

CRAFTS CODE Action Plan for EOI Fundesarte

Action Implementation Plan for Craft Companies



**Programa de creación
de una empresa
artesana**

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Table 1. Spanish partner contact details

Project	CRAFTS CODE – Creative Actions For Tailoring SMEs’ Competitive Development
Partner	Fundación EOI – Fundesarte
Country	Spain
NUTS2 Region	Community of Madrid
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1. POLICY CONTEXT

Initially, the political instrument targeted by the CRAFTS CODE project in Spain was the Multiregional Operational Programme for Spain 2014-2020-TO3. However, the programme framework of this instrument has expired, so this Action Plan will be aligned, with the following financial instruments:

- ✓ the European Social Fund (ESF) Operational Programme for Employment, Training and Education **CC12014ES05SFOP002** and EOI Foundation (School of Industrial Organisation), linked to the Ministry of Industry, Trade and Tourism, for Action 1;
- ✓ the Spanish Government General Budget for Action 2.

The training in Action 1. “Craft business creation, competitive positioning, and enhancement programme” is included in the ESF Operational Programme for Employment, Training and Education CC12014ES05SFOP002, for the promotion of sustainability, job quality and labour mobility, and all these under the framework of the investment in growth and employment objective for all Spanish regions, approved by EU Commission Decision date 17th December 2015 and modified by the Commission Executive Decisions dated 14th December 2018, 19th December 2019 and 1st December 2020.

This action is included in the Priority Axe 1 objectives “Promoting the sustainability, job quality and labour mobility” and the Investment Priority 8.5 “Adapting workers, businesses and entrepreneurs to change” of the Operational Programme mentioned above. More specifically, it is included in the following Specific Objectives and Measures:

Specific Objective. 8.5.1. “Adapting workers skills to the labour market needs and improving its bargaining power to ensure their employment and professional development”.

Measure 8.5.1.2. “Training to improve business competitiveness regarding innovation, development and improvement of new products and services”.

13 training programmes, including 9 about craft business creation and 4 about craft business competitive positioning, and enhancement, are included in this funding framework. These programmes will take place between September 2022 and June 2023

across all regions in Spain (less developed, in transition and most developed). Each programme will cost 35.000,00 euros, totalling 455.000,00 euros for Action 1.

This training will be funded by the ESF Operational Programme mentioned above (80%-50% depending on the region's classification) + EOI Foundation (20%-50%), through the funds it receives from the Ministry of Industry, Tourism and Trade to develop its activity.

Action 2. "Crafts Observatory" will be funded through the Spanish Government General Budget, which includes 163.660,00 euros for EOI Foundation, for the promotion of creative sectors. The Spanish Government budgeted this in the account 20.08.421M.442 in 2021 and 2022. Fundesarte, the crafts promotion department at EOI Foundation, manages this funding and distributes it among the several activities carried out throughout the year.

Two significant changes can be noted in this new stage of the Observatory. On the one hand, Fundesarte took on the Observatory's Secretariat since November 2021, with all its coordination, organization and monitoring activities, file keeping and communications. On the other hand, the Observatory expanded some of the actions it was already carrying and developed new ones, coordinated from the Secretariat. Fundesarte needed to increase the budget for the Observatory for this. This will be detailed in the paragraphs on activities, costs and calendar for Action 2.

2. SWOT ANALYSIS OF THE CRAFT SECTOR

A SWOT Analysis of the craft sector was prepared based on an extensive review of the literature. The result was endorsed by a consultation (online survey) of 55 actors related to the craft sector in Spain: Public Administrations with responsibility on ruling in crafts, craft organisations/centres/guilds and arts and crafts schools (see Annex). Most of these were stakeholders of the CRAFTS CODE project who participated in the thematic meetings developed during it. This high participation, involving a large majority of the sector, contributes to the robustness and validity of the results obtained. It is also worth noting the majority support of all the actors participating in the SWOT consultation being presented.

SWOT provides an internal analysis, focused on identifying the strengths and weaknesses of the craft sector, and an external analysis, focused on identifying the opportunities and threats in the sector. This was completed, endorsed and prioritised by the actors related to the sector participating in the consultation.

To interpret the SWOT Analysis results adequately, the concept of degree of agreement is introduced. This is associated with the percentage of participating actors who totally or partially agree with an item related to weaknesses, threats, strengths and opportunities; this is so the item in question can be considered more or less important or widespread according to the percentage.

This methodological component facilitating interpretation of the results is extremely useful to determine the following: 1) The most important weaknesses, to determine the areas for initial action; 2) The strengths related to areas the sector has been developing, and, therefore, those to continue to be promoted and strengthened; 3) The opportunities to be taken into account in these areas where action is to be given higher priority; to take advantage of their momentum for the benefit of the sector; and 4) the threats to be neutralised or counteracted in the areas of intervention.

Weaknesses of the craft sector

The results related to weaknesses in the craft sector offer a clear testimony of which are the priority problems for its stakeholders in the sector and, therefore, which must be preferentially addressed in the actions within the framework of this proposed Action Plan.

Thus, the Weaknesses part of the SWOT (**Error! Reference source not found.**) is divided into three colours, referring to interrelated sets of priority weaknesses.

Those in light blue are considered the most important weaknesses to be addressed by the actors consulted: (1) lack of business skills to develop a business model, strategy and management in craft companies. This weakness is related to others also indicated as among the first to be considered: (5) and (6), which indicate a lack of digital skills to take advantage of digitisation (specially to access the digital distribution channel) and the small average size of craft companies (e.g., low profitability and difficulties in accessing financing). Therefore, it follows that a priority action is related to a training programme in business management, with aspects related to digitisation occupying a prominent position.

Dark blue is for other significant weaknesses for the actors consulted: (3) decentralisation of powers in 19 autonomous administrations and the lack of a common body to unify efforts. This, in turn, is also related to weakness (7), regarding the low participation of the sector in public policies to support SMEs. The result advises taking action to promote the creation of a coordinating forum for the efforts made by the different public administrations with powers in the sector, to share experiences and take steps to offer a benefit that the sector as a whole can take advantage of, grow with and consolidate. It can also serve as a forum for the craft sector actors to meet, participate and exchange ideas among themselves.

