



INTERNATIONAL LABOUR ORGANIZATION

Project Proposal (Revision January 2007)

Aceh Programme, Indonesia

Reference:	INS/06/20/NZE
Title:	Women Entrepreneurship Development: Strengthening BDS Providers and Improving the Market Access for Women Entrepreneurs
Coverage:	NAD Province, Indonesia
Duration:	12 months from February 2007
Executing agency	International Labour Organization (ILO)
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Organizations to be involved:	Women's Entrepreneurs Associations (IWAPI), Aceh Ka Bangkit, Bejreuh, and CCDE close collaboration with the BRR's Economic Development Department and the Provincial Department of Industry and Trade.
Summary:	Since 2005, NZAID has provided ILO funding to implement women-specific skills training and business development support in Aceh. Work focused on immediate action, supporting the start-up of women-led enterprises in the provision of construction materials, booming because of the reconstruction effort but traditionally a male-dominated sector. Action-research identified specific constraints to the growth of women's businesses and critical gaps in the overall Aceh livelihood support programmes for women to develop successful businesses. These include: • Women's enterprises in Aceh often stay small, informal and home-based because they have not been exposed to outside markets, lack access to capital and new technologies, as well as being burdened with family responsibilities; • Tsunami recovery efforts made available resources to assist women's livelihoods, but initiatives are basic (mostly vocational training only) and not sufficient (no after-training support) to enable Acehnese businesswomen to break into new and competitive markets; • Local organisations providing services for Acehnese women are lacking high-level business expertise. This proposal to NZAID for an additional allocation of US\$ 400,000 proposes to build on the lessons learnt from phase 1 to: 1. Build the capacity of business development services providers (BDSPs) to better service women entrepreneurs 2. Directly improve access to markets (marketing) for Acehnese women entrepreneurs It is envisaged that at the end of the project, Aceh has an improved enabling environment for women entrepreneurs and that through piloted initiatives a selected number of women entrepreneurs are enabled to act upon new market opportunities. Capacity of key local partners will be built to take forward this work. While demonstrating models for fostering growth in women's enterprises, the ILO will continue to engage relevant BRR units, in particular the Economic Development Unit and the Women's Empowerment Unit, as well as local government

1. BACKGROUND AND JUSTIFICATION

A. Background

The earthquake and tsunami on 26 December 2004, hitting the coastal areas of Aceh province and outlying islands has substantially destroyed people's livelihoods, economic means, and institutional capacity of the public and private sectors in Aceh. However, following the disaster, Aceh has also received immense international attention, which inadvertently worked to support the Aceh peace process, which had been initiated since 2002 and progressed significantly during the reconstruction of Aceh and Nias. The recovery and reconstruction efforts originally focussing on the coastal areas are currently expanding to former conflict areas. Creating employment for all Acehnese men and women is a key to a lasting recovery of Aceh, at the same time it poses a big challenge for reconstruction actors.

From February 2005, the ILO started assisting local government and organisations to rebuild Aceh. As promoting gender equality is an integral part of the overall ILO policy, the ILO in Aceh quickly recognized that women in Aceh were disadvantaged regarding the participation in the recovery and reconstruction of Aceh, which very often demanded skills traditionally possessed by men. For this reason, the ILO with funding from the government of New Zealand piloted women-specific training activities opening up opportunities for women to participate in the construction sector. Training on manufacturing concrete products was organized for women and was combined with basic business management training. Former training participants organized themselves in groups and applied for small grants in order to start their businesses.

The initial work set stage for the implementation of a full-scale project commencing in September 2005 with funding from the Government of Ireland. The emphasis remained on strengthening vocational skills and business management skills of potential and existing women entrepreneurs. In addition to that, initial efforts were made to strengthen the capacity of local business associations and BDS providers. The project also has initiated the promotion of women's entrepreneurship and conducted a study on factors affecting women entrepreneurs in Aceh in order to increase the knowledge base on women's entrepreneurship in Aceh. The ILO was one of the first organisations to support women's enterprise development in Aceh.

Strategies and approaches taken by different actors vary. The ILO seeks to instil a business sense into newly started women's enterprises and organisations that can be of their support. To date most organisations have taken a welfare approach, making skills training for women a heavily subsidized scheme thereby distorting the development of a commercial business service market in Aceh. Whereas subsidized training may have been justified in the early recovery phase, local and international organisations must now reduce grants and subsidization and develop a commercial market for business services. Especially, in the context of the construction boom and heavy investment in reconstruction activities, women's groups supported by the ILO have been able to evolve their businesses. The project aims at making women entrepreneurs as well as the BDS providers independent from subsidized training services, an approach that will prepare them to fend for themselves when aid and attention to Aceh wane.

The ILO seeks to develop a lasting capacity within Aceh to foster growth in women's enterprises. Therefore, the project will work closely with local Business Development Services Providers (BDSPs), and consult closely with the BRR's economic development programme. This Programme of BRR puts an emphasis on institutional building, quality services and human resource development, and plans on starting its own Women's Enterprise Development Programme in 2007.

B. Problem Identification

The actual delivery of technical support to women's businesses in Aceh and research in the past 18 months have revealed the gender dynamics in the SME sector in Aceh, where the majority of women's enterprises are small, marginal, and informal. Up to now, a majority of Acehnese women entrepreneurs have not been able to take advantage of business opportunities and resources available. Often women lack the knowledge and ability to identify market potentials for their products and the skills necessary to start, improve, expand and manage their businesses successfully. Three factors contributing to this situation are:

First, socio-cultural and religious norms entrenched in Acehnese society portray women as non-natural business owners. Society sees women's business activities as complimentary sources of income to their husband's income, which may be one reason why there has been little institutional support to assist women in starting and expanding their businesses. Furthermore, women being seen as the primary caretaker of the family and household are often restricted to their homes, which leave them little chance to expand their often home-based businesses, network with other businesses, and market their products. This also limits women's access to information on financial and non-financial business development services provided.

Second, a poor business-enabling environment in Aceh hinders small and micro women entrepreneurs from accessing financial products, business development services, and sourcing of business inputs, technologies, and information. There is further a shortage of local expertise to effectively provide high quality business development and business advisory services.

Third, financial markets are still not working well for small business owners. Many financial institutions remain unperceptive and unconvinced to the value of providing loans to small businesses, especially when owned by women. Loan regulations in some cases prevent loan extension to women entrepreneurs. Women's businesses in particular do not have access to financial services to the same extent as male-operated businesses due to collateral requirements that many women are unable to pledge – women often are not registered as owners of business premises as well as land. Often women entrepreneurs plainly just do not have the information where to go in order to receive financial services.

At present, concentrated efforts are made to support small and micro entrepreneurs by national and international organisations. A particular focus is creation of new financial products for business owners. Facilitating women's access to these services and to effectively utilize financial products is a critical factor to enable women to expand their businesses. Women's businesses are also critical for building a trade network within and outside Aceh. Some businesses supply products and provide services that need refinement to meet customer and market demands. A necessary and obvious response is a system of Business Development Services to enhance the market skills of women entrepreneurs and thus enabling their business growth.

