



Department of
INDUSTRY



Handicraft

Sector Action Plan 2018-2020



Contents

	Abbreviations	
	Bibliography & References	4
1	Directors Message	5
2	Definition of “Handicrafts”	6
3	Executive Summary	7
4	Positioning and Relevance	8
5	Guiding Principals	10
6	Situation Analysis	12
6.1	Introduction	13
6.2	Mapping information and organizations active in the sector	15
6.3	Traditional knowledge and expressions of culture	16
6.4	SWOT Analysis	17
6.5	Trading foreign goods as souvenirs	22
6.6	Favourable trading terms & conditions	23
6.7	Handicraft Trade Wholesalers	24
6.8	Partnerships And Service Delivery	27
6.10	Product Design	31
6.11	Education and Skills Development	33
6.12	Raw Materials & Partnerships with Government Departments	35
6.13	Co Ordination of the Sector and Communication	35
6.14	Affordable and Appropriate Access to Markets	37
6.15	Gender	39
6.16	Intellectual Property and Handicrafts	41
6.17	Customs & Appropriate Duties for Souvenir Items	42
7	Monitoring & Evaluation	44
8	Strategic Objectives	46
9	Handicraft Sector Action Plan	48
	APPENDIX 1	52
	Active Organisations in the Sector	52

DFAT	Department of Foreign Affairs and Trade (Australia)
DOI	Department of Industries
DOT	Department of Tourism (Vanuatu)
EC	Expressions of Culture
HBDP	Handicraft Business Development Program
IPR	Intellectual Property Rights
IPV	Intimate Personal Violence
M&E	Monitoring & Evaluation
MFAT	Ministry of Foreign Affairs and Trade (New Zealand)
NGO	Non-Governmental Organisation
TK	Traditional Knowledge
TVET	Former name for Vanuatu Skills Program
VIPO	Vanuatu Intellectual Property Office
VNSO	Vanuatu National Statistics Office
VSP	Vanuatu Skills Program
VSTAP	Vanuatu Strategic Tourism Action Plan
WEAV	Women's Export Association of Vanuatu

Aid to Artesans, 2009. Building Tourist Markets for the Craft Sector. An Overview of Good Practices & Lessons Learned from select of ATA Past Projects.

AusAID, 2008. Australian Government, Microfinance, gender and aid effectiveness Fact Sheet.

Cockram, Litterell, Strawn 2005. Aid to Artesans. A rich and Deeply Cultural Tradition. A Case Study of Aid to Artesans in Ghana, 1993-1997

Gavotto, 2016. Handicraft Sector Phase 4. Vanuatu Skills for Handicraft (Presentation)

Gavotto, 2016. SAG Vanuatu Handicrafts Aug 2016. A look at the Handicraft Sector (Presentation)

Gavotto, 2016. Skills for Handicraft Sector Value Chain (Presentation)

Gavotto, 2016. Value in Handicraft & Souvenir Sector. Email correspondence.

Guiomar 2014, VTAP Report December

Heath & Pascoe, 2014. Mapping the Australian Craft Sector, National Craft Initiative Research Report.

International Trade Centre, 2012. Inclusive Tourism - Linking the Handicraft Sector to Tourism Markets. Technical Paper.

McComb, 2012. Development and Marketing Strategies for Pacific Cultural Industries

Page & Heselton 2011, Mapping Document. Summary of the Visual Arts Landscape in Tees Valley

Rewanda 2009, Rwanda Handicraft Strategic Plan Five Years 2009-2013

South African Dept Arts & Culture 1998, South African Craft Industry Report

TNS, 2016. Market Analysis of the retail sector amongst cruise passengers to Vanuatu. International Finance Corporation

Tyedmers, Case Study: Women's Pathways to Action When Experiencing Family Violence - Executive Summary

Vanuatu Government 2016, National Sustainable Development Goals

It is with great pleasure that I introduce this Handicraft Sector Action Plan. This document has been prepared for a consultation workshop in late 2017. Following consultation a final document will be released by The Department of Industry. This final sector action plan will be implemented over the coming three years beginning from 2018. It will provide the strategic direction for both businesses with the sector, government, donor and private sector development of this important sector and will form the basis for annual planning over this period.



The work that will be implemented in the Handicraft Sector is dedicated to promoting and facilitating the development and growth of the Handicraft industry. There are three main objectives for the development of the handicraft sector:

1. To encourage the sector to sell more Made in Vanuatu items as souvenirs and gifts in the tourism market.
2. To consolidate and strengthen the handicraft product supply chain to support the growth of the industry.
3. To encourage commercialization of Made in Vanuatu products and the formalization of this for industry.

Importantly, these objectives directly support the Vanuatu National Sustainable Development plan 2030. In particular, in the areas of Vanuatu's Societal Goals, supporting the preservation of culture and in the economic pillars, increasing economic opportunities for Ni Vanuatu.

This plan aims to build on the current work being performed within the department with the intention to promote Vanuatu

made Handicrafts within the sector in order to make Vanuatu products more competitive, especially in the tourism souvenir market. As our important tourism sector grows so too are there more opportunities for employment and sustainable earnings for our people with increased sales of handicrafts.

We believe strongly in partnership with relevant agencies in government and the private sector. In particular the handicraft industry development work is performed with close co-operation from the Department of Tourism through the VSTAP team and with the Vanuatu Skills Partnership (formerly known as TVET). Working together with our partner organizations will increase our capacity, expand our knowledge, improve access to abundant resources, and extend our horizon beyond visible limits. As Director, I look forward to fully implementing the activities set out in this plan for enhancing the growth of the sector over the next five years.

Jimmy Rantes

Director



2 Definition of “Handicrafts”

“A **handicraft**, is any of a wide variety of types of work where useful and decorative objects are **made completely by hand** or by using only simple tools. It is a traditional main sector of craft, and applies to a wide range of creative and design activities that are related to making things with one’s hands and skills ... Usually the term is applied to traditional techniques of creating items ... that are both practical and aesthetic. Handicraft industries are those that produces things with hands to meet the needs of the people in their locality...”

Wikipedia

We note the reference to items being made by hand or with simple tools and have used this line to define the sector in Vanuatu where handicrafts are an expression of cultural heritage traditionally centered on the sharing of skills from generation to generation. The modernization of Vanuatu presents challenges to the tradition of handicraft but also presents economic opportunities.

3 Executive Summary

By supporting the development of the handicraft sector, the objective is to develop Vanuatu’s economy and maximize opportunities to grow the trade of local products, creating employment for local people and injecting substantial money into the local economy. In particular, rural economies will grow should production take place and trading in local handicrafts towards main tourism centers flourish, in the outer islands. There is an opportunity to encourage rural women’s economic empowerment as well as disability inclusion into the production process.

Although handicraft currently have a strong place within traditional ceremonies and culture in Vanuatu the opportunity for dramatically increasing sales of handicrafts within the tourism industry is largely not recognized by our people. Changing perceptions to handicrafts being a business will assist people to recognize the potential value it holds in our tourism economy.

The value chain from producer to consumer has many

notable gaps, particularly in the area of effective wholesaling, understanding consumer requirements, marketing and market access. Weakness in these areas strongly influences the realistic pace of growth of the industry and are a threat to sustainability of retail operations in core tourism markets. By addressing these the aim is to remove barriers to trade and dramatically increase employment and earnings from the handicraft sector.

Given the state of the industry at present, it is critical that the sector focuses on key strategic areas in this initial three year period. The 4 key strategic objections are:

1. Improve sector co-ordination, communication and leadership
2. Enhance and reform handicrafts in education and skills development curriculums nationally
3. Appropriately stimulate trade facilitation
4. Enhance competitive market positioning

4 Positioning and Relevance



Vanuatu’s development priorities are expressed in the National Sustainable Development Plan 2016 to 2030. The development of the Handicrafts sector provides an opportunity to directly support these objectives, in particular in the areas outlined in the table below.

Vanuatu National Sustainable Development Plan Objectives 2030

Society Goals

1.2	Preserve and enhance cultural and traditional knowledge	✓
1.6	Integrate culture and heritage into the national curriculum	✓
1.7	Safeguard traditional economy as a valued means of contributing to the wellbeing of the population and complementing formal economy	✓
4.3	Empower and support people with disabilities	✓

Economic Pillar

1.2	Increase revenue generation	✓
1.4	Increase trade and investment opportunities and reduce barriers, including through the use of Aid-for-Trade	✓
1.7	Stimulate the economic diversification to spread the benefice of growth throughout the islands	✓
3.1	Promote broad-based growth by strengthening linkage between tourism, infrastructure, agriculture and industry in rural areas and diversify the rural economy	✓
3.2	Deepen the integration of the tourism sector into the rural economy to spread opportunities to rural communities	✓
4.2	Strengthen linkages between urban and rural business and trade between islands	✓
4.3	Increase the production of niche commodities , and value addition to commodities in which Vanuatu enjoys a comparative advantage	✓
4.4	Improve and expand the range of sustainable tourism products and services throughout Vanuatu and strengthen links to local production	✓
4.5	Promote the development of decent, productive employment opportunities particularly for young women and men and persons with disabilities	✓

The Department of Industry vision is to be a leader in promoting and facilitating a more coherent domestic trade and Industrial Development policy that supports key productive primary sector development as an engine for investment, sustainable rural economic growth and employment creation. This Handicraft Sector Action Plan supports this vision.



5 Guiding Principles

1. For this action plan to be successfully implemented a significant level of effective collaboration with other government agencies and implementing agencies is essential
2. Stakeholder participation and commitment in all levels of the society to the implementation of this plan is a primary necessity for ensuring that the objectives are achieved
3. The handicraft sector requires the effective and sustainable management of Vanuatu resources. In the face of challenging and varying climatic conditions and their effect on natural resources care must be undertaken with natural resource planning
4. The implementation of the action plan is expected to lead to economic growth, social wellbeing and cultural prosperity
5. Changes to trading conditions will be well considered and all care taken to 'do no harm' to existing industry and profits of operators therein
6. Respect will be shown for traditions and any sector plans will include cultural relevance and adaption to production will be encouraged with due respect to cultural knowledge so as to safeguard and preserve this for future generations





6 Situation Analysis

The Draft Handicraft Mapping document that was compiled in late 2016 provides a detailed description of the sector at that point in time. This research that was based on interviews with key handicraft organisation and has clearly identified that there is generally a large potential to improve the economic returns of this sector. Many of the chapters in this Situational Analysis reflect the data gathered in the mapping exercise.

6.1 Introduction

With regards to local handicraft products Vanuatu is not currently realizing the full economic potential of the tourism souvenir market. The tourism market segment in particular is facing increasing competition from imported goods which are flooding the market and offer high returns to the vendors.

