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sustainable environment, education & development

**6-Month Interim Report**  
**Project Stitch Sainte Luce: Phase IV**  
**October – March 2017**

**Prepared for**  
**The Leopardess Foundation**



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**SEED Madagascar**

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## 1. Summary

Since 2012, Stitch has trained 21 women in embroidery, who now run the officially registered Stitch Embroidery Cooperative that produces high quality, embroidered products sold domestically and internationally. The purpose of Phase IV is to expand, strengthen and increase the independence of this Cooperative, positioning it to continue without external support by project end. Phase IV also aims to increase the number of families profiting from the socio-economic benefits of Stitch, whilst ensuring the business continues to be run in a fair and effective manner that meets the best interests of all its embroiderers.

This report documents project activities carried out from October 2017 to March 2018. The first six months of Phase IV have seen the Cooperative continue to work towards its goal of long-term independence and sustainability. A key milestone was reached with the expansion of the Cooperative from 21 to 114 members, surpassing the Phase IV target of gaining at least 80 new members in the first six months. Alongside this, a new organisational structure has been established within the Cooperative to facilitate the expansion. This consists of a Terms of Expansion which was developed by all Cooperative members through participatory meetings. The *Dina* was additionally updated by the business members to account for the substantial increase in studio users. Sales in the first six months of Phase IV have been high, bringing in a total of 37 Million MGA (5,302.82 CHF<sup>1</sup>). The Cooperative has also seen a phenomenal percentage increase in international and domestic sales when compared to the previous year. Stitch's success is further reflected by a 61% increase in average monthly incomes of the business members in the last quarter of Phase IV, in comparison to the previous year. Furthermore, the number of Stitch beneficiaries is set to increase five-fold from 181 at the end of Phase III, to an estimated 1,023 in Phase IV.



Figure 1: A selection of designs created by the Embroiders

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<sup>1</sup> Conversion rates from [dina.xe.com](http://dina.xe.com) as of 20<sup>th</sup> April 2018.

## 2. Activity Detail

### Outcome 1: Expansion of the Stitch Cooperative

#### 2.1 New Organisational Structure

In December 2017, a new organisational structure was established by the Stitch business members and project staff in preparation for the expansion of the Cooperative. In order to ensure the longevity of Stitch, the Cooperative's existing *Dina* (local law) was updated and voted on by the business members, following a host of participatory meetings and discussions. The project assistant held two subsequent meetings with all prospective general members to discuss the *Dina* ensuring that they were aware of the rules and protocols outlined within it.

The updated *Dina* is informed by a Terms of Expansion agreement, which was developed following a series of discussions with all of the Stitch Cooperative members. The Terms of Expansion outlines: the roles of the business and general members; age requirements for joining the Cooperative; voting processes; and the fee structure for new members. The business members will retain their current management roles and continue to coordinate Cooperative activities, as well as manage the new intake of general members into the Cooperative. The business members are thus responsible for training the general members in embroidery in order to refine their skills and ensure that they produce high quality products.

As agreed upon by the business members, the financial levy for the general members stands at 10% of the sale price on each product sold. This is 5% more than the business members are required to contribute, as they hold more responsibilities within the Cooperative.

In order to facilitate the financial self-sufficiency of the Cooperative, a membership fee structure has been put in place for general members joining the Cooperative. An initial joining fee of 10,000 MGA is required, followed by a further 10,000 MGA after the sale of the member's first product. Currently, all 93 general members have paid their initial joining fee. These funds will contribute to the core costs of the Cooperative such as: studio maintenance; utilities; stock supplies; and transport.

#### 2.2 Official Launch Event

On January 26<sup>th</sup>, the Stitch Cooperative officially launched their first major expansion, with 93 new women joining, bringing the total membership to 114 women. The expansion was celebrated with festivities that brought together the Stitch members and SEED Madagascar project staff. The event was marked by speeches from the President of the Cooperative, Esterline, as well as SEED Madagascar's Stitch project assistant, Paula, and SEED's Head of project development, Victoria. The speeches were followed by drinks and general celebrations, displaying the overall excitement of everyone involved in this new project phase.