In 2007, BRR Economic Development Unit will expand its current extensive livelihoods and micro finance programme into all districts in Aceh. Efforts to secure institutional commitment to address women's causes in the reconstruction of Aceh and Nias during 2005-06 have been successful. In the field of women's enterprise development, the ILO-BRR-APINDO-UNIFEM organized "Best Women Entrepreneurs of Aceh Awards 2006" and the achievements of the ILO's Women Enterprise Development works have been of strategic support to the shaping of BRR's Women Enterprise Development Project scheduled to start in 2007.

BRR's WED Project and ILO's proposed WED Phase II share some common objectives, while BRR's is of larger and more general scope by the size of its programme. BRR's Economic Development Unit and Women's Empowerment Unit are concerned with the capacity of BRR's implementing partners in rendering business service support to women and men micro entrepreneurs and enterprise supports to vocational skills trainees. BRR, IWAPI, and other organisations involved in

livelihoods support for women have noted marketing support to Acehese women entrepreneurs as a key area for urgent intervention. The challenges facing all agencies are two-fold namely a lack of local capacity to design and deliver services and access to well-tested tools for market access for women entrepreneurs¹. The ILO's proposal is to demonstrate and create local capacity to propel better services to assist women entrepreneurs to expand their market access.

C. Key Achievements from ILO-Women Enterprise Development Phase I

ILO's contribution to Women's Enterprise Development in Aceh and Nias during February 2005-September 2006 has been financed by funding from the Governments of Netherlands, New Zealand, Ireland, and UNDP. A three-tiered strategy from capacity building, direct services, to policy advocacy was adopted and guided by regular gender analysis of issues and factors inhibiting the growth of women's enterprises. This strategy has proven to be effective in creating a specific business niche for women in the construction sector as well as identifying the specific unmet needs of women entrepreneurs. Over 725 women entrepreneurs have been serviced by the ILO's women entrepreneurship development programme. And in areas where these women set up businesses, improvement in household and community economy has been generated. A summary of the achievements made by the ILO is presented below: Annex 1 presents a detailed report on these achievements.

(a) Capacity Building & Direct Services: The services provided by the ILO technical teams covered training of trainers in concrete block making and business management training; supporting the trainers to train interested women's groups in concrete block making, other production skills, and business management training. Thereafter, the ILO provided business start-up grants to selected women's groups. Their businesses received regular business management support, product quality testing, and marketing support. Overall, 465 women received short-cycle skills training, out of which 262 attended the business start-up training (SYB). The concrete block making was the main focus in the Phase I: 200 women were trained and 20 businesses have been established and, in turn, generated about 100 jobs in their locality. In the handicraft section, 200 women received short-cycle training and 50 have started business and/or join handicraft cooperatives. The trainers have also established their own association to provide block manufacturing and business management to potential women entrepreneurs. Organizations with programmes to promote women entrepreneurs in Aceh have benefited from their training services. Throughout Phase I, the ILO regularly mainstreamed women entrepreneurship development in its local economic recovery and development in Aceh Besar.

(b) Institutional Capacity Building: Business development service providers in Aceh are relatively weak in organisational and technical capacity. To build local capacity of existing organisation, the ILO organized an association building workshop for selected local organisations that are involved in business development for women. Participating in the workshop were representatives of IWAPI, Aceh ka Bangkit, Bejreuh, and CDDE. The participants learned about the pivotal roles of business associations in supporting small and micro women's enterprises and other issues necessary for a successful BDS such as management structures, leadership skills, human resources, membership, sustainable financing mechanisms, different types of BDS, and how to draw up an action plan. Further hand-on support to these organisations will be necessary.

(c) Policy and advocacy: The contribution of women entrepreneurs to Acehese economy and recovery as well as their particular development needs have not registered well with policy makers and service delivery organisations. The ILO together with local organisations including IWAPI, APINDO, BRR, UNIFEM, BQB, and Mercy Corps organized public events namely Best Women Entrepreneurs Award and Arena of Women Entrepreneurs to make visible women entrepreneurs' achievements and potentials. These events were well received by both BRR and local governments

¹ Based on consultation with BRR's Economic Development Unit, Satker Kerja, UNORC Gender Advisor, BRR Gender Advisor, and Head of IWAPI NAD during the week of September 22-29, 2006.

and paved ground for their institutional commitments to concentrate more development efforts to address women's needs. The BRR will launch a Women Entrepreneurship Development Project in 2007, which will benefit from the findings and recommendations from the ILO study on factors affecting women businesses. A joint ILO-BRR-UNORC workshop to verify the findings and recommendations took place on 12 October 2006.

From Phase I much has been achieved and learned. The key learning points have been the need to focus assistance to existing women entrepreneurs and build local capacity to further and better assist existing business. Such are the key component of the proposed Phase II.

2. PURPOSE AND APPROACHES

A. Purpose

The overall purpose of the project is to contribute to improving the livelihood of families by increasing women's access to economic opportunities, which in turn will benefit their own families and the families of their employees. This will include women entrepreneurs affected by the conflict as well as women entrepreneurs with disabilities.

The project represents a women-specific initiative to address gender inequalities in the small enterprise sector. It combines gender equality promotion with enterprise development. Specifically, it envisages direct technical support to local actors thereby enabling them to:

- Improve the business environment for women entrepreneurship
- Improve access to markets for women entrepreneurs

Enabling environment for women's entrepreneurship

Under this theme, BDS providers will be better equipped to provide more and better business development services to women entrepreneurs as well as capacitated to promote women entrepreneurship. Activities include technical advisory services to local government on how to make the business environment more conducive to women's entrepreneurship, best women entrepreneur awards, association building and training of trainers. The project will provide technical support to the management and staff of these organisations enabling them to plan and manage their BDS and advocacy programmes better.

Access to markets for women entrepreneurs

Findings from the WED study conducted and general project experiences made in phase 1 indicated that women entrepreneurs tend to run home-based businesses, which deprives them of a broader market access. Women tend to sell their products and services to friends, family members and the surrounding neighbourhood. The big demand by women entrepreneurs for successful initiatives such as the trade fair undertaken in phase 1, demonstrate that women entrepreneurs in particular the most vulnerable of them (i.e. women entrepreneurs with disabilities and poor micro entrepreneurs) crave for opportunities to "go public" and extend their markets. For this reason, initial activities aiming at increased market access for women entrepreneurs will be extended and further pilot tested with selected BDS providers. The work under this theme encompasses a range of business development services provided directly to selected women entrepreneurs and will focus strongly on marketing (developing marketing strategies with women entrepreneurs through business counselling; training on how to do market assessments i.e. Rapid Market Appraisal; training on attractive packaging and product display; conduct trade fairs including "Improve Your Exhibiting Skills" workshops; open or up-grade and promote outlet shops for women entrepreneurs, etc).

B. Approaches

To achieve the aim of generating a better business environment for women entrepreneurship, the Project will plan and review the proposed activities in close coordination with its strategical partners, particularly the BRR's Economic Development Unit and Women's Empowerment Unit. In so doing and creating synergies with other women enterprise development initiatives, a Project Advisory

Committee (PAC) will be formed. It will comprise representatives of local organisations, implementation partners, and relevant BRR SATKERS. The committee will be consulted regularly to guide project implementation.² The BDS development and pilot initiatives will be fully documented throughout the project and discussed with BRR and related DINAS for future replication in other districts and identification of gaps in local capacity to implement and deliver BDS for women entrepreneurs. Good practices and lessons learned will help inform the work of BRR, business development actors, and ILO's enterprise development and micro finance components.

