



Creating Jobs

Capacity Building for Local Resource-based Road Works in Selected Districts in NAD and Nias

UNDP/ILO Project INS/51/071



Effects of the Training of Contractors on their Employability and Business Opportunities

**Findings from a Contractors Tracer
Study conducted by the Project in
May 2010**



Jakarta
August 2010



About MDF

The Multi Donor Fund for Aceh and Nias (MDF) was established to support the implementation of the Government of Indonesia's (GOI's) rehabilitation and reconstruction program after the December 2004 tsunami and subsequent March 2005 earthquake. At the request of the government, the World Bank serves as the trustee to administer the MDF which is in turn governed by a Steering Committee comprised of donors, GOI, and civil society representatives, with the United Nations and international non-governmental organizations participating as observers.

The donors contributing to the MDF are: the European Union, the Netherlands, the United Kingdom, the World Bank, Sweden, Denmark, Norway, Germany, Canada, the Asian Development Bank, the United States of America, Belgium, Finland, New Zealand and Ireland. The MDF pools about US\$685 million in grant resources provided by these 15 donors, an amount equivalent to about 10% of the overall reconstruction efforts. As of March 30, 2010, the MDF has committed US\$623 million to 23 projects in five outcome areas: recovery of communities, infrastructure and transportation, strengthening capacity and rebuilding governance, supporting sustainable management of the environment and economic development.



About the Project



The Project "Creating Jobs: Capacity building for Local Resource-based Road works in selected districts in NAD and Nias" was formulated in response to the devastating tsunami of December 2004 and the major earthquake of March 2005 that caused a tremendous loss of lives and livelihood opportunities and resulted in extensive and major damage to roads and other infrastructure. The project was formulated, seeking to contribute to economic recovery by improving road access and connectivity, providing local employment opportunities, building skills among the involved workers and contractors and strengthen local capacities in the use of employment-intensive local resource-based (LRB) road construction and maintenance approaches.

Following an initial demonstration project financed by OCHA and UNDP and implemented with ILO as the implementing agency, Phase I of the Project was implemented during 2006-2008. UNDP was designated as contractual partner (Partner Agency) of the MDF through a fiscal agency agreement. The ILO implemented the project under the guidance of BRR¹ and later the Ministry of Manpower and Transmigration. The Project included a major, demand-driven, capacity building component that strongly focused on the active involvement of communities - with a special emphasis on women.

The project received a total funding of USD 11.8 million for implementation during 2006-2011. Districts covered by the project are Aceh Besar, Bireuen, Pidie, Nias and Nias Selatan for road works and Aceh Jaya, Aceh Barat and Nagan Raya for irrigation work.

The project is implemented in three phases. Phase I focused on enhancing the capacity of district governments and local contractors to provide access roads to facilitate delivery of assistance to affected communities in 5 districts. Phase II seeks to sustain the Project's impact with regards to the capacity of district governments, small contractors and communities to adopt and undertake LRB road works in rehabilitation and maintenance activities. And a six-month extended of phase II implements a basic exit strategy that focuses on various issues related to the maintenance of the created assets and up-scaling the demonstrated LRB approaches in the rural road sector and other sectors.

¹ After the closure of BRR in April 2009, Bappenas took over BRR's coordinating role.

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Foreword

In response to the devastating tsunami that hit Indonesia in 2004, The UNDP/ILO project '*Creating Jobs: Capacity Building for Local Resource-based Road Works in Selected Districts in Aceh and Nias*' was formulated. The project is implemented with funding from the Multi-donor Fund for Aceh and North-Sumatra and aims at contributing to the recovery and reconstruction of Aceh and Nias by integrating capacity building activities with road construction works in selected districts.

The project adopts a Local Resource-based (LRB) approach that seeks to optimize a balance between the use of local labour, local resources and light equipment, thereby maximizing the generation of short-term employment opportunities, while maintaining construction quality standards. The immediate objective of the Project is that "*District governments and small scale contractors in project areas adopt and undertake LRB road works thereby providing access to socio-economic centers and creating job opportunities for rural people*".

The project achieved several notable outcomes, including the construction of high quality rural roads. It delivered outputs in a cost-effective way, provided employment to both women and men and implemented a comprehensive training programme, strengthening the capacities of the staff of the Department of Public Works – the project's local implementing partner and recipient – and small scale contractors involved in the project's construction activities.

To assess the effect of the project's capacity building activities for contractors on their employability and business opportunities, the project undertook a contractors' tracer study in May 2010. The findings of the study confirm the appropriateness and usefulness of the training of the local small scale contractors, as designed and implemented by the Project.

The tracer study showed that the provided training was perceived as very useful by 91% of the interviewed contractors whereas 9% of them considered the training useful. The training that they had received had made them more competitive and had allowed them to get more business for their company. The training had increased their abilities to produce qualitatively better – and more cost-competitive – bids, improved their management skills, had given them a better knowledge and understanding of financial, administrative and bidding requirements and had improved their technical knowledge of construction techniques and work methods

The ILO hopes that this report will be useful for both practitioners and decision makers in providing direction regarding the continuation of capacity building activities for small scale local contractors, as successfully demonstrated by the project.

I would also like to take this opportunity to thank the contractors who were willing to spend time with the project team to participate in the study. As the implementing agency of the project, the ILO also wishes to express its appreciation for the continued support from UNDP – the partner agency for the project –, the Multi Donor Fund for Aceh and North-Sumatra, the Governments of North-Sumatra and Aceh, the Ministry of Manpower and Transmigration, BAPPENAS, the Department of Public Works, the PNPM Mandiri Programme, the people of Aceh and Nias, and other stakeholders, for their continued support and collaboration that has been instrumental in the successful implementation of the project.

