

**Mid-Term Evaluation**

**Local Economic Recovery: Rebuilding Livelihoods &  
Employment Opportunities**

**Banda Aceh, Indonesia**

**International Labour Organisation (ILO)**

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**October 2006**

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### Acronyms and Abbreviations

BAPPEDA	Ministry/Department of Planning
BQB	Baitul Quirad Bank
BRR	Badan Rehabilitasi Dan Rekonstruksi NAD-Nias
CBO	Community-Based Organisation
CDD	Community Driven Development
CTA	Chief Technical Advisor
FAO	Food and Agriculture Organisation
HBBM	Home Based Business Modules
HMI	Muslim Youth Organisation
IGA	Income Generating Activities
ILO	International Labour Organisation
IPEC	International Programme on the Elimination of Child Labour
IPM	International Program Manager
KDP	Kecamatan Development Programme
KSPI	Trade Union
LACA	Local Appraisal of Comparative Advantage
LED	Local Economic Development
LER	Local Economic Recovery
MoU	Memorandum of Understanding Logical Framework (LF)
NAD	Nanggroe Aceh Darussalam
NGO	Non-governmental organisation
PACA	Participatory Appraisal of Comparative Advantage
PM	Programme Manager
PMU	Programme Management Unit
PO	Programme Officer
PVCA	Value Chain Analysis
SIYB	Start and Improve Your Business
SRO	ILO Sub-Regional Office
SWOT	Strengths Weaknesses Opportunities and Threats
SYB	Start Your own Business
ToR	Terms of Reference
ToT	Training of Trainers
UNJP	UN Joint Partnership Programme
USD	US Dollar
WB	World Bank

## 1 Background

### 1.1 *Effects of the tsunami 2004 in Aceh and earthquake in Nias*

The ILO LED project has implemented activities in Banda Aceh, Aceh Besar, Sabang and Nias islands.

The Tsunami that occurred in the Indian Ocean on 26 December 2004 inflicted death and suffering on an enormous scale and it is estimated that about 187,000 people died with more than two-thirds of the deaths in Indonesia. The disaster not only destroyed lives, it also caused significant damages to livelihoods to the west and east coast of the Nanggroe Aceh Darussalam (NAD) province. Local institutions, facing serious losses in their physical set up and human resources, needed immediate support in their roles to provide emergency response to people and communities. International and national organisations delivered aid on a large scale as immediate emergency response. They later set up programmes covering emergency services, recovery assistance, and medium- and long-term development interventions and projects.

Nias Island is a part of North Sumatra province and is located 125 km west of Sumatra Island. The island, which even before the earthquake had problems with infrastructure, e.g. health facilities, education facilities, roads and bridges, was affected by two natural disasters within three months. The Tsunami which hit the island on 26 December 2004 killed 30 people and caused hundreds more to become homeless and about 20% of the sub district area was damaged. On 28 March 2005 the island was hit by an earthquake measuring 8.7 on the Richter scale, which killed more than 800 people, injuring thousands more, and caused extensive damage to the infrastructure. 90% of the residents were affected; 80% of homes and buildings were damaged or destroyed in Gunung Sitoli and Teluk Dalam. More than 6,000 people have left Nias Island, and 85,000 people became homeless.

### 1.2 *Economic recovery, reconstruction & development*

#### Local economic recovery

ILO refers to local economic recovery (LER) as an approach in which a set of activities in society will enable a transition from a period of crisis to a period in which more medium-term development activities are undertaken. During this bridging period, a series of interventions are set in motion, providing maximum benefits to those who need them the most, by utilizing local human and physical resources to the utmost. The LER bridging phase, thus, *prepares* for local economic development (LED) to take place in the medium term.

Ideally, jobs that are promoted or created, in particular those generated in the post-rehabilitation phase, should be sustainable and lead to further inclusive economic and social development. ILO also sees its role as stressing the need for rehabilitation and reconstruction programmes to comply with international core labour standards, national labour regulations and occupational health and safety standards.

Furthermore, mechanisms for social equity and gender integration (often referred to as gender “mainstreaming”) should be in place. Special attention should be paid to the needs of those who have the most vulnerable positions in the labour market and who are likely to face greater exploitation in a post-disaster situation, such as “women, youth, children, elderly, displaced, homeless, disabled, very poor households, women-headed households”.

Participation of local stakeholders in programme formulation and implementation, ensuring equal representation by traditionally underrepresented population groups is also brought up as essential and part of local economic recovery undertakings. ILO’s important role as capacity-builder is emphasised as well, namely enhancing the capacity of local institutions and organisations, such as planners, business associations, trade unions, civil society, youth networks, women’s groups and community-based organisations (CBOs).

### **Economic reconstruction**

The Terms of Reference for the Evaluation assignment of the LED project refers to a situation in which a “programmatically transition” should follow an initial six to twelve months period of recovery. It states that this period includes delivery of employment services, infrastructure work providing jobs (labour intensive), skills training, entrepreneurship development and “provision of social safety nets and social protection mechanisms”. It also mentions that two cross-cutting themes should be part of this period, namely gender issues and working with social partners. Finally, all the technical and administrative parts of this support should contribute to getting people to work and creating jobs and empowering the vulnerable.

### **Local Economic Development**

The World Bank has defined Local Economic Development (LED) as a process by which public, business and non-governmental (NGO) partners work together to create improved conditions for economic growth and employment generation. Promoters of LED aim at improving the quality of life for all, including the poor and marginalised, in the community, or society<sup>1</sup>. LED is all about demand-driven approaches, focusing on opportunities rather than bottlenecks. It encourages “rapid interventions” with a sustainable impact, focuses on low cost activities of economic growth and promotes market-driven approaches.

The LED concept is seen by ILO as an important tool, an instrument, to create jobs and increase people’s wellbeing. LED activities can be carried out by municipalities or local governments, local business associations, companies and any other stakeholders (e.g. chambers of commerce, universities and civil society).

Among the issues to be tackled are removal of bureaucratic obstacles for local firms, market failures, and competitiveness of local firms as well as creating a unique advantage for the locality in question, and its firms. Other LED objectives brought up are the creation of opportunities to undertake project management, stimulate networking,

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<sup>1</sup> A LED Power Point training document on PACA in Aceh Besar, refers to a “community” being defined as a city, town, metropolitan area, or sub-national region.

creating trust among local stakeholders – and to obtain a joint perspective, among payers, on objectives, instruments and governance.