Technical advisory services will be provided to BRR (especially its 'Lifeskills Unit' and the Department of Industry and the Department for SME and Cooperatives in order to build their capacity to manage their respective women entrepreneurship development initiatives already in existence or being planned. These government partners will be encouraged and facilitated to adopt certain tools developed under the project.

At the implementation level, integrated planning and joint implementation with other projects of the ILO Aceh Programme will be further pursued. These projects, in particular, are:

- o Entrepreneurship Culture and Business Creation for Youth Employment in Aceh,³ which specifically addresses the gaps in start-up business support for youth
- o Local Economic Recovery: Rebuilding Livelihood and Employment Opportunities (LED),⁴ which focuses on immediate economic recovery at the community level so as to create necessary conditions for implementation of medium- and long-term economic development plans

Both projects are gender-mainstreamed. They seek to support business start up and improvement. The interventions proposed for Phase II are deliberately targeting existing businesses. Their design and implementation approaches are informed and guided by the work and lessons learned through the Enterprise Development Component of the ILO Aceh Programme (ENT). These include a study on the factors affecting women entrepreneurs, business start-up support to women (i.e. concrete-block making and handicrafts), strengthening of the SIYB trainer network, and capacity building for small Micro Finance Institutions in Aceh.

With a focus on creating better BDS providers and marketing support to existing businesses, the proposed WED Phase II will further advance the goals of business creation of the two ILO projects abovementioned. WED's project partners already have Start Your Business trainers trained under the Youth Employment Project; and these trainers have been giving business trainings to the economic recovery initiatives financed by the LED project. Some of the women's businesses that received support from WED Phase I are now doing businesses with community construction cluster in Meuraxa. These businesses, like the majority supported by other organisations, are in need of better access to the market. Gender specific action and expertise within local BDS providers will be necessary, as per the findings of the Study on Factors Affecting Women Entrepreneurship. The proposed WED Phase II is to provide just that, advising ILO projects and with them demonstrating gender-specific action in women enterprise development within the context of Aceh economic development.

Because these two projects aim at supporting youth employment and cover areas affected by the tsunami and the conflict, respectively, the proposed Phase II's implementation strategies will be attuned to the specific needs of youth and women entrepreneurs living in conflict affected areas.

To achieve the goal of better business environment, the proposed project will develop expertise in BDS for women entrepreneurs in a selected few BDS providers. Through direct technical and

² For more details, view section 6 – Management Arrangements in this proposal.

³ Funded by CIDA with the implementation timeframe of December 2006 – December 2007

⁴ Funded by Government of Finland with the implementation timeframe of June 2005 – June 2007

management coaching from the Project, the selected BDS providers will be able to build up their capacity to improve their existing operations and pilot new initiatives with a strong focus on marketing for women entrepreneurs. The Project will draw from existing ILO tools, such as the Rapid Market Appraisal (RMA), Generate Your Business Idea (GYBI), Start Your Business (SYB), Improve Your Business (IYB) and Improve Your Exhibition Skills (IYES) and tailor them to the conditions of women entrepreneurs associations and other service providers in Aceh. In so doing, local BDS providers will be equipped with quality tools, well trained/coached staff, better financing mechanisms for their organisations, and well designed relevant BDS programmes so that they can improve their services and help a greater number of women entrepreneurs. The business development services to be provided by the Project's partners will include business counseling, market assessment, product design and development, information about suitable financial products and business registration procedures, product promotion, and business coaching. Such services are to help existing women entrepreneurs to expand and capture new markets. It is within this context that the Project will contribute to the creation of an [improved](#) enabling business development environment in Aceh.

As the project duration is short (one year), the ILO will build on previous activities and relationships as well as focus project implementation immensely. Therefore, the strategy for the Project Phase III is to focus a) the capacity-building efforts on one main implementing partner namely IWAPI; other BDSPs will still receive some supports, but to a lesser extent; and b) at the business development services level concentrate on marketing related services in order to address the current main challenge for women entrepreneurs in Aceh.

3. TARGET GROUPS AND BENEFICIARIES

There are two target group categories for the project: the ultimate and direct beneficiaries.

- The **ultimate beneficiaries** are the women and men who lost their livelihoods and jobs as a result of the conflict and tsunami. They will have greater job opportunities should businesses in their locations expand.
- The **direct beneficiaries** consist of three groups:
 1. The management and staff of women entrepreneurs' associations and other local organisations (such as IWAPI, Aceh ka Bangkit, Bejreuh, CCDE) that are engaged in supporting women's businesses and have received prior support from the ILO. Through direct technical support, training of trainers, exposure trips, and creation of new [BDS](#), [about in total of 60 staff](#) of these organisations at both the management and operational level will be able to direct gender-responsive BDS to women entrepreneurs.
 2. Existing women entrepreneurs will benefit through a selection of pilot BDS focusing on marketing assistance (i.e. development of marketing strategies, market assessments, customer satisfaction surveys, trade fairs, outlet shops, etc.) in order to grow their businesses, and expand their trade networks in Aceh and beyond. [It is estimated that the project will be able to reach 960 women entrepreneurs directly as part of the BDS pilot activities. These entrepreneurs will be mainly coming from Banda Aceh, Aceh Besar, Pidie, Bireuen, and Calang. It is envisaged that BDS providers will take over successful initiatives and reach many more women entrepreneurs in the longer term.](#)

3. Personnel of BRR SATKERS as well as district-level facilitators of the Kecamatan Development Programme (KDP)⁵, involved in business development work at the district and provincial levels will be updated and consulted on the development of BDS for women and small and micro entrepreneurs. Through these additional channels, the services provided by the project will indirectly benefit additional 1,600 women entrepreneurs.

4. PROJECT OBJECTIVES, OUTPUTS, AND ACTIVITIES

Development Objective:

The project will contribute to the economic development of Aceh by building institutional capacity, management systems, and human resources development in the enterprise development sector with special focus on the needs of women entrepreneurs.

Through the project's interventions such as building the capacity of the BRR's entrepreneurship development programme and the support to selected BDS providers on the organisational, management and technical level, women entrepreneurs will be able to better access the market and therefore, grow their businesses, employ more people, and generate sustainable and better incomes for their employees, themselves, and their families.

Immediate Objectives:

At the end of the project, the business-enabling environment for women entrepreneurs in Aceh will have improved through building the capacity of Business Development Services Providers with special focus on assisting women entrepreneurs to improve their businesses and have better market access.

The current capacity of business development service providers in Aceh in both the public and the private sector needs much improvement to better assist existing and new women entrepreneurs effectively. Critical areas of improvement are the development and management of BDS programme, specifically marketing related services. Experience in and outside Aceh show that women entrepreneurs struggle most with marketing their products and services. Yet existing BDS providers focus mainly on vocational training. The current weaknesses lie both in their management capacity as well as their lack of appropriate tools and skilled human resources to support women entrepreneurs in developing appropriate marketing strategies.

Output 1: Capacity of one main (to the project) BDSP and several secondary (to the project) BDSPs strengthened to provide more and better services to support Acehnese women entrepreneurs in accessing the market.

Against the backdrop of investment in livelihoods programmes in Aceh and support to enterprise development, it will be strategically important to build the capacity of local BDS providers to implement a BDS programme that responds to the specific needs of women entrepreneurs. Through a sustained period of technical support from the ILO, an extensive effort will be made to capacitate the main partner of the project (IWAPI) and in addition to that, other (up to 5 have been pre-identified) BDS providers will have access to practical tools for their BDS programme, and their staff will have increased skills and capacity to deliver services to their clients.

