

Report of Activities from April 1st , 2007 to March 31st 2008

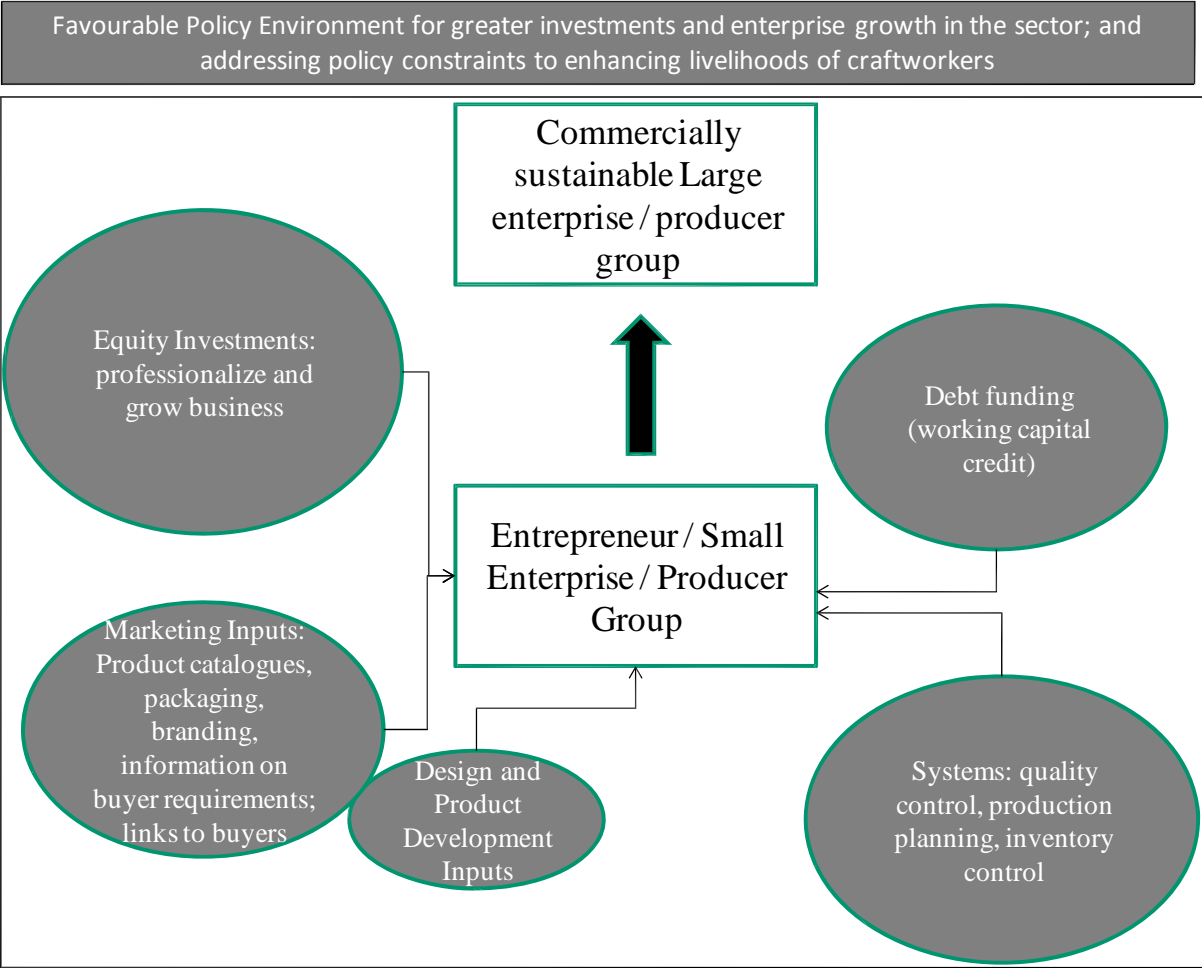
AIACA has made significant progress towards building itself as a national policy research and advocacy network for the handloom and handicraft sectors [hereafter referred to together as the crafts sector]. Over this period, AIACA has reached a membership of 65 crafts organizations with an additional 25 members being involved in AIACA's activities through the Craftmark Certification Initiative. In addition to expanding the Craftmark Initiative to cover a larger number of craftworkers, AIACA carved out spaces for policy advocacy through commissioning research on topical issues affecting livelihoods in the crafts sector and holding workshops to discuss and disseminate these reports to policy makers. Currently, AIACA regularly interacts with and plays an advisory role in various policy arenas affecting the crafts sector, especially the two nodal bodies relating to the sector: the Planning Commission and the Ministry of Textiles.