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August 2010

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Abbreviations

ILO	:	International Labour Organization
LRB	:	Local Resource-Based
MDFANS	:	Multi-donor Fund for Aceh and North-Sumatra
UNDP	:	United Nations Development Programme

Executive Summary

In May 2010 the Project conducted a contractors' tracer study to assess the effect of the training provided by the Project to the contractors in terms of their employability and business opportunities. The contractors who were awarded contracts during phase I of the Project constituted the target group for the tracer study. During phase I of the Project – implemented from March 2006 to September 2008 – contracts were awarded to 52 local small scale contractors. For the tracer study 32 contractors – or 62% - were interviewed.

The contractors who were interviewed typically employ 2-6 staff and the majority has an annual turn-over in the range of IDR 0.5 – IDR 2.0 billion (US\$ 55,000 to US\$ 222,000). In Nias Selatan the contractors' companies had been established, on average, 4-5 years ago. The number of years that the companies of the contractors in Nias, Pidie and Bireuen district had been operational is typically in the range of 13-16 years. 84% of the contractors use a mix of labour-intensive and capital-intensive work methods, depending on the specific nature of the work. 16% of them exclusively use labour-based methods. The number of contracts that the contractors had received from the Project ranged from 1-3 (with an average of 2). All the contractors mentioned that both the directors of the companies and the field supervisors had received training from the Project.

The tracer study showed that the training provided by the Project was perceived as very useful by 91% of the interviewed of the contractors whereas 9% of the contractors were of the opinion that the training was useful. The contractors in the Nias cluster of the Project benefited even more from the training than their colleagues in the Aceh cluster. This can be explained by the very low capacities of the contractors in Nias islands, compared to the capacities of the contractors in Aceh.

The majority of the contractors in Nias islands benefited from the training in terms of increased abilities to produce qualitatively better – and more cost-competitive – bids, improved management skills, a better knowledge and understanding of finance and administrative requirements, an increased understanding of bidding requirements, and increased technical know-how about construction techniques and work methods. In the Aceh cluster these benefits from the training were also appreciated by the contractors, but to a lesser extent, as the contractors already had acquired basic competencies in some of the areas in which training has been provided. All the interviewed contractors mentioned that the training that they had received had made them more competitive and had allowed them to get more business for their company.

The interviewed contractors from the Nias cluster of the Project indicated that they would require more training in all the areas in which the Project has been giving training. In the Aceh cluster the contractors mentioned that they were particularly interested in more training on management and in technical matter.

The study also indicated that the contractors are willing to employ women in the workforce, should such stipulations be part of the contractual conditions of works contracted to them. There does not appear to be a bias against the employment of women because of assumed lower productivities of women. Considering the noted open-mindedness of the contractors regarding the employment of women, and considering the sharp increase of women in the workforce – in particular in the Aceh cluster – it appears that the Project's approach of promoting the involvement of women has been successful.

1. Introduction

The UNDP/ILO project ‘*Creating Jobs: Capacity Building for Local Resource-based Road Works in Selected Districts in Aceh and Nias*’ was formulated in response to the devastating tsunami of December 2004 and the major earthquake of March 2005 – the latter one especially hit Nias islands. The Project is financed by the Multi-donor Fund for Aceh and North-Sumatra (MDFANS). The implementation of phase I started in March 2006 and covered 5 districts: Aceh Besar, Pidie and Bireuen in Aceh Province, and Nias and Nias South in Nias islands. Phase I (US\$ 6.42 million) was completed by 31st March 2008.

To give sustainability to the Project’s impact with regards to the capacity of district governments and small-scale contractors to adopt and undertake Local Resource-Based (LRB) road works, a second phase (US\$ 5.38 million) was approved. Phase II is scheduled for completion by 30th September 2010². During phase II activities in Aceh Besar were discontinued.

The overall objective of the Project is to contribute to the recovery and reconstruction of Aceh and Nias by integrating capacity building activities with road construction works in selected districts. The **immediate objective** of the Project is:

District governments and small scale contractors in project areas adopt and undertake local resource-based road works thereby providing access to socio-economic centers and creating job opportunities for rural people

The Project’s three expected key outputs, as formulated in the Project’s logical framework, are:

- 1 The capacity of district government and small-scale local contractors in undertaking road works is satisfactory;
- 2 Techniques, standards, systems and strategies for local resource-based road works are refined to conditions in NAD and Nias;
- 3 Community participation in rural road development and maintenance strengthened.

The Project has been able to deliver the planned physical outputs at a high quality, timely, i.e. within the foreseen time-frame, and in a very cost-effective way. Improved quality control and quality assurance, the selection of appropriate LRB designs and construction technologies, and the use of different procurement procedures, contributed to the satisfactory delivery of the construction works.



The Project has exceeded its physical targets. More than 150 kilometers of district and village roads were rehabilitated and about 175 kilometers of roads were maintained. A system of community-based routine maintenance was introduced for the maintenance of district roads. Through the collaboration with PNPM, the Project trained PNPM Facilitators on the various aspects of community-based routine maintenance.

² A proposal to extend the completion of phase II to June 2011 – using accrued interest from the Project’s bank account – is currently being prepared. This extension of phase II provides an exit strategy to ensure that the results of the Project can be sustained beyond its completion date.

The Project developed and demonstrated the effectiveness and cost-competitiveness of an approach of integrating demand-driven capacity building and training activities within the construction cycle. A hands-on approach was used, with extended on-the-job training activities and mentoring being the main elements of the various training activities.

The Project trained 178 staff of the District Public Works Office in the districts where the Project is operational. 341 staff of the 134 contractors – who were awarded contracts under the Project – also received training. An estimated 34,200 trainee-days of training were provided to the staff of Public Works and the contractors. The training of district PW staff and contractors included training on the various aspects of the planning, implementation and supervision of road rehabilitation and maintenance works, using LRB methods and appropriate intermediate technologies. Training on laboratory testing, tendering, pricing and work planning was also provided to the staff of PW and the contractors.



