEDCO trainings at Ha Majele for LMC or other Craft Sector workers 12 x 500	R6,000
Stationery costs of above trainings	R1,000
Supported access to ICT course through Craft Sector Development Officer and Volunteer/Intern	R1,500
Study Tour in Lesotho 3 per year (using minibus and providing lunch for participants)	R13,500
Study tour to Ireland x 4 (2015)	R84,000
Flights + internal transfers R55,680, Accommodation R11,200 Lunch and Dinner R18,800	
Curriculum development for Craft Sector to District Enterprise Community Network and 3 regional BEDCO	R6,000

managers 12 x R500 at Ha Maqele	
Transport costs for training support, innovation and entrepreneurship interventions and other meetings with Government and State Agency programme development at HQs in Maseru R500 per month	R6,000
Sub-total	R132,000
Exhibitions - We intend to continue to apply for 75% funding towards exhibitions from LEAP so figures apply to 25% of overall costs where indicated.	
Living life monthly exhibition	R8,400
Morija Festival of the Arts (25%)	R2,500
Cherry Festival (25%)	R2,500
Other shows such as Design Indaba Expo 2016 (25%)	R12,000
Sub total	R25,400
Craft Sector Development	
New Product Development support	R100,000
Marketing, Advertising and promotional materials (we will look to LEAP for support wherever possible)	R30,000
Infrastructure support and development including development at LMC Gallery	R150,000
Sub total	R280,000
Capital Expenditure	
Minibus	R180,000
Sub total	R180,000
Total budget annually although some costs are specific to just one year's expense	R823,400
Year 2 and 3 costs are approx. R650,000 per annum	

APPENDIX 1

Meeting with Lesotho Mountain Crafts Companies

Date: 06.10.2014 Time 10:00

Place: Hatooa Mose Mosali T.Y.

Companies represented were: Hatooa, Leribe Crafts, PEA, Nyenye Crafts, Eelloang, Koloi, Seithati Weavers and Fusi Leather

Agenda: Business Review in line with Business Model Canvas

We reviewed the progress of each company ever since they were in partnership with Action Lesotho from 2012 and we then proceeded to finding out how well we know our customers. Lastly we identified our key partners in business. The following feedback was received from individual companies:

1. Hatooa Mose Mosali

They have seen a wonderful progress in the following areas:

- ❖ They were able to partner with other wool and mohair crafters and they can now buy raw materials together which makes it easier for them.
- ❖ They received training in a number of areas for example Design and colour trends, pricing and quality control.
- ❖ An opportunity to attend learning journeys, especially in Cape Town where they were able to learn how to display products and ensure that different colours are harmonised
- ❖ Meeting International Consultants who are highly knowledgeable in Crafts and getting the inspiration from them
- ❖ The importance of colour combinations in products
- ❖ Awareness in changing colour trends seasonally and annually

Hatooa Mose Mosali still has the following challenges:

- ❖ They need Drum Carders
- ❖ Inability to come up with new designs which could be saleable internationally
- ❖ A very limited market for wool and mohair products
- ❖ They need computer training
- ❖ Youth do not show interest in their work therefore continuity is at stake

2. Leribe Crafts Centre

They have seen the following successes:

- ❖ Their greatest success is in dyeing products and mixing colours
- ❖ Improved customer numbers

On the other hand they still struggle with marketing of products and access to good quality raw materials.

3. Positively Empowered Artisans

They have seen the following successes:

- ❖ LMC Gallery has increased their sales
- ❖ Selling through Living Life in Ladybrand
- ❖ They have learnt some new product designs
- ❖ Having Her Majesty Queen as Patron of Lesotho Mountain Crafts (LMC) is a big success
- ❖ Received training in colour trends and colour combinations

Positively Empowered Artisans still have the following Challenges:

- ❖ They need further training in design skills
- ❖ Production Capacity is low
- ❖ They do not afford quality material e.g. sterling silver which would improve the quality of their products.
- ❖ Need computer training
- ❖ They do not have a good market for their products especially a local market

4. Nyenye Crafts

Successes were seen as follows:

- ❖ Owning sewing machinery
- ❖ Having a bulk stock of fabric material
- ❖ Access to trainings
- ❖ Pricing of products
- ❖ Ability to save some money
- ❖ Ability to meet family financial obligations daily

Challenges:

- ❖ Marketing of products
- ❖ Low level of skills in their work
- ❖ Very few workers

5. Elelloang Basali Weavers

They have the following **successes**:

- ❖ Product development
- ❖ LMC Gallery shop as a sales outlet is highly appreciated
- ❖ Formation of LMC which gives us job opportunities within the Government of Lesotho Ministries
- ❖ Received colour trends training
- ❖ Received colour combination training
- ❖ Learnt new designs on coasters
- ❖ Products labelling in their company name
- ❖ Quality control
- ❖ Training in other business areas like pricing
- ❖ Products marketing by Action Lesotho

Challenges:

- ❖ They need Drum Carders
- ❖ They need spinning wheels
- ❖ Market for their products

6. Koloji Cow Horn Jewellery

He has the following successes:

- ❖ Improved product quality
- ❖ New product development
- ❖ Formation of LMC Gallery shop as sales outlet
- ❖ Membership in LMC has helped him share ideas with other LMC members and this has helped him to improve his work and the speed at which he is producing
- ❖ Access to expert advice from International Consultants

Challenges:

- ❖ Good quality Cow horns are very scarce in Lesotho
- ❖ He needs processing machines
- ❖ He needs a workshop
- ❖ He is the only one doing the work so production stops every time he is attending to other businesses like LMC meetings

7. Seithati Weavers

They were successful in the following areas:

- ❖ Colour combinations and harmonisation
- ❖ New Design skills
- ❖ Ability to dye products
- ❖ Improved display of products
- ❖ Accurate pricing
- ❖ Improved communication with customers

Challenges:

- ❖ Market is too limited
- ❖ In need of Drum Carders
- ❖ Few employees
- ❖ computer literacy
- ❖ saving money is still a big challenge
- ❖ Lack of Innovation skills
- ❖ Very few customers visiting the premises

8. Fusi Leather

They were successful in the following areas:

- ❖ Received training
- ❖ Business development

- ❖ Part of LMC and LMC Gallery as a sales outlet
- ❖ Training, Coaching and mentorship received from International Consultants
- ❖ Training on colour trends
- ❖ Training on colour combinations and harmonisation

Challenges:

- ❖ In need of a workshop space
- ❖ They need modern machinery
- ❖ Market is still a challenge

The overall view of the companies is that they have grown significantly ever since they met Action Lesotho in 2012 and they hope grow even more with the support of Action Lesotho.

The second item that was looked into was to establish **how well our companies know their customers**. They struggled a lot with identifying their customers and customer segments. They only knew a little bit about their most important customers and one would expect that they would know more about those customers because those customers contribute more to their businesses. They were given individual exercise to identify their customers and customer segments.

The last item discussed for the day was to identify **Key Partners in every business**, who are our key suppliers and which key resources we are acquiring from the key partners. In this area, LMC members identified only raw material suppliers as their Key Partners. We then broadened our discussion to show them that even the service providers are Key Partners in business. I made an example of Department of Trade was cited and they began to realise that without this Department they would not be able to register and therefore to be a legal entity would be a problem. Then they were able to identify even Action Lesotho as a Key Partner in their business.

It was very interesting to see how members of LMC who have been in business for a very long time could not engage confidently in discussions like the one we had. This shows that we still have to work more on building their self confidence because they have a lot of experience in business and one would expect them to openly share with others what they know. On the other hand it was encouraging to see how Malipolelo from Fusi Leather engaged so confidently and she seemed to know the business so well. With her presence in the company I can foresee continuity of Fusi Leather just like it continued from the founder Mr Khoali, the father of Mr Fusi Khoali to-date.

On the whole, the day was fruitful because at the end I asked one of the Participants to summarise what we discussed and it was very accurate.

We adjourned at 15:45 p.m.

Report by: Dominic Matoane

Report and Action Plan

Lesotho Handicraft Value Chain Linked to Tourism

“Behind agriculture, artisan activity is the 2nd largest employer in the developing world.