In managing LED, its advocates emphasise “comparative advantage” versus “competitive advantage”. In its training settings, participants are taught to produce strategies and plans, address problems and bottlenecks for growth and focus on sectors that have growth potential. The PACA training methodology, promoting the LED approach, is used to encourage participants to do “quick scans”, implement actions “swiftly” and address problems which can be solved “easily and quickly”. To sum up how LED is perceived by some of its advocates, one could say that it is about creating a business-friendly environment, improving the quality of the location for firms, stimulating upgrading in companies, “inter-firm learning” (through support in fields like training, management and technology), stimulating closer interaction between companies and supporting institutions, attracting new companies and stimulate entrepreneurship.

## 2 Introduction

### 2.1 *The evaluation team*

A Mid Term Evaluation of the LED project in Aceh, Indonesia, has been undertaken during the period 15th September – 11<sup>th</sup> October, with eight days spent in Aceh and four days in Jakarta. The external evaluation team consisted of an international consultant, Lotta Nycander, and a national consultant, Lily Puspasari.

### 2.2 *Acknowledgements*

The evaluation team has received a lot of support in carrying out the assignment from the concerned ILO units and staff in Geneva, Jakarta and Aceh, including the LED project staff members – for which much gratitude hereby is extended.

Special thanks go to Alfredo Lazarte, Director, and his colleague Federico Negro, Socio-Economic Reintegration Specialist of ILO's International Programme on Crisis, Response and Reconstruction, programme in Geneva for their efforts to explain the LED concept and project; Many thanks go to Peter Rademaker, Deputy Director, ILO Jakarta and Parissara Liewkeat, Programme Manager, ILO Aceh for their concerted efforts in providing information and reference materials. Thanks also to Julien Magnat, LED technical expert/project manager for his explanatory notes and information supplied upon his return to Jakarta and Aceh.

### 2.3 *Reporting by the Evaluation Team*

#### 2.3.1 A first preliminary report

A very first report, distributed as hard copy only, was presented in a meeting with ILO colleagues in Jakarta on 3rd October 2006, following a presentation and discussion about preliminary findings in the ILO office in Aceh on 28 September 2006.

The Jakarta report brought up preliminary findings and impressions about achievements and problems of the project, activities undertaken and visible, and/or detected, outcomes of the Evaluation of Local Economic Recovery/Development (LER/LER) Project. These findings were based on 1 ½ weeks mission in Aceh, review of documents and conversations with ILO personnel in Geneva and Jakarta.

The report also looked at some elements of the original project design and noted how the logical framework elements of the project's Concept Note were interpreted by the project staff in Aceh and translated into work plans and subsequently reported on in progress reports. It also contained some preliminary recommendations relating to the existing LED project framework. The project's utilisation of its funds and delivery rates were also subject to review and discussion during this meeting, as was the perceived functioning of the Programme Management Unit (PMU) in Aceh.

### 2.3.2 This Report

This evaluation report consists of the following Parts:

The Background (Part 1) provides a brief account of some of the 2004 tsunami devastating effects in Aceh and the 2005 earthquake in Nias Island.

This is followed by an Introduction (Part 2) in which the authors have attempted to differentiate economic recovery, reconstruction and development as it is perceived by the ILO.

The chapter on the ILO Aceh Programme (Part 3) very briefly gives an idea of how the various technical components in Aceh emerged and currently constituting the programme; describes the role of the PMU (Programme Management Unit) and an account of the implementation context, in which the programme has developed (this part is produced by the programme).

Findings on LED (Part 4) account for the most important findings of the Evaluation. It first attempts describe the ILO CRISIS approach to LER and LED in Aceh and its ideas on project management in this context. It further identifies LED project partners in Aceh, and the project's efforts to work in an *integrated* way in rebuilding livelihoods as called for by the LED approach, followed by a time chart placing some of the more important activities of the project in time.

The project's workshop activities on identification of economic advantages undertaken in Aceh Besar, Nias and Sabang Island is reported on here, followed by the UNDP/LED cooperation in Meuraxa, in Banda Aceh, and on Nias, Island. The evaluation's findings on the project's cooperation with the World Bank funded KDP (a community-driven Sub district Development Programme) in Aceh follows in this chapter.

The evaluation has also analysed some elements of the LED project design and formulation in the Concept Note (the original steering document), "delivery rate" and expenditure issues, and finally, in this chapter, it has looked at the role, tasks, and performance of the PMU in Aceh as it has emerged over time, and as perceived by the ILO staff (small questionnaire) and the evaluation mission.

Finally, Conclusions and Recommendations (Part 5) follows and the report ends with five Annexes (Part 6).

### **2.4 Some clarifications**

The LED project has ongoing project interventions in Aceh Besar, Meuraxa and to a lesser extent in Nias and Sabang. The Finnish Government is funding the project Local Economic Recovery: Rebuilding Livelihoods and Employment Opportunities which includes both the LED project implementation *as well as contributing to the management of the whole ILO Aceh Programme (PMU)*, which, in turn, consists of six different "technical components" funded by as many as thirteen different donor agencies. Thus, in order to review the LER/LED project – both components are included in the evaluation.

At the same time, LED activities are not exclusively funded from the Finnish contribution. For instance, LED activities are also undertaken under the umbrella of the UN Joint Partnership Programme (UNJP) in Meuraxa (Banda Aceh) as well as the UN



Joint Programme for Teluk Dalam (South Nias), funded from UN funds but also co-financed to a limited extent from the Finnish contribution.

The mission found that there is a need to clarify use of terms surrounding the ILO activities in Aceh. For the purpose of this exercise, the following terms will be used:

- The Aceh Programme refers to ILO Aceh Programme based in Aceh, which reports to the ILO Jakarta office;
- The Programme Management Unit (PMU) refers to the group of staff in the ILO Aceh office (headed by the Programme Manager), one international gender specialist (from September 2005 – July 2006); two Programme Officers; one national coordinator coordinating and implementing activities with the ILO's social partners, and eight administration/logistics staff (not all salaried under LED);
- The Project refers to the LER/LED project and its activities in Banda Aceh, Aceh Besar, Sabang, Meuraxa and Nias; and
- The Project Management refers to the LED Technical Specialist/Project Manager

## **2.5 Limitations**

It was foreseen that the evaluation team also would consist of an official from ILO CRISIS to assist in the identification of what has worked well and not well from design and initial emergency, to longer term reconstruction interventions. The fact that the evaluation team was somewhat “minimized”, consisting of two persons only, may have limited the scope of the assignment at hand.