Through the LRB work methods that were applied, the Project was able to optimize the involvement of a local workforce in the construction and maintenance activities. It resulted in an estimated 5-10% increase in local employment opportunities, compared to employment opportunities generated under similar works executed more capital-intensive approaches. Overall more than 400,000 worker-days of short-term employment were generated in the delivery of the rehabilitation and maintenance works. The Project has also been quite successful in promoting the involvement of local women in the workforce. Women now constitute about 28% of the workforce. In comparison, at the start of the Project, women's participation in the workforce was in the range of 7-15%.

2. Purpose of the Study

In 2006, at the start of the Project, a rough survey of the contracting industry was undertaken. The study's main findings were that the contractors were overall poorly equipped to participate in the rebuilding programmes that were undertaken following the 2004 Tsunami. Most contractors were short of finance, staff and equipment. Few of them had sufficient knowledge and expertise in road construction projects. Based on the findings of this assessment, the Project drew up a training plan and developed training material for the contractors³. In total 71 contractors (Aceh 36, Nias 35) participated in the training provided by the Project.



During the training the competency level of contractors and their staff was assessed. The assessment showed that the average performance of contractors after participating in the training was rated as 33% good, 40% satisfactory and 27% unsatisfactory (failed). About 30% of the contractors' supervisors performed unsatisfactorily.

³ "Creating Jobs: Capacity building for local resource-based road works in selected districts in NAD and Nias", Training Needs Assessment Training Strategy May 2006 by *Andreas Beusch, Intech Beusch & Co.*

In March 2008 the Project conducted an internal assessment of contractors who participated in the Project. The aim of that assessment was to get a detailed impression of contractors' businesses, their prospects and impact – if any – of participating in the Project's contract activities – including the training provided by the Project. The findings of this internal assessment are summarized in the March 2008 *"Final Project Phase Evaluation - An internal evaluation"*. The assessment indicated that the contractors perceived the training provided by the Project as mostly useful or very useful.

Whereas the 2008 assessment mainly focused on the overall business of the contractors and selected operational activities of the contractors' firms, the aim of the current assessment is to evaluate the impact of the training provided by the Project to the small-scale local contractors' on the contractors' businesses and business prospects. The specific purpose of the current tracer study is defined as to:

Assess the effect of the training provided by the Project to local small contractors on their employability and business opportunities



To enable an assessment of the impact of the training provided by the Project to the contractors, it is necessary that time has lapsed for contractors to seek and participate in new tenders for projects in the public and private sector. Ideally a tracer study of this kind is undertaken at least 12 months after the completion of a project. For this reason the current tracer study focuses on the contractors who participated in training and were awarded contracts during phase I of the project. (Phase I was completed in 30 September 2008).

3. Design and Implementation of the Study

The assessment focuses on what impact the Project's training has had on participating contractors' overall business prospects, their ability to deliver quality, their ability to properly cost and administer contracts and ultimately generate reasonable profits from their contracting activities. The tracer study also assesses the impact that the Project's gender related training has had on contractors' businesses.

Based on available information from the Project, the total number of contractors that were awarded contracts during phase I of the Project in the four districts where the Project is currently operational is 52. These contractors constituted the target group for the tracer study. Some of these contractors were awarded more than one contract and some of them also participated in Phase II of the Project.



The tracer study was implemented in the period 17-24 May 2010. Interviews with the contractors were conducted by Project staff and a structured questionnaire was used for the interviews. Annex 1 presents the questionnaire that was used. The design of the questionnaire has been based on the questionnaire that was used during the 2008 internal assessment.

Some modifications needed to be made however to the 2008 questionnaire to reflect the need to focus specifically on the impact of the training provided by the Project to the contractors. The 2008 questionnaire was more general in term of the assessment, i.e. it focused on the overall business and

some technical aspects of the operations of the contractors. The 2008 questionnaire did however have relatively few questions on the training and the impact of training on the contractors' businesses. The re-designed questionnaire also includes questions on gender aspects as gender mainstreaming in LRB projects was an important component of the Project.

The Project staff managed to trace 32 out of the 52 contractors who were awarded contracts during phase I of the Project in the districts where the Project is currently operational. In tracing the contractors, information from the Project's data base was used, the local contractors' associations were consulted and information was sought from the district Public Works offices. Table 1 shows the sample of contractors that was interviewed for the four districts where the Project is operational. As can be seen in table 1, the overall sample size for the tracer study is 62%, with a variation in the sample size between the 4 districts ranging from 50% to 80%.

Table 1: Sample of contractors interviewed for the tracer study

DISTRICT	Phase I contractors	Sample size tracer study	Sample size as %
Bireuen	14	8	57%
Pidie	10	8	80%
Nias	14	9	64%
Nias Selatan	14	7	50%
Total	52	32	62%

4. Findings

This chapter presents the findings of the study. Section 4.1 summarizes the information that was obtained during the study regarding the profile of the contractors that were interviewed. An assessment of the usefulness of the training provided by the Project – as perceived by the contractors – is given in section 4.2. Questions were also asked regarding additional requirements and this information is presented in section 4.3. As the Project also actively promoted the engagement of women in the workforce, the questionnaire also included questions related to the involvement of women. The answers provided by the contractors regarding gender issues are shown in section 4.4.

4.1. Profile of Contractors



All the interviewed contractors are registered with a contractors' association. The contractors in Nias are registered either with Aspekindo, Gapensi or Gapeknas and those in Nias Selatan are registered with Gapeknas. The contractors working in Pidie and Bireuen district are registered with Gapensi, Aspekindo, AKA, Askindo or EKNAS.