It’s often the primary means of income”

US Dept. of State & Aspen Institute, November 23, 2012¹

1. Overview:

The **Home Décor and Gift** (handicraft) value chain is composed of numerous sub-VCs – jewellery, baskets, furniture, leather products, ceramics, recycled products, textiles and soft furnishings, ceramics, woodwork, musical instruments, and metalwork. Within each of these sub-VCs there are hundreds of products with multiple variations. What ties them together (and what gives them market appeal) is that they are hand-made. This wide variety of products categories attracts a dynamic range of buyers. It offers something to all market strata, from luxury to mass market, to all parts of the globe, and to a wide variety tastes and brands.

The link between handicraft and tourism is often over-estimated. Unless the tourism sector is dynamic, year-round and thriving, there is usually not enough financial incentive to keep handicraft producers active, interested, and sustained financially. Therefore multiple market streams are necessary to encourage craft production and value chain viability and to inspire significant growth.

The **Home Décor and Gift** value chain program in Lesotho is designed to help foster tourism sector growth, generate employment, build entrepreneurship, and develop solid international, regional and national market linkages and to build the professional capacity of companies to meet market demand.

The key to success of this program is the **entrepreneurial, results-oriented** and **market-driven** approach. All initiatives will be geared to empowering private sector growth at every level. The interventions are designed to start with pilot programs to test viability and success potential and then to build national interventions based on program success. Additionally, right from the beginning of the program market linkages will be crucial to establish credibility along the entire value chain. It is important that private sector players see financial potential in order to commit resources and energy to the program.

The sub-value chains with the greatest immediate potential are:

- Hand-woven, knitted and felted textiles for fashion accessories and soft furnishings
- Leather and lamb’s wool for fashion accessories and soft furnishings
- Basketry and woven grass home décor products
- Jewellery – horn & bone, paper, recycled inner-tube, leather, beads, wire
- Carved sandstone home décor
- pottery (particularly glazed pottery)

¹Ted Barber and Marina Krivoshlykova of Development Alternatives, Inc., 2006, USAID report: Global Market Assessment for Handicrafts

2. Challenges and Strengths:

The major challenges to the Home Décor and Gift value chain in Lesotho are:

Challenge	Intervention
Market Ready Products	Design inputs, costing/pricing training
Production Capacity	Generate more orders, improved tools, training
Entrepreneurship	Training and TOTs, building markets
Raw Material Sourcing	Initiate appropriate technology inputs
Buyer Agents	Training, market linkages
Market linkages	Buyer trips, trade shows, web portal
International recognition	Branding campaign

Strengths:

The positive side of these challenges is that Lesotho is a relatively virgin territory in terms of the Home Décor and Gift sectors. This means that solid and productive habits can be established at the onset with trainings and technical interventions, and realistic expectations instilled right at the beginning.

All the challenges indicated above are manageable and can be addressed with pointed activities, unlike challenges facing some countries that are systemic, such as internal transport blockages, border customs fraud, or absolute lack of raw materials or technical skills.

There is a working foundation for progress in Lesotho, and this will be the basis for growth. There are existing technical skills; weaving, leather production, sandstone carving, sewing, jewellery production, knitting and felting, ceramic production, basket weaving and probably more. These skillsets will be the basis for building technical capacity.

One of the greatest strengths in Lesotho is the collaborative spirit within the ministries, NGOs, and the private sector. The Handicraft Forum is an example of inter-agency collaboration and the willingness to work together. This alone bodes for a very positive outcome.

3. Pilot Programs:

Pilot Programs are intended to achieve short-term results while testing new strategies, perfecting those strategies and then transmitting success nationally. Pilot programs are meant to intertwine with each other when appropriate, and to be launched in varying degrees at intermittent times. This means, in short, that they will be pliable, dynamic, and collaborative.

Each specialty of the pilot projects will be in conjunction with specific Forum members who will be active in the implementation and follow-through with new companies and the growth of the initiative.