The fact that the LED project manager was not present during the evaluation mission's stay in Aceh, left some questions unanswered and necessitated clarifications to the team after departure from Indonesia (he participated in the meeting in Jakarta on October 3<sup>rd</sup> in which the preliminary findings and conclusions were presented and discussed).

## **2.6 Evaluation Methods**

The methods applied by the evaluation team consist of reviewing numerous documents, reports and correspondence and applying a mix of in-depth interviews with individuals and focus groups discussions, with project primary and secondary beneficiaries, such as NGO community facilitators and trainees of various training events, ILO staff, consultants and representatives of partner organisations (government, private sector and civil society). A questionnaire was designed and used to gauge the staff's perception of how PMU has functioned in Aceh (the preliminary results were reported on both in Aceh and Jakarta).

### 3 The ILO Aceh Programme

#### **3.1 Individual technical projects/components**

Operational ILO work in Aceh started with an emergency employment service programme in Banda Aceh, commencing in early February 2005. Short cycle skills training for both bricks layers and debris-removal supervisors were added from March. Specific activities targeting young people were added and labour-based infrastructure rehabilitation was started. Basic crash-course on English language trainings were launched in March 2005. Other skills training and enterprise development support programmes including micro finance were started in August 2005. A key client approach which serves as an approach for joint programming among the various components and projects in the Aceh Programme was introduced in early 2006. Alongside with it was the deployment of the mobile construction training to improve construction workers' skills. Gradually, from a range of separate projects funded by different donors, the Aceh Programme was becoming a more fully integrated programme. Currently, it consists of the following six technical components:

- Employment Services (February 2005 – December 2006);
- Vocational Training (May 2005 – December 2006);
- Enterprise Development and Micro Finance Services (March 2005 – December 2007);
- Local Resource-based Rural Infrastructure Rehabilitation (May 2005 – February 2008);
- Prevention of Child Labour IPEC) (March 2005 –February 2006), and
- Local Economic Development (June 2005 – June 2007).

Gender Equality Promotion and Involvement of ILO's Social Partners are regarded, by the PMU, as cross-cutting issues.

#### **3.2 Programme Management Unit**

From August 2005 when the programme had grown to a level and size making it possible to put in place a more comprehensive management structure, a Programme Management Unit (PMU) administers the ILO Aceh Programme. It coordinates its work with the relevant units in the Jakarta Office.

The PMU consists of one expatriate Programme Manager, one international gender specialist, two national Programme Officers, one national coordinator liaising with ILO's social partners and eight national administrative/logistics staff. The functions of the PMU are overall programming and administration, "mainstreaming" of gender concerns and involvement of ILO social partners, budgeting and financing, logistics, negotiation with and reporting to donor agencies and generally representing the ILO in Aceh.

The tasks of the Programme Officers are to coordinate and support the work of the various technical components under their responsibilities. Technical support/advice on gender integration of the ILO Aceh Programme was between September 2005 and July 2006 provided by a Gender Specialist. Thereafter, the Programme Manager's task has been added by providing some guidance to the Programme Officer responsible for gender related work.

### 3.3 Implementation contexts

The ILO Aceh Programme began its operation in Aceh in February 2005. Like other organisations providing emergency/recovery-response in Aceh, the ILO had to start from scratch in the setting up of the operation while delivering necessary employment promotion services to the people of Aceh. Logistic arrangements and training support staff were the prevailing challenges throughout 2005, as Aceh did not have adequate basic infrastructure/public utilities such as electricity, internet services, water, telephone, and public transportation.

In May and June 2005, substantive funding from a group of donors came through. The ILO was then sufficiently endowed to invest in logistical arrangements and make headways in programme set up. But, the earthquake of October 2006 forced ILO Aceh Programme to evacuate an office building to which it had just moved in a month earlier. Efforts had to be renewed to identify and fix up a new office. From October – December 2005, the ILO Aceh team, including the LED project team, delivered its work under difficult conditions, from working out from a temporary office and moving into a new one a month later, not having sufficient access to electricity and the internet for three months, having no access to public transportation and working with newly recruited programme and support staff.

Besides logistic challenges, the work in Aceh demanded intensive coordination with various organisations and had frequent reporting requirements. The ILO and other agencies had similar difficulties. Work planning and its implementation were regularly tested by a range of uncertainties and short-noticed meetings and activities. Delays were the order of recovery and reconstruction of Aceh. A key challenge that was becoming obvious as the overall situation in Aceh improved was strengthening local capacity for medium- and longer-term economic development.

Abundant resources for aid delivery in the emergency and recovery phases had inadvertently spoiled an enabling environment for sustainable recovery/development. Baseline data for proper planning and programme design was scarce and its collection could not be done so easily in emergency and recovery contexts. As the people's needs were multifaceted and covered from basic to developmental needs, ILO made the assessment that economic aids could only be given to the people who were in positions to receive assistance, i.e., those who already had their basic needs recovered.

The pouring of assistance and cash grants by various organisations sowed, to a certain extent, seeds of dependency. Effective economic recovery at the community level would require intermediary organisations with certain level of institutional capacity and expertise. Such local organisations in Aceh were limited in number and each received many requests for partnership. They faced the difficulties in determining the right amount of fund they each had the capacity to manage and the need to deliver assistance to as many people as possible. Quantity of services delivered seemed to be a priority over the quality as the situations in 2005 and early 2006 were not ripe for sustained and systematic institutional capacity building. Staff and organisations at all levels had to increase their capacity and capability while on the job (*source: ILO, Jakarta*).

Some 20 months after the tsunami, the recovery phase is ceding to reconstruction, a process expected to last officially until 2009.

## 4 Findings on LED: Rebuilding Livelihoods

This mid-term evaluation is mandated by the ILO's rules for technical cooperation but it in reality only covers a relatively short implementation period of about eleven months, after three months of detailed programme formulation, logistic arrangements and recruitments,

The evaluation was intended and indeed conducted as a review to identify areas of strengths and shortcomings and give the project team practical recommendations for adoption and implementation for the remaining of the project period. The findings and conclusions have to be read against a clear understanding about the actual and extreme difficulties in the reconstruction of Aceh and Nias. In a period of 14 months of its implementation the LED Project has made achievements while trying to set up a conduit for its delivery. Such is a normal cycle of project start up. The recommendations herein are to assist the LED Project as well as the Aceh Programme Management Unit to further pursue the course where it could make greater contribution to the reconstruction of Aceh.