The number of years that the contractors' firms exist varies considerably. The eldest firm has been in existence for 50 years whereas the youngest one started business operations only 3 years ago. Table 2 shows the range of years that the companies of the interviewed contractors exist and the average number of years that the contractors' firms of the

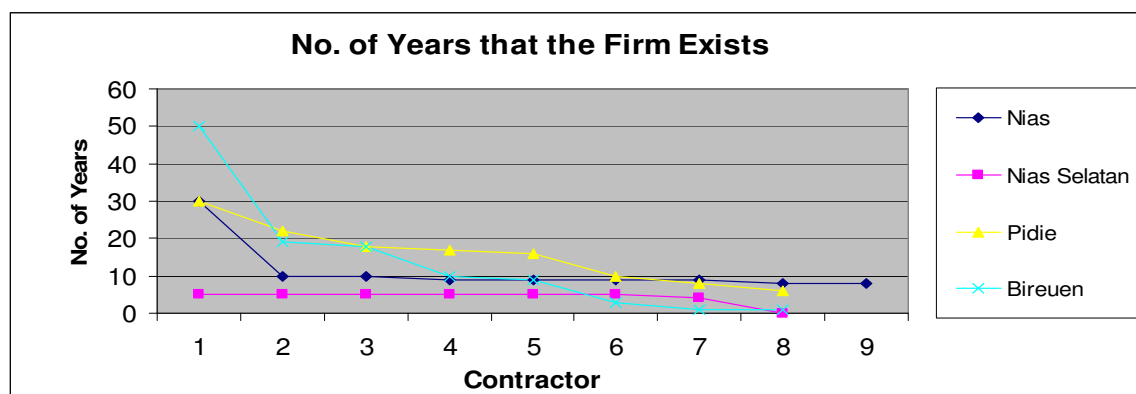
interviewed contractors have been in business. Whereas the contractors' firms in Nias Selatan who participated in the Project are still relatively new (operational for 4-5 years), the ones in Nias, Pidie and Bireuen have been established already for a considerable longer period, i.e. on average 13-16 years for these 3 districts.

Table 2: Number of years that participating contractors' firms have been operational

District	Variation in years that firm has been operational	Average number of years that firm has been operational
Nias	8-30 years	12.8 years
Nias-Selatan	4-5 years	4.9 years
Pidie	6-30 years	15.9 years
Bireuen	3-50 years	13.9 years
Overall		11.7 years

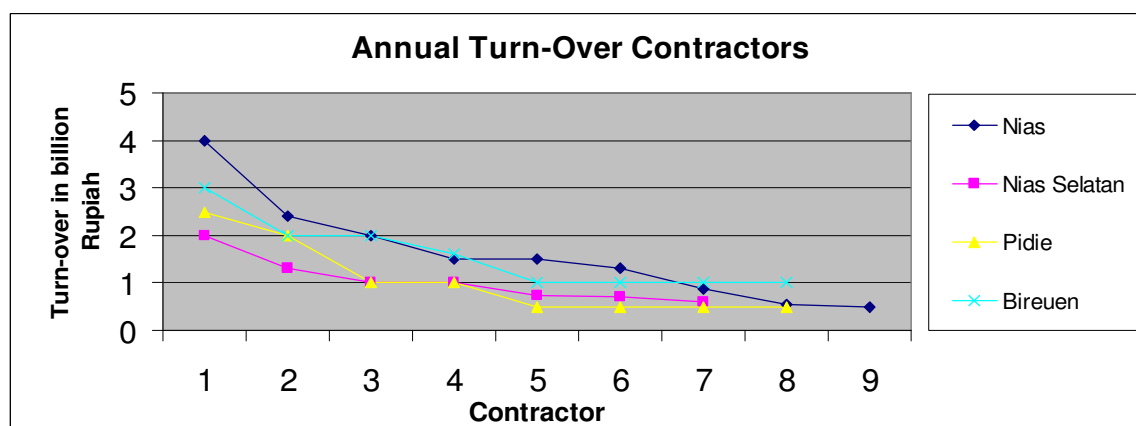
As can be seen in figure 1 the majority of the firms of the contractors who participated in the tracer study had been operational in the constructing industry less than 20 years.

Figure 1: Number of years that contracting firms have been operational



The interviewed contractors are small contractors. The majority of the contractors have an annual turn-over that ranges between IDR 0.5 billion to IDR 2 billion (approximately US\$ 55,500 to US\$ 222,000)⁴ as can be seen in figure 2. Only 4 contractors had a higher annual turn-over (IDR 2.5 billion to IDR 4 billion).

Figure 2: Range of annual turn-over of contractors



⁴ With an exchange rate of US\$ 1 = IDR 9,000

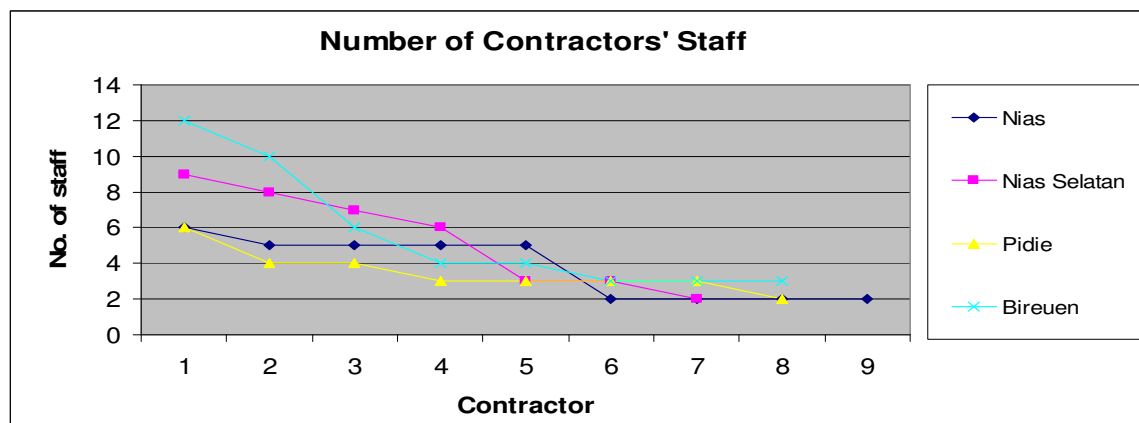
Table 3 summarizes the average annual turn-over of the interviewed contractors in each of the 4 districts. The variation between the 4 districts in the average annual turn-over of the contractors is small. It ranges between IDR 1.1 billion to IDR 1.6 billion and the overall average annual turn-over is IDR 1.35 billion (US\$ 150,000).