If we add together the value of 'tourist souvenirs' (regard less of their point of origin) and current information we have on Vanuatu Handicrafts, it is estimated that the Tourism Souvenir Market is worth around VUV 1.3 billion annually (Gavotto 2016). This estimate has been generated by consolidating various statistics including research recently conducted by IFC (2014& 2016), surveys conducted by the Ambassador's program and estimates of the value of local production. Understanding that up to 90% of 'tourist souvenirs' are imported objects, a very large percentage of this revenue is currently supporting overseas production and businesses that import. The objective of the work currently being undertaken by Dolin the Handicrafts Business Development Program (HBDP) is to attempt to increase the percentage of locally made items traded as souvenir products. For example should 20% of the current imported products be substituted with an increase in local items this will generate approximately 200 million vatu in revenue in the Vanuatu economy. It is assumed that local handicrafts can participate as a large percentage of local items sold to tourists.

If it is assumed that there are logical reasons why the tourism trade is focused on imported items, then by identifying what these drivers are, we are more able to create a plan to replace these same drivers with a supply of appropriate handicrafts. The assumption is that trade develops logically if not sporadically and opportunistically and to support certain objectives (such as potential profitability, ease, demand, trend etc.). It is assumed that the current products sold to tourists are successful in that they are being traded well - customers are purchasing them and sellers are assumed to be making profit. Therefore to substitute these items with local products, certain needs that are currently being fulfilled by the imported items, need to be substituted by local products. It is also assumed that we wish to 'do no harm' in that the Government wishes to ensure there is a stable business environment and business owners continue to profit from the trade of items to tourists and local buyers alike.

There is currently a general lack of understanding from the consumers on what is actually made locally and a strong apprehension to purchase local items due to a lack of comprehension of bio security regulations. Building on the very useful initial work targeting producers undertaken on Bio-Security by PHAMA, this now needs to be communicated to the consumer in an easy to follow format and language that allows them to easily identify which handicrafts can be taken into their home countries so they can purchase with more confidence.

The handicraft sector is more active than initially anticipated with many fragmented organisation comprising many skilled traditional handicraft producers who are facing significant challenges to access markets and capital, with limited business and economic development skills or pathways to obtaining the necessary support. Further challenges include a general misunderstanding of the market (matching product and consumer) and the ability to successfully navigate the tourism sector selling local handicrafts.

Key industry stakeholders such as the various Government Departments and international donor agencies are slowly recognizing the opportunities to grow this sector, in particular for the tourism market. However, much more communication is required across not only Government but also the local communities so that core messages are understood.

There is also a significant opportunity for employment and economic advancement of the outer islands where traditional skills and access to materials such as wood and pandanus are generally available. However, handicraft workers in these areas generally have a lower level of education, which in many cases drives people to handicraft work as a form of income. But this also means programs need to be tailored to support individuals and communities in a way that is sensitive to existing education levels. There have been a number of customer service and business coaching programs for market vendors. However, much more needs to be done across the industry with the cooperation of all stakeholders to move the sector forward and at a much greater intensity with an ongoing program of skills development. There is a need for significant investment into the sector to achieve the desired economic impacts.

Other market access issues include a lack of appropriate designated handicraft sales areas in markets that are overcrowded and poorly managed. The focus on improving market access and local product positioning is recommended to be linked as a priority to the main tourism retail centers in Port Vila, Tanna and Santo. All of these key tourist retail locations need to have dedicated areas to sell handicrafts. Whilst efforts have begun in establishing key retail space in Port Vila late in 2017 there is little advancement in Santo or Tanna to date.

Organizational capacity weaknesses within the handicraft organisation also cause frictions (or factions) and impede

success of the industry. The Government will play a leading role in encouraging organisation to group together and form strong and efficient management teams to enable growth.

There are some special opportunities such as the Aneityum Cruise Port of Call on Mystery Island which is unique with its lack of competition and represents a huge opportunity for the handicraft sector nationally as potentially it is able to sell a high volume of goods manufactured and sourced from other Provinces, in areas where access to tourists is virtually non-existent. Trading of local items to Mystery Island is currently more complex than trading of souvenirs due to the lack of an effective handicraft wholesaler.



6.2 Mapping information and organizations active in the sector

In performing the research for the 2016 mapping document, over 60 organizations that had involvement with handicrafts were identified of which 40 were deemed as "active" in the handicraft sector and interviewed. This list is limited by the time provided for the research and the inability to travel to all provinces. However it is assumed that the findings are indicative of the national position. Some key observations have been noted;

1. that there are a large number of organizations involved in the production and sales of handicrafts,
2. That this work is fragmented (lacking in end to end programs offering full support services).
3. Many associations and nonprofit organizations are performing very small roles in this sector (with the exception of Vanuatu Skills Partnership, JICA & AVID and the wholesalers for whom case studies and information is provided elsewhere in this document), and
4. That the donors supporting any of the more formalized projects were most commonly Australian AID, New Zealand AID and the French Embassy.

Organisations involved in Handicraft Sector (this is not a definitive list)			
Tonga Sheppard's Women's Group	Pacific Trade and Invest	Wan Smol Bag	UN Women
Vanuatu National Council of Women	Veligribalam	Pandanus Vanuatu Ltd	Rosie Boylan (Hats)
Dolasa Handicraft Association (Santo)	Revive Vanuatu	BulVanua CoOperative	WEAV
Luganville Artist & Producer Associations	AVID	Threads Across the Pacific	Vanuatu Skills Partnerships
Luganville Women's Handicraft Association	World Vision	Ifira Organisations Falaea/ Tanvasoko/ Wataba/ Sikotau	Vanuatu Handicraft Market
Various Foreign Importers	Care	PHAMA	ACTIV
Nawita Artists Association	Malampa Handicraft Market	Vanuatu Institute of Technology	Awis Artists blong Vanuatu (Mataso)
Port Vila Community Handicraft Association	Peace Corp	Vanuatu Bijouterie	Asian Development Bank
Mystery Island Tourism Holding Ltd	Live + Learn	French Embassy	International Finance Corporation (IFC)
Luganville Artist and producers association	Tu TeVanuariki Co-Op	Secretariat for Pacific Communities (SPC)	Aneityum Market Mammass Association
Red Wave Artists Association	Bastien Foundation	Tuetau Tanvasoko	Northern Island Market Vendors
Tonga Sheppard's Women's Group	ITC for Women	Hog Harbour Handicraft Association	Wataba Women's Group
Pango Mtakseu Women's Association	VSA	Falea Association	Pilioko Gallery
Japanese International Cooperation Agency (JICA)	Bulvanua Cooperative	Vanuatu Cultural Cr	APTC

The tables in Appendix 1 provide further information and a short summary of the purpose and activities as they relate to handicrafts, for the organizations consulted during the information gathering in 2016.

4 Active was defined very simply as having a project or work underway that included a relevant focus on handicrafts

6.3 Traditional knowledge and expressions of culture

In Vanuatu handicrafts are an expression of cultural heritage. The production of handicrafts is centered on the sharing of stories and skills from one generation to another and these form our unique cultural identity. Patterns, colors and forms are commonly passed from one generation to another and represent ancient knowledge and tradition.

Globalization and modernization pose as significant challenges to the survival of traditional forms of craftsmanship. Mass production, whether on the level of large multinational corporations or local cottage industries, can often supply goods needed for daily life at a lower cost, both in terms of currency and time, than hand production. Many handicraft producers struggle to adapt to this competition. Environmental and climatic pressures impact on traditional craftsmanship too, with deforestation, land clearing, El Niña and Le Nino reducing the availability of key natural resources.

By recognizing handicrafts as a valuable contribution to incomes and working to increase their profile in communities

and in employment, we also reinforce our cultural heritage and take pride in our history and stories. This respects and reinforces traditions that are imbedded in our cultural identity.

Although many of the skills (such as weaving) already exist, the societal respect may be deteriorating and the younger members of the community may value these less. By demonstrating that these skills enable the artisan to earn a sustainable income we raise the respect for traditional skills and give them a place in our ever modernized lifestyle.

Although Vanuatu is more centered on a family, tribe and island identity, the increasing pride in handicrafts in all their shapes and forms and our ability to explain these to foreigners, may also strengthen our sense of national identity and pride.

When describing traditional skills in Vanuatu, it is common to use the word "Kastom". Kastom is a Bislama word commonly used to refer to traditional culture, including belief systems, economics, art and magic. In this document we use the word Kastom to represent traditional ways, skills and knowledge.



6.4 SWOT Analysis

The Strengths and Weaknesses noted below refer to areas where the sector stakeholders have control and the Opportunities and Threats include the external factors in the environment that the sector operates. The notes below expand on these points and focus on actionable opportunities in particular.

Strengths

1. Technical Production Skills
2. Cultural Relevance & Story
3. Tourism Market Size
4. Extreme Position of Imported Souvenirs
5. Willingness of Producers
6. Wide Range of Products as Related to Geographical Diversification

Weaknesses

1. Business, Customer Service Sales & Marketing Skills – including Product Design for Tourists
2. Bio Security Awareness
3. Challenging Geography
4. Access to Capital
5. Access to Market
6. Kastom Limitations
7. Lack of Formalized Industry
8. Access to Materials
9. Payment Issues

Opportunities

1. Skills Development
2. Perceived Donor Interest
3. Greenfield Opportunity
4. Size of Souvenir Market Small Change = Significant Vatu Injection in Economy
5. Handicraft & Culture as Destination Marketing Priority for Tourism
6. Create Skills Based Training Institutions
7. Communication
8. Tourism Growth
9. Youth Educated in Entrepreneurship

Threats

1. Cost of Foreign Import 'Souvenirs'
2. Loss of Technical Skills in Younger Generation
3. Education & Business Operations
4. Taste Driven Industry (Trends/Fashion) – Short Product Life Cycles
5. Perception of Value in Hand Made vs Flood of Lower Priced Imports
6. Geography Isolation
7. Loss of Kastom Knowledge
8. Natural Disasters/External Factors Affecting Tourism Market

Strengths

The strengths outlined below provide a foundation for the existing work in the handicraft sector and must be protected and retained.

Technical Production Skills – fortunately there is a wealth of skill across the producers in Vanuatu. Many people retain the ability for example to weave and carve and these skills have been preserved. Although there may be many opportunities for improvement and further skills development, a good basic skills base exists at present. These technical skills are a strength but are a unique feature of this SWOT in that they appear under Opportunities and Threats also. This is due to the aging producer population (which is a threat as we risk losing skills in the younger generation) and as an Opportunity also as there is currently no formal institute assisting artisanal producers at present.

Cultural relevance & story – Vanuatu has retained a good level of cultural integrity. When comparing with other nations in the Pacific, Vanuatu is renowned for its preservation of Kastom. This provides a real and alive cultural story that may be reflected in the goods produced for trade. Should this be well incorporated into product design, it should increase product appeal and value.