The ILO technical cooperation project "**Local Economic Recovery: Rebuilding Livelihoods & Employment Opportunities**" (INS/05/M07/FIN) with a total project budget of USD 2,409,637 contributes to the financing of PMU<sup>2</sup> and the implementation of "Local Economic Recovery/Development" (LER/LED) activities in the tsunami affected areas (Banda Aceh and Aceh Besar) and the LED activities in Sabang island.

### 4.1 ILO CRISIS

#### 4.1.1 Approach to LER/LED in Aceh, Indonesia

ILO's Crisis Response and Reconstruction Unit and ILO Jakarta started drawing up a first project proposal for LER in Aceh already in January 2005. A staff member from Crisis, Geneva, stayed in Aceh during the first three months of the year following the tsunami disaster as part of ILO's crisis response team. The ILO responded to the disaster already in January 2005, as part of the UN flash appeal, and supported the Government in defining the Reconstruction Masterplan, notably by contributing the chapter named "Putting People back to Work", following which detailed plans started to emerge on ILO support to Aceh.

The plans for *local economic recovery* support eventually materialised into the current guiding document, named "Concept Note" which was the basis on which the contribution of the Finnish Government released the funds.

In September, the ILO organised a 'retreat' in Sabang to assess the achievements and challenges in the immediate post-crisis phase and to start mapping out a strategy for the ILO contribution to the transition into recovery and rehabilitation. This included an exercise to identify core partners and areas of work. At the same time, the LED project manager was posted in Aceh, and the PMU was strengthened with an international Programme Manager whose main task was to manage and stimulate a progress of integrating all the technical components, the "bits and pieces" and place them under a more coherent, umbrella program - gradually known as the ILO Aceh Programme.

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<sup>2</sup> To finance the staff cost for one International Programme Manager and one Programme Officer, representing approximately 10% of the total project budget.

#### 4.1.2 LED project management

ILO Jakarta and the CRISIS unit agreed to recruit a technical expert with experience from other crisis-oriented work in other countries, as project manager of LER/LED in Aceh. This is somewhat in variance of ILO practice, and some other UN agencies, to either post senior Chief Technical Advisors (CTA) or senior national staff as heads of technical cooperation projects. The Director of ILO CRISIS unit explained to the Evaluation Mission while visiting Jakarta that this is *part of its approach*, and is intended to create opportunities for others to contribute toward the achieving set goals. The project manager's role is thus to contribute to an enabling environment and invite others to provide more and better services to the targeted audience. The LED project manager works in collaboration with an International Program Manager (IPM) who manages and facilitates the integration of the six ILO components in Aceh.

Part of the approach was also to let other CRISIS staff members spend time in Aceh, at times for several months at a stretch, to assist in planning and developing activities, and giving support to the locally based manager. Furthermore, supervision has throughout been provided given by the ILO Aceh Programme Manager and the ILO deputy director in Jakarta.

#### **4.2 Identifying partners**

In the case of Aceh, partners were sought who could play the role of providing services, resources, technical competence and generally sharing ideas on economic recovery and socio-economic development. Partners were identified both within the ILO programme in Aceh and outside of the ILO.

In the early stages of ILO's presence in Aceh, the exploring regarding on "what can ILO do?" started with addressing the possibilities of working with the conventional ILO social partners, the tripartite constellation of the Government, the employers' organisations and the trade unions, or what was left of them after the disaster.

APINDO, an employer's organisation was further weakened as a result of the disaster. One of the early results of ILO's engagement in Aceh was a joint ILO/APINDO mapping of the effect of the disaster on the members of APINDO. Later, the LED project has involved APINDO in its PACA training in Aceh Besar, one of its members being represented in the "PACA Team" and in a survey. As for the trade union involvement, one of KSPI's representatives participated in the PACA Way Forward Workshop and was involved in the LER activities in Weuraya village.

According to the ILO, efforts have been made to develop working relationship with APINDO, however this had been difficult at times as there were expectations of financial support from ILO, whereas ILO sought joint engagement in activities. It should be noted that ILO has a specific component in Aceh focusing on work with the trade unions through which the LED project was also able to engage with unions.

For LED, other potential partner organisations were identified in order to join hands in its efforts to provide much needed services and assistance to survivors of the tsunami and to seek ways to provide technical cooperation in the medium term. District level and provincial level planning boards (BAPPEDA), as well as the World Bank-supported

Community Development Programme (Kecamatan Development Programme) emerged as two very important counterparts. Within the UN family, UNHABITAT and FAO were identified as two key partners in the implementation of the Joint UN Program in Meuraxa and Teluk Dalam.

#### **4.3 Rebuilding livelihoods in an integrated way**

ILO recognizes that it is only one of the many players *contributing to* economic recovery in Aceh and Nias. It recommends that support activities in the recovery phase should use grant delivery, as one of the means, to get people back on their feet and assist them in rebuilding their livelihoods from the fragments left from the disaster. This type of support should particularly be directed to the poor and vulnerable.

Those who spearhead the LED concept in the ILO, emphasize the absolute necessity for integrated approaches, perceiving that LED cannot stand on its own but is dependent on other players and institutions to do their part of the “deal”. In a post-crisis situation cross fertilization of ideas is regarded as particularly important, as well as flexibility in decision-making in order to generate maximum benefits to those who are to be “targeted” or addressed by various interventions.

#### **4.4 The Stakeholders of LED**

The following stakeholders have been involved at some point or other, to a higher or lesser degree, in LED project activities:

- Beneficiaries (men, women) in tsunami-hit areas
- Village groups, village chiefs & religious leaders
- HMI (a nationwide Muslim youth association)
- Pugar (a national non-governmental organisation)
- KDP/P2KP (CDD/KPP) - World Bank-funded community development programme
- Representatives of public and private sectors participating in PACA/LACA workshops and Teams e.g. APINDO, an Employers' organisation and KSPI, a trade union
- Microfinance Institutions, especially BQB
- BAPPEDA – Ministry/Dep't of Planning
- Provincial and District level Manpower Offices
- Department of Economics, Shia Quala University, Banda Aceh
- BRR – Economic Section and Satker Tourism
- UN HABITAT/UNDP/FAO

The implementing partners of the LER direct support in Aceh Besar are PUGAR and HMI. Pugar, established in 1992, is an NGO working with many international organisations, e.g. Domestic Department (KDP Monitoring project), USAID, Save the Children, JICA, ICMC and CARE among others. HMI is Youth Muslim association/organisation with branches across Indonesia (*source: Project Excel sheet*).