The event was covered by a local journalist from the regional radio station, Infinity Radio, who interviewed Stitch members and project staff. The resulting programme was broadcast across the Anosy region, providing extensive publicity for the Cooperative.

#### 2.3 Train the Trainer

The Train the Trainer approach has been used by the Stitch project team to train 10 established Cooperative members to facilitate embroidery workshops for the general members. In March, six Train the Trainer workshops were delivered by SEED project staff to ensure that 10 business members are fully

equipped with the knowledge and skills needed to train the new general members in embroidery through engaging workshops.

The workshops incorporated a range of visual techniques to overcome barriers of illiteracy. A series of participatory activities were carried out covering a range of topics including: different learning styles; communication; leadership; evaluation; lesson plan development; and facilitation. These interactive sessions culminated in roleplays led by the participants, which saw their learning put into practice.

Participants reported high levels of satisfaction with the workshops, recognising that training and knowledge dissemination are fundamental to ensuring long-term sustainability of the Cooperative. The 10 participants have since improved leadership skills and feel confident in utilising a Visual Auditory Kinaesthetic (VAK) learning model to carry out future trainings for the general members. This is in appreciation of the fact that different people respond to communication in different ways. The success of the activity was further highlighted by the motivation of seven of the 10 trainers to plan and lead the embroidery training sessions throughout April and May.



*Figure 2: Train the Trainer workshops underway in the Studio with Esterline, Olga, Velestine. (left) and The newly expanded Stitch Cooperative celebrate the official launch at the Stitch Studio in January (right)*

## **Outcome 2: Strengthening the Cooperative through Skills Training**

### *2.4 Six-Month Skills Assessment*

The arrival of the project specialist saw the development of a more thorough and comprehensive skills assessment for a sample group of 12 business members. This was deemed necessary in light of the challenges experienced in the pre-phase IT and photography skills review carried out in September. The skills assessed focused on the business members' abilities to carry out tasks in: IT, business communications, financial management, and photography – components that have previously been identified as essential for the long-term sustainability of the Cooperative.



## 2.5 Skills Assessment Results

At the start of the IT assessment, difficulties were observed when members were asked to locate and access the laptop. This highlighted its lack of use since previous trainings. Despite training sessions in Phase III, the participants were unable to carry out the basic IT functions associated with: using windows; word processing; building spreadsheets; and using email. It is evident that low levels of literacy and English language, and unfamiliarity with computer systems, continue to pose challenges to the member's progress in IT. Following the skills assessment, it was determined that further English training is a necessary precursor to ensure a level of literacy that will enable the members to use and understand the core functions of the laptop.

The photography skills assessment provided similar results, with both participants experiencing difficulty when asked to utilise more complex camera functions. Despite promising results in the past, one participant emphasised that the length of time between training sessions, and the variation in the members who received the trainings, was a key barrier to improvement. Participants thus found it difficult to retain all of the information and skills previously learnt.

The technological skills of the business members remains limited and as a result, the business communication aspect of skills assessment was condensed to a focus group discussion with the participants. In line with the Phase IV target to have at least five members of the Cooperative trained in business communication by month 18, questions were asked on the participants' ability to utilise the basic communication functions of a smart phone. The results determined that just one business member was able to utilise these functions, and participants expressed that the process of conducting business calls is daunting.

Project staff have recognised the need to address these barriers and have subsequently decided to significantly change the long-term strategy for capacity-building with the Cooperative. As such, project staff are developing a participatory 'road map' in cooperation with six of the business members, due to be completed by the end of April. This process will help to develop a more targeted training programme alongside a business plan that is directly in line with the members' needs and vision for Stitch moving forward towards independence.



Figure 3: Esterline embroidering in the studio (left), Meline embroidering in the studio (centre), an array of Stitch products (right).