Lastly, orange is for the weakness that the actors indicated regarding (2) insufficient capacity to position Spanish craft products in foreign markets. This points to the need for actions in support of internationalisation and improvement of the foreign positioning of the Spanish craft sector.

Strengths of the craft sector

Once again, as with the Weaknesses section, the strengths section of the SWOT analysis (**Error! Reference source not found.**) has three colours linked to the strengths the craft sector has been developing in the aforementioned weakness areas. This means that, although the actors consulted prioritise weaknesses related to the lack of skills, there is also a lack of a common body to unify efforts and the sector's limited capacity to internationalise. In these areas, there are also strengths in the craft sector that can serve as references for their continued promotion to contribute to overcoming these identified weaknesses.

In light blue, the strengths of the sector related to digitisation and the use of the digital channel appear, (2) and (8). These indicate that the digital channel is opening up new opportunities for the sale of products, training and promotion in the sector, and that there are leading companies in the sector using the digital channel to improve sales. These references are an indication of the importance of improving skills to help take advantage of the digital channel to increase sales, and, therefore, continue to strengthen the sector.

The dark blue colour, however, is linked to the strengths that the sector has related to collaboration and coordination with other actors and sectors, such as (7). This relates to

the progress in the integration of the craft sector in other sectors, such as tourism, household and culture. This is also a reference demonstrating that collaboration between actors is an added value to be strengthened in the sector, so having and developing a meeting forum to magnify the possibilities of collaboration and exchange is essential in this task.

The orange colour represents strengths related to positive aspects of the craft sector in view of its positioning in foreign markets, (3) and (5). These present the Spanish craft sector with a remarkably diverse range of quality products and Spanish craft products valued well at both the national and international level. These are undoubtedly essential references to continue to be promoted so that the international positioning of Spanish crafts extends to the entire sector.

Opportunities for the craft sector

The results regarding opportunities can be interpreted as a roadmap for the actions to be implemented preferentially and to take advantage of these opportunities identified for the craft sector in the next decade.

The SWOT Opportunities section in (**Error! Reference source not found.**) has the same three colours linked to the areas where actions to overcome the main weaknesses identified by the actors consulted is clear. The first of this series of opportunities is related to the improvement of business and digital skills within the sector, marked in light blue, (6), (7) and (9), related to adding training through workshops or immersive experiences in craftsmanship to production. This can provide employment opportunities for persons of creative profiles who want to produce sustainably and as an entry for new profiles from related university degrees (e.g., architecture, design, and fine arts).

Dark blue represents the opportunities open to the sector provided by a meeting, exchange and participation forum, (1) and (8), which continue to explore possibilities of collaboration with related sectors (the opportunity most valued by the actors consulted) and to take advantage of the good prospects of national family tourism to explore the provision of services in workshops.

Meanwhile, orange shows the opportunities to promote the internationalisation of craft companies, (2) and (8), related to the advancement of a more responsible and selective consumption in developed countries, exploring the possibility of integrating crafts into the “Spain brand”.

Threats for the craft sector

These results must also be assessed as part of the roadmap to follow the actions to be implemented and prioritised to neutralise or counteract the threats in the craft sector for the next decade, in addition to those indicated in the previous section in Opportunities.

Thus, in the Threats part of the SWOT (**Error! Reference source not found.**), the threats (1) and (2) in particular are worth noting, related to the ageing of professionals in the sector, a lack of generational change-over and the disappearance of small businesses in cities, with the consequent loss of a distribution channel for craft products and a change in local purchasing habits. These must be counteracted, firstly, by improving business skills that especially encourage new entrepreneurs to join the craft, so that the critical mass to ensure generational change-over can be created. Secondly,

a specific improvement of digital skills to facilitate the use of the digital channel to increase sales in the sector, both nationally and internationally, is required.

Table 2. SWOT analysis of the Spanish craft sector. Year 2022

WEAKNESSES	STRENGTHS
<ul style="list-style-type: none"> ▪ Lack of business skills to develop business model, strategy and management in craft companies (90.8%). ▪ Insufficient capacity to position Spanish craft products in foreign markets (85.1%). ▪ Decentralisation of powers in 19 regional administrations. Lack of a common body to unify efforts (83.1%). ▪ Absence of product qualification and quality standards (81.4%). ▪ Lack of skills to take advantage of digitisation (specially the digital channel) (81.4%). ▪ Small average size of craft companies (e.g., low profitability and difficulties in accessing financing) (75.9%). ▪ Little participation of the sector in public policies to support SMEs (75.9%). ▪ Insufficient differentiation of craft products (competition with lower quality industrial products) (74.1%). ▪ Shortage or mismatch of training with the needs of craft companies (74.1%). ▪ Little incorporation of design to craft products (68%). ▪ Few associations in the sector (57.4%). 	<ul style="list-style-type: none"> ▪ High degree of customisation of the craft product or service (90.7%). ▪ The digital channel is opening up new opportunities for the sale of products, training services and for the promotion of the sector (87.0%). ▪ The Spanish craft sector has a remarkably diverse range of quality products (85.2%). ▪ Progress has been made in recent years in incorporating design and new trends into the products (81.5%). ▪ Spanish craft products are well valued at a national and international level (81.5%). ▪ The singularity, specialisation and differentiation of craft products compared to the homogeneity of industrial products is increasingly appreciated (81.5%). ▪ Progress has been made in integrating the craft sector into other sectors such as tourism, household and culture (77.8%). ▪ The sector has significant references in the use of the digital channel: some craft companies have managed to incorporate the digital channel (e.g., in online sales and social networks) into their businesses with a strong impact on sales (75.9%). ▪ Great adaptability of the sector to change due to its business structure (50.0%). ▪ Ease of introducing product and commercial innovations linked to its production flexibility (48.1%). ▪ The sector has significant references in successful internationalisation processes (some craft companies have a very high export quota) (46.3%).