As AIACA's policy research and advocacy program has grown, there has been increasing feedback from member organizations that there is the need to undertake more concrete interventions that help identify new mechanisms and models through which crafts producers can be connected to the market; and put in place capacity-building initiatives that actually facilitate marketing and sale of craft products. In response to such feedback, AIACA has started more initiatives that seek to directly assist craft producer groups to connect to mainstream markets. These initiatives include a tie-up with Aid to Artisans (ATA) to provide design and marketing support to groups and connect them to commercial buyers in the United States and in India; a tie-up with FabIndia to pilot Community Owned Companies in crafts production clusters; and setting up a BDS database to connect producer groups to the required professional expertise.

AIACA's growth plan over the next three years is to develop operational capacities to provide a range of business-development inputs required by small enterprises to expand their operations and become commercially sustainable (See Figure 1 below).

Over the next three years, AIACA is proposing to continue its work on policy research and advocacy while scaling up and strengthening direct support services to producer groups to build their capacity to connect to mainstream markets. Figure 1 below illustrates the framework within which AIACA is seeking to build its interventions in the sector.

Figure 1: Framework for AIACA Interventions



The following are the main activities undertaken during the year:

1. **Community Owned Companies (COCs)** – This year, AIACA initiated implementation of the Community Owned Companies project in collaboration with FabIndia. AIACA is participating in 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 FabIndia and AIACA. FabIndia, in turn, has tied up with venture capital funds and mainstream financial institutions such as ICICI and Yes Bank to provide debt funding to the companies.

AIACA is the development-sector partner in the project and will help in creating a template for the formation of these companies; help identify and recruit professional staff for them; assist in training the professional staff and artisans in the dynamics of running a professional company; and help the companies in increasing sales through the Craftmark Initiative. Over the next three years, AIACA will also work toward developing and testing mechanisms through which shares in these companies can be traded more widely. In carrying out these activities, AIACA's overarching goal would be to develop, field-test, refine and disseminate a new model of connecting rural producers to mainstream markets. AIACA is seeking to expand the initiative and work with other retailers in addition FabIndia.

During the year, AIACA worked with FabIndia to help start-up COCs in the following areas:

District, State
Jodhpur & Jaisalmer, Rajasthan
Jaipur, Rajasthan
Bhuj, Gujarat
Chanderi, Madhya Pradesh
Murshidabad, West Bengal

AIACA also implemented a training program for managers of these COCs in collaboration with the International Management Institute in Delhi. 13 training modules covering a wide range of business specific functions were implemented during the year. The topics for the modules included: Basic Management Issues, Basic Communication Skills and computer usage, Production and Timelines, Human Resource Management, Costing and Pricing, Quality Control and Product Marketing.

2. Craftmark Initiative: AIACA has been continuing its focus on expanding the Craftmark initiative.

AIACA organized an exhibition titled “Authenticity!” to highlight genuine craft traditions from across India and the problem of craft fakes available in the market today. The exhibition was held in the Gandhi-King Plaza at the India International Centre from the 18th to the 23rd of February.

In March 2008, under the Craftmark banner AIACA organized a sale and exhibition for 5 Craftmark members in Bangalore. The event highlighted Craftmark initiative and how it’s assisting craft groups to brand and market the products. It generated sales worth Rs 2,84,000 and potential leads for 2 craft groups for orders. Participating enterprises paid a fee of 10% of the total sale. AIACA plans to organize 1-2 such events every year in different cities.

- **Annual Craftmark Product Catalogue** – The second iteration of the Craft Annual product Catalogue was produced this year. This year, AIACA focused on expanding the selection to include a range of non-textile groups. The catalogue was very well received by buyers and has helped AIACA significantly toward the objective of establishing the Craftmark as an overarching brand that can help serve as a gateway for rural producer crafts groups and entrepreneurs to reach mainstream markets.

3. AEDAP Program - Under the Artisan Enterprise Development Alliance Program (AEDAP), AIACA - in partnership with Aid to Artisans (ATA) - assists artisan groups by providing various inputs that help in accessing local, regional and international mainstream commercial markets. This year four new groups were added to the program: Kala Raksha, Saha, DevBhumi (ATI) and BVS Chanderi. Product development workshops were help on-site at these four groups and new product lines developed were showcased at the India Handicrafts Gift Fair (IHGF) help in February 2008.