⁵ The KDP programme is a national community development programme targeting the sub-district level. It is being supported by the World Bank and is funded in Aceh by BRR as well as the Multi Donor Trust Fund. The KDP has facilitators in the districts that promote community-level economic development opportunities with among others a specific focus on women groups. In January 2007 the ILO initiated with the KDP staff a training of trainers in 'GET Ahead', a grass-roots level methodology to stimulate women to engage in income generating activities.

As a follow-up to a broader mapping of BDSPs in Aceh conducted during phase 1, and as part of the development of a BDS system and management support to selected BDSPs in Aceh, the ILO together with these BDSPs will conduct a self-assessment exercise to determine the level and quality of BDS available and identify the general weaknesses and strengths in the system. Once this focussed needs assessment is completed the results will guide the project towards the design of a specific management support programme.

Specific attention will also be given to building the capacity of the project's partners in taking support roles to women who **have** received skills training and business management training. While such raining can yield job creation results, the trainees will need to be assisted in getting financial support for their new businesses from the growing microfinance programmes in Aceh. The ILO will work with its partner organisations to match supplies and demand. The BDS providers will have a critical role to play in channelling information about various financial products and MFIs that cater to women entrepreneurs. In order to close the gap BDS providers need to create linkages with MFIs so that they can provide much needed information to women entrepreneurs and facilitate access to micro finance.

In addition to greater capacity to deliver better services to women entrepreneurs, the ILO's direct support to the main partner, i.e., IWAPI, will also cover management coaching and resource mobilization to finance its new service programmes. To all of the project partners, emphasis will also be placed on BDS providing pay-for-service programmes so that the BDSPs could at least partially sustain themselves overtime. Another focus of the capacity building effort on the management level will be on accountability and transparency. This is one urgent need identified during the implementation of phase 1, when it was noted that most local organisations have difficulties in these areas. A strengthened capacity will enable the selected BDSPs to grow and to assist better and more women entrepreneurs.

Concretely, 4 management and technical training programmes to enhance the capacity of the BDSPs staff will be organized in Banda Aceh. After the training, the trainees will be able to apply the new knowledge gained to the work of the organizations then train/support/coach women entrepreneurs who are the clients of their organization. It is expected about 15 participants will attend each of these trainings. These BDSPs all have their main office in Banda Aceh but several of them have branch offices in other parts of the province, specifically in Bireuen, Calang and Aceh Besar. The BDSPs will be requested to nominate in equal proportions Banda Aceh-based staff and staff from other districts to attend the training. The selected BDSPs that are project partners will receive financial support from the project to provide services to about 300 entrepreneurs from Banda Aceh, Aceh Besar, Pidie, Bireuen, and Calang.

Targets and Indicators

- *The main partner, i.e., IWAPI, shows improved accountability and financial transparency*
- *A minimum of three further BDSPs are offering more and better services to women entrepreneurs compared to before project implementation.*
- *60 BDSPs staff capacitated and reaching 300 additional entrepreneurs*

Output 2: At least 2 Outlet Shops for promoting and selling of women entrepreneur's products established or up-graded (if already existent prior to project)

As mentioned above women entrepreneurs mainly are struggling with marketing their products and services. This is due to the fact that women lack the knowledge on how to develop an appropriate marketing strategy, but also women-led small enterprises in Aceh often lack the capital as well as mobility to open up a shop in a good location in the market. Therefore, female owners of SMEs in Aceh tend to run home based businesses from where market access is limited. One way to provide these women entrepreneurs with better market access is to open up outlet shops that promote and sell the products of these women. Some BDS providers such as IWAPI and Bejreuh already have a small

number of showrooms and outlet shops to serve exactly this purpose. Advisory services will be given to these outlet shops and restructure their showroom and develop marketing themes to promote Aceh women's products. The project's implementing partners are to facilitate interaction between the outlets and women entrepreneurs, a measure to assist the latter in developing their products to market trends and customers' tastes and interests.

Targets and Indicators:

- *2 Outlet shops established or upgraded*
- *60 women entrepreneurs displaying and selling their products and services through outlet shops supported by the project.*

Output 3: Women Entrepreneurship in Aceh further promoted through promotional campaigns and events.

Women entrepreneurs in Aceh are generally not seen as contributing much to the economy. Neither have they been recognized as critical target for economic development programme. Aceh women who run businesses mainly are regarded as complementing their husbands' income in a small way, despite their potential contribution to growth in the Acehnese economy. Research conducted by the ILO, World Bank and other institutions indicates that gender inequalities inhibit economic growth and development. Therefore, in order to tap into the full potential of Acehnese society, gender inequalities must be diminished, women entrepreneurship must be promoted and public and policy makers' awareness on the contribution of women entrepreneurs to the reconstruction of Aceh must be raised.

Public events of different natures (trade fairs, awards for best women entrepreneurs, and public dialogues) will be organized by the project in partnership with BDS providers and other relevant organisations and government as a way to advocate appropriate solutions and measures to address issues and institutional practices that hamper the growth of women's businesses.

Targets and Indicators:

- *3 Number of promotional events conducted.*

Output 4: Four pilot initiatives on marketing conducted.

The ability of BDS providers to provide services related to marketing for women entrepreneurs is critical. Yet as mentioned earlier to date BDS providers tend to focus on vocational training only as they lack tools, ideas and human resources on offering services in this key area of BDS. The ILO has a wide repertoire of tools and methodologies developed for BDS providers such as the Rapid Market Appraisal (RMA), and Improve Your Exhibiting Skills (IYES), that have been tested in a variety of countries. Together with selected BDS providers, the project will select the most relevant tools, such as improving packaging, market assessment, marketing strategy, exhibition skills, and customer relations skills. These methodologies will be adapted to the Acehnese context. Following this, staff of selected BDS providers will be trained as trainers on using the selected tools so that they could further assist women entrepreneurs who are the clients of their organizations. Throughout the coaching period, the project will document, monitor, and refine the piloted tools so that the final products are appropriate to the capacity of BDS delivery networks in Aceh. The development and testing of the tools will be conducted in partnership with the project's institutional partners and local government units, such as the Department of Industry and BRR. The extent to which women entrepreneurs will be able to reach a wider market will depend on the increased capacity of the BDSPs and their own capacities. The selected BDSPs that are project partners will receive financial support from the project to provide 64 training courses to about 960 entrepreneurs from Banda Aceh, Aceh Besar, Pidie, Bireuen, and Calang as part of the pilot initiatives.

Targets and Indicators:

- *At least 4 training tools and methodologies adapted to the Acehese context and/or newly developed (if needed), and used by BDS providers.*
- *32 trainers actively using their new skills in partner organisations to train women entrepreneurs.*
- *960 women entrepreneurs reached through pilot initiatives*

5. INSTITUTIONAL FRAMEWORK

Project Advisory Committee (PAC)

Phase II project work planning will be done in consultation with local organisations particularly the project's strategic partners. Given a broader context of economic development in Aceh and the much-needed capacity building for local governments and organisations servicing micro economic actors, a Project Advisory Committee (PAC) will be set up for the proposed project as well as other ILO projects addressing enterprise development. Its members will consist of representatives of BRR's Economic Development Unit and Women's Empowerment Unit, local government, project partner organisations, business associations, selected international organisations with enterprise development programme, and the ILO. The PAC will serve as a forum for sharing of policy and technical advisory support, joint programming, review of progress and challenges concerning enterprise development, in general, and women's enterprise development, specifically.