THREATS	OPPORTUNITIES
<ul style="list-style-type: none"> ▪ Ageing of professionals in the sector and lack of generational change-over (77.8%). ▪ Disappearance of small businesses in the cities (loss of the distribution channel for craft products and a change of habits in local purchases) (77.7%). ▪ Trends in the consumer goods sector that harm craft products: <ul style="list-style-type: none"> • Possible drop in demand for "non-essential goods and services" due to uncertainties and the economic impact of both the pandemic and the War in Ukraine (72.2%). • Return to the consumption of low-end products in personal equipment and household due to the loss of personal income (66.7%). ▪ Possible permanent reduction in the number of foreign tourists (64.8%). ▪ Perception of the craft sector as in decline by those responsible for public policies, which implies a lack of consideration for it (61.1%). 	<ul style="list-style-type: none"> ▪ Continue exploring possibilities of collaboration with adjacent sectors such as tourism, culture, hospitality, and general industry (92.6%). ▪ Trends in the consumer goods sector that favour craft products: <ul style="list-style-type: none"> • Advance of "Slow made" goods in Western countries, implying more responsible and selective consumption (84.9%). • Growing appreciation of local products due to environmental sustainability (84.9%). • Trend towards increasing product innovation based on a better understanding of customer needs and expectations (83.0%). • Increasing alternatives to improve the exclusivity and durability of products (co-creation, customisation, clothing rental, buying used clothes) (66.1%). ▪ Possibility of integrating crafts in the "Spain brand" (81.5%). ▪ Possibility of adding training via workshops or immersive experiences in crafts, to add to production (81.5%). ▪ Employment opportunities for persons with creative profiles who want to be involved in "slow", sustainable production (also in rural environments) (79.6%). ▪ Good prospects for national family tourism, which opens up new possibilities for the provision of services in workshops (79.2%). ▪ Entry of new persons into the craft sector from related university degrees (e.g., architecture, design, and fine arts) (76.0%).

3. ACTION PLAN FOR CRAFT COMPANIES

Action 1. Craft business creation, competitive positioning, and enhancement programme

Background

The CRAFTS CODE project has been helpful in providing practical examples of capacity building in product development and marketing for craft businesses. The *Building Craft and Design Enterprise* (BCDE) good practice in Ireland is particularly inspiring in this regard.

BCDE was presented at the second Interregional Thematic Seminar (STI) that took place on December 16-17, 2020. This is a programme to provide business planning and vision to craft and design companies, covering both product and business development areas. The methodology is based on eight workshops, two individual mentoring sessions and a visit to a craft fair.

The results of the BCDE are encouraging. Many graduates who produce high-end batch production and collectible works are flocking to international markets and exhibiting at international fairs. Some of them have also launched new ranges of products and processes.

In addition, a programme like the BCDE fits perfectly into the reality of Spanish craft SMEs in two ways: attacking their weaknesses and leveraging opportunities. According to the SWOT carried out, 91% of the entities surveyed indicate a major weakness in the sector is its lack of business skills to develop business models, strategy and management. In particular, 82% point to a lack of skills in taking advantage of digitisation; 86% are aware of the advantages and 77% know examples of success from increased sales. All this is occurring in a context in which the disappearance of small businesses in cities implies the loss of one of the main distribution channels for craft products, along with a change in local purchasing habits (this is, in fact, indicated as a threat for the sector by almost eight out of ten respondents).

Given the above, the EOI Foundation's handicraft promotion area, Fundesarte (PP5), wants to transfer the Irish experience to the Spanish context. The Spanish programme will share the objective of improving competitiveness through the strengthening of management and business development skills, insisting on the opportunity that digitisation represents, not only in distribution but also in the promotion of the product and the sector, and in the customer relationship through intelligent use of data. Similarly, the Spanish project will have the same methodology as the BCDE, based on workshops and tutorials, but will increase the number of mentoring sessions per student from two to five.

Finally, the potential success of an initiative of this type in Spain is supported by the previous experience of PP5. Fundesarte has transferred the 'Hothouse' programme developed by the UK Crafts Council, thanks to funding from Creative Europe. This programme, launched between September 2020 and November 2021, focused on creating business skills, generating income and supporting marketing and promotion in craft micro-enterprises. The content was business models, finance, marketing strategies, product development, business growth, internationalisation and digitisation. The first two editions of the programme were highly valued by the 29 participants from all over Spain (with evaluations of 4.6 and 4.4 out of 5, respectively). The 3rd edition began in April, with 30 new students from all over Spain.

Description of the Action

The craft business creation, competitive positioning, and enhancement programme aims to improve knowledge in marketing and commercialisation, business management, digitisation, design, and innovation for Spanish craft SMEs to improve their competitiveness. The Programme will consist of a total of 13 training programmes, 9 training programmes on the creation of craft enterprises and 4 training programmes on competitive positioning and enhancement of craft enterprises. Each training programme will be delivered online for 30 students belonging to some of these categories:

1. Craft business creation training programme: Persons who want to start a craft business from scratch.
2. Craft business competitive positioning and enhancement training programme: Craftspeople who want to professionalise their projects.

Each training programme will consist of 60 hours of teaching and 5 hours of mentoring per student¹, detailed in the following table:

Table 3. Craft business creation, competitive positioning, and enhancement programme

Module	Description and objectives
0. Foreword	The participating artisans are intended to enter into the dynamics of the course. In addition, the foundations for a company in the creative sector are established (and the extent to which creativity should be applied both to the work itself and to the business), with the opinions of those participating being shared.
1. Business Models	It is intended that those who participate learn to develop an innovative business model from knowledge of the customer. It is about mastering basic business model concepts and tools and beginning to apply them. The starting point is a current reflection before drawing up a 2-year strategy.
2. Financing and accounting	The objective is for participants to become familiar with the economic and financial management of the craft company as a key aspect for its sustainability, since ignorance of this limits business growth and adequate remuneration for both the financial investment and especially the time and talent of the artisan. It insists on the calculation of margins.
3. Marketing and commercialisation	The module addresses the keys to developing a marketing plan for a craft company based on the discussion of marketing strategy principles and a review of tactical communication alternatives in traditional and digital media. A strategic vision of how to market the products is offered. Participants do a profiling of the market and customers to establish the appropriate channel to maximise the business.

