

Project Brief



International
Labour
Organization



Realizing Minimum Living Standards for Disadvantaged Communities through Peace Building and Village Based Economic Development (PELAGANDONG Project)

Objective:

To contribute to poverty reduction and peace building process in the Maluku Province through the development of sustainable livelihoods and economic activities in selected communities. This is in synergy with the Maluku Provincial Governments' Development Strategy to provide support to potential industries and small and medium enterprises. The project will focus on four main interconnected components:

- (i) Village organization and empowerment;
- (ii) Sustainable livelihood enhancement through education, technology transfer, and local economic development (LED);
- (iii) Peace building and conflict management; and
- (iv) Improving overall living and occupational and health conditions.

Executing Agency:

United Nations Industrial Development Organization (lead agency) and ILO

Key Partners:

- Regional Planning and Development Agency (BAPPEDA) of Maluku Province
- Provincial Ministry of Industry and Trade
- Provincial Ministry of Manpower and Transmigration

Duration:

3 years (2009-2012)

Geographical Coverage:

Ambon City, West Seram District and Central Maluku District of Maluku Province

Country Programme Reference:

Employment Targets in Medium Term Development Plan are underpinned by policies and programmes with emphasis on pro-poor employment growth and enterprise development

Donor:



Japan Government
through UN Trust Fund for
Human Security

Budget:

USD 2,107,527

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Project Rationale

People of Maluku region suffered to a great extent due to ethnic, religious and group conflict occurred during 1999-2003. Conflict took toll of nearly 9,000 lives and displaced more than 400,000 people (more than 30 percent of the local population) severely affecting economic activities. People's property, business, crop, livestock, fishing boats and equipments got damaged and more than 40,000 houses got destroyed. As a result, Maluku is still one of the poorest provinces of Indonesia with highest poverty and unemployment rate in the country.

In Maluku, nearly 80 percent of the population works mostly in agriculture, fishery and in the informal economy. Daily income is uncertain and most of the time not enough to fulfill daily need of food, clothing, basic health care and children's education. Thus the people and Maluku Provincial Government (MPG) face multi-dimensional problems in stabilizing the fragile peace situation.

Therefore, to assist MPG and people of Maluku towards revitalising the economy in the region, the Government of Japan approved a three year project entitled "Realizing Minimum Living Standards for Disadvantaged Communities through Peace Building and Village Based Economic Development" through UN Trust Fund for Human Security (UNTFHS). The Project will be jointly implemented by the United Nations Industrial Development Organization (UNIDO) as lead agency and the ILO as cooperating agency in partnership and collaboration with the MPG (Regional Planning and Development Agency/Bappeda), Provincial Industrial Office, Provincial Manpower and Transmigration Office, etc.).

Project Goal and Objectives

The project goal is to contribute to poverty reduction and peace building process in the Maluku Province through the development of sustainable livelihoods and economic activities in selected communities. This is in synergy with the MPG's Development Strategy to provide support to potential industries and small and medium enterprises.

The immediate objectives of the project are:

- To ensure active participation of beneficiaries and stakeholders in project planning and monitoring (UNIDO and ILO);



- To organise the beneficiaries in economically oriented village groups and organisations (UNIDO);
- To help village productivity groups (produce value-added products by applying improved technology and craft skills (UNIDO);
- To assist beneficiary groups in accessing markets with improved and diversified products (UNIDO);
- To support local communities to identify and maximize their economic potential through LED initiatives leading to employment creation (ILO);
- To increase capacity of the communities to understand and manage conflict situations (UNIDO and ILO);
- To assist MPG and other institutions incorporating conflict prevention and resolution strategies as cross-cutting issue in training activities (UNIDO and ILO); and
- To ensure that the beneficiaries apply best working practice during use of equipment. (UNIDO and ILO).

Implementation Strategy

The Project is jointly implemented by UNIDO and ILO. While short and long term work plans are developed jointly, UNIDO, take lead on problem identification and technology transfer whereas ILO focus on LED initiatives and training on conflict management, business management and entrepreneurship development. A Project Management Unit (PMU) has been established at the project office in Ambon and work under administrative structure of UNIDO and ILO Jakarta Offices. The PMU is responsible for day to day project planning and implementation. Execution of activities is carried out by a National Project Coordinator (UNIDO) and a Local Programme Coordinator (ILO) with the support of a UN Technical Project Advisor.



Applying a participatory community based approach; the Project is implemented in close cooperation with Bappeda and other line departments of the MPG. At the micro level, project work closely with the local community groups from different backgrounds in terms of ethnic, religion and occupation. A Project Advisory Committee (PAC) composed of the representatives from

the MPG, Bappeda and other institutions has been established at the provincial level. The PAC, which is a forum on project related information exchange, has an advisory function and provides inputs on project implementation. To avoid duplication and overlapping, the project coordinates with other active project and organisations in the region.

Target Beneficiaries

The primary target beneficiaries of the project are communities which were affected by human security issues and suffer from low socio-economic standards. Project activities are implemented in 21 villages of Ambon City, Central Maluku and West Seram Districts. Preference is given to those villages where communities have received only minimal assistance from other agencies. It is expected that more than 3,000 people will be directly benefited whereas the total number of indirect beneficiaries will be around 20,000.

Major Activities

- (i) Stakeholder workshop for identification of suitable target locations;
- (ii) Participatory meetings with the village heads and community leaders to identify resources available in the village for value addition and income generation;
- (iii) Identification and procurement of appropriate technology for value addition and processing of resources;
- (iv) Establishment of village productivity groups (VPGs);
- (v) Training of VPG members on group dynamics and cooperative management, basic entrepreneurship skills, production of value added products as well as use and repair and maintenance of the equipments;

- (vi) LED workshops;
- (vii) Developing a Maluku Product Logo;
- (viii) Workshops for development of SMEs and access to credit;
- (ix) Diagnostic study of existing village organizations and clan structures in Maluku;
- (x) Rapid Market Assessment (RMA) to identify potential products which has more demand in the local market; and
- (xi) PAC meeting to inform stakeholders about project progress and future work plan.

Achievements to Date

- Participatory resource assessment conducted in all the 21 village locations in three districts and altogether 242 VPGs have been established.
- A total of 435 VPG members have been trained on group dynamics and cooperative management of which 290 are women.
- More than 300 beneficiaries trained on basic entrepreneurship skills and business management.
- In the Ambon Island villages products being promoted include cassava flour, banana flour, spinach chips, chilly powder, sogo flour, carrageen flour, palm sugar powder, clove oil, nutmeg juice, pineapple juice, honey, fish ball and organic vegetable production.
- In Seram Island villages major activity include but not limited to cultivation of seaweed and production of copra, cacao, organic vegetable, wet sago starch, resin, cajuput oil, virgin coconut oil, etc.
- A total of 1,234 VPG members were trained on production of various value added products of which 806 are female.
- A Maluku product logo has been developed.
- Altogether 2,808 beneficiaries have been directly or indirectly benefitted by the project activities (meetings, workshops and trainings) of which 1,279 are female.
- Training module developed for cultivation of dammar.
- Resource assessment conducted in the Seram Island villages to identify suitability of area under seaweed cultivation in the target locations and the nearby villages.
- LED initiatives undertaken to identify comparative and competitive advantage in each districts to maximise economic potential.