Tourism Markets – Tourism is a growth industry for Vanuatu. When compared to other markets in the Pacific, Vanuatu is expected to show significant growth. The relative size of the tourist market at present means that change implemented now in handicrafts as a larger percentage of tourist souvenirs can be piloted now on a smaller scale. The size of the existing market also means the net size of producers, vendors and retailers is relatively small on a global scale making the size of any projects in theory more achievable.

Extreme Position of Tourism Imports – The imported item shave now become at least 90% of the products traded to tourists. Due to this extreme predominance, there is no disputing the impact of the foreign items in the sector or the economic value of these. Even the simple analysis that has been conducted to measure the size of the tourist souvenir industry and the value of imported goods inside this trade paints a very clear picture. This removes ambiguity and facilitates quicker understanding of 'the opportunity' for local handicrafts.

Willingness of Producers – Especially noted in the outer islands, there is a willingness to embrace the production of local handicrafts. This attitude of openness and optimism is encouraging and should assist the promotion of this program.

Wide Range of Products Related to Geographical Diversification – Given that each island has unique patterns and designs related to their community, customs and traditions, and that Vanuatu has over 60 inhabited islands, this results in a diverse range of products linked to their geographical origins.

Weaknesses

Outlining the weaknesses in the sector at present, enables us to focus on areas of improvement and priorities. This description below is brief, and supported with further elaboration in this document.

Business, Customer Service, Sales & Marketing Skills – importantly including Product Design for Tourist Souvenirs. This section includes a wide variety of skills that are generally lacking and very much in need of improvement. Only 2 out of each 10 participants in the 2014 Ifira Market Survey (Vanuatu Dept. Tourism) had attended any training. This results in misunderstandings with regards to how to service tourist needs and difficulties managing money, pricing, cash flow and the supply chain. The areas of improvement relative to business skills are grouped together broadly as:

Business management, planning, financial management, stock control, pricing

Customer Service correct behaviors to build relationships and trust with clients to service their needs, handling objections

Sales & Marketing selling skills, product display, value adding, packaging, labeling, market segmentation, specialization, creating an interesting market, pricing, promotion

Product Design for Tourists – There is a huge lack of access to information about product requirements for tourists. This causes the producers to manufacture items that they 'hope' will sell rather than products that are designed to attract tourists. Form and function of 'traditional Handicrafts' may not be suitable to tourists without further small adaptations. An explicit example of this is that mat producers are not aware that a very large percentage of western homes in Australia and New Zealand have carpet – this renders the functionality of mats less appropriate. However the same weaving involved in creating a mat, can be applied to a placemat which is a common item in western homes.

Bio Security Awareness – the lack of awareness of what products can be taken back to Australia or New Zealand and fear of confiscation are the largest barriers to handicraft sales currently.

Challenging Geography – the distribution of islands over a wide area means that transportation of materials to the main tourism centers is costly and complicated.

Access to Capital – The cost and difficulty of obtaining capital is a significant barrier. This particularly applies to

producers who may not have completed formal schooling or who do not have access to birth certificates and such paperwork due to living in the outer islands. Where access may be available the cost of capital is prohibitive.

Access to Market – Access to appropriate markets is difficult for handicraft specialists. Existing and 'established' market vendors hold positions in established tourist markets that are already overcrowded. This results in extreme difficulties for new entrants. The cost of market tables for handicraft vendors is high.

Kastom limitations – using the example of Tam Tams originating from Ambrym which incur cultural limitations in who and where they may be sold, "Kastom" may be a barrier to some handicraft sales. This area requires further investigation as to the breadth and depth of the issue.

Lack of formalized Industry – largely fragmented to very small micro business, the handicraft industry is thus non formalized and as such may not achieve the attention and support it deserves at regional and government level.

Access to Materials – consistent supply of artisanal materials is a problem for producers. Issues with consistent supply of quality tools and materials to suit their demands – such as the right chisels for carvers or the right paints for artists, consistent color dies for weavers, mean that production stops when supplies are unavailable. Improving the access to materials would assist consistency of supply across all handicraft sectors. This is particularly a problem in more rural areas where for example the problem may be agricultural such as consistent supply of pandanus to meet demand.

Payment Issues – this broadly encompasses both technical difficulties such as areas where banks are not common causing problems in getting payments to a provider but perhaps more commonly includes the problem of handicraft business where payments are not made to suppliers. There are multiple stories of family members ordering goods from the islands and these goods then not being paid for. This destroys the business and there is little recourse for the supplier who most commonly does not have any order form or contract and in a society where very little enforcement opportunities exist. This problem relates to the perception of the value of the goods and the lack of business skills also (for if the vendor valued the trade he/she would not risk losing the supply of good products).

Opportunities

These opportunities if correctly applied to the sector can provide areas of improvement. These also represent external factors that affect the success of the sector.

Skills Development – The current lack of formalized skills training means youth are only informally trained at best. Nations with an ‘art institute’ or formalized artistic skills development program will be much more likely to create informed and well prepared producers and retain skills. This formalized training can provide much needed business skills at the same time as technical production skills such as how to paint, carve, weave etc. A review of the skills situation is recommended as an early action to implement. The output would be to take what we have, and the gaps present to recommend where to start in implementing a skills plan for the sector. In outlining what is required to support the handicraft vendors and producers the DoI is encouraged to leverage the existing skills development organizations that exist in Vanuatu to support their needs. This requires a consultative approach and clear direction on priority of needs. This resulting skills plan needs to be harnessed to providing the right support in the right places and across the nation in a holistic manner.

Perceived Donor Interest – From initial consultations with key donors, there is an apparent willingness to support the sector. This however needs to be turned into definitive projects and actions. It is proposed that a clear Action Plan for the sector will benefit this transition to funding for approved priority projects.

Greenfield opportunity – despite there being expressed interest, very little actual project work has been done in the handicraft sector nationally. Being largely a ‘green field opportunity’ the assumption would be that some quick wins could be achieved.

Size of Souvenir Market – based on estimates outlined earlier in this document, the Handicraft and Souvenir Market is estimated to be valued at 1.3 billion vatu currently (Gavotto2016). A very large proportion of this is trade in imported souvenirs. This indicates that tourism spend is a large potential income stream should we create local handicraft products that suit the tourist market. For example should 20% of all souvenirs purchased be Made in Vanuatu Handicrafts, this would inject 200 million vatu into the local economy.

Handicraft and Culture as Destination Marketing Priority for Tourism – Competition in the South Pacific Tourism market is fierce and Vanuatu has an opportunity to differentiate its tourism product in the Pacific through promotion of unique Handicrafts & Culture.

Create Skills Based Training Institutions – current reliance on skills learning in the home may not provide sufficient evolution and speed of skills training. The industry would benefit from a more formalized center of excellence providing higher level learning so that the skills evolution and development is greater.

Communication – A nationwide and inclusive program educating the population on the importance of local handicrafts and their place in society, culture and the economic growth of the country will greatly enhance the success and speed of the DoI programs.

Tourism Growth – being largely focused on tourists as the potential growth market, should the tourism market significantly increase, this then will provide an opportunity for the handicraft market to also grow.

Youth Educated in Entrepreneurship – Entrepreneurship is a subject that is taught in schools in other countries. Should Vanuatu adopt a similar approach and assist young people to bridge cultural barriers which may surround the area of business and entrepreneurship, this would encourage more youth to seek self-sustaining business such as the handicraft sector enables.

Threats

Clear understanding of the threats provides the opportunity for stakeholders to manage these and mitigate problems as a result.

Cost of Foreign Import ‘Souvenirs’ – foreign goods that are imported largely from Asia have an associated cost base that is linked to the economic power and local domestic labor and materials pricing of their country of origin. This often being China and Indonesia, some of the lowest cost production centers in the world compared with Vanuatu’s much higher labour and transport costs will further affect competition with overseas imports and means that **Vanuatu has little chance in competing on price**. The only potential to level the profit variance would be to drastically affect import tariffs for these items. As a result, more emphasis must be placed **on demonstrating the value in a handmade local item (by giving the story of how it is made etc.) so that the higher price is accepted by the buyer**.

Loss of skills to Younger Generation – modernization has changed daily life in Vanuatu. With increased communication and entertainment coupled with a large and very young population there is a risk that interests will be diverted away from traditional skills and Handicraft production.

Education & Business Operations – As outlined above, under weakness and opportunities, there is also a threat that the delivery of required skills is not achieved due to the fragmented delivery modes currently available (for example the problem that key skills development partner Skills for Economic Growth does not service 2 of the provinces with one being Shefa where most of the tourism business takes place).

Taste driven industry (trends/fashion) – the more we incorporate design relevant to western tastes the more we enter a trend and fashion based product development cycle which has much faster rate of change than a tradition alone. Thus the risk is that Vanuatu is not able to keep up with changing trends and provide access to trend based information to designers.

Perception of Value in Hand Made – Should the work to demonstrate value in Hand Made items not be effective, the threat is that the price driven industry favoring imports will dominate.

Geography Isolation & Access to Energy – The geographical isolation of some of the islands where handicrafts are produced and their lack of access to affordable and sustainable energy sources may push pricing out of the affordable range (for example the Banks islands are very infrequently serviced by ships, thus if they wish for their baskets to be sold in busier tourist areas such as Santo and Vila they may rely on air transport which will over inflate the pricing of the baskets. Thus in order to be effective they will need to be dramatically ‘better’ in quality or design compared to others that are cheaper to deliver to tourism markets).

Loss of Kastom Knowledge – there is a threat of ever increasing modernization and westernization resulting in a loss of Kastom knowledge and traditional skill as it relates to the production of handicrafts. There will be a tipping point, from which it will become extremely difficult to re-establish this knowledge and skill.

Natural Disasters/External Factors affecting tourism market – events such as natural disasters or other problems that affect the tourism market, will significantly affect the handicraft sector as the tourists represent the majority of the client base.

6.5 Trading foreign goods as souvenirs

Some initial research indicates that markup and profit in trading foreign made souvenirs is high and this is a factor in the choice of items sold by market vendors today. Logic has that vendors will be attracted to increase the profit of their trade, and this is supported by these margins found for foreign goods traded as souvenirs. This also is relevant to business skill and experience which may be low forcing vendors to rely on what they see others doing rather than explore profitability in new and different product ranges such as local handicrafts.

Despite the fact that an economic review of trade was not one of the objectives of the research done to date, it is proposed that local handicrafts currently available for sale as tourist souvenirs do not generate close to the profit margins observed from foreign goods. **However part of this problem comes from the systematic under valuation of local and traditional handmade goods.** A common thought is that if an item is made from locally available material such as pandanus which was not purchased, then that item must be sold for

'cheap'. Also historical pricing is at play – a certain mat is valued at 1,500vt because that is the 'set price' it has been sold at for 10-20 years (often based on size and irrelevant of quality). This approach does not allow for inflation and business cost increases (such as transport) and hinders open trading. A rigid adherence to price control is often the only way known or allowed by a community with little experience of fair market trading or alternative pricing practices.