The Project's association with the Economic Development and Women's Empowerment Units of **BRR** (Government Agency for Rehabilitation and Reconstruction of Aceh province) will be of strategic nature. This association builds on the on-going collaboration with BRR whereby the ILO's vocational training component has conducted a joint review of BRR's life skills training programme and piloted training of BRR's training subcontractors on training capacity and monitoring and review of training programme. Post training support to trainees and supporting business start-up and expansion are the areas of BRR's concern. BRR has requested ILO's support for enterprise development to its management and monitoring unit. A close collaboration between ILO's proposed WED Phase II and BRR's WED Project will help deepen the impact of both projects, particularly at the policy level. Further, IWAPI is likely to be the implementing partners of both BRR and ILO's WED initiatives.

Local Government: BRR's Economic Development Unit works closely with the Provincial Departments of Preindustrial and Cooperatives. Both are BRR's main partners with the responsibility of managing BRR's life skills training programme and microfinance programme. The activities of the proposed WED Phase II will collaborate with their activities particularly those concerning policy and advocacy.

To both BRR and relevant local government offices, the ILO will submit the regular project's 6-month report and engage them in project's review and evaluation activities.

IWAPI (Association of Business Women in Indonesia), **Aceh ka Bangkit, Bejreuh**, and **CCDE** (Center for Community Development and Education) have been preliminary selected as the project's partners. Their operational capacity has been affected by the tsunami. But over the past 18 months, they have been building back their capacity and some forms of business development services to women at the community level. They each have offices in Banda Aceh as other districts. Annex 2 presents the profiles of these four organisations and their previous involvement in WED Phase I activities.

Within the framework of the proposed Phase II, the staff of these organisations will receive training from the ILO and coaching support in the development and implementation of pilot initiatives to improve women entrepreneurs' market access. IWAPI in particular will be the project's primary

partner and will receive substantive technical and management support. The ILO will enter into a contractual agreement with each organisation, thus specifying the terms of financial and technical support from the project. The ILO will regularly provide technical support to these organisations as well as monitor and review their performance. The partner organisations are to submit quarterly progress and financial report to the ILO.

These four organisations have been involved in the activities of WED Phase I to a differing degree. IWAPI has been involved in all activities and stands as the one with the most potential in supporting women's access to the market. It currently operates a small showroom in Banda Aceh. As a result of its continued collaboration with the ILO, it has been able to strengthen its institutional capacity overtime. However, further technical and management support will be required. As for the proposed WED Phase II, collaboration with IWAPI will be scaled up both at the provincial and district levels.

6. ILO CAPACITY

The ILO has considerable experience in introducing and institutionalising Business Development Services in developing and transitional economies worldwide. In Aceh, the ILO has already established working partnership and customizes its technical tools to the specific socioeconomic conditions in Aceh. Local expertise in using some of these tools and familiarity with principles of effective BDS for women have already been created. The proposed Phase II will further draw on ILO's technical expertise and international experiences. The ILO's programmes to be linked up with the proposed project are as follows:

The **Start and Improve Your Business (SIYB)** programme was initially developed by the ILO in the late 1970's and has since been introduced in 87 countries. The ILO presently has seven active projects in Cambodia, China, Lao PDR, Papua New Guinea, Sri Lanka, Western Africa, South-Eastern Africa and Viet Nam introducing the SIYB programme. Together these projects cover 22 countries, 550 BDS providers, more than 1,900 regular SIYB trainers, 27 per cent of which are women, and 96 Master Trainers. In the period from 1998-2003 alone 90,000 entrepreneurs have been trained in SIYB, with 47 per cent being women, more than 10,000 new business started and more than 50,000 jobs have been created. The SIYB programme is one of the business management training programmes with the highest global outreach and the ILO has built up an extensive set of materials for master trainers, trainers, entrepreneurs and BDS providers with strict quality control and impact assessment methods. Important lessons learned from the vast experience in implementing SIYB is that targeted business management training can have a significant impact on business start-up and employment creation. For more information about the SIYB and GYBI programme see www.ilo.org/seed/siyb where links to active SIYB projects can be found as well.

Gender and Enterprise Together (GET Ahead) was recently developed by the ILO in the period of 2002-2004 and is currently being introduced to countries in Africa and Asia through the Ireland Aid funded Women's Entrepreneurship Development and Gender Equality (WEDGE) programme as well as through ILO regional and area offices. The GET Ahead training package addresses the needs of women in enterprise in a more comprehensive way than conventional business management training materials as it highlights essential entrepreneurial skills from a gender perspective and can be applied to starting and improving an individual as well as a family or group based business. Lower educated women who are less confident to start their business and thus need additional support are the key target group for GET Ahead. This package follows a modular approach, one module also covers marketing issues, modules if found relevant and appropriate by implementing partner of the proposed project can be adapted and piloted in the Aceh context.

The **WEDGE** team is part of the ILO's SEED Programme, and is working specifically on ensuring that women and men have equal access to economic resources and business support to enable them to start, formalize and grow their businesses. Much of this emphasis is on facilitating the provision of practical assistance to help women to start, formalize and expand their own businesses. The WEDGE

approach is based around (i) developing the knowledge base on women entrepreneurs, (ii) promoting representation, advocacy and voice, and (iii) developing innovative support services for women entrepreneurs. As part of the Enterprise Department, the WEDGE team has close links with other enterprise development approaches in fields of policy, business development services, association building, enterprise culture and job quality. WEDGE also works closely with the ILO's Department of Skills and Employability to provide effective support for women entrepreneurs with disabilities in several countries in Africa and Asia.

In recent years, WEDGE has also worked to contribute to the Global Employment Agenda's overarching goal of ending discrimination in the labour market. This provides a complementary focus on more strategic issues that affect women entrepreneurs in the areas of policy development as well as relating to their entitlements to access economic resources. Various forms of WEDGE assistance and support take account of longer-term sustainability issues, particularly in terms of market-led approaches to BDS, as well as where particular subsidies may be required to assist target groups living in poverty. For more information on WEDGE see www.ilo.org/seed.

7. IMPLEMENTATION, REPORTING, MONITORING, AND EVALUATION

As an executing agency, the ILO will follow the standard financial regulations and control systems applicable to all ILO operations and projects. The overall project management will be under the supervision of and receive support from the ILO Jakarta office.

Implementation

The project will be implemented in harmony with other ILO initiatives operational in the reconstruction and rehabilitation of Aceh and Nias. The Project's International Women Enterprise Development Expert (WED Expert) will have the overall project management responsibility including planning, implementation, coordination with partner organisations, monitoring and reporting. S/he will work closely with a National Project Officer, who will provide support to the WED Expert in the overall project coordination, fostering strategic linkages with national initiatives in Aceh, and monitoring the work and needs of project implementation partners. A national Project Assistance will provide overall administrative support to ensure effective delivery of the project activities. National and international consultants who are familiar with ILO's enterprise development and gender equality promotion tools and products will be engaged to provide additional capacity-building support to partner organisations, when appropriate.