- **Buyer Agent Capacity Building** – A number of budding entrepreneurs will be chosen for an initial buyer agent training. Our team will conduct the training with a US buyer. The initial training will be for two days with follow-up mentoring as agents acquire clients. Buyer agents are essential to access international buyers. Agents tour workshops with buyers, respond to emails, introduce them to new products and producers, manage production schedules, receive and distribute funds, coordinate transport, and manage quality control.

- **Market Linkages** – Three to five smaller buyers, with growth potential, will be invited to Lesotho within the first six months to work with export ready or nearly ready companies and with a trained buyer agent. They will begin by initiating small orders, building commercial relationships and testing both the market and companies' export capacity and the professionalism of the agent. The team will mentor agents and companies in order delivery, production capacity, client interface, product sourcing, transport and packing, financial management and IT, as necessary.

Trade show participation is another important market linkage activity. Lesotho will participate in Ambiente, in February 2015 in Frankfurt. Five export ready companies will participate at the show. This will showcase Lesotho as a sourcing destination for professional buyers and it will showcase the brand identity

- **Product Design** – Initially product design inputs will be geared to specific production groups. Baskets will be the first priority as it is one of the most sought after categories and strong weaving skills already exist. In general we will try to link design inputs with specific market linkage activities. For example, those companies going to a trade fair will have design inputs related to the particular fair they will be attending. Additionally, when a buyer has strong purchasing potential then design inputs will be for a buyer. This strategy yields much stronger results than designing the HOPE that a buyer will want the products. All design inputs will be geared towards specific markets and at specific price points, in other words, **market-driven and results-oriented**.
- **Young Designers Mentoring** – Young designers at the design university of Lesotho will be able to be mentored on our various design projects. These young people can assist buyers and professional designers with follow-through with the producing companies. Virtual mentoring, a very cost effective initiative, can be employed to further mentor the young designers.
- **Sourcing Website** – Once export ready companies are identified and countrywide, ministry owned website can be established to link buyers with producers. This is not a selling site, but a market linkage site. Buyers can see product samples from companies with direct access to the companies' email or website. Preliminary training can be done with companies to create their own wholesale sites. This model was used to great success in West Africa.
- **Appropriate Technology** – Access to and cost of raw materials is key to sector growth. Three areas of improved appropriate technology would help strengthen the marketability of the sector. An environmental impact study should be done before engaging the new technology.
 - Carding and cleaning wool and mohair² – Low tech or semi-industrial machines to facilitate cleaning and carding of wool and mohair to keep costs down. Additionally producers prefer mohair to wool (presumable because it is easier to work) but buyers prefer wool to mohair. There are enormous sales potential for wool products, both in fashion accessories and soft furnishings.
 - Leather Tanning – there is low tech tanning machinery in use in other African countries. These machines are used artisanally while giving a more professional finished product. At Village Artisanal de Ouagadougou (VAO) in Burkina Faso, there is this low-tech leather production workshop. A study of this technology would be worthwhile. This could be a project in conjunction with Bedco.
 - Horn and Bone Cleaning - Kenya has a highly developed horn and bone cleaning and dyeing industry. This work is very nascent in Lesotho, though raw materials are abundant. A study of the tools, techniques and machinery in Kenya could help further this subsector in Lesotho.

² I am currently investigating low-tech machinery used in Peru on alpaca.

4. Tourism Strategy³

One of the strong appeals of Lesotho as a tourism destination is its pristine and virgin beauty. It is a hikers' paradise. While driving through the country I was taken aback, each day, each hour, by the incredibly beautiful and constantly changing landscape. It is as beautiful as many parts of the world renowned for their landscape, and this should be a part of the brand identity. The aspects of unusual flora and fauna has its appeal, as well as skiing in Africa, but the broader appeal may well be the spectacular, unadulterated beauty.

Hiking and backpacking trails might be the first priority in building tourism infrastructure, followed by "glamping" in order to retain the pristine quality of the environment. Additionally, Lesotho should appeal to the rugged tourist at the beginning, and build slowly towards more refined tourism. This is less costly and also can draw significant numbers of tourists who are looking for the undiscovered paradise, which so few places can claim any longer.