#### 4.5 Timeline Chart - LER/LED activities 2005-2006

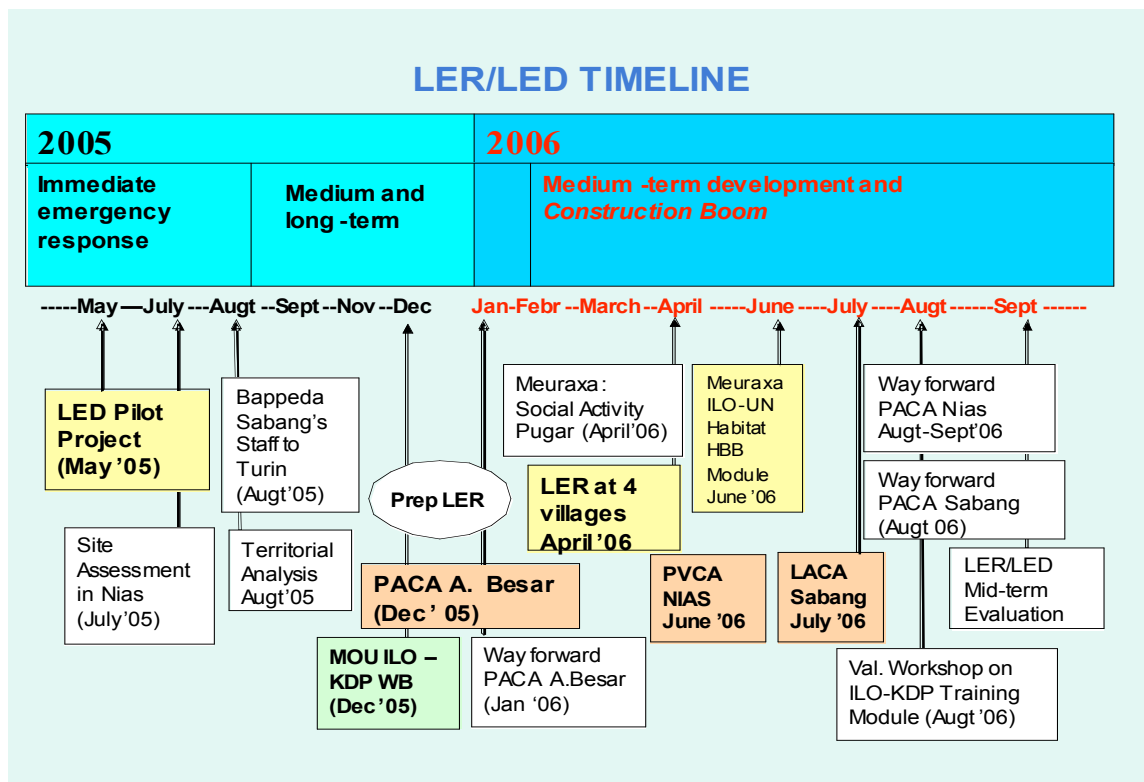


Figure 1: LER/LED activities 2005-2006

#### 4.6 Local Economic Recovery in Aceh Besar

The following is an attempt to explain the mission's appreciation of activities undertaken:

##### 4.6.1 Support in six villages

The LER activities in the six villages in Aceh Besar are described as “direct support”, consisting of support to local micro-entrepreneurs affected by the tsunami disaster. Business training (SYB) was organized for the selected beneficiaries, followed by distribution of grants.

The work met with many difficulties even as reconstruction had taken off after the immediate crisis. NGOs were not strong and had virtually no knowledge about small scale entrepreneurship development, villagers were traumatized and family members and livelihoods, “communities” were fragmented and villagers seemed to rely more on their families members than their neighbours for groups formation.

As of September 2006, **137 small enterprises and 339 jobs have been created** through this assistance, as stated by the project, in order to reinvigorate villagers' livelihoods and local economic growth. 137 grants have been distributed *in kind* in the three completed villages, namely in *Menasa Tua*, *Lambada Lhok*, *Lampeudaya* and in three other ongoing LER areas, namely *Miruk Taman*, *Weuraya* and *Lamkreut*, in which another 86 grants yet are to be distributed before the end of December 2006.

The average cost to restart a small enterprise is approximately \$US 1,000. “Completion” is understood to mean that SIYB training has involved those men and women who were nominated to attend this training (253 people trained) and that grants distribution for approved enterprises is completed and businesses re-established. The community work is facilitated by the “implementing partners” (Pugar and HMI) and strategic partner, the KDP.

#### 4.6.2 Data about selected beneficiaries & small-scale enterprises

LER activities were implemented in 5 villages. By October 2006, a total amount of USD 190,693 was distributed to 209 beneficiaries as grants to start small business enterprises. The businesses can be classified into three categories namely petty trades, services, and agriculture and fish processing, with petty trade constituting about half of these. 44% of the direct beneficiaries were women. As part of the LER activities, all grantees were to receive Start Your Business training. 10 grantees, 7 of whom were men, dropped out from the training. The businesses have employed 546 workers, 51% of whom are women.

Table 1, below, summarises the amount of grants, beneficiaries, jobs created and business management trainees (compilation by LED project).

**Table 1: Grant amounts distributed to villages (prepared by LED project)**

Village	Grant amounts (USD)	Beneficiaries	Jobs created	SYB trainees
Lambada Lhok	30,821	36	61	36
Lampeudaya	40,952	52	96	38
Meuruk Taman	40,241	41	93	45
Weuraya	39,278	40	159	40
Lamkruet	39,400	40	137	40
<b>Total</b>	<b>190,693</b>	<b>209</b>	<b>546</b>	<b>199</b>

In *Lampeudaya* village, where work is completed, 15 enterprises were set up by men, while 37 enterprises are to be operated by women. It has highest women beneficiary population (71%). 96 jobs were “created”, out of these 52 total enterprises, out of which 55 were for women. The total amount of grants distributed was Rp. 368,062,000. The lowest grant given was \$ 167 and the highest \$ 3,652. 27 women and 11 men attended the SIYB training.

*Lambada Lhok* is another village where LED activities are defined as completed. The total number of jobs “created” is 61 and according to project data, 31% of these are operated by women and 69% by men. The total amount of the grants distributed here is Rp. 30,821.

In *Weuraya* village, where work is ongoing, 40 enterprises were created, out of which 12 are to be run by women. Out of the 159 jobs to be “created”, 89 are for women. The total sum for this village, based upon approved budgets made by the villagers, is \$38,738, out of which about 1/7 (\$4,870) grants have been distributed in kind by September 2006.