Reporting, Monitoring and Evaluation

Continuous monitoring of the project implementation will adhere to the ILO's standard monitoring framework of the Development Cooperation Department (ILO-CODEV). At the start of the project a monitoring plan for implementation activities under phase II will be developed based on periodicity of events (quarterly) and on decision-making (corrective action, review meetings, etc.). This plan will include a) the indicators, b) the source of data, frequency of collection and the responsibility for collection, and c) the report format, and the individuals responsible for updating/using it. Project monitoring will involve a comparison of actual and planned results. The logical framework, the work plans and the budget will be used as measurement of the intended results. These documents will form the basis for the monitoring progress. As the main objective for monitoring is to identify the need for corrective action, in addition to the above, the monitoring plan will, set out how monitoring data will be used and identify the officials responsible for ensuring that action is taken.

The ILO will prepare project progress reports every 6 months on operations, findings of progress monitoring, which will be distributed to the donor as well as the Project Advisory Committee (PAC) prior to PAC meetings in which project implementation issues will be discussed. In addition, brief monthly project updates will be provided to the PAC and other ILO projects for internal coordination.

The ILO will provide final reporting to the donor on both financial and technical matters upon project completion. An evaluation will be organized towards the end of the project. The evaluation will look at impact and lessons learned as well as sustainability (as far as possible at this stage) of the project following its completion and draw lessons for further programming and policy-making. The ILO thereafter will finalise the Terminal Report incorporating the analytical inputs made during the review and submit it to the stakeholders within four weeks.

Knowledge Management and Sharing

The project will continue to use and provide inputs to the virtual BDS platform of the Job Creation and Enterprise Development Department in ILO HQs Geneva for ILO internal coordination and knowledge management and sharing. In addition to this, relevant documents such as training tools, progress reports and good practices/lessons learnt will be developed with and distributed to the PAC as well as to other relevant players in the field of entrepreneurship development in Aceh.

Exit Strategy

The partner organisations in general and the main organisations in particular will be involved from the beginning of the project in all activities (including input to the project document), and therefore, ownership will be created amongst the partner organisations. The pilot initiatives on marketing will have been fully tested, reviewed, refined and tailored to the needs of women entrepreneurs by the end of the project and the staff of these organisations will have increased capacity in order to implement and continue these organisations by themselves. If the initiatives are considered beneficial by women entrepreneurs (which obviously is aimed at by the project), women entrepreneurs should be willing to make a financial contribution towards receiving the service. With these contributions from service recipients, BDS providers may be able to only partially sustain their service provision. Therefore, part of the capacity building effort of BDSPs will focus also on proposal writing and networking, which will enable BDSPs to secure funds from external resources i.e. the government of Indonesia or development organisations remaining in the area.

8. ASSUMPTIONS

The situation in Aceh provides a complicated scene, and there is possibility of change as the project evolves. In the immediate emergency and recovery response, humanitarian and livelihoods organisations have been providing grants and training allowances to skills training and business start-up initiatives. This has created a dependency mindset among the women and men of Aceh. Some organisations are now working towards an empowerment approach, which seeks to assist and motivate people to use market/business principles to improve their livelihoods. The proposed WED Phase II expects further reduction in the provision of grant and cash allowances, increased institutional commitment to women entrepreneurship, and a gradual economic growth in Aceh in 2007.

In relation to the institutional context and availability of resources, the Project's success and the proposed implementation strategy has as its assumptions the following:

- Continued supportive provincial climate for small-scale private sector development in Aceh province
- BRR and the provincial government demonstrates institutional commitments to support women's entrepreneurship, good governance and actively supports project activities
- Implementing partner organisations and BDS providers demonstrate high institutional commitment and ownership, integrate project components into their regular programme, and work towards commercial delivery of the training courses
- The project will be able to continue to engage adequate resource persons for the project activities in the province for short-term work
- Potential and existing entrepreneurs are able to raise funds either with banks or elsewhere to start and further grow their businesses

- Financial institutions will proactively consider engaging in a partnership with the project and local government and consider loan applications by committed women entrepreneurs
- The BDS market is not continuously distorted by heavy financial training subsidies

Should these assumptions pose themselves as a risk to the Project's implementation, the ILO will adjust its project implementation strategy. If the practices of grant and allowances giving and people's dependency mindset do not wane, the project in collaboration with its partner organisations will selectively implement the pilot initiatives only in areas that have not been much exposed to international attention, e.g., the highland areas and those where the partner organisations already have operational presence.

The institutional commitment of the project's strategic and implementing partners is a critical component to the overall project's design. Should for any reasons the current commitment of project partners decrease and not be sufficient for an appropriate project implementation, a participatory assessment will be conducted with a view to identify necessary action. Should it prove impossible to continue with one partner due to an insufficient amount of commitment, this partner organisation will have to be replaced by another organisation.

The ILO will further consult the donor if the following situations take place:

- International organisations are not allowed to continue operations in NAD province
- The Peace Process is derailed and armed conflicts arise.
- Natural disasters leading the massive loss of lives and damaged infrastructure, thus making major relief efforts necessary.

9. INPUTS

ILO

ILO will provide programme management and administrative support from the ILO Office in Jakarta and the ILO Aceh Programme Management Unit in Banda Aceh, including transport, office space and security services as per UN standards. In addition, related ILO projects in Aceh will work closely with this project, giving technical inputs and creating synergies when and where possible. This includes the following projects:

- Entrepreneurship Culture and Business Creation for Youth Employment in Aceh (funded by Canadian CIDA), which specifically addresses the gaps in start-up business support for youth
- Local Economic Recovery: Rebuilding Livelihood and Employment Opportunities

Donor inputs

Project staff

- International Women Enterprise Development Expert
- National Programme Officer
- Administrative Support
- International and National consultants for customizing of Women Enterprise Development tools and projects, training, and direct technical assistance to implementing partners

Project travel for project and ILO backstopping staff

Project capacity building activities:

- Sub-contracts for implementing partners (estimated a total cost of USD 56,000 dedicated to activities to be directly implemented by IWAPI and USD 20,000 for those implemented by other participating BDSP)

- Workshops and training courses related to management and organizational structure (estimated 4 training courses, each with 15 representatives of implementation partner organisations).
- Study tour (for representatives of implementation and strategic partner organisations)
- 4 Pilot initiatives
- Adaptation and translation of 4 training tools
- 8 Training of Trainers
- Implementation of a total of 64 training courses by BDSPs (four courses per pilot initiative per partner BDSP)
- Establishing or Up-grading of Outlet shops
- 3 Promotional Events

Project monitoring and evaluation

Operational and management support to the implementation of the project.

BRR and local governments

BRR and local government offices are expected to maintain their high level of institutional commitment to support women's entrepreneurship development initiatives. In particular, BRR's Economic Development Unit and Women's Empowerment Unit will provide stag time to advise the ILO on the implementation of the project through their participation in the PAC and in project monitoring and evaluation activities. When feasible and as mutually identified in the joint work plan at the start of the project, cost sharing of some activities will be envisaged.