## 2.6 English Training Sessions

From January to March, five business members participated in intensive English Language Classes. These sessions occurred thrice weekly, facilitated by the Stitch project assistant and supported by a SEED English Volunteer. A host of visual learning resources were developed to make lessons more interactive, and to

encourage the members to practice English outside of the Studio. Despite these efforts, key barriers to progress have been identified. English lessons were inconsistent, and the motivation of members to practice English outside of the studio was low. These challenges have been further compounded by the lack of resources and capacity of SEED’s English Department. As a result, the business members have not reached the intended levels of English at this stage in Phase IV. Project staff are now developing a new strategy which includes more consistent and targeted training to be trialled in the coming months.

### **Outcome 3: Consolidating a Sustainable Business through Expanding Domestic Markets**

#### *2.7 International Women’s Day Celebrations*

On the 8<sup>th</sup> of March, five women from the Stitch Cooperative marched together with the women from the SEED Madagascar team, as well as other organisations, businesses and individuals from across the Anosy Region to celebrate International Women’s Day. The involvement of Stitch members as an independent Cooperative provided a valuable opportunity to create local awareness and regional exposure for the work Stitch carries out.

#### *2.8 Honey and Soga Cross-visit*

In March, SEED Madagascar organised for Sietraka and Vongy from Honey and Soga, a Fort Dauphin based Cooperative selling honey and wax-based products, to visit the Stitch Cooperative in Sainte Luce and meet the embroiderers. Discussions that resulted from the visit saw members of Stitch and Honey and Soga travel to the SEED Madagascar office in Fort Dauphin together and sell their products - an event that saw Stitch generate 75,000 MGA over the course of the day.

This visit established a productive working relationship with Honey and Soga and has fostered opportunities for future collaboration. It saw the women exchange numbers and agree to arrange monthly sales trips together to the SEED Madagascar Office. Forming close relationships with other actors in the artisanal sector is likely to be important in establishing independence and long-term sustainability for the Cooperative, as the Stitch members gain confidence in developing their own sales events and market opportunities.



*Figure 4: Honey & Soga’s Sietraka and Vongy with Esterline in the Stitch Studio (left) and 5 Stitch Cooperative members together with the SEED team celebrate International Women’s Day (right)*

### 3. Sales Report

#### 3.1 International Sales

The first quarter of Phase IV, saw an increase in international sales to 10 Million MGA, 128% higher than the same quarter in 2017 (see figure 5). This can be partly attributed to the new retail agreement with *Verein fur Betreues Wohnen*, an artisanal crafts shop in Lichtenstein. In November, they made their first order of Stitch products, totalling 3089.03 CHF<sup>2</sup>. This is the largest international sale to date and represents a key milestone in the development of consistent international outlets. Other UK sales events included the Textile show in Leicester, generating 607.14 CHF, and the Norwich Christmas Market bringing in 567.40 CHF.

Historically, seasonal fluctuations can be clearly observed during the last and first quarter of the calendar year, as a result of the Christmas period. Whilst this fluctuation is evident during Phase IV, total sales from January to March have increased by 84% against 2017, reflecting the increase in international market opportunities seen over the past six months.



Figure 5: Quarterly international sales from October 2016– March 2018

#### 3.2 Domestic Sales

Sales in Madagascar have remained strong, totaling 19.9 Million MGA in the first six months of Phase IV (see figure 6). As with international sales, seasonal fluctuations are evident throughout Phase IV due to the onset of the Christmas period, which sees an increase in the number of volunteers and tourists purchasing products from the Stitch studio. Encouragingly, a 57% increase in sales can be observed from October to December 2017, against the same quarter in 2016.

<sup>2</sup> Conversion rates from [dina.xe.com](http://dina.xe.com) as of 27<sup>th</sup> April 2018.

A decrease in domestic sales to 5.5 Million MGA can be seen in the second quarter of Phase IV. Throughout this period, domestic volunteer tourist markets such as Manafiafy Lodge – a key source of domestic sales in Sainte Luce – are closed, thus reducing the number of visitors to the region. Sales across this period were 38% higher than the previous year.