Table 3: Average turn-over of contractors

District	Average annual turn-over contractors (in billion IDR)
Nias	1.60
Nias-Selatan	1.10
Pidie	1.10
Bireuen	1.60
Overall	1.35

The number of staff employed by the interviewed contractors ranges from 2 to 12, as can be seen in figure 3. The majority of the contractors employ 2-6 staff and the average number of staff is 4.5.

Figure 3: Number of staff employed by contractors



The interviewed contractors are involved in various construction activities. Apart from road construction works, the majority is also engaged in works in the field of drainage, building construction, road maintenance and irrigation. 19% of the contractors also undertake works in water sanitation. Figure 4 presents an overview that shows which percentage of the interviewed contractors is engaged in what activities.

Figure 4: Types of work done by the contractors

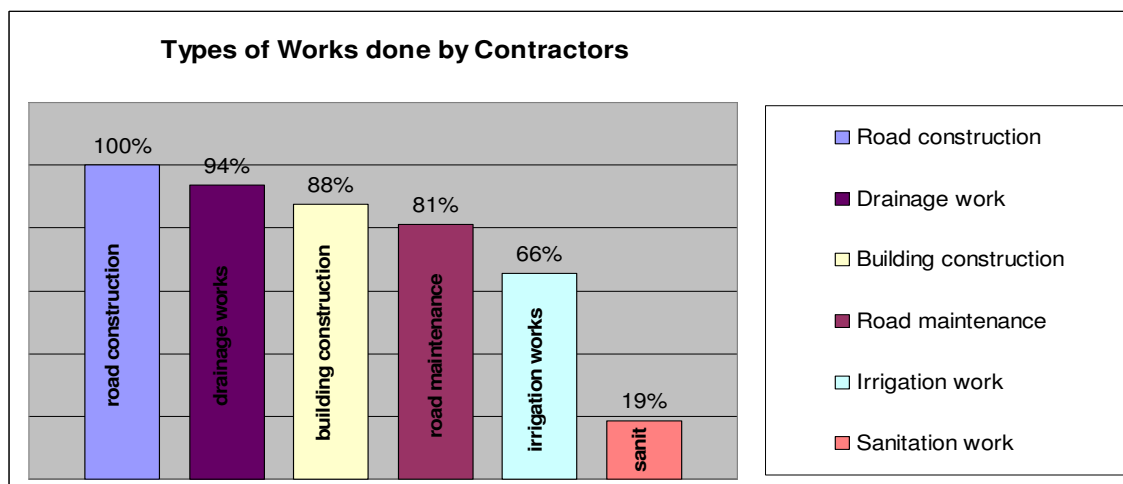
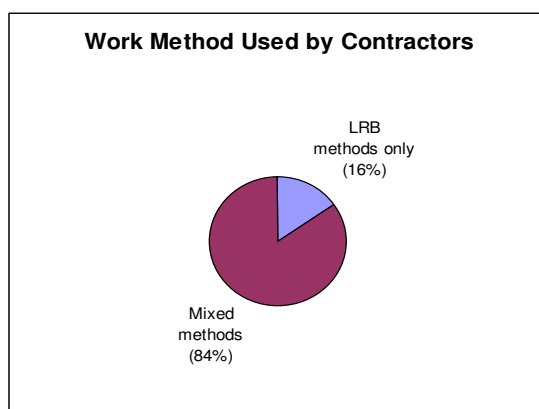


Figure 5: Work methods used by contractors



The majority of the interviewed contractors (84%) indicated that they apply a mix of labour-intensive and capital-intensive work methods in the implementation of the work.

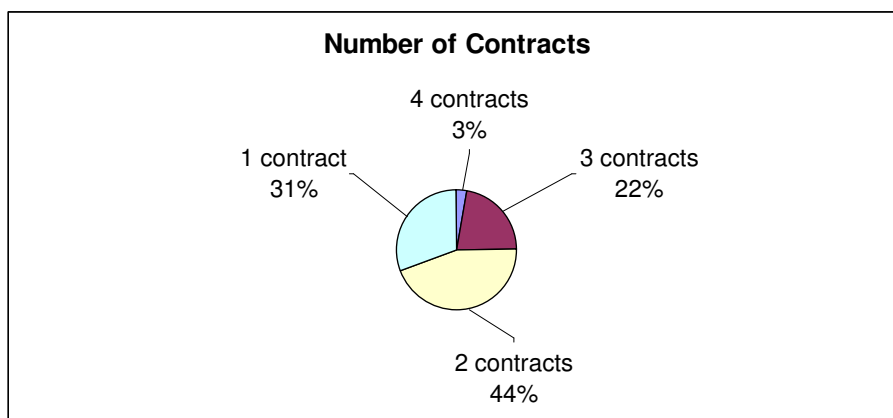
The contractors who mentioned that they use a mix of work methods indicated that the choice of their work methodology is governed by the specific requirements and nature of the works undertaken.

Only 16% of the contractors who participated in the study mentioned that they exclusively use LRB work methods.

4.2 Benefits from the Training

Figure 6: Contracts awarded to contractors

As can be seen in figure 6 2/3rd of the contractors received 2 or 3 contracts from the Project during phase I. 31% of the contractors received only 1 contract and 3% received 4 contracts. In total 63 contracts were awarded to the 32 contractors who were interviewed.



This translates to an average of 2 contracts per contractor. Table 4 presents detailed information about the number of contracts that were awarded to the contractors in the 4 districts.