When looking at data received regarding *Miruk Taman*, where work also is ongoing, we find that 14 women were defined as owners of enterprises, while 27 of the owners were men.

In *Lamkruet*, 73 out of the total 137 people employed by the businesses were women and 50% of the business created was in the petty trade sector.

#### 4.6.3 Criteria used in selection of villages and beneficiaries

The evaluation team has been informed that the six villages were selected based on the assessment of LER appropriateness. The LER facilitator took into account recommendations generated in the PACA workshop in Aceh Besar, during which a mapping was conducted, in identifying villages with *economic opportunities* at the village/sub-district and district level.

'Income level' and other some other socio-economic criteria have been used to determine status and eligibility to receive support (grants and training). Thus people have been divided into three categories according to income status; the poorest (\$33/month) poor (\$110/month) and middle (\$110-220/month). According to this classification, which was facilitated by KDP, most beneficiaries are found to be in the category "poor" or "poorest". The Terms of Reference for the work of the project's implementing partners specified that women should constitute at least 30% of the beneficiaries.

#### 4.6.4 Enterprises chosen

The enterprises chosen in the village can be broadly classified into three categories namely petty trade, agricultural and fish/food processing, and services. They include shop keeping, coffee shops, mobile salt seller, vegetable seller, dispensary, fish salting, Motorcycle workshop, Chinaware, coconut oil and other coconut produce, noodles seller, baking (cakes), tailoring/sewing, buffalo fattening, furniture making, pedicab, carpentry, farming, Japanese grass sellers, electronics workshop, gasoline shop and selling well rings.

Many small enterprises, especially those chosen by women, are traditional activities earmarked for and by women, such as baking bread, cakes, vegetables and selling these produce mainly to their neighbours, although the project has tried to promote also non-traditional activities for women.

#### 4.6.5 Delays in enterprise approvals and grants provision

Some people who the mission talked with, as well as some facilitators, claimed that the "approval process" from the part of the project was too lengthy and cumbersome, i.e. approval of the economic enterprises they had selected and the grants to go with them. The team discussed with some beneficiaries who had gone through SIYB training in July but only just recently had received the sacks of cement for their home business construction (at end of September).

When attempting to identify reasons for delays in providing grants to villagers, it seems that the participatory process, the ILO administrative system as well one partner's (HMI) delay to submit its financial reports to the project, all seem to have contributed to the delays.

#### 4.6.6 Number of beneficiaries

It was found that the size of the total target group in this component is rather small, compared to the efforts and costs involved, thus only 339 (as of September 2006) villagers received direct support, while the assumption is that another 213 villagers will be benefit indirectly. However, as LER aims to put in place conditions necessary for local economic development, the importance of these businesses, though small in number, should not be dismissed.

#### 4.6.7 Appreciation of training

Regarding the beneficiaries' views on this component, the people whom the mission talked to said they had appreciated the Start and Improve Your Business (SIYB) training. Most beneficiaries had appreciated the book-keeping & accounting elements and looked forward to expand their small businesses with the assistance of the grants.

#### 4.6.8 Use of grants – close monitoring

The grants are to be used for specific purchases according to business plans produced in SIYB training sessions, to revitalize small businesses. These purchases are apparently *closely monitored* by the implementing partners (NGOs) on a day-to-day basis, in which facilitators go to the markets with the villagers.

The beneficiaries are requested to prepare three quotations for each item they want to purchase, followed by the community facilitator and the LER team “checking” the quotations, after which grants can be provided to the beneficiaries in *two-three phases*. One of the community facilitators involved (HMI), said that such close monitoring was necessary or the people “would buy unnecessary things, such as mobile phones” and similar items (confirmed by the LED Community Mobiliser. While it is understood that extraordinary situations sometimes require extraordinary measures, the concern here is that this approach of “holding the hand of the beneficiary” runs the risk of creating dependency on community facilitators.

#### 4.6.9 Capacity building of implementing partners

The implementing partners HMI and Pugar had attended a two-day workshop which the project organised to explain the LER process and informing them about the steps of the process of selection, training, and grants. When asked by the evaluation whether they had been involved in any training, or capacity building organised by the project, they said they had not. This does not mean that there were no training elements involved “on-the-job”, as it were, and participatory processes applied at field level and may have increased everybody's learning, as well as meetings and discussions organized by the KDP and LED project management. Pugar is an organization with many international partners and claimed that they had received training by others.

### **4.7 *Training on Local Economic Comparative Advantages***

#### 4.7.1 PACA/LACA Workshops

In December 2005, the LED Project embarked upon organising a series of intense training workshops on identification of feasible economic activities to be pursued by various actors interested in business entrepreneurship activities (public, private and civil society). In Aceh Besar a series of PACA (Participatory Appraisal of Comparative Advantage) workshops were held between 8<sup>th</sup> and 19 December 2005, a joint initiative

with BRR and the KDP programme. In Nias, PVCA (Value Chain Analysis) was held in June 2006, followed by a workshop called LACA (Local Appraisal of Comparative Advantage) in Sabang in July 2006.

The training exercises focus on identifying local economic comparative advantages and areas for recovery/development, thus strengthened the capacity of key actors. Through intensive two-weeks participatory exercises, representatives of local government, employers associations, small business associations, local university, non-governmental organisations, and village groups examined and assessed community needs, assets, opportunities and local economic competitive advantages.

Through the workshop processes and discussions held, LED and a number of stakeholders produced common work plans indicating the roles and responsibilities of each agency in their respective objectives to regenerate better key livelihoods for the men and women in Aceh Besar. It was found that socio-economic growth depends on the process of change and innovation, especially for fish-processing, food-processing and construction material processing.

#### 4.7.2 Follow-up of training

In Aceh Besar, it seems that there has been no follow-up of the January 2006 workshop on the part of the LED project, however, the PACA Team organised a few events. The Employer's representative (APINDO) whom the mission discussed with in Aceh Besar, stated that she had expected ILO follow-up as "people's expectations had been raised".

The workshops in Nias and Sabang were held in July and August 2006. In Sabang, the LACA team seemed to have high expectations that ILO will continue to support the start up of the tourism related activities, which they in the ILO workshop had identified as the most viable economic sector on the island. Stakeholders who the mission talked to were generally pleased with the training workshops, the participatory methodologies applied, the learning and the opportunities for further economic initiatives.

A BAPPEDA (Ministry/Department of Planning) representative of the economic section has undergone training at Turin and some of BAPPEDA staff participated in three intensive two-week participatory workshops (PACA/LACA) and in its follow up activities.