If domestic sales continue at this rate, the targeted increase of 15% outlined in the original Phase IV proposal will be easily achieved. Despite these positive results, the continued seasonal fluctuation in sales highlights the need to further develop consistent domestic market opportunities to ensure constant and sustainable income for embroiderers across the year.

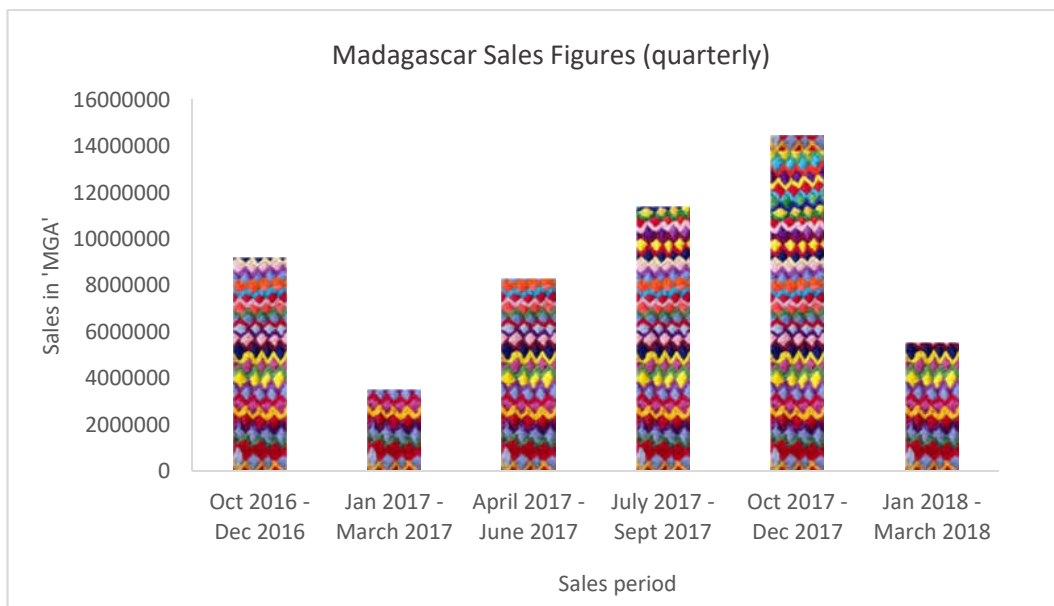


Figure 6: Quarterly domestic sales from October 2016 – March 2018

## 4. Monitoring & Evaluation

### 4.1 Expanded Cooperative

The newly formalised and expanded Cooperative consists of 114 members in total: 21 business members and 93 general members. As per the *Dina*, the lowest age of a Cooperative member is 16, with the oldest member being 56. Currently, the mean age of Cooperative members is 27 years old.

### 4.2 Beneficiaries

Previous data obtained from Phase III bi-annual assessments indicated that by phase end, a total of 181 people directly benefited from the incomes of Stitch embroiderers. Since the Cooperative’s expansion, the total number of beneficiaries is expected to increase five-fold to an estimated 1,023 people<sup>3</sup>. According to the recent baseline and annual assessments, Stitch members are typically spending their household incomes on: the payment of school fees; provision of food; healthcare; and the provision of clothing. As a

<sup>3</sup> This figure is an approximation calculated using the average beneficiary reach based on the details given by 21 business and 10 general members in the Baseline and Annual surveys



result of the Cooperative’s expansion, the total beneficiaries are expected to represent over 40% of the Sainte Luce community<sup>4</sup>.

#### 4.3 Income Generation

The average quarterly income from Stitch sales for individual business members was calculated from October 2016 to March 2018, in order to compare average quarterly incomes from Phase IV to the previous year (see figure 7). In the first quarter of Phase IV (October to December 2017), the average income for the business members was 600,000 MGA. This is a 62% increase from the previous year. In line with the seasonal fluctuations, this figure decreases to 333,000 MGA from January to March 2018. Average income across this period is 61% higher than for the previous year. This highlights the success of the Cooperative in providing an increased source of income for business members, and amply highlights the success of Project Stitch which continues to see a steady increase in income. From April 2018, following the completion of training, average monthly income for general members will also be calculated and included in future reporting.