¹ Three mentorships throughout the course (the first of which is with the Director - in charge of Module 1 on business models; with the following two with teachers of the student's choice) and two sessions four months after completing the course.

4. Product development	Design is introduced from the perspective of function and form, considering aspects of sustainability, production planning and time management techniques.
5. Digitisation: a key component	The aim is to raise awareness of the fact that digitisation goes far beyond internet sales. In particular, those participating will be informed about the importance of data, particularly in relation to the knowledge of both potential and real consumers. In addition, the opportunities offered by the Internet in the promotion of crafts, branding and distribution will be covered.
6. Growth and internationalisation	Possible strategies that artisans and craft companies have to grow and position themselves in the market, whether locally, nationally or internationally, are studied.
7. Final reflection	The experience of craft companies already operating will be sought to provide a differential value. The idea is to share their experience and reflect on how to make craft businesses viable. All participating artisans will make a brief presentation of their projects and, finally, a course evaluation survey is carried out.

(*) Craft business competitive positioning and enhancement programmes will be focused on improving the competitiveness factors of the business.

The full Programme will have 13 trainings distributed by regions all over Spain, to offer qualified training in business creation, competitive positioning, and enhancement to craftsmen and women from all over the country.

Table 4. Programme for craft business creation, competitive positioning and enhancement. Regional distribution of courses

Course	Regions	Number	Calendar
Craft business creation	1D Less developed regions - Extremadura	1	September 2022 – June 2023
	1C Regions in transition - Andalusia, Castile-La Mancha, Murcia, Canary Islands and Melilla	4	
	1B Developed regions - Asturias, Galicia and Ceuta	2	
	1A Most developed regions - Castile and Leon, Cantabria, Basque Country, La Rioja, Navarra, Aragon, Catalonia, Balearic Islands, Valencia and Madrid	2	
Craft business competitive positioning and enhancement	1C Regions in transition - Andalusia, Castile-La Mancha, Murcia, Canary Islands and Melilla	2	September 2022 – June 2023
	1A Most developed regions - Castile and Leon, Cantabria, Basque Country, La Rioja, Navarra, Aragon, Catalonia, Balearic Islands, Valencia and Madrid	2	
	TOTAL	13	

Actors involved

The actors responsible for the design, implementation and financing of Action 1 are shown below, along with their assigned functions.

Table 5. Responsible for the design, implementation and financing of Action 1

Table 5. Responsible for the design, implementation and financing of Action 1	
Actor	Functions
Fundación EOI – Fundesarte	<ul style="list-style-type: none"> ✓ Programme design ✓ Recruitment of teaching staff ✓ Promotion ✓ Coordination and management ✓ Online platform
Teaching personnel	<ul style="list-style-type: none"> ✓ Content management ✓ Teaching ✓ Personal mentoring sessions
European Social Fund EOI Foundation through the funds it receives from the Ministry of Industry, Tourism and Trade to develop its activity	<ul style="list-style-type: none"> ✓ Administration of European Social Fund resources (80%-50% depending on the region's classification) ✓ Administration of the budget for training (20%-50%)

The programme may be of interest to institutions and organisations in charge of crafts in the different Spanish Autonomous Communities. These may collaborate or repeat the programme in the future.

Specific activities and timetable

Below is the list of programme design, management, and implementation activities with a timetable for the craft business creation courses being held between September 2022 and June 2023.

Table 6. Action 1 Activities and implementation timetable

Table 6. Action 1 Activities and implementation timetable		
Stage	Date	Activity
Design and launch	May – July 2022	<ul style="list-style-type: none"> - Programme design - Promotion, including in related sectors (e.g., tourism and hospitality) - Launch of online platform - Trainers' recruitment
Selection of participants (*)	From July 2022 and ongoing	<ul style="list-style-type: none"> - Data verification - Application quality review - Selection
Implementation (**)	September 2022 – June 2023	<ul style="list-style-type: none"> - 0: Foreword - 1: Business Models - 2: Financing and accounting - 3: Marketing and commercialisation

		<ul style="list-style-type: none"> - 4: Product development - 5: Digitisation: a key component - 6: Growth and internationalisation - 7: Final reflection
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(*) Participants will be selected as the programmes for each type of region are published.

(**) Accordingly, the courses will take place after the participants are selected.

Costs and financing

The total expected cost of each training programme is 35.000,00 € distributed as follows. The total budget for the 9 business creation programmes and 4 business competitive positioning and enhancement programmes, as well as the total budget of the programme is shown below.

Table 7. Craft business creation, competitive positioning, and enhancement programme budget

Item	No of hours	Cost per unit	Total
Programme management	20	84	1.680,00 €
Training	60	90	5.400,00 €
Mentoring (5 x 30 students)	150	84	12.600,00 €
Blackboard platform supervision (weeks)	20	50	1.000,00 €
EOI Management			14.320,00 €
TOTAL - PROGRAMME			35.000,00 €
Item	No of courses	Cost per unit	Total
TOTAL – 9 TRAININGS ON BUSINESS CREATION	9	35.000,00	315.000,00 €
TOTAL – 4 TRAININGS ON COMPETITIVE POSITIONING AND ENHANCEMENT	4	35.000,00	140.000,00 €
TOTAL PROGRAMME			455.000,00 €

Risks and contingency plans

The main risks detected, their probability of occurrence, contingency plans and other comments are shown below.

Table 8. Action 1 Main risks and contingency plans

Risk	Probability	Comments and contingency plan
Not enough participants	Low	Previous experience of EOI-Fundesarte in the implementation of programmes of this type has yielded good participation data

Risk	Probability	Comments and contingency plan
		(the last edition had 64 applications for 30 places). In addition, the SWOT analysis reports on the entry of new profiles to the sector (e.g., from architecture and design) to whom the programme can be promoted.

Monitoring and indicators

The Action will be monitored throughout Phase 2. A series of training indicators and relevance verification scores (regarding the extent to which the project is suited to the needs of the students) is proposed: execution (level of achievement), results (compliance with short-term objectives) and impact (medium/long-term objectives).