Clearly further validation is required on the economics and profitability of handicrafts vs overseas items. It is critical to note, that a shift in perception and value of handicrafts and an education program about pricing and business would be required when a strong shift is made to local products to prevent vendors from earning less than when they sold imported items. This is a complex and multi-faceted industry that requires consideration and research and education to support implementation of good business practices.



6.6 Favourable trading terms & conditions

As well as simple profit analysis, it is proposed that the trading conditions under which market vendors can access imported souvenirs affects the appeal of these imported products. Although economic research in trading behaviors was not the focus of this document there are some common trading behaviors which are assumed to be also influencing the choice of product for a market vendor, some of these are:

- 1. The credit terms** that are applied to imported goods by the wholesaler. This enables a market vendor to display goods that have not yet been paid for. Credit is extended to the market vendor who then only pays for items sold at the end of a short period (such as a cruise ship day). This removes the need for initial capital in purchasing stock and importantly removes risk for the market vendor who only pays for items that actually sell. It is assumed that producers and wholesalers of local handicrafts do not always offer such favorable terms to market vendors especially if the market vendor is not a family member.
- 2. Transportation of goods to market** – as we will see in further detail in the Wholesaler section of this report, one of the important roles of a wholesaler is to transport goods close to the retail sales areas. This is well achieved currently by wholesalers of imported goods in that these stores are walking distance from market stalls (in Port Vila). This means market vendors can make a small sale, walk to a wholesaler and purchase more stock to sell. Thus reducing the need to hold a large inventory of stock at the point of sale area. This convenience means again that less capital is invested in stock and the speed to replenish an item sold is beneficial to continued trade. There does not appear to be any wholesaler in Local Handicrafts who is walking distance from the market vendors (at least not in Port Vila).
- 3. The right items at the right prices** – Tourists purchase items as souvenirs for many reasons and there are different types of tourists who seek different types of souvenirs. However, there are some commonalities in product type which services the tourist market anywhere in the world. Some of these very briefly include:
 - a. Size & low item price of souvenirs** – tourists are often buying for more than one person and all goods need to be transported back to the tourist's home country in restricted size luggage. This drives tourists towards smaller items that are not heavy and lower price points affording the ability to purchase more than one (for example a small item for each of the work colleagues in the office and for the lady feeding the cat).
 - b. Trend and style influencing purchase** – tourists from western countries are exposed to fashion and product trends in their everyday life. The cycle of product fashion is one that moves rapidly, a clothing item that was fashionable in the year 2000 may very likely no longer be fashionable in 2016. This influences style and desirability in souvenirs also. Fashionable colours and styles will be purchased over those less fashionable. For example hat shapes have changed dramatically in the past few years. It is proposed that large scale manufacturers of imported items are more aware of this trend and fashion sense than local producers of handicrafts. This provides some product advantages.
- 4. No Bio Security Concerns** - items that are imported to a large extent are not made of natural materials and thus do not attract bio-security concerns. Where the product is made of a natural material (such as wood) the importer provides a sticker which indicates the item has been fumigated and will pass quarantine. This is an important advantage of imported items. Tourists 'trust' that they can export them out of Vanuatu successfully and therefore feel they are worth purchasing (as there is no risk of confiscation).

6.7 Handicraft Trade Wholesalers

The definition of a wholesaler is an organisation that **buys in bulk, transports to a central location and sells to other organisation (not to end customers)**. The role of wholesalers is linked to the product distribution channel. The distribution channel is the flow of goods from initial production to the final customer. While some industries may omit some steps in the process, the typical movement in mature markets is from manufacturer or producer to wholesaler to retailer to consumer. Each step involves the sale of a product to a buyer and some transport elements and payment terms and each applies a profit margin for their services.

Products normally move the way they do **because each distribution channel member has special expertise**.

Manufacturers are the product makers. Retailers hold inventory and offer it in individual units to consumers, often with services added (such as packaging and labelling or display). The wholesaler's function is usually to **transport the product from the manufacturer to the retailer in some volume**. This includes storing and retrieving products as needed from a warehouse or distribution center. This ability to hold and **efficiently move products to retailers** on demand makes the wholesaler valuable. Manufacturers sometimes try to maintain their own distribution centers, but they must have facilities, employees, technology and systems in place to maintain inventory and keep that inventory close and available to the required point of sale (typically to a retailer). A wholesaler may also provide payment terms to a retailer which assist in the cash flow to ensure the wholesale/retail supply is profitable (for example when payment terms to a wholesaler are 60 days, some of the goods may be sold before the payment is due assisting the retailer's cash flow).

In the handicraft sector in Vanuatu at present, we do not find the level of sophistication described here much in effect or in many businesses trading in local made in Vanuatu handicrafts. Although there are some attributes of the wholesaler being

displayed by each of the 3 "Trade Wholesalers" identified in by the 2016 mapping document, the level of sophistication and volumes of trade remain low.

While there are many reasons for this small trade in local wholesale handicrafts, including market demand and market access, another is that the handicrafts made in Vanuatu traditionally have a much smaller profit margins than the imported items or are traded less well (see section 5.6 above). This then means it is more difficult to wholesale the made in Vanuatu product as the small profit is split between the retailer and wholesaler providing less benefit to both organisation. If sufficient profit margin is not kept for the retailer, the retailer will not purchase the goods.

More significantly the fact that handicrafts are not valued or perceived as business is assumed to be a large factor in the lack of wholesale business. This coupled with low education of producers provides for many misunderstandings in the value chain that impede business growth.

Other associations acting as trade facilitators in local handicrafts have also been identified. These associations have typically acted as a co-ordination point for individual producers and assist to provide access to sales opportunities. For example the Tongoa Sheppard's Women's Association has over 1,000 registered members and utilizes small funds (through funding from UN WOMEN) to build tables that women can rent at Marobe Market in Port Vila. There are multiple associations working in this way in both Santo and Port Vila (and very likely elsewhere in Vanuatu). Some of the reasons that these associations may not have developed into wholesalers may be lack of funding (to purchase stock), lack of awareness of the supply chain models and understanding of the role of a wholesaler, as well as coping with challenging leadership models. There is an opportunity to support some of these associations to develop as wholesalers however appropriate funding and support will be required.



Wholesaler Financial & Technical Support Opportunities

Some of the more strategic recommendations specifically to grow the wholesalers, that DoI may wish to consider include;

- 1. Strengthening what is in place now** – for example ensuring that MHC has a sustainable business plan, some funding for short term gaps in operational costs, appropriate mentoring etc. should be a priority before we replicate this model in other provinces. At the same time closely monitor existing wholesalers and offer appropriate support where needed. This may also include sale straining – all three wholesales may benefit from some training in sales techniques and creating effective sales plans & teams.
- 2. Business Training** – generally in all consultations with local associations and organisation there appears to be a demonstrated lack of business skills and systems in place. For example Tongoa Sheppard's women's group have no formal financial records and no clear business plan for achieving sales. They could become wholesalers with some appropriate training, coaching and mentoring (and potentially funds for expansion). Providing more appropriate and available business training to all parts of the Handicraft supply chain (producers, wholesalers & retailers) will strengthen the ability of these organisation to provide profitable businesses in Handicrafts.
- 3. Building Demand & Educating Buyers** – In order to grow the local Made in Vanuatu market in all its forms we need to create more demand for local products. By educating consumers (tourists) on WHY to purchase local items, and educating sellers (market stall holders) on WHY to sell local products and how to do this effectively, we will create more demand for local products. This growth in the demand or overall sector size, will sustain more sophistication in the market and create a sustainable place for a wholesaler of local items. This education of buyers strongly recommends including much more information on Bio –Security around the market places so that the 'fear' of local products being confiscated is reduced. It also clarifies the role of the purchaser/tourist in how to effectively 'help' a developing nation (by purchasing local items and injecting income into the community).
- 4. Producing More Appropriate Local Products** – By adapting the local products to tourist tastes and modern styles we can largely influence the volume of 'Made in Vanuatu' items that are purchased and thus the size of the whole market of local products and indirectly the profitability of a local products wholesaler. This important aspect of local production would involve innovative thoughts to create new product ideas and product design (which may be in partnership with designers from western countries) and skills for the production of new items. One important aspect of creating more appropriate local products is creating small items for impulse buying. Many market vendors have complained that local products are too expensive – meaning the retail price ends up not servicing the price points desired by tourists. Producing smaller items would assist with this. This can be an ongoing product development role that an organisation adopts into a 'training' model.



Wholesaler Summary:

The role of the wholesaler is important to the development of the handicraft industry but the timing of the support to the wholesalers in line with the overall program work is critical. Due to the fact that the demand for handicrafts is not yet high, the products being produced in Vanuatu may have not been specifically designed to meet tourist demands and that the margins for local products are lower than the imported products, it may be wise to look at communication and product development work first. Once this work is done, there will be more opportunity to wholesale handicrafts that suit client demands. There is a risk in 'growing the wholesaler' first, if the products are not right - this may not create sustainable market demand and growth.

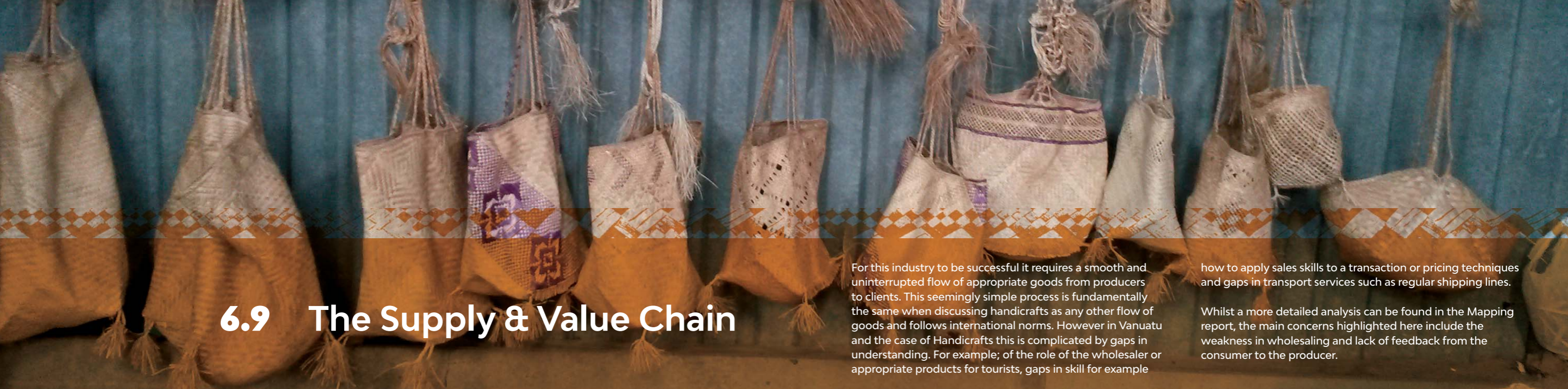
6.8 Partnerships And Service Delivery

Strongly partnerships with relevant agencies in government and the private sector will be vital to the progress of this industry.