Lesotho would gain significantly if the tourism identity evolves into itself, to market the virgin paradise on its own, rather than the little sister of South Africa. It is true that South Africa has enormous tourism, but it is probably wise if Lesotho, with its own identity, draws its own tourism market. For all those tourists who have been on safaris, who have trekked the Himalayas, Lesotho offers another alternative and pristine experience found nowhere else on the planet. Lesotho does not have to be an addendum to South Africa. Lesotho could never support the numbers that go to South Africa, so it doesn't need to try to be in the same category. It can stand alone as its own particular, and fabulous, destination.

Until Lesotho makes the commitment to fully own its place in the tourism market the sector will continue to flounder.

All that said, how can the tourism strategy leverage results? Following is a strategy that is low-cost and potentially high yield, both for the tourism and the crafts sectors.

Tourism/Handicraft Strategy:

- Invite 3-7 major eco-tourism operators to Lesotho, all expenses paid. Design an incredible eco-tourism experience that includes hiking, riding, windsailing, mountain climbing, rafting, etc. Highlight the nature and the beauty. Create a tour that will appeal to the tourists who have already done safaris, and who want something else.
- These should be companies with a strong outreach, such as National Geographic who could then write an article or do a TV spot on Lesotho. It would be impossible to pay for this kind of mass coverage. 3-4 companies with mass distribution could change tourism in Lesotho for decades.
- Additionally, companies like National Geographic have product catalogues (print and on-line) that reach 300,000 subscribers. When someone watches or reads about the National Geographic experience in Lesotho, they then can go to the catalogue and order products from Lesotho as well.
- If one views handicraft sales in the tourism sector, the purchases of the few hundred people that pass through the country has little impact. But if coupled with these major tour operators who have international readership and active product catalogues, then the crafts sector can be greatly impacted and implicated in the tourism sector.
- **I was just in New York where I met with the buyers of the National Geographic catalogue and told them about Lesotho and this idea. They were very excited and will link me to their tourism department. They are also interested in seeing products for their catalogue.**

³I am not a tourism specialist; these are suggestions from the perspective of a crafts sector specialist.

5. Branding

As a small country with a particular identity, it would be good to develop a country Brand that can cut across all sectors. Branding can be expensive, but if it is a consistent and dynamic brand, the cost could be shared across the sectors. There is something very special about the small and cohesive quality of Lesotho that can be a marketing asset. A countrywide brand could greatly benefit the handicraft, tourism, horticulture and other sectors. I can recommend branding specialists if desired.

For the crafts sector, the brand will be launched at Ambiente in February 2015. It would be wise to have this a national rather than a sectoral brand. If Lesotho does not want to invest in a country brand then we can devise something for the handicraft sector.

6. Standards

Developing standards is a multilayered process for the handicraft sector, starting with the most basic issues such as lead testing leading up to the most sophisticated issues such as intellectual property rights and fair trade or other certification. Standards and certifications can add value but often the cart is put before the horse. The most important thing for developing the handicraft sector is to have products buyers want to purchase at prices that fit the market. If this very basic element is missing then all the questions of standards and certification mean very little because products are not selling.

So the first step is to create products that are marketable – products that are on trend and at the right price-point. Because we are aware of standards issues, such as lead and cadmium testing, environmental protection regulations such as the Lacey Act, we will be sure all new products take these issues into account while in the design process. The same is true for fair trade employment issues. Products will be designed that generate fair wages.

Often designers make great products but in the end do not sell, most often because they are priced above market standard. So designs must be more than a product design, they must take into account environmental issues, profit margins for producers and marketability. Pricing and costing is one of the most complex issues, wedded to design as well as to standards. It must be a complete package to achieve sustainability and foster growth.

Once the sector is fully established and productive there may be reason to look at setting quality or other standards related to the brand. But it is too soon for that now. Now we must build capacity, generate sales, and develop Lesotho as a sourcing destination for buyers.