Table 9. Action 1 monitoring and evaluation indicators

Level	Indicators	Verification sources
Relevance	<ul style="list-style-type: none"> - Number of applications for each available place - Gender distribution of the candidates (%) - Age distribution of the candidates (%) - Subsector distribution of the candidates (%) - % of students who consider the course contents to be adequate and up to date 	<ul style="list-style-type: none"> - Candidates
Implementation	<ul style="list-style-type: none"> - Number of students attending the course - Distribution by gender (%) - Distribution by age (%) - Distribution by subsector (%) 	<ul style="list-style-type: none"> - Participants lists
Results	<ul style="list-style-type: none"> - Number of students who finish the course - % of students who consider they acquired skills and knowledge 	<ul style="list-style-type: none"> - Participants lists - End of course survey
Impact	<ul style="list-style-type: none"> - Increase in the number of customers in the last year - Increase in the number of foreign customers in the last year - Increase in turnover in the last year 	<ul style="list-style-type: none"> - Graduate tracking survey (1 year after programme completion)

Action 2. Crafts Observatory

Background

In the CRAFTS CODE project, practical examples can be distinguished that reflect the importance of collaboration between key players in the sector when it comes to sharing knowledge, facing joint challenges, designing solutions and taking advantage of opportunities to improve the competitiveness of the craft sector.

Thus, the **CreAction (Finland)** and **MakeX (Italy) projects** were particularly inspiring. Both practices foster inter- and intra-sectoral collaboration. Referring to these two projects has special significance in the Spanish context. This is because the integration of the craft sector in other sectors, such as tourism, household and culture, represents a significant strength for the sector, which has been developing in recent years, as well as an opportunity to continue exploring new alliances with more and more sectors; as shown by the craft sector SWOT in the previous section and as endorsed by many of the actors related to crafts in Spain.

Thus, Fundesarte (PP5) would like to transfer the experiences of Finland and Italy to the Spanish context and take advantage of the collaborative experience of the craft sector in Spain with other sectors; to promote **the development of a forum for all types of actors related to crafts in Spain to meet, collaborate and participate together: the Crafts Observatory.**

More details of this connection between the experiences of Finland and Italy and the Observatory are described below.

CreAction

The CreAction project was presented during the first Interregional Thematic Seminar (STI) on innovation applied to business models and processes, held on May 12-13, 2020. CreAction, managed by Muova West Finland Design Centre, defines itself as a “learning environment” that brings together key players from different creative sectors, including crafts, to work on real cases and find opportunities for collaboration. Thus, the programme can also transfer craft knowledge and experience to other sectors, for example, industry.

CreAction exemplifies a way of increasing knowledge through contact between stakeholders and constitutes a reference for the philosophy supporting the Observatory. The knowledge and experiences shared by both CreAction and the Observatory are expected to promote opportunities for collaboration, both intersectoral and intra-sectoral, and innovative solutions.

MakeX

MakeX was presented during the 3rd STI on innovation, held May 10-11, 2021. MakeX is a regional digital manufacturing network and serves businesses (including creative and craft) seeking innovation and knowledge sharing. In practice, MakeX has a series of digital fabrication laboratories where creators, designers, craftsmen and experts - in mechanics, computer science and design, for example - can interact. The project is promoted by the Municipality of Cascina, financed by the Tuscany Region and coordinated by Polo Navacchio SpA.

This good practice once again illustrates the possibility of bringing together different actors to establish a two-way communication channel. By participating in the network - whether MakeX with its physical laboratories or the Observatory with its thematic

sessions - the stakeholders provide relevant information and knowledge which are, in turn, capitalised by the network itself.

There is one more extremely important reference for the Observatory, which is a learning framework and proof of its usefulness, which has existed for almost two decades. The Craft Observatory, promoted by Fundesarte and participated in by the representatives of each of the Autonomous Communities, Autonomous Cities and Provincial Councils with powers in the field of crafts, the National Craft Reference Centre and the Organisation of Artisans of Spain, OficioyArte, was launched in 2003. The Observatory, operating at that time according to a craft collaboration protocol that was drafted, was organised around plenary meetings (held once a year) and work committee meetings on different topics. The Observatory's operating experience, however, demonstrates the need for flexibility and the ability to adapt its sessions to new needs and demands of the sector; as meetings became inoperable from 2013, and were no longer held. Thus, **its reactivation has been proposed, with a new operation of the Observatory, conceived more as a forum for institutions and actors in the sector to meet, exchange information and collaborate to promote the competitiveness of the sector together; this is constituted as a key reference of this Action.**

Description of the action

Nature and structure

The Craft Observatory is constituted as a forum for the main players in the craft sector in Spain to meet, communicate, share knowledge and collaborate. Its main objective is to increase and share knowledge, experiences and joint collaboration strategies to promote and develop actions that contribute to the competitiveness of the craft sector in Spain.

The Observatory is constituted as a consultative and participatory body, without legal personality, to act with flexibility and adaptability to the needs of the relevant actors of the craft sector in Spain; taking into account their changing needs in a world subject to major social, economic and environmental transformations.

The added value of the Observatory in this new stage is twofold. On the one hand, it incorporates all the craft sector stakeholders, both public administrations (the only members in the previous stage), craft organisations and professionals, as well as experts in the field.

On the other hand, the Observatory is attached to Fundesarte, a department promoting crafts belonging to EOI Foundation (School of Industrial Organisation), linked to the Spanish Government's Ministry of Industry, Commerce and Tourism (MINCOTUR), which holds the Secretariat of the Observatory since November 2021. The centralisation of the Secretariat in Fundesarte was a key step to give the Observatory stability, regularity and continuity in this new stage, facilitating the coordination of stakeholders, the organization and monitoring of activities, the file keeping and communications.

All these will set up a "learning and collaboration environment" bringing together key players in the craft sector, to share knowledge and experiences, and to find opportunities for intra- and extra-sectoral collaboration, following the learnings from the benchmarked experiences in the project CRAFTS CODE.