A common misconception in Vanuatu amongst the general public is that the government will provide solutions and funding well above the actual level that the government can deliver. This perception is detrimental to encouraging growth from the bottom up and discourages private sector ownership. Changing this perception and encouraging strong partnerships to form for example with skills providers and handicraft groups will be essential in achieving progress in this sector.

Another important enabler will be the services offered by supporting organisations such as banks and technology companies. These organisations play a key role in the trade as they facilitate payments Good reliable payment mechanisms that are available to rural communities that produce handicraft will be required. Initial research in this area indicates that internet banking is the desired payment method but this not only requires access to these services but also understanding of how to use them effectively. Mobile phone operators and banks play a role in educating users and providing this service in rural areas.





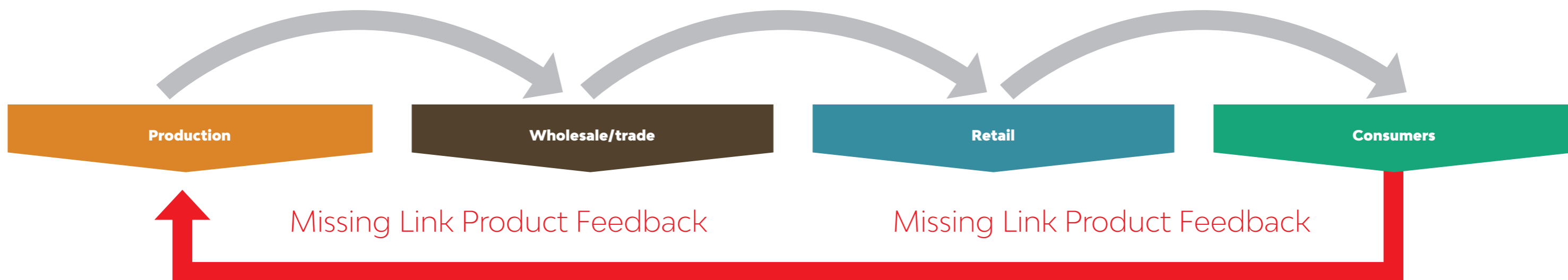
6.9 The Supply & Value Chain

For this industry to be successful it requires a smooth and uninterrupted flow of appropriate goods from producers to clients. This seemingly simple process is fundamentally the same when discussing handicrafts as any other flow of goods and follows international norms. However in Vanuatu and the case of Handicrafts this is complicated by gaps in understanding. For example; of the role of the wholesaler or appropriate products for tourists, gaps in skill for example

how to apply sales skills to a transaction or pricing techniques and gaps in transport services such as regular shipping lines.

Whilst a more detailed analysis can be found in the Mapping report, the main concerns highlighted here include the weakness in wholesaling and lack of feedback from the consumer to the producer.

Vanuatu Handicraft - Value Chain'



Raw Material, Accessories, Tools & Equipment
Island Producers 6 provinces
Clothing
Carving
Weaving
Gifts & souvenirs Manufacturing
Asian Producers

Malampa Handicraft Centre
Activ
WEAV
Future Provincial Handicraft Centres
Other Local Markets
Importers

Market Vendors and Souvenir Shops (imported)
Specialties shops
Hotels
Cruise-liners
Exporters

Tourists	Cruise Tourists
	Air Tourists
Domestic consumers	85% Ni Vanuatu
	15% Expat Residents
Overseas consumers	



6.10 Product Design

Assuming that the key market for growth in Handicrafts is the tourist market, the first priority is to educate producers of tourist needs. Although each market will vary slightly, there are some commonalities that exist (Aid to Artisans 2009):

1. Size and portability of product
2. Products that have appealing form & clear function
3. Incorporating relevance of tourist visit
4. Providing more information - 'Story' about the product, meanings and customs
5. Key price points

Incorporating appropriate knowledge on these points, increases a products success in the tourism souvenir market. Quality is also commonly a very important aspect of the production. In that international clients expectations of quality may be higher than domestic producers with little or no exposure to products on the international market.

International fashion will also affect product design. Unfortunately this also may mean a product life span is shorter and requires ongoing adaptation by the producer to be successful. This feedback loop is particularly important as items that suit current international fashion trends will be more appealing to the eye of the foreigner with more access to trends. This particularly will influence clothing and homewares but also affects colors popular in other items (such as bags).

In many cases tourists are seeking specific price points also for example; common behavior is to purchase multiple small items to re-gift, and purchase one or two higher end items as a personal souvenir to keep. Understanding of this diversification in price points and what volumes are required at what price points assists a producer to correctly plan supply of products.

Product development in the Handicraft sector will also benefit from an understanding of different markets and their behaviors. Domestic markets for mats for instance, will have different drivers than tourist markets for the same woven mats. Expats purchasing behaviors differ to tourists. The basics of marketing is to match demand to the particular markets. This incorporates product, price, promotion and placement. Product marketing and sales is an area where very little training or knowledge exists in Vanuatu.

When we discuss existing product design, we respect that it has evolved to suit a need which in many cases may be domestic and that this need is serviced by the form and function of the existing product. For example large baskets in Aneityum have extra straps that go under the body of the basket. This is not decoration, but rather driven by function to support the weight of the goods and distribute this weight evenly and effectively throughout the basket. However tourists will not understand this. But therein lies an opportunity to communicate and create meaning and value. Should the same basket be produced on a small scale, and accompanied by an explanation of the form and function and where the product was produced this provides a meaningful souvenir.

Therefore not all product design for tourist markets will require dramatically changing a product and may consist of providing value adding such as explanations and information as well as modification of size of the item.

only requires access to these services but also understanding of how to use them effectively. Mobile phone operators and banks play a role in educating users and providing this service in rural areas.



Street art from Mele Village by artist Tyrone Wright



6.11 Education and Skills Development

Assuming that the key market for growth in Handicrafts is the tourist market, the first priority is to educate producers of tourist needs. Although each market will vary slightly, there are some commonalities that exist (Aid to Artisans 2009):

1. Size and portability of product
2. Products that have appealing form & clear function
3. Incorporating relevance of tourist visit
4. Providing more information - 'Story' about the product, meanings and customs
5. Key price points

Incorporating appropriate knowledge on these points, increases a products success in the tourism souvenir market. Quality is also commonly a very important aspect of the production. In that international clients expectations of quality may be higher than domestic producers with little or no exposure to products on the international market.

International fashion will also affect product design. Unfortunately this also may mean a product life span is shorter and requires ongoing adaptation by the producer to be successful. This feedback loop is particularly important as items that suit current international fashion trends will be more appealing to the eye of the foreigner with more access to trends. This particularly will influence clothing and homewares but also affects colors popular in other items (such as bags).

In many cases tourists are seeking specific price points also for example; common behavior is to purchase multiple small items to re-gift, and purchase one or two higher end items as a personal souvenir to keep. Understanding of this diversification in price points and what volumes are required at what price points assists a producer to correctly plan supply of products.

Product development in the Handicraft sector will also benefit from an understanding of different markets and their behaviors. Domestic markets for mats for instance, will have different drivers than tourist markets for the same woven mats. Expats purchasing behaviors differ to tourists. The basics of marketing is to match demand to the particular markets. This incorporates product, price, promotion and placement. Product marketing and sales is an area where very little training or knowledge exists in Vanuatu.

When we discuss existing product design, we respect that it has evolved to suit a need which in many cases may be domestic and that this need is serviced by the form and function of the existing product. For example large baskets in Aneityum have extra straps that go under the body of the basket. This is not decoration, but rather driven by function to support the weight of the goods and distribute this weight evenly and effectively throughout the basket. However tourists will not understand this. But therein lies an opportunity to communicate and create meaning and value. Should the same basket be produced on a small scale, and accompanied by an explanation of the form and function and where the product was produced this provides a meaningful souvenir.

Therefore not all product design for tourist markets will require dramatically changing a product and may consist of providing value adding such as explanations and information as well as modification of size of the item.

only requires access to these services but also understanding of how to use them effectively. Mobile phone operators and banks play a role in educating users and providing this service in rural areas.



Dol consultation with Red Wave and VIT. From left Joseph Johns (Red Wave painter), Eric Natuovi (Red Wave Secretary & potter) Roy Thompson (Assist. Treasurer Red Wave & head of Arts at VIT) Ian Baniuri (Dol Snr Handicrafts Officer)



6.12 Raw Materials & Partnerships with Government Departments

Whilst access to most raw materials such as pandanus leaf have typically been fairly consistent, drought and cyclone damage are causing significant issues at present. Given Vanuatu's geographical diversity these problems are not consistently affecting the islands in the same way. Therefore for example partnership with the forestry department will be

required, to address analysis of current raw material situations vs increased market demand for handicrafts and recommend appropriate solutions. Similarly for shell Jewellery partnership with fisheries may be required to sustainably plan for shell harvesting. These inter departmental support arrangements will be critical to achieving good resource management plans.

6.13 Co Ordination of the Sector and Communication

Since inheriting the handicraft sector in mid-2016, DoI has been successful in establishing a National Handicraft Industry Working Group. In addition similar Provincial Handicraft Industry Working Groups have been established in each province. The main purpose of the HIWG is to provide a core group of knowledgeable industry experts who can provide business development skills, experience and assistance relevant to the handicraft sector. The HIWG will also service as an advisory body to ensure that the objectives of the Handicraft Business Development Program are achieved. In addition to the working groups DoI has established a co-ordination plan that includes important industry events such as annual handicraft trade shows and provincial equivalents. A calendar of events has been prepared and will influence planning and budgetary decisions and priorities.

With the desired outcomes of this program being to encourage value-added local production, to consolidate and strengthen the handicraft product supply chain and to encourage commercialization of Vanuatu-made products,

require a lot to change in this sector and in our communities. These changes will only be made if people understand why change is required/desired and what the rewards of these changes may be. There are many stakeholders to engage to create this change. Some of these include:

Vanuatu Government Departments – for example Customs Department, Vanuatu Intellectual Property Office, Vanuatu Producers (weavers, carvers, artists etc.), and private sector operators like Taxi Drivers, Hotel owners – resort shops, Tour Operators, Retailers including Market Vendors and Bio Security officers.

We go one step further, to propose that everyone in Vanuatu will need to get on board and support this initiative to truly create change. When the public as a whole understand the value of producing and buying locally made products, it will be easier for the producers to understand this and gain the necessary support to achieve it. To address this DoI will create annual communications plans that support the correct implementation of communication projects and priorities.



