

AIACA: Report of Activities from April 1, 2006 to March 31st, 2007

1. **Strengthening Network:** AIACA has continued to build ties with its member NGOs across the country, building their capacity to advocate on issues at the state level and to flag issues that need to be taken up by AIACA at the national level. A full-time administrative manager was hired to interact regularly with network members and to send information based on AIACA's research to them as well as get their feedback on developing AIACA's ongoing work-plans and goals. AIACA has also created a web-site www.aiacaonline.org to enhance dissemination of information on its ongoing activities.

2. **Functioning of Committees:** AIACA has continued to hold regular meetings of its Handloom and Access to Credit Committees that develop research agendas and guide AIACA's work based on their grass-roots activities. The Handloom Committee – headed by Dastkar Andhra - has met twice during the past year and has been overseeing a research project looking at the status of cooperatives in Andhra Pradesh and looking at potential reform measures.

However, we have found that smaller organizations are so far unable to engage with policy issues as part of the committees, and the initiative is being taken by larger organizations that have the capacity to designate full-time staff to follow-up on policy research and advocacy activities. Therefore, AIACA has decided to reconstitute and combine its three committees into one Research and Advocacy Committee. This committee will consist of 6 member organizations and up to 4 research experts in various fields that will assist AIACA in setting and implementing a research and advocacy agenda.

3. **Research Studies and Case Studies:** AIACA's baseline study on Credit Flows to the Handloom Sector was launched on April 26th, 2006. The following research projects have been taken up during this reporting period:
 - a. As a follow-up to the baseline study on credit flows to the handloom sector, AIACA has initiated a study that consolidates the financial statements of Handloom Cooperatives in Andhra Pradesh and conducts various analyses to recommend reform measures needed to restore functioning cooperatives to financial viability. The study is expected to be completed in August 2007.

 - b. A baseline study exploring the different employment figures advanced by various actors and the methodologies used to arrive at these figures was completed during the year in collaboration with the National Council of Applied Economic Research (NCAER) and

- launched by Ms. Syeda Hameed , Member-Planning Commission, at a panel discussion held on February 22nd 2007. The study also made recommendations on steps that need to be taken to improve data collection on the handloom sector.
- c. A study under the Handloom Committee, that looks at governance and performance issues in cooperatives in the State of Andhra Pradesh and suggests reform measures, has been completed and will be launched in June 2007.
 - d. Two case studies on functioning and non-functioning cooperatives in Andhra Pradesh and Karnataka have been completed in this period.
 - e. A case study on the Varansi Weaving Cluster, highlighting the key bottlenecks faced by weavers in the sector and suggesting reform measures was completed and launched on 4th April 2007.
4. **Regular interactions with the Office of the Development Commissioner Handlooms, Office of the Development Commissioner Handlooms and the Planning Commission:** AIACA has continued its efforts to educate policy makers on the ground realities and the problems faced by handloom weavers and craft workers through establishing regular interactions with the office of the DC Handlooms, the office of the DC Handicrafts and the Planning Commission.
5. **Wholesale Product Catalogue for Craft Producer Groups:** AIACA created a wholesale product catalogue and hired a trade representative in the United States to generate orders for crafts producer groups under the Craftmark Initiative. The catalogue was well received and we have managed to generate orders worth Rs. 2,96,970 (\$7,070) and to build relationships with commercial buyers in the United States.
6. **Building a Business Development Service Provider Database:** A key lacuna in the sector is the difficulty faced by crafts groups, especially those in rural areas, to hire specialized expertise to help them in tackling constraints to growth. To address this, AIACA has created a formal database of service providers in specific areas - including design, technology suppliers, marketing and supply chain logistics, and financial expertise – and is making the information widely accessible through this web-site. AIACA identifies potential service providers, and evaluates them based on their work history and references before adding them to the database.

7. **Collaboration with Aid to Artisans (ATA) to offer marketing assistance to selected groups:** AIACA developed a partnership with Aid to Artisans (ATA), an international crafts support NGO, to jointly develop an Artisan Enterprise Development Alliance Program (AEDAP) in India. ATA (www.aidtoartisans.org) is an US based organization which works with artisan groups all over the world. ATA assists artisan groups by providing various inputs that help in accessing local, regional and international mainstream commercial markets.

AIACA's role in the partnership is to identify and recommend crafts groups for inclusion in the program based on their current operating level, potential for growth, ability to participate in the program and commitment to making the changes required to sell to commercial buyers. AIACA will also be providing logistical and managerial support for the program components that will be carried out in India.

We have already held one round of the AEDAP program, where 8 organizations out of 40 applicants were chosen through a competitive process based on their willingness to pay a percentage of the program costs and to institute organizational changes required to operate in a more professional manner. The response to the program has been strong, with additional crafts organizations expressing an interest in joining and willing to pay a substantial participation fee of up to \$350 (Rs. 14,700).

8. **Developing a Pilot Project for Community Owned Companies (COCs):** AIACA has been involved in detailed negotiations over the past year to develop and implement a project to create a new model of livelihoods promotion by creating community owned, professionally run companies in rural areas that will be the focal point of production and sales of crafts in their respective regions. The project is a partnership between AIACA and FabIndia. FabIndia is negotiating with venture funds and mainstream financial institutions to provide debt and equity funding for the companies.

AIACA held multiple meetings with project partners and did desk research and field visits to identify potential participants and geographical areas where the pilot project could be launched. The project is now underway – with Ford Foundation support - and AIACA's main role is to develop a template for the creation of these companies, conduct action research to refine the model and help distill replicable lessons, help identify and train the CEOs of the COCs, and develop additional sales for these companies through the Craftmark Initiative. AIACA has tied up with the International Management Institute [www.imi.edu] to develop and implement a comprehensive training program for the CEOs of the COCs.