7. Observations

- It will be important that there will be point people⁴ responsible for the different initiatives, and specific deadlines for activities. It will be helpful if there is one coordinating senior point person for myself who has the time to give significant energy to this program.
- Transportation should be arranged and ready to go before the arrival of myself, consultants, buyers or other visitors. Overnight stays outside of Maseru will be essential for nearly all visitors.
- As much as possible collaboration will be encouraged among all partners in the program, including relevant ministries, NGOs and private sector leaders.

⁴See paragraph two of section three, pilot programs.

- While in New York I met with 7 buyers who expressed interest in coming to Lesotho. All the buyers are capable of starting small and building order size in the future. A number would design their own products. Their interest was based on samples and images that I presented to them. These are just American buyers, I have not yet approached European buyers, this will be done in conjunction with Ambiente. In addition, I am in contact with two other US buyers who were not at the show.

Buyer trips will have to be sponsored, at least in part. I suggest a limit of \$2000 for each trip, to cover airfare, based on receipts. Exceptions will be Swahili, who will be giving the training to agents, and National Geographic buyers who will link with the National Geographic tour agents.

Revised Action Plan July 2014 – June 2015

Notes:

- Buyers have not yet indicated dates, and before they can be formally invited the budget for buyer trips need to be approved, so all buyer dates are estimation.
- Understood that initiatives such as designers and buyer tours are subject to budget approval
- All dates and initiatives may change due to circumstances as yet unforeseen
- During the periods when I am not in Lesotho, it is expected that initiatives will continue under the supervision of the point people responsible for each pilot project. I will be available by Internet during the times not in Lesotho.
- See Annex 1 for Proposed Implementation Matrix oriented to Pilot Project model

July 27 – August 14, 2014 (Completed)

Initial visit for Value Chain Analysis, and meetings with Key Stakeholders.

August 16-17 (2 days, U.S.) (Completed)

Meetings with numerous buyers, designers, and specialists.

September 21 – October 12(Lesotho)

- Meeting with key stakeholders to align priorities, assign point people for pilot projects, discuss other relevant projects not included in my analysis, and together set an overall strategy
- Individual or small group meetings with point people to set agenda for each pilot project, the tourism strategy or other relevant initiatives, with additional follow-up meetings as needed
- 1 day Meeting/training to inform producers and stakeholders about the project, the pilot projects and point people, as well as training on exporting to the global wholesale market, steps to building capacity, and craft sector links to the tourism market.
- Visits to producers and groups not yet visited on first trip
- Liaise with Tourism stakeholders about tour agents visits and branding project
- Revisit the groups with strongest export potential, and begin preparations for Ambiente 2015. Meeting with the group to inform them of how to prepare both products and business issues as well as buyer expectations.
- Buyer agent training, to include agents and potential agents, as well as relevant point people and other stakeholders, with major US buyer, owner of Swahili Modern, as guest trainer.
- Buyer tours – Swahili Modern and perhaps one other buyer will come to tour workshops and order samples.
- Three week design training for basket production group in Botha Bothe. These designs will be featured in Ambiente as well as marketed to buyers
- Perhaps a two week textile design training with two groups targeted for Ambiente (not sure of dates)
- Begin branding initiative for Ambiente promotional materials and booth design
- Follow-up with Pilot Projects progress

January 19 – February 20 (Lesotho and Germany)

- Meeting with stakeholders and Point People for pilot projects – news, review, future plans, challenges and successes
- Possibly one or two buyer tours

- Possible National Geographic Tour
- Final Preparations for Ambiente/Ship products if necessary
- Follow-up with pilot projects
- Begin organization for May crafts show (show for professional buyers, if enough buyers are available)
- Participate at Ambiente with 4-5 companies, Feb 14-18, Frankfurt, Germany

THIS SHOW HAS BEEN POSTPONED UNTIL 2016 AND WILL BE REPLACED BY A BUYER VISIT AND FURTHER BUYER AGENT TRAININGS

April 13 – May 20 (Lesotho)

- Ongoing prep for Crafts Show
- Follow-up support for Pilot Projects
- Launch 1st Buyers' Crafts Show for professional buyers (at least 10 international buyers, regional buyers can also be invited)
- Begin preparations for Tokyo Lifestyle in September