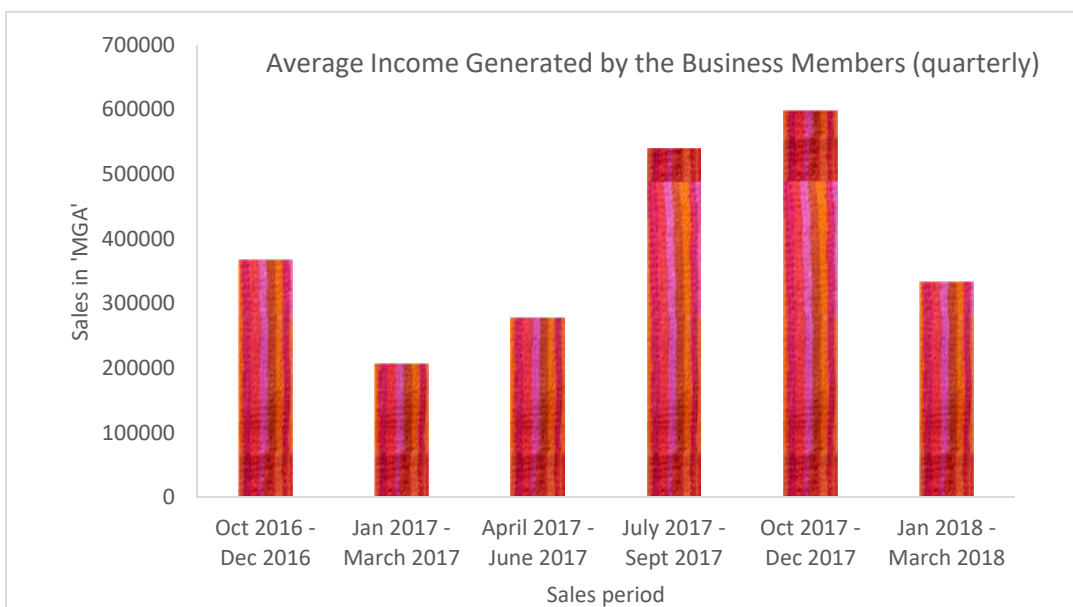


Figure 7: Average quarterly income for individual business members from October 2016 – March 2018

#### 4.3 Baseline Survey for General Members

A baseline assessment was carried out in April, which consisted of 10 semi-structured interviews of the general members. The participants were selected using random sampling, and chosen from each of the three hamlets in Sainte Luce: three from Ampanasatompoky and Manafiafy, and four from Ambandrika as two additional members from Manafiafy – the largest hamlet – failed to attend. Time-constraints did not permit project staff to interview more general members. The primary goal of the baseline assessment was to provide a framework against which to monitor and evaluate the progress of Cooperative expansion. Questions were thus asked surrounding knowledge and understanding of the *Dina*; usage of the studio; and the expected success of the Cooperative in the next five years.

<sup>4</sup> The current population of Sainte Luce is 2,447. The population data is based on information provided by the *fokotany* Chef.

## Baseline Assessment Results

The baseline assessment provided an initial assessment of the successes and challenges experienced in the first three months post-expansion, and provides an insight into the necessary steps to be considered by the project staff going forward. Key findings included:

- 66% of the members interviewed had a positive outlook on the future of the Cooperative and believed that it would still be running in five years' time;
- 70% of the members believed that the success of the Cooperative will depend on a range of conditions. The key pre-cursors to success were listed as: maintaining domestic markets, ensuring solidarity between the members, adherence to *Dina*, and quality control;
- 60% of the members held knowledge of the *Dina* and what it entails. Most members were therefore able to outline the key rules and regulations such as, theft, the terms of studio use, and the 10% commission to be contributed to the communal pot. Members however, were unaware of the general member representatives, and thus their voting rights.
- As of present, the general members have only accessed the studio for meetings as requested by the business members and project staff. None of the members have utilised the studio for completing products. This progress is in line with the Terms of Expansion which states that general members will only gain access to the Studio after attending intensive embroidery training sessions throughout April and May.