### **4.8 UNJP & ILO cooperation**

The United Nations Country Team in Indonesia has adopted a geographical programming approach in Aceh and Nias, with the aim of meeting cross-sectoral needs through an integrated programming approach. Under the joint programming, funds will be provided for UN agencies and partners to work together in developing and implementing joint actions to support livelihoods and other previously un-programmed early recovery needs of the tsunami affected population in Aceh and Nias, and wherever possible to link-up their on-going activities with this integrated programming exercise.

#### 4.8.1 Background

Meuraxa, Aceh Besar, was an area that was hit very hard by the tsunami and the mission was informed that approximately 82% of its inhabitants died during the disaster. The UN

Joint Partnership Programme in Meuraxa links UNDP with UN-HABITAT and the ILO in the provision of *homes* (UN-HABITAT) and *home based business units* (ILO) for the tsunami affected communities.

No commercial bank survived the tsunami. In order to support beneficiaries' economic revival activities, ILO entered into an agreement with BQB (*Baitul Quirad Bank*), a small Islamic "cooperative", solely operated by women, which opened its first branch in Meuraxa with financial support of BRR. At first it was very weak and is apparently still very fragile as a credit institution. With the financial support from the ILO, BQB was first assessed by Mercy Corps (NGO). Thereafter the ILO provided intensive technical support to BQB covering areas such as making a business plan, marketing and accounting training, operations management, incentives systems and "rolling out" of a micro leasing product. BQB has three new branches opened in Aceh Besar.<sup>3</sup> (*Progress report 2006, Matthew Cognac, Enterprise and Micro finance component, ILO Aceh.*)

Currently, many of the new houses constructed after the tsunami are empty, and it is assumed that the reasons are that the water is saline, there are no services (before there was a mini bus in the area), there is no electricity or not enough toilets/latrines or would be returnees are "just waiting for a key", as one woman said whom the mission spoke to in Meuraxa.

There are five hospitals in Meuraxa, several schools, most of which are empty, as there are not enough patients or pupils – pointing at uncoordinated support to the area.

#### 4.8.2 ILO work in two villages in Meuraxa

The aim of the ILO is to construct Home Based Business Modules (HBBM) for 10-15% of 247 UN-HABITAT's beneficiaries for economic and income generating purposes, as additions to the houses constructed by UN<sup>4</sup>. These are to be completed at the end of December 2006, the aim being that house owners by then should have restarted their business. Furthermore, a market place is to be constructed and training on SIYB for beneficiaries is to be completed.

The work is undertaken in two villages (Punge Jurong and Deah Glumpang), which were selected with the help of Pugar. Mobilisation of survivors in Meuraxa is very interesting and built on participatory approaches where the communities have been involved from the beginning, selecting contractors themselves for the constructions. Often the contractors are religious leaders and the mission was informed that "everybody trusts them". The beneficiaries of the formed "clusters"/groups produce financial reports assisted by an ILO consultant to meet the requirements.

The tasks of the ILO consultant in the setting up the home based economic units include:

*Mobilising people, informing everybody about the programme and its purpose, producing and spreading flyers and ensuring announcements in local papers, making ILO sign boards (not yet done), encourage people to fill in forms with their personal details, making assessment of the economic activities ("everybody can't do the same*

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<sup>3</sup> ILO's activities with BQB was financed largely by funds from UNDP-ERTR. A small amount from the LED project contributed to the institutional capacity building for BQB in a form of loan capital for its loan programme with people in Meuraxa.

<sup>4</sup> See Memorandum of Understanding between UNDP and ILO

thing”), getting tenders, assist architects in their work, motivating community members to be patient “when things don’t happen fast”, supervising construction, identifying/selecting good SIYB trainers, and organising “cluster” formations (groups of people).

49 % of the SIYB trainees are women and it has apparently not been difficult to attract women for the training. Women have also been involved as labourers earning money from producing cement blocks. Women trainees often bring children to the training workshops and often have to leave the training to take children to schools

The construction of the units is expected to cost USD 64,000, and another USD 45,000 to construct the market place, and another USD 20,000 approximately for the hiring of mobile construction trainers to provide on-site training to construction workers and procurement of concrete blocks made by women’s groups which received training and marketing support from the ILO (*source: Discussion with Alex H, LED Meuraxa component*).

#### 4.8.3 Results

The SIYB training in the UNJP Meuraxa component undertaken so far consists of a 10-day workshop (one course with 18 participants and another with 14 participants). The economic enterprises chosen by the participants are mechanic workshops, carpentry, coffee shops, small scale trading, barbers, printing shops, selling vegetables (now they sell mostly to construction workers), selling fishing tools and gasoline (*discussion with Alex H, LED Meuraxa component*)

To date, 10 home based units (HBBMP) have been completed through LED project in Meuraxa, in a period of about eight months and 32 units remain to be constructed. House owners have participated in SYB training and BQB micro credits (loans) been disbursed by the BQB. It has been, and still is a challenge for BQB to operate in an environment where grants had been given.

The ILO Vocational Training component has undertaken “upgrading construction skills training” for UNHABITAT staff, as well as for UNHABITAT and HBBMP contractors and workers. The ILO Employment Service Center component provided contractors and local workers to UNHABITAT and the HBBMP.

#### 4.8.4 Some challenges

The evaluation mission has appreciated that there are certain problems and possible obstacles in completing this component within the time frame given (end December 2006). One of the challenges seems to be that there actually are some difficulties in identifying the remaining forty new house owners HBBM and who would be able to meet beneficiary requirements of both ILO and UN-HABITAT.

The ILO expatriate consultant engaged in the Meuraxa activities expressed that some of the problems connected with the work are delays caused by requirements for financial reports to be prepared by the community and delay of funds to pay community contractors – a particular problem faced as Ramadan and the Eid-ul-Fitr holiday was approaching. Another problem was the “waiting for the people to return from the shelters”.

Another bottleneck to a final successful completion of the HBBM project, is that some families/household members seem to be unwilling to apply for loans from BQB for reasons that they may i) already have sufficient money to start their businesses, ii) they would like to borrow a “larger” sum (even up to \$553) which BQB would not be able to disburse to them, iii) they may hesitate to apply for a loan from a credit institution that they are not familiar with, or others may not be willing to accept interest rates. Other problems are that some potential beneficiaries do not have any viable business idea to pursue and therefore would not be able eligible to receive a loan.