The Observatory will work together in three different formats: (1) Plenary sessions, to take place once a year, with all the actors participating in it; (2) Online work sessions, held every three months, focusing on a topic which will normally be led by one of the

participating regional institutions; for as many institutions and organisations that are interested in taking part. Organisations and/or people who are experts in the subject in question can also be invited; and (3) Communication and awareness actions in the craft sector aimed at the sector itself, especially artisans, and for society as a whole, channelled through its social media.

Functions

1. Share and increase quality knowledge about the craft sector (this function has been greatly strengthened in this new phase of the Observatory) to:
 - Improve knowledge about **its financial dimension**. Advances in the statistics and measurement of the sector need to be made periodically, to assess its development and position as an economic sector in the economy as a whole.
 - Promote the **competitiveness** of the sector. The key factors that determine the competitiveness of the craft sector as a whole and of the companies in the sector need to be promoted and encouraged for the sector to survive and consolidate. Whether these are general factors, such as qualification of human resources, innovation, access to financing, internationalisation in foreign markets or cooperation with other actors; or whether they are specific factors, such as generational changes. Knowledge about them must be produced and compared with other economic sectors, so that problems as well as areas for improvement and strengthening can be determined.
 - Establish the **strategic position** of the sector. The strategic position of the sector in the Spanish economy as a whole should also be made visible from the Observatory. This function can be carried out through preparing an argument that reflects the importance of crafts as a cultural and ethnographic asset or as an important economic sector in Spain, in terms of wealth and employment. This argument is useful for disseminating and publicising the importance of the sector among all stakeholders (competent Public Administrations, sector organisations and the sector itself) and in decision-making areas, particularly related to financing, promotion and development of the sector.
 - Measure the **socio-economic impact** of the sector. In addition, the Observatory has to promote the measurement and visibility of the impact of the sector in various areas: (1) Territorial cohesion and demographic challenge, insofar as it contributes to the establishment and/or settlement of the population;(2) Economic and social cohesion, in that it offers a path to employment for disadvantaged groups or those with difficulties in accessing employment; (3) At a cultural and artistic level, helping to preserve the local culture and the historical-artistic heritage. This can also be useful in connection with the previous point, to find arguments that provide feedback for promoting the sector's strategic positioning.
 - Improve the **design and implementation of support** for the sector. The Observatory must deal with identifying and taking advantage of successful cases of support that can be applied to the craft sector, which have worked in other territories, by other actors or even in other sectors. These must be shared and made known among the actors of interest so they can be taken as a reference to improve the implementation of new actions.
 - Predict **future developments** in the sector. Predicting future trends for the sector over various time periods (short, medium and long) is essential nowadays, faced as we are with a highly changeable scenario. This means working on several aspects:

- Identifying **processes and changes** (e.g., economic, political, regulatory, social, and technological) that will impact the sector in the future and the **challenges and opportunities** that these changes entail. This means, firstly, that studies need to be carried out to learn about the changes and transformations to come in the sector. Subsequently, work must be done on opportunities that open up for the sector and resources mobilised to make them a reality.
 - Proposing and developing **innovative approaches** and actions to support the sector. This function is across the board, affecting all sectors in general, due to the new needs of stakeholders. In addition, this function, carried out in other territorial and sectoral areas, is the prelude to improving the design and implementation of the aforementioned support for the sector.
 - Identifying **new fields of analysis** of interest to the sector. Foresight is also useful, so the Observatory can both identify and present new lines of interest to all its members, before working to develop them for the benefit of the sector.
 - Identifying, proposing and developing **formulas for public-private collaboration** in the sector. The Observatory also has to consider the future to identify and propose new forms of public-private collaboration applicable to the craft sector. This may be for digitisation or financing, for example, so that the stability, well-trained resources and guarantees provided by the public sector, and the knowledge and flexibility of adaptation from the private sector can be taken advantage of.
2. Promote **the continuous collection of knowledge from artisans and information from the public**, while taking advantage of social networks and other instruments related to digitisation (new function). The Observatory must be a collection point for direct information from professionals in the sector, as well as their needs and demands (e.g., training, promotional), which is a function of particular relevance given the fragmentation and dispersion of the sector, in order to launch actions to take advantage of learning identified and respond to needs detected. It must also be a collection point for social awareness in the sector and its promotion among the public, by particularly ensuring the sector is valued and the consumption of crafts by new generations is visible, with the added value of crafts to society as a whole. This work can be carried out efficiently and without high costs through widely used digital tools (e.g., social network surveys).
 3. Promote and **support access of craft companies** to help for SMEs (new function). The need for support to access the available help is widespread among SMEs in any sector, for several reasons - lack of time/personnel to request it; lack of knowledge about the help available; lack of knowledge/resources to request/process /justify them – and this is clearly an issue applicable to craft SMEs also. This function is essential so that craft SMEs can find a support space in the Observatory that facilitates access to help that is already available, in a simple, effective way, without the need to deploy their own resources which they do not have, in many cases.
 4. Share **good practices and successful projects** to analyse the feasibility of scaling them up, so that the impact is generalised and reaches the greatest number of artisans and companies in the sector (this function has been strengthened in this new phase of the Observatory). The Observatory must also be a forum to share experiences and successful actions to study the possibility of extending and scaling them up at various levels – e.g., nationally or at the level of the sector as a whole – so that more artisans can benefit from what has already worked in some areas. Scaling up a successful practice, however, is a process of a certain complexity. So,

this has to be analysed in each case by the Observatory, with the help of specialist professionals if necessary.