The data collected from the semi-structured interviews provides a baseline for this initial stage of Phase IV against which to measure future progress. These responses are particularly useful for project staff going forward as they seek to determine priority areas for training and capacity building activities. It is evident however, that not all of the general members have been fully informed of the content of the updated *Dina*. Going forward, meetings will be held with all Cooperative members at the end of April to ensure that all members are aware of the *Dina*. Following this, a copy will be placed on display in the studio to ensure all members can refer to it.

### *4.4 Annual Assessment for business members*

A condensed version of the annual assessment was carried out to assess the progress of Phase IV at the six-month mark, with all 21 business members. Five semi-structured questions were asked surrounding: current views of the Cooperative; dissemination of the *Dina* to business members and general members; the project assistant's role; and the future of the Cooperative.

## Annual Assessment Results

### *Cooperative Expansion*

Overall, the business members had a positive outlook on the Cooperatives expansion; 57% highlighted that the group dynamics and Cooperative productivity has not experienced significant changes so far because "they know how to get on well with each other". A further 15% believe that the incorporation of general members within the studio will actually strengthen the Cooperative over the next six months. One member stated that, "the Cooperative is improving as we are producing more products", whilst another member emphasised that she is "happy for the new general members to start as they get on very well with each

other". The group dynamics will constantly be monitored in the coming months as general members gain access to the studio.

#### *Dissemination of Dina*

Furthermore, all of the business members were aware of the content within the *Dina* and Terms of Expansion, and they all displayed an understanding of their role in ensuring adherence to the *Dina*. Multiple members emphasised that "every one of the business members will ensure the *Dina* is enforced". All 21 business members highlighted its success so far and stated that, as of present, "the *Dina* has been observed" and "all people play their role". Beyond this, members were very motivated to inform the general members of the contents of the *Dina*.

#### *Independence*

With the project assistant going on maternity leave in mid-April, a particular focus was placed on discussion of her role going forward. Whilst members cited a host of roles predominantly undertaken by the project assistant such as: English Teaching, making sales, networking, translation, and supervision, the response to absence was positive. A total of 66% of members expressed motivation to work towards self-sufficiency. All members claimed that the Cooperative is increasingly independent, with one stating, "we will try hard and make an effort to do everything when Paula is not here". Other members emphasised that they are "confident as they have tried to learn what Paula has taught them and they like their job so they will make sure they continue it". One member even believed that the project assistant's absence will motivate the members more as it will "make them learn things more". Whilst the members have expressed motivation to carry out future tasks independently, it is clear that many still remain dependent on the project assistant's expertise. In May, project staff will assess the strength and weaknesses of the management roles within the Cooperative to ensure that management tasks are carried out adequately in the project assistant's absence. Following this, the business members will be encouraged to develop their own strategies to ensure that all management roles are carried out effectively.

#### *Challenges*

The annual assessment highlighted that 76% business members experienced a reduction in income over the past three months. One member says, "inside the studio nothing has changed, but the income is less because there are less *Vazaha* (foreigners)". This particular challenge is similarly reflected in the sales data in the sales report (see section 3). Furthermore, households in Sainte Luce are experiencing more challenges than usual due to a change in the national closed season for lobster catching, from October to December, to January to March. The majority of the Cooperative members' husbands are fishers, and thus their income across this period is significantly reduced. This challenge is further compounded by the closure of Manafiafy Lodge, which sees a natural decrease in Stitch sales due to a reduction in tourists. This seasonal fluctuation in household income, both from Stitch and fishing, highlights the need to continue researching and establishing domestic markets and partnerships in order to establish more consistent and reliable markets throughout the year. Going forward project staff will consider ways to utilise this historical data to assist the Stitch members with financial planning ahead of any anticipated lean periods.

#### *Future of the Cooperative*

Lastly, all 21 business members were positive that the Cooperative will remain strong in five years. Most however, highlighted that its future success will depend on: solidarity among the business and general

members; stable domestic volunteer and tourist markets; maintenance of international sales; and successful capacity building.