Table 4: Numbers of contracts awarded to the contractors

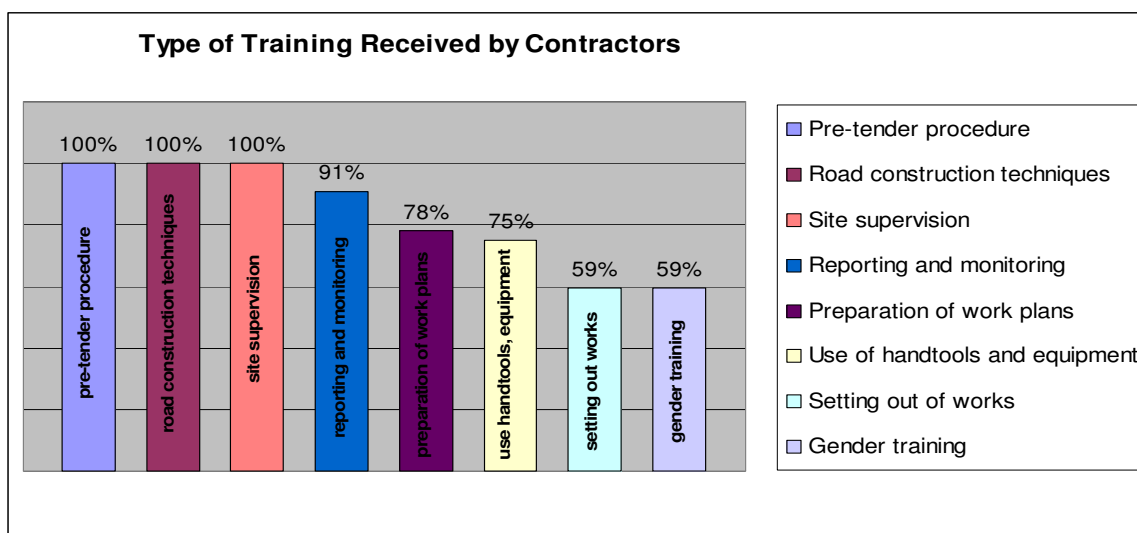
	Number of contracts awarded			
	Nias	Nias Selatan	Pidie	Bireuen
Contractor	3	3	4	3
Contractor	2	2	3	3
Contractor	2	2	2	3
Contractor	2	2	1	3
Contractor	2	2	1	2
Contractor	2	1	1	2
Contractor	2	1	1	1
Contractor	2		1	1
Contractor	1			
Total per district	18	13	14	18
Total per cluster	31		32	
Total project	63			
Average per district	2.0	1.9	1.8	2.3
Average per cluster	1.9		2.0	
Average project	2.0			



All the interviewed contractors mentioned that both the directors of the contracting firms and the field supervisors received training from the Project. The majority of the training provided has been on-the-job training (needs-based), supplemented with limited class-room training. Figure 7 gives an overview of the different subjects on which the contractors and their staff received training.

Whereas all or almost all the interviewed contractors received training on pre-tendering procedures, roads construction techniques, site supervision and reporting & monitoring, only 59% of them mentioned to have received training on the setting out of works and on gender issues. Training on the preparation of work plans and the use of hand tools and equipment was given to about 3/4th of the contractors and their staff.

Figure 7: Type of training received by the contractors



All the contractors were of the opinion that the training provided to them and their staff was either very useful (91%) or useful (9%). They all mentioned that the training that they had received had made them more competitive and had increased their business.

88% of the contractors indicated that the training that they had received had made them aware of the value of training and made them seek additional training for themselves and for their staff.

The contractors mentioned that the training provided by the ILO was the first time that they had ever received such training and they highly appreciated the opportunity to be exposed to this training. All the staff that had received training by the ILO was still retained by the contractors at the time of the study.

In terms of the effects of the training provided by



the Project on their business, the overall feedback received from the contractors was very positive but the responses received from the contractors indicate substantial differences between the 4 districts. The most pronounced overall benefits of the training were reported by the contractors in the Nias cluster. Within the Nias cluster, the contractors in Nias district reported to have benefited more from the training than their colleagues in Nias-Selatan.



The fact that the overall perceived benefits of the training are more pronounced in the Nias cluster of the Project confirms the experience of the Project that the small local construction industry in Nias islands is relatively under-developed, compared to the small construction industries in Aceh province.

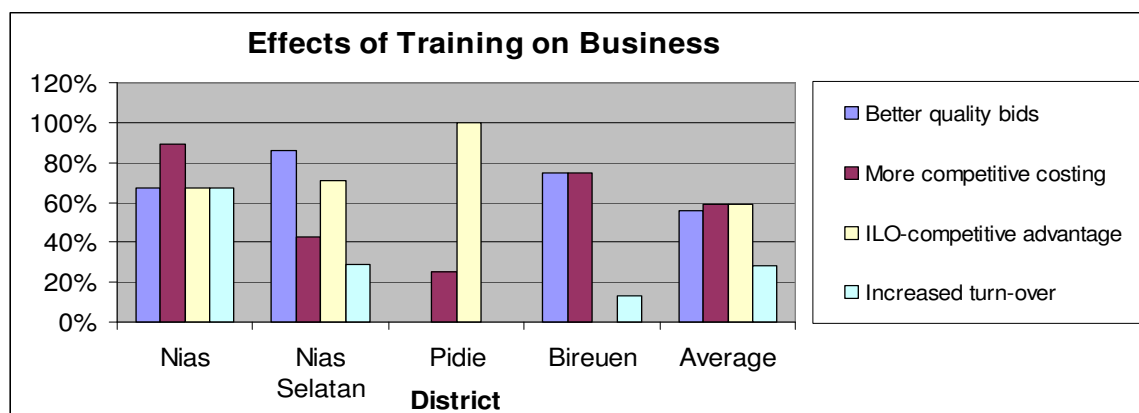
The reasons why the contractors in Nias district appear to have benefited more from the training than their colleagues in Nias Selatan district can be explained by the fact that the small construction industry in Nias-Selatan district is even less developed than the one in Nias district. At the same time there are also less business opportunities for contractors in Nias-Selatan than in Nias district and for these reasons it appears logical that less contractors in Nias Selatan have benefited from the training in terms of an increased turn-over or the ability to submit more cost-competitive bids.