5. Identify **new ways to promote the sector** using new digital tools (new function). The work of the Observatory to carry out this function must focus on launching a line of publicity and promotion for the craft sector through social networks to reach the public. This should have a high impact in terms of raising awareness about the sector and valuing it, without using a significant number of financial resources.
6. Promote **the meeting and participation** of the main actors (this function has been greatly strengthened in this new phase of the Observatory). The Observatory must also play a key role in developing relational capital in the craft sector, by encouraging meetings between peers and with other actors and professionals in the sector. Thus, experiences, problems and solutions can be shared to promote, grow and consolidate the craft sector in Spain. This forum is of particular importance for the professionals in the craft sector, as well as their representative organisations, to facilitate their participation in the institutional and political framework.
7. Promote **intra- and inter-sectoral collaboration** among craft sub-sectors and between the craft sector and other sectors (this function has been strengthened in this new phase of the Observatory). There are already successful experiences of promoting handicrafts by promoting interaction between the craft sector and tourism. This means that the craft sector not only has to work for the end customer, the consumer, but also has to collaborate with other production sectors, especially industrial, which can open up new opportunities for the survival and consolidation of the sector. The Observatory can carry out an important task of promoting the craft sector, by fomenting and fostering interaction and collaboration among different artisan subsectors and between the craft sector and other service sectors, such as tourism, including cultural and historical heritage, as well as industrial sectors (e.g., fashion, gastronomy, decoration and many more distant sectors).

Actors involved

The actors that make up the Observatory and the functions they are going to carry out are shown below.

Table 10. Members of the Observatory and their functions

Actors	Functions
<p>EOI Foundation (School of Industrial Organisation), linked to the Spanish Government's Ministry of Industry, Commerce and Tourism (MINCOTUR), through its organisation for the promotion of crafts,</p> <p>FUNDESARTE</p>	<p>The Observatory will be attached to Fundesarte, which holds the Secretariat of the Observatory (since November 2021), from where it performs the following tasks:</p> <ol style="list-style-type: none"> 8. Coordinate the Observatory 9. Organise plenary meetings (minimum one per year) and work meetings 10. Keep all documentation 11. Manage internal and external communication
<p>Public administrations</p> <p>Persons representing each of the Autonomous Communities, Autonomous Cities, Provincial Councils and Island Councils, who hold competences in matters</p>	<ol style="list-style-type: none"> 12. Participating in plenary meetings and work meetings 13. Proposing and leading topics to work on at work meetings

of crafts by virtue of their Statutes and Transfer Decrees	14. Share and increase knowledge about crafts, actions and good practices for the promotion and development of the craft sector
Reference entities in the crafts sector - National Craft Reference Centre - OficioyArte, OAE (Spanish Artisans Organisation)	
Representative organisations and experts related to the craft sector - Associations/Federations - Craft Centres - Artisans - Schools of Arts and Crafts	<ul style="list-style-type: none"> ✓ Participate in work meetings to which they are called ✓ Sharing knowledge, experiences and good practices for the promotion and development of the craft sector and its subsectors

The Craft Observatory is a living and flexible body, so will welcome the institutions and organisations **considered relevant for its operation, beyond those indicated.**

Specific activities and timetable

Below is a list of activities planned by the Observatory with an indicative timetable.

Table 11. Planned Observatory activities

Planned Observatory activities		
Activity	Theme	Date
Year 2021		
Creation of the Observatory Secretariat attached to Fundesarte, centralising the tasks of coordination, organising and monitoring activities, keep filing and communications		November 2021
Year 2022		
Quarterly theme meeting (Q1, 2022)	Industrial and craft geographical indications (IGIA) - online, led by CLM	23 March 2022
Plenary meeting 2022	Training and accreditation of professional skills - May 6, 2022, led by the CRN	6 May 2022 Granada
Quarterly theme meeting (Q3, 2022)	To be decided. Decided in the previous meeting	3rd quarter of the year
Quarterly theme meeting (Q4, 2022)	To be decided. Decided in the previous meeting	4th quarter of the year
Update of database of institutions and organisations related to crafts in Spain		Throughout the year
Survey (online, social networks) addressed to artisans about their needs and demands		4th quarter of the year

Survey (online, social networks) aimed at the public on their perception and assessment of the craft sector		4th quarter of the year
Year 2023		
Activity	Theme	Date
Year 2023		
Plenary meeting 2023 Quarterly theme meetings	To be decided. Always decided in the previous meeting, depending on the interests and needs of the participants	
Update of database of institutions and organisations related to crafts in Spain		Throughout the year
Survey (online, social networks) addressed to artisans about their needs and demands		4th quarter of the year
Survey (online, social networks) aimed at the public on their perception and assessment of the craft sector		4th quarter of the year

Costs and financing

Table 12. Costs and financing of activities planned by the Observatory

Financial source			
Financial source	Activity	Type of expenses	Cost (€)
Year 2021			
Fundesarte's budget	Creation of the Observatory Secretariat	Administration	1,000
Year 2022			
Fundesarte's budget	Plenary meeting 2022	Organisation, staff travel and transfer, accommodation of participants, technical resources	5,500
From July 2022, Fundesarte's budget National funds (part of the General State Budget allocated to the EOI Foundation for the promotion of creative sectors)	Observatory Secretariat	Administration	5,000
	Theme meetings 2022	Organised and held online	
	Database of institutions and organisations related to crafts	Update and extension	

This item is updated annually (the account 20.08.421M.442 in 2021 and 2022)	Surveys of the sector and the public	Organisation, location (online, social networks) and analysis	
	Total 2022		10,500
Year 2023			
Financial source	Activity	Type of expenses	Cost (€)
Year 2023			
National Craft Reference Centre National funds	Plenary meeting 2023	Organisation, travel and transfer	4,500
Fundesarte budget National funds (General State Budgets)	Observatory Secretariat	Administration	11,500
	Theme meetings 2023	Organised and held online	
	Database of institutions and organisations related to crafts	Update and extension	
	Surveys of the sector and the public	Organisation, location (online, social networks) and analysis	
	Total 2023		16,000

Risks and contingency plans

Table 13. Observatory main risks and contingency plans

Risk	Probability	Comments
Lack of interest from actors in the sector, whether public institutions or organisations related to the sector, as well as experts in it, especially in terms of their participation in thematic sessions.	Low	The recent history of the Observatory's operation shows significant participation and appreciation from the member institutions and organisations. There was also a high degree of agreement from the actors participating in the SWOT on the weaknesses caused by a lack of a common body unifying the efforts of the sector, to overcome institutional differences in 19 autonomous administrations. This offers a solid foundation for the endorsement of the actors related to the sector offered to the Observatory, and suggests a low risk for any lack of interest in taking part in activities organised
There may be some budgetary risk.	Very low	The cost of the Observatory is very small and the risk is really practically zero

Since the risks are very low, it is not considered necessary to carry out a contingency plan.