6.14 Affordable and Appropriate Access to Markets

Handicraft products reach their clients in a variety of ways. The most common being:

1. **Informal or family networks** – for example mats for a wedding being either woven by a family member or ordered from the islands by family in Port Vila. This largely supports domestic trade between Ni Vanuatu families.
2. **Market Stalls** – particularly when goods are being sold to tourists, the most common form of access is via market stalls locally referred to as ‘tables’. These are configured in a market area which may or may not include a physical market building. Being by far the most prominent way of selling handicrafts to tourists, the access to market stalls and markets in general is the focus of this chapter. Encouragingly the Government has dedicated the two new waterfront markets in Port Vila to be areas for Made in Vanuatu goods only. These markets will launch late in 2017 and have the potential to influence incomes not only for Port Vila vendors but for island producers across Vanuatu.
3. **Retail Shops** – There are only a very small number of retailers selling Handicrafts in Vanuatu. The most prominent being World of Wonders and Pandanus in Port Vila. The Cultural Centre in Port Vila sells a small selection of local goods and there are a few other stores that have some locally made handicrafts.
4. **Hotel** – some hotels have a small selection of goods available to tourists including handicrafts. This sector has not grown as large as it is in other countries and this may be due to the relatively smaller tourism market. The profits from such stores generally are only significant when the turnover of tourists is high. Encouragingly there are also hotels that offer a ‘market’ environment where the handicraft vendors are able to set up stalls and sell their goods within the hotel. This is an area of potential for Vanuatu when the overall tourism numbers increase. Working with the private sector is a part of the DoI program.
5. **Export** – Only a small percentage of the total handicrafts sold are exported. This predominantly is focused on the market in Noumea. “Wik blong Vanuatu” is an annual trade show that enables producers and vendors from Vanuatu to sell in Noumea. Subsidies for this program were removed in 2017 with feedback being that sales were thus not financially sustainable.

Internet sales are not yet a significant part of the export of handicrafts due to various barriers (such as difficulties integrating payment gateways with Vanuatu banks, cost of freight, and low web site development in relevant businesses due to perceived potential low volumes in sales).

Focusing on some elements of the economics of a Market Stall or Table we shall explore the example of a cucumber vendor in the central Port Vila market versus a vendor of paintings in the same location to demonstrate an inherent bias inflating the cost of access to market for a handicraft vendor. For both vendors the daily market fee is 450vt plus 50vt for security. Assuming the average cucumber costs 100 vatu, the cucumber vendor must sell five items to cover the rent of the table which is assumed the biggest access to market cost (other than transport and growing costs which are excluded in this example). Generally, providing that the cucumbers are fresh, we would assume that achieving sales of 5 items is deemed easily achievable and after these sales the main costs incurred by the vendor to access his/her client have been covered. Furthering this example, we imagine a cucumber vendor may likely sell at least 30 vegetables in a day achieving a net gain of 2,500vt. In this example his costs in table rent amount to 1/6th of the turnover. In the case of the artist who produces large and small paintings ranging from 1,500vt to 100,000vt in price, it is not generally common for this vendor to sell an item every day. If for example 2-3 days go by with no sales (paintings not being consumable items and therefore less in demand) the vendors costs now amount to 1500vt in arrears. Should he/she sell only one painting for 1,500vt on the 4th day, 100% of the turnover is required to cover his table cost. The vendor is left with no net gain.

Although this may be an over simplified and fictitious example, and there are other market factors at play, it does demonstrate one of the problems with sales of non-consumable items. These ‘luxury items’ are very taste driven and will only suit certain buyers at certain times. In addition to the design element which we shall explore elsewhere in this document, there is also a question of market size. Everyone living in Vanuatu eats at least twice a day. So the market for food products is great. Not everyone in Vanuatu purchases a painting every day. The market size is much smaller. Should the handicraft item be tourist focused, the market then is reduced again to the available tourists on that day in Port Vila. With the significant down turn in air tourism the handicraft vendors are suffering significantly from reduction of tourism market size. Although this is somewhat counter balanced by the steep increase of cruise travelers, these cruise travelers typically spend much less and therefore are individually valued much lower than air travelers. External factors outside of the vendors control such as weather events and disruption to the tourism industry (such as the airport problem of 2016 and continuing loss of tourists) affect the vendor’s ability to sell and put further pressure on the profitability of the industry.

Securing good locations and business oriented management for Handicraft Markets in core tourism areas such as Port Vila, Santo and Tanna are a key priority for the sector.



6.15 Gender

Traditional gender roles are strongly enforced in the Vanuatu Handicraft sector. This means for example that women are seen as the producers for weaving and men for carving. Women are also predominantly the market vendors managing the stalls in tourist markets. By product type and sales demand we assume that there will be more woven products sold than carvings (due to the relative higher price, size of the carvings and lack of function in that these are often decorative pieces) thus meaning that by raising the profile of handicrafts we create sustainable economic opportunities which may as a whole affect women proportionally more than men.

When approaching gender as it relates to this sector, one of the important areas to be aware of is the potential correlation between women's economic empowerment and increased Intimate Personal Violence (IPV) within the family.

While women's economic empowerment may be protective against IPV in the longer term by helping to shift social norms and elevate women's status, and giving women economic leverage and ultimately the economic autonomy to leave abusive relationships, in the shorter term it can also increase IPV. While the research is not conclusive, and the situation is complex, in situations where there are strong cultural and social norms governing men's and women's behavior/roles, where men are themselves challenged to access economic and other opportunities and fulfill their role as "head of family/breadwinner", and where women are starting to participate in less gender typical activities, IPV can increase in the short term.

In Vanuatu economic empowerment activities, particularly for women can create an unintended but powerful, and often fairly invisible, backlash. Correlations between increased economic empowerment and increased economic autonomy/decision making can't be assumed, and in many cases while women may be making money, men often control it or seek to control it, and it becomes another potential source of tension, or even another way that men leverage women's work to their more exclusive benefit. These imply that some of the most powerful boosters to economic empowerment of women would be negotiating skills for women, work with women and men around roles and norms and joint decision making, working with men to value women's economic empowerment, AND to support it as part of a broader goal of gender equality.

Whilst discussing gender it is also helpful to mention the role of the family, as many handicrafts are produced in the home.

Again using the example of weaving, a woman weaver will not be able to dramatically increase production of handicrafts without support. Other family members and potentially fathers will be required to contribute to child care and or food preparation if the woman is to sit and weave. This family or external support will be a large contributing factor in the ability to produce more weaving for a woman. In addition having a place to work is important and often overlooked. Successful weavers will often have a separate shelter or room for weaving. As the materials take up space, this allows them to be ready on hand for weaving work and means the work is more effective.





6.16 Intellectual Property and Handicrafts

The role of the Vanuatu Intellectual Property Office is the registration of intellectual property. Intellectual property rights (IPRs) are the protections granted to the creators of Intellectual Property, and include trademarks, copyright, patents, industrial design rights etc.

The Vanuatu Cultural Center has a custom bank unit that records all the historical facts about the country within its national archive. But in relation to traditional knowledge and expression of culture (EC), at the time of writing this report, the administrative process or legislative frame work that acts as an authority to register all traditional knowledge (TK) is being prepared. The National Council of Chiefs have asked VANIPO to work on policy papers for 'traditional knowledge and expression of culture' which is one of the new laws they are currently working on and aim to pass during 2017.

Expression of Culture is described by the Vanuatu Laws in the Interpretation sections:

"Expression of indigenous culture" means any way in which indigenous knowledge appears or is manifested, including:

- (a) Material objects; and
- (b) Names, stories, histories and songs in oral narratives; and
- (c) Dances, ceremonies and ritual performances and practices; and
- (d) The delineated forms, parts and details of designs and visual compositions; and
- (e) Specialized and technical knowledge and the skills required to implement the knowledge, including knowledge and skills about biological resources, biological resource use and systems of classification".

There will be grounds to address 'counterfeit handicraft products' once the legislative frame work is established and IP laws can supplement the new regime in identifying the original owners of a TK & EC. For this to be effective VANIPO will need to know all the specifics of a handicraft product i.e. from which Island, language, tribe etc. VANIPO can assist with products being exported or imported using Vanuatu's TK & EC and work to see that the original owners receive some benefits. Clearly this will be a very large piece of work that will take time.

VANIPO is currently working with the Ni-Vanuatu woman and their traditional mama's dress as it has been identified that it is being mass produced in Hong Kong and imported by the thousands into Vanuatu and then sold at a lower price than the mamas can produce them for. This is one example

where the office has engaged and is attempting to protect a traditional handicraft. Thus demonstrating that there is a willingness to reduce imports of counterfeit handicraft products. This work is conducted in close co-operation with the Department of Customs.

DoI may wish to also obtain more information on the Geographical Indication Law from VANIPO which states the country of manufacture which appears to currently relate to the wine industry, to decide if this can be amended to include handicraft and souvenir products. If this is possible, then the DoI needs to determine how this can be enforced by the Department of Customs and or Police and what penalties apply and how the importance of this can be communicated to all in the industry. Further research into the Geographical Indication Law if it is applied to souvenirs, will show tourists these products were not locally made.

Department of Industry (DoI) will continue to work and consult with the Vanuatu Intellectual Property Office (VANIPO) to discuss and review all current relevant laws to amend them to discourage the importation of 'counterfeit' products and safeguard the national handicrafts.



Some imports provide inappropriate cultural references

6.17 Customs & Appropriate Duties for Souvenir Items

The purpose of Customs Duty is to protect our country's economy, residents, jobs and environment by controlling the flow of goods, especially restrictive and prohibited goods, into and out of the country. The Vanuatu Government deploys the Harmonized Commodity Description and Coding System known commonly as the Harmonized System or HS. This classification system entered into force on 1 January 1988. Import duty is also known as customs duty or import tariff.

Whilst this area has potentially many concerns DOI could further address related to Handicrafts, the initial focus will be on:

1. Ensuring Appropriate Duty Categories for Imported Handicrafts & Souvenirs Exist – this results in a potential income to the government being realized and providing higher duties to reduce competition on foreign imports of items that are discouraged.

Whilst an initial brief investigation in 2016 did confirm that there are indeed tariff sections to address common souvenirs (meaning that when imported they bring revenue to the Vanuatu Government), and thus duty is received from these imports, what may be of more concern is that souvenir items are passed under the same category as regular items not for souvenir sale. For example Hats used for national sports teams are in the same category as Hats imported for souvenir trade. This means that statistical analysis of the souvenir market using the import data is not readily available.

Example of duty tariffs currently in use:

Item Description	Duty Applicable	Section in Tariff
Key Ring	10%	8301.60.00
Magnet	15%	8505.19
Dolls	10%	9504.90
Hats	15%	6506.99
Carvings	15%	4420.1000

Therefore the area of further focus may be directed towards creating differentiation between items for 'regular' domestic use and souvenir trade so that statistics on the souvenir items can be made available for analysis.