Participating BDS Providers

- Institutional and management commitment
- Human resources
- Organisational structure including office space

10. BUDGET: USA 400,000

11. LOGICAL FRAMEWORK

	Description	Targets and Verifiable Indicator	Means of verification	Assumptions
Project goal: To contribute to the economic development of Aceh by building institutional capacity, management systems, and human development in the enterprise development sector with special focus on the needs of women entrepreneurs				
Immediate Objective: The business enabling environment for women entrepreneurship in Aceh will have improved through building capacity of BDSPs with special focus on assisting women entrepreneurs to have improved market access				
Output 1	Capacity of BDS providers strengthened to provide more and better services to support Acehnese women entrepreneurs in accessing the market (marketing)	- The main partner, i.e., IWAPI, shows improved accountability and financial transparency - A minimum of three further BDSPs are offering more and better services to women entrepreneurs compared to before project implementation. - 60 BDSPs staff capacitated	Progress and final reports prepared by BDS providers. Results of the customer satisfaction survey administered.	Selected BDS providers continue to work together with the Project throughout the project implementation Limited staff turnover and change of management staff in the selected BDS providers Continued institutional support to women enterprise development in Aceh
Activity 1.1	Assessment of capacity and available services of selected BDS providers in Aceh in order to identify the exact capacity building needs of BDSPs			
Activity 1.2	Support the selected BDS providers to assess the needs of their stakeholders to determine directions and areas of BDS and delivery mechanisms			
Activity 1.3	Conduct training, workshops, and study tours for the management and operational staff of the selected BDS providers in order to build capacity to manage and implement BDS for women entrepreneurs. The themes of these activities will be informed by the assessments conducted as per Activities 1.1 and 1.2. These will include organisational structure, transparency, accountability, financing of services, proposal writing, gender equality promotion, and service delivery mechanism to women entrepreneurs.			
Activity 1.4	Conduct training of trainers workshops on service delivery for selected BDS providers' staff			
Activity 1.5	Develop with selected BDS providers client satisfaction forms that survey women entrepreneur's opinions about the service received in terms of adequacy, gaps, areas of further improvement for use in project evaluation and fine-tuning existing services.			
Activity 1.6	In collaboration with the Project's strategic and implementation partners, compile and publish an information kit on the needs of Acehnese women entrepreneurs related to micro finance in order to raise the awareness among MFIs			
Activity 1.7	Assist BDS providers to improve their institutional linkages with appropriate MFIs and facilitate Acehnese women entrepreneurs' access to micro finance services relevant to their needs			
Output 2	At least 2 Outlet Shops for promoting and selling of women entrepreneur's products established or up-graded (if already existent prior to project)	- 2 Outlet shops upgraded - 60 women entrepreneurs displaying and selling their products and services through	Project progress reports	Women entrepreneurs have access to capital and/or knowledge to improve their product quality and marketability

	Description	Targets and Verifiable Indicator	Means of verification	Assumptions
		outlet shops supported by the project.		
Activity 2.1	Identify existing shops , show rooms that are willing to collaborate/be linked to women entrepreneurs and support them to develop a concept on promoting women's products in line with the shop concept			
Activity 2.2	In case, no outlet shops are available for project purposes, support implementing partners to establish their own shops in strategic locations (including the development of a successful shop concept)			
Activity 2.3	Link women entrepreneurs with attractive products, but no outlet, to outlet shop managers in order to enable them accessing the market more easily			
Output 3	Women Entrepreneurship in Aceh further promoted through promotional campaigns and events	- 3 promotional events conducted	Activity reports and guest lists Media coverage	Women enterprise development remains a priority institutional commitment in the reconstruction of Aceh and Nias.
Activity 3.1	Initiate and host a public dialogue on issues affecting women's enterprise development targeting women entrepreneurs, BDS providers, representatives of relevant government offices (such as the BRR), trade unions, APINDO (employers organisation), business associations, and interested representatives of the donor and NGO community related to livelihoods			
Activity 3.2	Organise at least 1 trade fair for women entrepreneurs in Aceh			
Activity 3.3	Organise the second round of the "Best Women Entrepreneurs of Aceh Awards" in 2007			
Output 4	At least 4 pilot initiatives on marketing conducted	- At least 4 training tools and methodologies adapted to the Acehnese context and/or newly developed (if needed), and used by BDS providers. - 32 trainers actively using their new skills in partner organisations to train women entrepreneurs. - 960 women entrepreneurs reached through pilot initiatives	Received requests for the materials and tools Progress reports prepared by selected BDS providers receiving support from the Project Participation & Evaluation reports of Pilot initiatives	Selected BDS providers continue its existence and partnership with the Project throughout the project implementation
Activity 4.1	Select marketing tools and materials, such as improved packaging, exhibition skills, marketing strategies, and improve customer relations skills that are relevant to the needs of Acehnese women entrepreneurs (informed by activity 1.2).			
Activity 4.2	For use by the selected BDSPs, adapt and refine the materials and tools selected as per Activity 5.1 to the Acehnese context			
Activity 4.3	Coach selected BDS providers to pilot marketing initiatives for Acehnese women entrepreneurs.			
Activity 4.4	Document, monitor and evaluate pilot BDS initiatives carefully to identify lessons learned, good practices, and replication strategies			

ANNEX 1: KEY ACHIEVEMENTS PHASE 1

ILO's contribution to Women's Enterprise Development in Aceh and Nias during February 2005-September 2006 has been financed by funding from the Governments of Netherlands, New Zealand, Ireland, and UNDP. A three-tiered strategy from capacity building, direct services, to policy advocacy was adopted and guided by regular gender analysis of issues and factors inhibiting the growth of women's enterprises.

- A. **Capacity Building & Direct Services:** 5 women are now active trainers in concrete block making and 26 SYB trainers. Standard training materials have been developed, used, and refined to address women's specific needs. The trainers have been trained to use these materials in their training activities. They conducted short-cycle skills training to 465 women and 262 in business start up (SYB) training. To date, about 200 women have been trained in block making, which so far lead to business start-ups of 20 women's group businesses manufacturing concrete products providing employment for about 100 people. Extensive after-training and marketing support lead to some of these businesses having developed long lasting customer relations (i.e. in Calang, where the German Red Cross will order blocks for their shelter programme from currently three ILO supported businesses for the coming two years). This is due to the fact that: a) the ILO facilitated a linkage between block makers and customers and provided continued technical support to the former to maintain product quality, and b) these businesses are in comparison to their local competitors producing the best concrete blocks in the area). Additional employment with project support has been created in the handicraft sector. Out of the nearly 200 women trained in this area, to date about 50 women either started a business or joined a cooperative producing handicrafts. Women instructors have established a service association that provides block manufacturing courses and business management training to potential women entrepreneurs. This association has managed to generate funding from different international organisations such as UNESCO, Save the Children, Swisscontact and the Architect Clinic run by the Public Works department of the provincial government funded by the GTZ.
- B. **Institutional Capacity Building:** In the reconstruction of Aceh and Nias, resources for business development are abundant. A large number of organisations do not have sufficient technical and programmatic ability to design, manage, and deliver business development services to women. Experiences made during phase 1 of the project are that local organisations not only lack the capacity and tools to provide much-needed BDS, but also often need to be strengthened in their organisational structures, management as well as accountability and transparency. For this reason, the ILO has initiated some preliminary work on association building with four organisations namely IWAPI, Aceh ka Bangkit, Bejreuh, and CDDE. This workshop was intended to initiate a relationship based on trust, and to provide an overview over key issues faced by organisations and associations, such as management structures, leadership skills, human resources, membership, sustainable financing mechanisms, different types of BDS, and formulation of action plan. IWAPI, in particular, has been the Project's main partner in implementing market support to women entrepreneurs. However, it still needs further intensive coaching support, in both technical and management, to be able to deliver quality services to more women entrepreneurs in a transparent manner.
- C. **Policy and advocacy:** The Project has advocated for and promoted women's entrepreneurship partly through organising the "Best Women Entrepreneurs of Aceh Awards 2006" in collaboration with the local employer's organisation APINDO. IWAPI, Mercy Corps and BQB (Shari' a based Micro Finance institution supported by the ILO Micro Finance Component), APINDO and the ILO each seconded one representative for the panel of the jury to chose the winner for three categories namely "Best Services", "Best Non-services", and "Best Woman Entrepreneur with Disability". These programme lead to BRR deciding to start Women's Enterprise Development Programme in 2007.