The contractors in Pidie district mentioned that the most important advantage of the training provided to them was the competitive advantage that working with the ILO had given them. A better quality of the bids, the ability of preparing more cost-competitive bids or an increased turn-over was (hardly) not considered as a benefit from the training. In Bireuen district the majority of the contractors considered the ability to submit more cost-competitive and better quality bids to be the major benefit of the training.

Figure 8 presents an overview of the benefits that the contractors perceived from the training provided to them by the Project.

Figure 8: Benefits from the training by the Project on the contractors' business

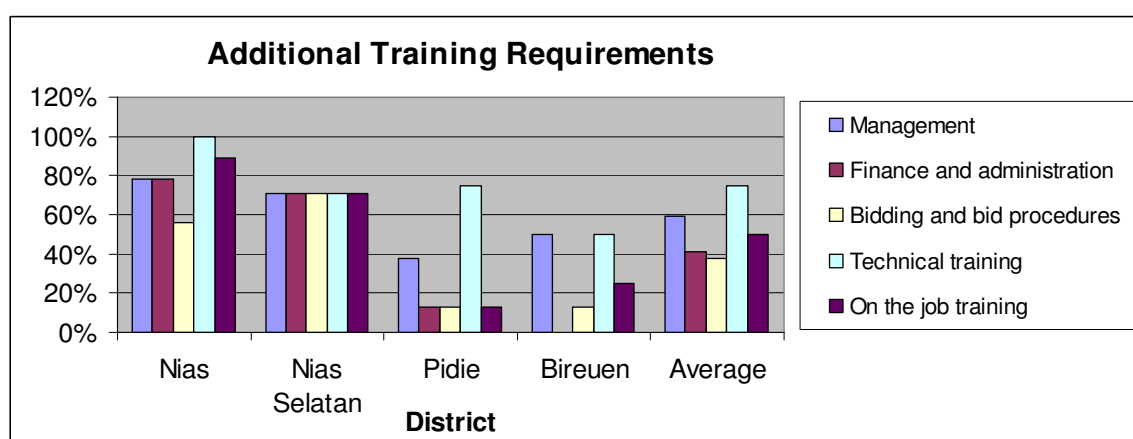


4.3 Additional Training Requirements

Additional training requirements that were identified by the interviewed contractors are summarized in figure 9. In Nias and Nias Selatan district more contractors expressed the need for additional training than in Pidie and Bireuen district. This can be explained by the relatively backward condition of the small local contracting industry in Nias islands compared to Aceh.

In Nias and Nias Selatan district the majority of the contractors indicated that they would require additional training in management, finance & administration, bidding and on technical issues. In Pidie and Bireuen district, where the small local construction industry is already relatively more established, more technical training and training on management is mentioned as a priority by 40-75% of the contractors.

Figure 9: Identified additional training requirements of contractors



4.4 Gender Issues

In the Nias cluster the contractors reported that about 28% of their workers were women. In the Aceh cluster the contractors mentioned that – on average – 21% of the construction workers employed are female. These figures are reasonably well in line with the information available from the Project about the participation rate of women (28%).

Three of the interviewed contractors in Nias Selatan reported that they have women among their staff. In Nias this is the case with one contractor. In Pidie one contractor has female staff whereas in Bireuen no women are employed as staff of the contractors. Overall 16% of the contractors employ female company staff.



In the Nias cluster 81% of the contractors actively try to employ female workers. In the Aceh cluster this is the case for only 6% of the contractors. Contractors who do not actively try to employ female workers mention that the main reason for this is that there is no demand from the project owners to do so.

Only two contractors mentioned that the reason for not encouraging women to be employed as construction worker is that they think that women do not work as well as men.

An explanation for the higher women participation in the work-force in the Nias cluster compared to the Aceh cluster is related to the fact that certain activities, in particular stone crushing, is done manually in Nias (mainly by women), whereas this activity is more mechanized (using stone crushers) in Aceh.

The fact that the participation of women in the workforce has significantly increased throughout the life time of the Project – from 7-15% at the start of the Project to 28% at present – indicates that the Project's approach of encouraging women to participate in the construction works has been fairly effective.

The Project has developed a '*Gender Toolkit*' outlining approaches that aim at promoting the involvement of women in the workforce. In addition, the contracts signed with the contractors include a clause that stipulates that 30% of the workers need to be women. It appears that this approach is working well. It is also reflected in the responses from the contractors; almost 50% of them mentioned that the main reason of not employing women (in construction works outside of the work that they did for the Project) is the absence of any such conditions from the project owners.

It appears that, overall, the interviewed contractors are not prejudiced in terms of assuming lower labour productivities of women compared to labour productivities of men. Only 2 out of the 32 interviewed contractors informed that they are not actively promoting the employment of women in their workforce because they think that women work less well than men.

5. Conclusions and Recommendations

The training provided by the Project has been perceived as very useful by 91% of the 32 contractors who were included in the tracer study. 9% of the contractors found the training useful. The findings from the tracer study indicate that the contractors in the Nias cluster benefited even more from the training than their colleagues in the Aceh cluster. This can be explained by the very low capacities of the contractors in Nias islands, compared to the capacities of the contractors in Aceh.

The majority of the contractors in Nias islands benefited from the training in terms of increased abilities to produce qualitatively better – and more cost-competitive – bids, improved management skills, a better knowledge and understanding of finance and administrative requirements, an increased understanding of bidding requirements, and increased technical know-how about construction techniques and work methods. In the Aceh cluster these benefits from the training were also appreciated by the contractors, but to a lesser extent, as the contractors already had acquired basic competencies in some of the areas in which training has been provided.