2. Zero duty items sold as souvenirs – items which are in the Duty Tariffs but are shown as Zero duty are sold as souvenirs as their import is lower cost than other items maximizing profit to the importer. This would mean a potential income to the government is not realized.

The only items found thus far, that fit this category were musical items. There are many imported musical items such as guitars, ukuleles, flutes & drums being sold as souvenirs. This may in part be due to the fact that they carry Zero duty. A subcategory for either souvenir or 'Carrying Vanuatu Insignia' for musical items may be a good way to generate government revenue from this souvenir item.

Zero Duty

Item Description	Duty Applicable	Section in Tariff
Musical Instrument	ZERO	9206.00

3. Special Duty Categories intended to protect an industry – An interesting example has been taken from the tariffs below. In this example t-shirts that bear the "Vanuatu designs" letters or name "Vanuatu" carry extra duty. Note that 'other t-shirts' (not bearing the words Vanuatu) carry a 15% duty, yet those that say "Vanuatu" on them or carry "Vanuatu Motifs or Designs" have a 30% duty. This is an example where the screen printing industry in Vanuatu has achieved some protection through special customs duties that support for the industry to locally screen print rather than importing ready-made finished items with "Vanuatu" on them.

61.09	T-shirts, singlets and other vests, knitted or crocheted.						
	- Of cotton:						
6109.10.10	- - - Bearing Vanuatu designs, insignia, lettering or motifs applied by printing, screen printing or any other similar process.	u	30%	Free	12.5%	0845.4	Free
6109.10.90	- - - Other	u	15%	Free	12.5%	0845.4	Free
	- Of other textile materials:						
6109.90.10	- - - Bearing Vanuatu designs, insignia, lettering or motifs applied by printing, screen printing or any other similar process.	u	30%	Free	12.5%	0845.4	Free

It may be wise to apply the same to the category of musical instruments whereby 'souvenir instruments' intended for sale to tourists or carrying the words "Vanuatu" had a higher duty than those intended for regular use. This could also apply to hats (those carrying the words Vanuatu pay more duty), carvings etc. The only caution here would be that it would be unjust to apply this law to items that could not be made in Vanuatu (such as plastics, textiles, leather etc.) for which there is currently no industry in Vanuatu.

In summary, whilst it has been established that generally the correct categories exist and duties are paid on imported souvenirs, there is room for improvement in categorization to enable the imports of souvenirs to be well recorded and in some cases (such as musical instruments) new categories may be required. Some subcategories with higher duties on products with the words Vanuatu on them or commonly sold as souvenirs, may be required to assist to protect the handicraft industry.

DOI may wish to consider implementing higher duties for any handicraft or souvenir product that can be made entirely in Vanuatu, or with the words Vanuatu on it such as for example carvings to protect the domestic manufacture of these goods. This would only be applicable to goods that can be made in Vanuatu, for example leather goods would not have higher duty as they are not able to be made in Vanuatu.



7 Monitoring & Evaluation

A comprehensive Monitoring and Evaluation (M&E) Plan will need to be developed to measure the global performance of the sector and the contribution of the respective parties involved. This will be based on targets set and activities planned. It will keep deliverables to scope and time and identify shortcomings. Proper implementation of M&E constitutes an invaluable tool for good management and useful basis for evaluation. DoI Handicraft Officer will be in charge of collecting, analyzing and reporting on the M&E information using data provided by respective programs as well as other contributors.

Key indicators will be used and shared to monitor sector progresses and outcomes:

- Evolution of Volume of imported goods (souvenir/handicraft)
- Evaluation of the Handicraft contribution into the HIES indicators
- Increased income levels of Skills for Handicraft clients,
- Turnover of national key identified handicrafts wholesale
- Number of Handicraft stalls dedicated to 'Made in Vanuatu products'
- Trade generated through the Provincial Handicraft markets especially Handicraft centers in key tourist ports of Port Vila, Tanna, Aneityum and Santo.
- Annual handicraft export figures (VNSO export statistics)
- Number of handicraft products approved to use 'Made in Vanuatu' brand
- Enhanced status of women and people with disabilities in this sector
- % of local handicrafts sold at Mystery Island Port of Call.
- To obtain a global overview of sector improvement, the DoI Handicraft officer will also publish an annual report on the key activities and initiatives including VSP and VSTAP programs as well as relevant other projects.



8 Strategic Objectives

The four key strategic objectives are:

- 1. Implement a Handicraft Co-ordination and Communication Program** – There is a need for a change in the perception of the sector and to view it as a legitimate business opportunity and a significant market for Ni Vanuatu employment, empowerment and economic advancement. Confusion on bio security regulations is a large barrier for tourists as they are not confident that a handicraft purchase will be allowed back into their home countries. The communications program required includes awareness of the importance of the sector both to the population, the producers and the consumers. The handicraft industry sector at present is fragmented and largely in-formalized and DOI has taken the first steps to improve this with a draft Co-ordination plan in place ready to implement in 2018.
- 2. Establish the Handicraft Education and Skills Development Program** to deliver:
 - a) Small Business Management for producers and vendors, including supply chain management,
 - b) Business Skills Leadership Strengthening and Organizational Capacity Building
 - c) Marketing and Sales, including Product Design, Pricing, Promotion, Packaging, Market Segmentation,
 - d) Creating structured skills development opportunities by type of skill (for example weaving, sewing, carving) and importantly establishing improved product design to target the tourism sector to ensure that items are more in line with what tourists wish to purchase.
- 3. Establish a Trade Facilitation Program** – Priorities being considered in the areas of Intellectual Property, Customs duties and tariffs. Also, establishing and supporting more Wholesalers.
- 4. Promote Improved Handicraft Competitive Market Positioning** – the market positioning of handicraft is undervalued and tourist market management is problematic with no dedicated handicraft sales market or center in two of the three major tourism and population centers (Luganville and Lenakel). The initial area of improvement includes the dedication of Port Vila seafront markets to selling only Made in Vanuatu items (as approved in mid-2017) and as such is the first priority project in this area already under DoI management and a focus for funding.



9 Handicraft Sector Action Plan

Focal Area One: Improve sector co-ordination, communication and leadership		Lead Responsible	2018	2019	2020
1.1	Establish 2018 recruitment of DOI handicraft team - DOI budget and resourcing appropriate to industry needs	DOI			
1.2	Review DOI policy and ensure any relevant inclusions for handicraft are made and at the right level including linkage to VSTAP action plan	DOI			
1.3	Implement Co-ordination of Sector Plan: Resource, Plan, Implement National 'Made in Vanuatu' Trade Show, Annual Handicraft Conference and Events	DOI/HWG			
1.3	Apply for a Volunteer to assist with the Coordination	DOI/VSA			
1.4	Monitor, Review & Update Sector Triparty MOU between Vanuatu Skills Partnership, DOI and VSTAP	DOI/VSTAP/VSP			
1.5	Provide input on handicrafts as appropriate to DoI 'Made in Vanuatu' Project. This project will assist to reduce competition with imported items and create demand amongst consumers.	DOI			
1.6	Implement National HBDP communication plan, budget and resource appropriately	DOI			
1.7	Tourism Product Development - integrating local handicrafts into tourism products and as a feature of product and destination differentiation (linked to National Tourism Strategy).	DOI/DOT			
1.8	Establish a database of statistics and baseline data for the industry - comprehensive review of data in Household and Income Expenditure Survey and the International Visitor Survey	DOI			

Focal Area Two: Enhance and reform handicrafts in education and skills development curriculums nationally		Lead Responsible	2018	2019	2020
2.1	In consultation with key skills development institutions establish 3 year goals for Handicraft Sector Skills Development and Education.	DOI			
2.2	Research current situation further by performing more in-depth consultation with education institutes to obtain clarity on existing or planned handicraft programs. Raise awareness of opportunities for handicrafts and identify gaps. Some specific areas of focus to include:	DOI in consultation with MOET, VQA and TVET and other Educational Institutions			
2.2.1	Include Shefa and Penama appropriately in skills development program where there is no VSP program				
2.2.2	Identify key opportunities and create program to improve business skills leadership strengthening and organizational capacity building and encourage establishment necessary associations or organization's such as Co Operatives				
2.2.3	Develop a business skills for handicraft program - priority for Port Vila Market vendors, then roll out nationally				
2.2.4	Establish targeted program for Women in rural business - with focus on commercial trading of Handicrafts				
2.2.5	Establish targeted program for improvements to productivity for common items (such as carving, pandanus weaving)				
2.2.6	Define and cost a program for national support of Inter Island Trade Facilitation				
2.2.7	Define current positioning of Arts as related to handicraft in school curriculum and recommend improvements in consultation with MOET.				
2.2.8	Create a plan for National Handicraft Product Design and Product Development skills development program				
2.2.9	Develop a Youth Entrepreneurs Program for the Handicraft Industry				
2.2.10	Develop specific programs and incentives to ensure disability inclusion in sector skills programs				

Focal Area Three: Appropriately stimulate trade facilitation		Lead Responsible	2018	2019	2020
3.1	Further research and implement potential changes to customs tariffs for imported items that compete with handicrafts	DOI/Customs			
3.2	Create effective wholesaling in the Industry - Handicraft Wholesaler market growth program	DOI/Private Sector			
3.3	Work closely with VANIPO to implement further actions and recommendations	DOI/VANIPO			
3.4	Investigate Private Sector Partnerships - initially focusing on tourism sector and enabling technology & services (banks, telcos)	DOI/Private Sector			
3.5	Implement appropriate Bio-Security Signage at all major Airports, Markets/Retail locations and Ports of Call directed at travellers and include 'Made in Vanuatu' messages where appropriate	DOI/PHAMA			
3.5.1	Create Bio - Security stickers to be put on products that meet the bio - security requirements	DOI/PHAMA			
3.6	Review of permits & licenses for handicraft sector businesses to ensure they support appropriate standards and trading terms. Align government income to DOI program	DOI			

Focal Area Four: Enhance competitive market positioning		Lead Responsible	2018	2019	2020
4.1	Improve competitive positioning for Handicrafts:	DOI/PVMC/LMC/TMC/VSTAP			
4.1.1	Create dedicated places to sell handicrafts and optimize commercialization, business skills and management of market places for handicrafts: Port Vila, Tanna and Santo				
4.1.2	Implement Mystery Island 'Made in Vanuatu' project (in cooperation with VSP & private sector)	VSP/Private Sector			
4.2	Improve availability and range of Handicraft and Artists Materials	DOI/Private Sector			
4.4	Support improvement of Handicraft within National Gallery or Cultural Centre	DOI/Cultural Cr			
4.5	Improve Access for Handicraft businesses to Micro Finance	DOI/Private Sector			