Monitoring and indicators

Table 14. Plan monitoring indicators

Indicator (annual)	Level	Verification source
Plenary meetings		
Number of plenary meetings	Implementation	Plenary meeting minutes
Number of participants in plenary meetings, by type of organisation	Implementation	Plenary meeting minutes
Number of craft promotion actions suggested by the participants, by type (e.g., communication, awareness, research) and theme	Results	Plenary meeting minutes
Theme meetings		
Number of theme meetings, by theme	Implementation	Theme meeting minutes
Number of participants in each theme meeting, by type of organisation	Implementation	Theme meeting minutes
Number of craft promotion actions suggested by the participants, by type and theme	Results	Theme meeting minutes
Communication and awareness		
Number of information/dissemination actions carried out in different media and formats related to the craft sector from the Observatory Secretariat, by type of action and theme	Implementation	Record of craft dissemination and communication actions
Number of institutions and organisations in the database	Implementation	Database of institutions and organisations related to crafts in Spain
Number of participants in the craft survey, by gender, craft subsector, company size and Autonomous Community	Implementation	Online survey of artisans
Artisan survey results report	Results	Online survey of artisans
Number of participants in the public survey, by gender, Autonomous Community	Implementation	Online public survey
Public survey results report	Results	Online public survey

ANNEX. Actors participating in the SWOT Analysis

Table 15. Institutions participating in the craft sector SWOT analysis

Organisation type	Name
Public Administrations with powers in the field of crafts	<p>15. Consellería de Cultura, Educación e Universidade de Galicia - Xunta de Galicia</p> <p>16. Consorci de Comerç, Artesania i Moda de Catalunya – Generalitat de Catalunya</p> <p>17. Dirección General de Comercio, Artesanía y Consumo - Generalitat Valenciana</p> <p>18. Dirección General de Comercio y Consumo - Comunidad de Madrid</p> <p>19. Fundación Pública Artesanía de Galicia, Dirección Xeral de Comercio e Consumo: Xunta de Galicia</p> <p>20. Fundesarte, Escuela de Organización Industrial (EOI)</p> <p>21. Dirección General de Comercio - Junta de Andalucía</p> <p>22. Dirección General de Comercio y Consumo - Junta de Castilla y León</p> <p>23. Dirección General de Turismo, Comercio y Artesanía - Junta de Comunidades de Castilla-La Mancha</p> <p>24. Consejería de Economía, Ciencia y Agenda Digital - Junta de Extremadura</p> <p>25. Dirección General de Comercio, Ferias y Artesanía - Gobierno de Aragón</p> <p>26. Ministerio de Industria, Comercio y Turismo (MINCOTUR)</p> <p>27. Servicio de Fomento Industrial y Artesanal - Gobierno de Canarias</p> <p>28. Servicio de Industria y Comercio - Gobierno de La Rioja</p> <p>29. Consell de Mallorca</p> <p>30. Gipuzkoako Foru Aldundia, Provincial Council of Gipuzkoa</p> <p>31. 5 autonomic public sector entities (wish to participate anonymously)</p>
Craft Centres	<p>22. Centre Artesanal de Menorca</p> <p>23. Centre d'Artesania de la Comunitat Valenciana</p> <p>24. Centro de Referencia Nacional de Artesanía (CRN)</p> <p>25. Centro de Referencia Nacional de Artesanía Albayzin (CRN)</p> <p>26. Centro Regional de Artesanía de Castilla y León (CEARCAL)</p> <p>27. Centro de Artesanía de la Región de Murcia</p>
Local entities	<p>28. Ajuntament de la Bisbal d'Empordà</p> <p>29. Ayuntamiento de Manises</p> <p>30. 2 local public sector entities (wish to participate anonymously)</p>
Craft organisations	<p>32. Asociación de Artesanos de Aragón</p> <p>33. Asociación de Artesanos Valencianos (ARTEVAL)</p>

	<p>34. Asociación de Artistas y Artesanos (A-FAD)</p> <p>35. Asociación de Artistas y Artesanos de Cercedilla</p> <p>36. Asociación de Creadores Textiles de Madrid (ACTM)</p> <p>37. Asociación Española de Ciudades de la Cerámica (AeCC)</p> <p>38. Asociación Joyas Sostenibles</p> <p>39. Asociación para la Restauración y Conservación de Vidrieras de España (ARCOVE)</p> <p>40. Col·legi Oficial de Joiers, d'Orfebres, de Rel·lotgers i de Gemmòlegs de Catalunya (JORGEC)</p> <p>41. Euskal Herriko Artisautza Tradizionala Sustatzeko Elkartea-Asociación para el fomento de la artesanía Tradicional de Euskal Herria (Arbaso)</p> <p>42. Federació d'Associacions d'Artesans d'Ofici de Catalunya (FAAOC)</p> <p>43. Federación de Artesanía de Granada (FRAAG)</p> <p>44. Federación Galega de Redeiras Artesás</p> <p>45. Federación de Organizaciones Artesanas de Castilla y León (FOACAL)</p> <p>46. Federación Red de Artesanos de Granada</p> <p>47. Gremi Artesà Tèxtil de Catalunya</p> <p>48. Oficio y arte, Organización de Artesanos de España</p> <p>49. Oficio y Artesanía</p> <p>50. 1 craft association (wishes to participate anonymously)</p>
Schools of Arts and Crafts	<p>51. Escuela de Arte Gaspar Becerra (Baeza)</p> <p>52. Escuela de Arte Pancho Lasso</p> <p>53. Escuela de Arte Superior de Diseño de Burgos (EASD)</p> <p>54. Escuela Técnica de Joyería del Atlántico</p> <p>55. 1 school of arts and crafts (wishes to participate anonymously)</p>

Source: Craft sector SWOT survey.