## **5. Next Steps**

### **Outcome 1: Expansion of the Cooperative**

This outcome was successfully achieved within the first three months of Phase IV. The Cooperative has now reached full capacity with the incorporation of 93 general members. The number of members will be monitored closely by project staff over the next six-months to ensure the transition is as smooth as possible, and that any issues that arise are addressed early on.

### **Outcome 2: Strengthening the Cooperative through Skills Training**

#### Train the Trainer

Four additional train the trainer sessions will be delivered, which will run alongside the new member training and focus on the effective planning and delivery of workshops. The Train the Trainer approach and the ensuing four sessions will continue to provide the members with a tool to develop and carry out their own self-evaluation processes within the Cooperative.

#### Skills Training

An in-depth skills training plan will be developed by the project specialist and the Stitch project assistant based on the results from the skills assessment. Skill training sessions will consist of multiple workshops targeting a select number of business members, identified through the needs assessment.

Participatory and inclusive activities will be carried out with six business members at the end of April to provide an insight into the business members' vision of the Cooperative and the skills they wish to develop going forward. The end goal however remains unchanged and business members are expected to have the capacity to independently run the Cooperative by October 2019.

Embroidery training sessions will also be run for the newly joined general members, alongside the Cooperative management training sessions. The general members have requested that embroidery trainings begin in mid-April and run every weekday for a duration of two months.

#### English Language Training

Despite incremental progress in English levels over the past few years, English competency is still recognised as skill essential to develop for independence. Project staff have thus been carrying out extensive research to identify new channels that will allow for more consistent and effective English language training. A new English language strategy is currently under development in consultation with business members and is expected to launch in May 2018.

#### Internal Monitoring Systems

At the end of April, a participatory 'road map' will be developed with six business members that will provide an adequate timeline for self-evaluation, and provide dates for regular internal monitoring of



material quality, finances, sales, and stock. The business members will take full ownership of this process, and will be responsible for monitoring progress on a regular basis.

### **Outcome 3: Consolidating a Sustainable Business through Expanding Domestic Markets**

#### Market Research

Project staff will continue to work closely with the Cooperative to identify and reach out to potential viable opportunities that target tourists and volunteer tourist markets. The next 18 months of the project will be initially focused on carrying out research into local, regional and national market opportunities. Following the identification of viable market opportunities, the target is to pilot six domestic retail opportunities and to establish three as permanent outlets. This process will be carried in cooperation with the members of the Cooperative, aiming to provide the women with the confidence necessary to continue to independently network and develop relationships, in time for trial independence. Simultaneously, the international sales coordinator will continue to look at building retail partner relationships with small shops and boutiques who sell similar artisanal products. Project staff aim for this to be a longer term and more sustainable route to market than holding small market stalls.

#### Research Trips

Research trips are currently in the planning stages, and desk-based research is being carried out to identify potential markets. Two trips are expected to be carried out by the project staff between months seven and 12 of Phase IV. Further research into tourist hotspots across Madagascar will also inform three additional trips between months 12 and 18, in preparation for trial independence in the last six months of the project phase. Over the remaining year and a half, business members will be expected to increasingly take ownership over the planning and development of these trips over the next year.

#### Building Stitch's Brand

Work will continue to re-design and develop Stitch as a brand, with project staff assisting the Cooperative to design and develop marketing and promotional materials for both domestic and international use. The key aim of rebranding is to develop materials that can be distributed to potential outlets, thus increasing domestic market reach. The branding exercise will be a fully participatory process, ensuring the Stitch members have full ownership over the process.

#### Business Plan Development

Long-term sustainability will only be achieved if members of the Cooperative are motivated to develop their own long-term business plan. In April the project team will support six business members to develop a visual 'road map' with outlining the necessary steps, milestones and deliverables necessary to ensure the Cooperative's long-term success. This process will be collaborative and contextually appropriate to enable the effective development of a long-term plan for the Cooperative.