APPENDIX 1

Active Organisations in the Sector

(From 2016 Mapping)

Organisation	Purpose	Activities - as related to handicrafts primarily
Association/Artists Association/Artist/Producer		
Tongoa Sheppard's Women's Group	To raise awareness and sales of art and craft. To produce and sell locally made items by women in the Sheppard's group. This will then keep the culture alive. They wish to create new products and provide interest and employment for young people.	Co-ordinate sales at Marobe Market, Represent women at meetings, Coordinate supply of sale items from the Islands.
Vanuatu National Council of Women	The purpose of this organisation is to look after the welfare of the Women of Vanuatu.	They are advising mama's associations from the provinces to come and sell their products in Port Vila with the idea of resurrecting the former handicraft wholesale & retail operation (that was closed in 2002). Encouraging and advising all the provinces to have their own handicraft centers. They are planning to also host annual mini art festival 'women in culture' festival.
Dolasa Handicraft Association (Santo)	To consolidate production & sales of handicraft in Luganville in a centralized location. So far they have five (5) shops	Quarterly executive members meetings. Sell handicraft. Schools hire their services to tailor graduation gowns. Planning for next year is to provide training to mamas around Luganville who are interested to take part in the handicraft industry.
Luganville Artist & Producer Associations	To gather together artists and producers to develop their skills, to preserve traditional cultural expressions with linkages to their products, and to restore back lost traditions/ art in each respective province.	To teach art and meaning to children. To sell art and handicrafts to tourists (especially cruise ship tourists). To provide support to members.
Luganville Women's Handicraft Association	To help mama's in Luganville consolidate their sales in a central location and to help in promoting, empowering, coordinate and market handicrafts products of mamas in Luganville	Organized sale of mamas in one central location Welcome new members who are interested in registering under an association Regular meetings of members are held at the LMH shop
Awis Artists blong Vanuatu (Mataso)	Find a sustainable way to create income through art for the Mataso artists To preserve Vanuatu Kastom stories through art and 'storian' which has been documented	Promote existing art work and prints for sale through online website & with dealer in Brisbane Support exhibitions as and when they can be organized Find other ways to commercialize and return revenue to the artists using their work. Recent work included creating a series of prints
Port Vila Community Handicraft Association	Currently on its third (3rd) year of operations, the Association aims to encourage Mama's to be self-reliant. They are focused on producing local products only.	Encouraging local production, finding locally made products selling at Le lagoon, sunset bungalows and Nasama resort.
Red Wave Artists Association	To promote contemporary and traditional Vanuatu Art through exhibitions. To give direction to young Ni Vanuatu to become artists. There are 15 artists in this association.	One annual exhibition.
Bastien Foundation	A gallery for local artists to exhibit and work. House set aside for artist residences.	Exhibit art works, establish and update website, communicate to public, establish schedule of residences, rent houses for income, create workshop and manage artist's access.
Veligribalam (Juliette Pitta)	To keep the kastom stories alive through art. To provide a sustainable income for the artists.	Producing & Selling artworks Some training work in the sector - John provided training to artists in Erromungo. Pass Kastom on to youth.
Aneityum Market Mamas Association	Uniting market vendors in Mystery Island.	Only recently established, the organisation provides a lending and savings scheme to vendors. The aim is to assist women in delivering profitable business. They are also the liaison with Mystery Island Tourism Holding Ltd (who controls activities on Mystery Island).
Mystery Island Tourism Holding Ltd	Controlling and managing activities on Mystery Island. Liaison to cruise ship companies, tour operators & market vendors.	Currently launched a strategic action plan to sell 100% locally made products only by Dec 2017.

Donors/Embassies/International Trade Organisation		
French Embassy	Provide support to French Nationals, promote French language & culture. Support development of country.	Donor to the sector through ACTIV, interested in economic empowerment of women, Education & Skills development.
Pacific Trade & Invest	Creating jobs by developing and promoting Pacific Island exports, investments, tourism and creative arts access to international markets.	Annual Art exhibition Marketi Pleis (Sydney), Australian Runway fashions of the Pacific, Assisting vendors to become export ready (example Billums in PNG).
Secretariat for Pacific Communities (SPC)	The Pacific Community (SPC) is the principal scientific and technical organisation in the Pacific region, supporting development since 1947. An international development organisation owned and governed 26 country and territory members.	Through the Human Development Program has funded research & specific training materials for the support of Handicraft development in the Pacific.
International Finance Corporation (IFC)	IFC is a member of the World Bank Group. It finances and provides advice for private sector ventures and projects in developing countries.	IFC is active in the tourism sector in Vanuatu. Recently with tourist feedback (survey) that incorporated specific feedback on handicrafts in the cruise market and encouraging cruise ship organizations to stock items Made in Vanuatu.
Japanese International Cooperation Agency (JICA)	"Inclusive development" represents an approach to development that encourages all people to recognize the development issues they themselves face, participate in addressing them, and enjoy the fruits of such endeavors. The role of New JICA is to effectively provide backing for this process.	Recruit a volunteer to work with the 'Wan Smol Bag' Center, teaching sewing & recycled waste Handicraft development. Shell polishing and is part of the "Grace of the Sea" coastal resource and environment project. The objective of this program is to reduce pressure on coastal resources and offer alternate income. A small part of this is the shell polishing. Working with mamas from Malekula, Aneityum and Efate of shell polishing (phase 2), for the third phase they are including Santo and Tanna.
Non-Governmental Organisation (NGO)		
Revive Vanuatu	Initially formed to raise funds after cyclone Pam & deliver help on a case by case basis. From June 2015 onwards, significant funds were raised specifically to facilitate the drilling of fresh water bores on Pele and Nguna Islands, North Efate. Long term & strategic goals to enhance income generating opportunities for Ni-Vanuatu women in North Efate.	Providing water facilities to communities. Research & Product development to identify new product types that could be made in Vanuatu to suit a contemporary customer base. Identify retail outlets for the products. Aims to provide vocational training to women and provide a production center for handicraft work in Nth Efate.
Scope (Avid) DFAT	To provide appropriate volunteers strategically placed according to Vanuatu Government demands.	Of 42 volunteers placed in Vanuatu over 10% directly involved in Handicrafts, Women's Economic Empowerment or Arts (ACTIV, Malampa Handicraft Cr, Tourism organisation, Bastien Foundation).
UN Women	UN Women is the global champion for gender equality, working to develop and uphold standards and create an environment in which every woman and girl can exercise her human rights and live up to her full potential.	Markets for change project working to create 8 new markets across Vanuatu. Organisation capacity development for market vendors & establishment of Market Associations. Small donor support for Tongoa Shepard's Womens Association Marobe Market Port Vila.
Wan Smol Bag	Help support communities to support youths to stand up for themselves, be independent, have confidence, stand up for violence, improve their health.	The organization has a wide variety of programs including sports, environment, plants, art classes, nutrition, computer skills, youth drama, sewing, pottery, composting toilets, water supply system, dance and a free health clinic. Handicraft production but not focused on sales (currently).
Retailer/Market Vendors		
Pandanus Vanuatu Ltd	To provide profitable sale of interesting souvenir items and gifts primarily for air tourists and for which 60% are made in Vanuatu. Secondary market is Vanuatu residents and lastly (very small percentage) of Cruise passengers.	Retail sales, product development, wholesaling.
Vanuatu Handicraft Market	VHM is a market place for tourists and residents to purchase souvenirs, art & craft, gifts and made in Vanuatu products all in one place. It includes a variety of shops which sell imported and local items, a restaurant and ice cream store, tattoo artist workshop and upstairs is dedicated to stalls for local people to sell predominately local products.	Collecting Rent, Advertising to attract new tenants, Finding suppliers for shops, Creating 'deals' with P&O and Carnival to attract cruise ship tourists to the center, Creating promotions with bus and taxi drivers to encourage them to come with guests to the cr.
Various Foreign Import Retail/Wholesalers	Profitable sale of imported tourist souvenirs.	Wholesale & Retail sales, distribution & credit terms provided to Market Vendors.
Ifira Organisations - Falea/Tanvasoko/Wataba/Sikotau	Profitable sale of tourist souvenirs at Ifira Market.	Retail sales direct to tourists.

Training Organisation/Skills Facilitators

Rosie Boylan (hats ITC)	Rosie is an internationally recognized hat making expert.	A consultant on a UN contract which is ITC funded, the objective of this program is to provide economic empowerment to women of the Pacific. Rosie was working with women weavers to provide skills in the area of hat design especially and quality hat making as a means to increasing economic opportunities for women. She now imports weaving from Vanuatu to Australia.
Threads Across the Pacific	Provide free sewing skills training & machines to women in Vanuatu.	With a background in Education, Caroline has designed a 4 day sewing workshop that she has now lead 7 times in Vanuatu reaching over 100 women. During this workshop the women are taught basic sewing with a focus on good quality finishing. Each participant receives a free sewing machine.
Vanuatu Skills Partnership (formerly TVET)	An Australian Government funded Program which aims to support provincial economic development through targeted skill development services.	Facilitator of appropriate training in the 4 provinces (Sanma, Malampa, Torba, and Tafea). Specifically targeting Handicrafts program for economic empowerment in 2017.
Vanuatu Institute for Technology	Government funded technical college offering further education to year 10 leavers. Centre of excellence for public, technical, vocational, business, hospitality, and continuing education in Vanuatu.	Currently have less than 10 arts students. Suffering from lack of funding, facilities & materials. Arts department receives very little funding and damages from Cyclone Pam in 2015 have not yet been repaired.

Wholesaler of Handicrafts – see wholesaler section of this document for further details

ACTIV	Association seeks to socially, economically and environmentally empower disadvantaged communities in Vanuatu through fair trade. Activ help local communities to sell local products which include handicrafts, carvings, spices chocolate and oils.	Wholesaling & Retailing products from across Vanuatu in Port Vila and overseas.
Malampa Handicraft Centre	Malampa Handicraft Centre is a production and sales hub in Malekula. Sales of these unique handicrafts are able to earn money to support families.	Malampa Handicraft Centre sells locally hand made products through retail & wholesale sales.
Women's Export Association Vanuatu (WEAV)	Women's Export Association Vanuatu (WEAV) is a membership based organisation supporting the export and services of women owned enterprises in Vanuatu	WEAV focuses on export opportunities and also sells hats through retail sales in Port Vila.
BulVanua Co-Operative	Womens co-operative with the purpose of wholesaling handicraft from the outer islands.	Bulvanua co-ordinates supply of goods to members in Port Vila and sells through a market outlet in town.
Pandanus Vanutu Ltd	To promote and support development of quality products made in Vanuatu and sold to tourists. Supporting creative design & innovation.	Made in Vanuatu items represent 80% of what is sold by this business. Small scale wholesaling & retailing of goods from Port Vila store.