The interviewed contractors from the Nias cluster of the Project indicated that they would require more training in all the areas in which the Project has been giving training. In the Aceh cluster the contractors mentioned that they were particularly interested in more training on management and in technical matter.

The study also indicated that the contractors are willing to employ women in the workforce, should such stipulations be part of the contractual conditions of works contracted to them. There does not appear to be a bias against the employment of women because of assumed lower productivities of women. Considering the noted open-mindedness of the contractors regarding the employment of women, and considering the sharp increase of women in the workforce – in particular in the Aceh cluster – it appears that the Project's approach of promoting the involvement of women has been successful.

Considering the successful results of the training provided to the contractors – and the effective training methodology that has been applied – it is recommended that these training activities and the

training approach are being continued. This will require an enabling environment for small-scale local contractors. Key elements of such an environment do not only relate to access to facilities and services through which the contractor can improve technical skills and competencies. It also includes the need for an enabling legislative and regulatory framework, access to finance and the availability of sufficient business opportunities. It is suggested that these aspects are being considered in close consultation with the public and private sector stakeholders in the development of a sustainable and enabling business development strategy for small local contractors.

Annex 1: Questionnaire used for tracer study

Note for the Interviewee:

Use of data: This questionnaire is used to collect important data to find out about the success of the ILO project. The collected data will be analyzed and summarized in the Final Project Evaluation Report.

Confidentiality: Your information will not be used for any other purpose than for this evaluation and your name will not be revealed in connection with this questionnaire.

Interviewer: _____ Date of Interview:

Company Details

Company name: _____

Address: _____

Phone: _____, *E-mail:* _____, *Fax:* _____

Contact Person Name: _____

Cell Phone: _____

1. Company Establishment and Capacity

1.1. How many fixed employees are there in your company? _____

1.2. Is your company registered with an association?

1.2.1. ☐ yes

1.2.2. ☐ no

1.2.3. If yes, with which association(s): _____

1.3. When did you first register your company? Date: _____ Year: _____

1.4. What type of work does your company carry out?

1.4.1. ☐ road construction

1.4.2. ☐ road maintenance

1.4.3. ☐ building works

1.4.4. ☐ irrigation works

1.4.5. ☐ water works

1.4.6. ☐ drainage works

- 1.4.7. ☐ sanitation works
- 1.5. What method(s) do you apply?
- 1.5.1. ☐ labor based only
- 1.5.2. ☐ machine based only
- 1.5.3. ☐ mixed, depending on nature of works
- 1.6. What is your company turnover per year? IDR _____
- 1.7. How many ILO assisted contracts have you been awarded?
- 1.7.1. ☐ 1
- 1.7.2. ☐ 2
- 1.7.3. ☐ 3
- 1.7.4. ☐ 4 or more

2. ILO Training

- 2.1. Who in your company has received training?
- 2.1.1. ☐ director
- 2.1.2. ☐ supervisors
- 2.1.3. ☐ others
- 2.2. What type of type of training did they receive?
- 2.2.1. ☐ pre-tender procedures
- 2.2.2. ☐ LRB road construction techniques
- 2.2.3. ☐ hand tools and equipment knowledge
- 2.2.4. ☐ LRB setting out process
- 2.2.5. ☐ work plan preparation
- 2.2.6. ☐ site supervision
- 2.2.7. ☐ reporting & monitoring procedures
- 2.2.8. ☐ gender training
- 2.2.9. ☐ other subjects: _____

3. Impact of Training

- 3.1. How would you rate the quality and usefulness of the training received from the ILO to carry out your job today?
- 3.1.1. ☐ **very useful**, can apply in our daily work most of what I and my staff learned
- 3.1.2. ☐ **mostly useful**, can apply in our daily work some of what I and my staff learned

- 3.1.3. ☐ **not really useful**, can apply only little in our daily work of what I and my staff learned
- 3.1.4. ☐ **not at all useful**, cannot apply anything in our daily work of what I and my staff learned
- 3.2. Did the training you received make you more competitive thereby getting more business for your company?
- 3.2.1. ☐ yes, it helped very much, my company expanded as a result of training
- 3.2.2. ☐ it made me slightly more competitive and generated some additional business
- 3.2.3. ☐ It did not make any difference to my business
- 3.3. If the ILO assisted training your received improved your business, in what way did it improve?
- 3.3.1. ☐ our bidding documents are of better quality
- 3.3.2. ☐ we are able to cost project more competitively
- 3.3.3. ☐ our references to ILO projects give us a competitive advantage in the bid evaluation process
- 3.3.4. ☐ We have increased the company turnover
- 3.4. Is the staff that received ILO training still employed in your company?
- 3.4.1. ☐ yes
- 3.4.2. ☐ no
- 3.4.3. If trained staff has left what are the reasons? _____
- 3.5. What additional training is important for the development of your company and staff?
- 3.5.1. ☐ more managerial training
- 3.5.2. ☐ more administrative and finance training
- 3.5.3. ☐ more training on bidding and bid procedures
- 3.5.4. ☐ more technical training
- 3.5.5. ☐ more field training
- 3.5.6. ☐ other training: _____
- 3.6. Has the training you received through the ILO assisted project made you aware of the value of training and made you seek additional training for you and your staff though other means?
- 3.6.1. ☐ yes
- 3.6.2. ☐ no

4. Gender Issues

- 4.1. How many percent of your employees are women? _____ %
- 4.2. Do you have any female field staff?
- 4.2.1. ☐ yes

4.2.2. ☐ no

4.3. If you have contracts in other than ILO assisted labor based projects are you actively employing women in your projects?

4.3.1. ☐ yes

4.3.2. ☐ no

4.4. If NO, why not?

4.4.1. ☐ there is no demand from the project owners that I employ women

4.4.2. ☐ I do not decide who to hire from the villages

4.4.3. ☐ women do not work as well as men

4.4.4. Other reasons? _____