Another activity was a trade fair just recently (September 2006) organized together with IWAPI. This "Arena of Women Entrepreneurs" provided: a) an opportunity for micro and small entrepreneurs exhibiting and marketing their products and services through a special outlet to which they normally have little access, b) a boost in sales turnover for some entrepreneurs as the fair was well-received and visited by representatives of organisations such as the BRR, UNDP, the governor's office as well as the public, c) improved exhibiting skills and experience as prior to the trade fair a "Improve Your Exhibiting Skills"

workshop was conducted for 27 women, d) an opportunity to network and build linkages with other women entrepreneurs and business associations, and e) business promotion and role models for particularly vulnerable entrepreneurs such as women entrepreneurs with disabilities. Groups of women entrepreneurs with disabilities and disabled people's organisations such as Handicap International gave an immensely positive feedback after the trade fair was completed.

These two events along with other advocacy activities have been successful in securing the institutional from both the governor's office and the BRR and placing women's entrepreneurship development on the provincial road map for post-tsunami reconstruction efforts.

In addition, a verification workshop on the findings of the ILO "WED" study recently conducted was hosted jointly by BRR, UNORC, and ILO on October 12, 2006. This workshop intended to a) present the findings of the study, b) verify the findings by means of discussion, and most importantly c) develop and foster institutional endorsements on the policy and programme recommendations with the participating organisations with a view to indirectly influence their respective programmes concerning women enterprise development. Representatives from BRR's Economic Department as well as BRR's Women's Empowerment Department and representatives from the Governor's Office have indicated an interest to use these recommendations as inputs to the provincial Economic Strategy Paper, which will be developed in the near future. Other key players coming to the workshop include participants from UNDP, the Ministry of Women's Empowerment, UNIFEM, IWAPI, APINDO and local NGOs working on livelihood.

ANNEX 2: PROFILES OF PROJECT'S IMPLEMENTING PARTNER ORGANIZATIONS

IWAPI (Association of Business Women of Indonesia) is a national association established in 1975. Its headquarters is located in Jakarta but has a presence in many provinces of Indonesia as well as in Aceh. The first IWAPI office in Aceh was established in 1999. At present, IWAPI has offices in 20 of the 23 districts of Aceh with a membership of approximately 5,000 Acehnese women entrepreneurs prior to the tsunami. Before the tsunami hit the coastal areas of Aceh, IWAPI was promoting the interest of its members through lobbying and advocacy, but also provided some BDS to its members, who mostly were micro and small women entrepreneurs. To date, IWAPI is providing its members mainly with information (i.e. on trade fairs), recommendations regarding product quality, and market access. IWAPI does have a small showroom in Banda Aceh, where the products of its members are being exhibited as well as sold.

Weaknesses of IWAPI are mainly due to a lack of capacity in IWAPI branches at the district level in the tsunami affected areas. After the Tsunami, the boards of IWAPI in these branches had to be newly recruited and restructured. The leaders of IWAPI in general have a much higher capacity than regular staff and members. A fundraising strategy in order to sustain the association's finances as well as linkages to micro finance institutions to refer association's members are not in place, yet. Subsequently, very few business development services are provided to IWAPI members.

Within the current phase of the project, collaboration with IWAPI has been started in four areas: a) four staff of IWAPI participated in a Training of Trainers of the SYB programme, and since then they have been actively conducting business management training courses for women entrepreneurs in Aceh; b) a representative of IWAPI took part in the selection of the Best Women Entrepreneurs of Aceh as a member of the jury; c) eight staff members with decision-making power from three IWAPI district offices participated in an initial association building workshop conducted by the project in April 2006; and d) joint organisation of a trade fair for women entrepreneurs. Within a second phase of the project, it is anticipated to scale up collaboration with IWAPI at provincial as well as district level, further direct the initial capacity building efforts directed towards IWAPI staff at the managerial as well as lower levels further, and provide extensive support to IWAPI in order to scale up their BDS provision. Currently, BRR, by the Economic Development Unit and Women's Empowerment Unit, is considering IWAPI as a partner organisation in the implementation of its Women's Enterprise Development Project. With its strengthened capacity with the support of ILO, IWAPI could become an important player to implement BDS for women entrepreneurs that will be financed by BRR in 2007 and beyond.

Aceh ka Bangkit is a local NGO, who is providing BDS to micro and small entrepreneurs (to date mainly vocational training and business advice for SMEs), and was established in 2001. They have offices in several districts in NAD province (Sabang, Banda Aceh, Aceh Besar, Bireuen, Lhokseumawe, Aceh Tengah, and Aceh Timur), many in which the WED project currently is working. Staff of Aceh ka Bangkit is highly motivated to provide more services to entrepreneurs in general, and expand their services to women entrepreneurs in particular. However, they lack capacity to some extent. Three of their staff have participated in the ILO WED association building workshop in April 2006, where they expressed a keen interest on receiving more support from the ILO. Future collaboration would focus on capacity building in service provision, training on promoting gender equality, and developing a sustainable financing mechanism.

Bejreuh is a local women's organisation focusing strongly on women entrepreneurs' rights, voice and representation. Established in 1995, Bejreuh is based in Banda Aceh and has one branch office in Meulaboh (Aceh Barat). Bejreuh operates a small micro finance scheme targeting women entrepreneurs, presents and sells products of women entrepreneurs in its show room in Meulaboh, provides vocational as well as business management training, and lobbies for women's rights in Aceh. Bejreuh has expressed an interest in expanding their activities. Three representatives of Bejreuh also have participated in the ILO WED association building workshop in April 2006. In a phase 2 of the WED project, it is anticipated to follow-up on the association building workshop, support the organisation in developing a sustainable financing mechanism, expand their service provision, and launch campaigns promoting women's entrepreneurship.

CCDE (Center for Community Development and Education) is a local NGO, who has a long history of working with women entrepreneurs providing vocational skills, gender and advocacy training to women entrepreneurs, operating a small micro finance scheme targeting mainly women entrepreneurs. In addition to that CCDE is in the process of establishing a business consultation service called “Strategic Business Unit”. CCDE is operating in Banda Aceh, Aceh Besar, Aceh Barat Daya, Aceh Tengah, and Aceh Selatan. The head of CCDE is also involved in Flower Aceh, a famous local NGO advocating gender equality and struggling for women’s rights, which has a big network of organisations within the country and abroad. CCDE was severely affected by the tsunami, has lost its main office in Banda Aceh, its archive and many staff members, and therefore is in the process of reorganizing/restructuring. CCDE currently has about 1.000 women entrepreneurs as members. Initial discussions on working together have been undertaken. CCDE gave a positive feedback.