The above-mentioned issues were discussed in a meeting in Aceh. It was unanimously agreed that out of two available options, expanding the HBBM to non-UN Habitat beneficiaries, or adjusting the eligibility criteria, the latter was the best option and solutions would be sought to solve the issues.

#### 4.8.5 UNJP and ILO in Nias

As mentioned earlier, the devastation has been at a large scale in Nias, first the 2004 tsunami, then the earthquake that hit the island in March 2005.

In Teluk Dalam, Nias, ILO LED activities are at its initial stages. The micro finance component, under UNJP and Migros-funded project will address fishing communities. The intention is to replicate what had been done in cooperation with BQB in Meuraxa. The financial sector is very weak generally in Nias, and more so in Teluk Dalam. However, a small credit union, Faomasi, has been identified and has been “targeted” as a partner in credit delivery to fishing communities. Activities to support Faomasi have so far been very similar to those with BQB in Meuaraxa, i.e., new products on micro leasing have been developed and there are plans to improve the marketing situation. Loan capital will be transferred to the bank and new staff will be hired for one year, with the support of the joint UN programme.

### **4.9 ILO/LED - KDP cooperation**

#### 4.9.1 KDP presence and activities in Aceh

Kecamatan Development Programme (KDP) is a nation-wide development programme supported by the World Bank and is by many, including the ILO, as one of the best national development programmes in Indonesia. It started its operations already in 1978, in four districts and has since expanded to 221 sub-districts in the country, all of which have KDP representation.

Its office in Aceh was hit by the tsunami and the programme lost five of its staff members, with a staff now numbering seventeen persons. According to the staff member of KDP in Aceh, its mission is “improved quality of life for everyone” and it operates through “socialisation processes” villages, using participatory approaches and volunteers. Grants are delivered based on project proposals. Most grants are for infrastructure projects but there is also credit support directed to women only for other activities. Normally, \$110,680 or Rp1 billion is given to each sub district, but the tsunami hit areas

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<sup>5</sup> Minutes of UNJP - Meuraxa Meeting, ILO, 15 September 2006

may receive three or four times as much (*discussion with Pak Rusli, KDP Aceh office, September 25, 2006*).

#### 4.9.2 Memorandum of Understanding KDP & LED/ILO

The KDP will be institutionalised, possibly under the management of the Ministry of Home Affairs in 2007 and will be called the National People's Empowerment Programme. The new set up will be built along the same lines as the present KDP with village facilitators and 25% of the budget allocated to technical assistance and training. As the Government budget will not be ready in time, the Government has requested a one year bridge loan from the WB to cover the programme for 2007 (*Ginette Forgues's Notes from a meeting with a meeting with Victor Bottini, Resident representative of the World Bank Aceh and Nias, October 9, 2006*).

The ILO has made efforts to find ways of building a partnership with the World Bank and KDP, however finding a strategic role for such collaboration has so far not been straightforward (*Review of ILO Crisis Response and Reconstruction, Minutes of an ILO meeting, 4 October 2006*). It is therefore of some importance that the LED project in Aceh initiated cooperation with KDP in September 2005 resulting in a Memorandum of Understanding (MoU) with the KDP. ILO regards it as quite important to ensure the success of the joint activity in Aceh as it will influence KDP's and WB's willingness to repeat partnership with ILO in other provinces in Indonesia.

As background to ILO's interest in the programme, the evaluation was informed by the Director ILO CRISIS that ILO already in November 2005 held a formal discussion on partnership at global level with the World Bank. It was then agreed that both organisations would strengthen their collaboration through having joint activities, on a self-financing basis.

#### 4.9.3 Production of training Manuals

An ILO consultant, commissioned under the LED, has produced three out of six planned manuals, named: "*How to apply Micro Finance Tools in the KDP?*", "*Community Participatory Monitoring and Evaluation in the KDP*", and "*Accounting, Transparency and Empowerment in the KDP*". LED project staff in Aceh and staff at the ILO/CRISIS unit in Geneva were also involved in this work.

It should be noted that gender concerns have been left out in at least one of the produced Manuals (*Community Participatory Monitoring and Evaluation in the KDP*).

#### 4.9.4 Validation workshop

A Validation Workshop was organised in August 2006, a total of three workshops (two days each) on Micro Finance, Accounting and PM&E. Feedback on the use of the materials and the training process has been produced by KDP and received by the ILO Programme and project management, as well as the CRISIS staff in Geneva, backstopping the LED project. A consultation meeting was held in October with the ILO.

Written comments from a KDP consultant, based in Jakarta, were somewhat critical as to the usefulness of some of this material. The KDP representative in Aceh was aware of this situation and confirmed that he agreed with the comments provided to the ILO. His observations were in a discussion with the evaluation: "Why were the Manuals made for

KDP and why did they have KDP's name on the covers, when other organisations also attending the Validation Workshop in August 2006? Only 12 out of the 40 participants were KDP staff'.

He stated that the "Accounting/Transparency" and "Micro Finance" Training Materials were not applicable in the KDP environment. The reason for the Micro Finance manual not being applicable was, he stated, that it was using an "individual based approach" - while the KDP uses a "group based approach". The training areas with the ILO that he most looked forward to were in the field of **entrepreneurship and economic development**.<sup>6</sup>

#### **4.10 The LER project design and formulation**

The LED Concept Note has functioned as the only "steering document" for the project, and a document that the Finnish Government accepted as a basis for providing the project funds. The mission has looked into the document to assess the logic of its elements and how it later has been interpreted into workable management tools. The elements of the Logical Framework (LF) have been used for this purpose and the mission has focused on objectives, outputs, indicators and risks/assumptions – and in the case of the latter two, the lack of these LF elements.

Original objectives: "Acehnese women and men in specific communities in the areas more severely affected recover sustainable livelihoods".

Three sub-objectives: i) *Enhanced implementation capacity of local stakeholders* in providing direct services to recover sustainable livelihoods, ii) Community projects for recovery of micro and small business are selected and implemented by local stakeholders, iii) Local groups have enhanced capacities to submit recovery and development plans/projects to relevant national and international programmes/organisations dealing with economic recovery and development

In the Work Plan (dated 14 October 2005), objectives had been altered as follows:

Immediate Objective 1: *Identify strategic economic sectors* and gaps in value chain through SWOT analysis and outline measures to improve economic competitiveness and efficiency of the main sectors in the frame of economic recovery/development in 3 areas (Aceh Besar, Sabang and Nias).

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<sup>6</sup> Information received after the evaluation's departure from Jakarta: An independent review of the ILO-KDP partnership took place during October 5 – 20. The review recommended ILO to reassess its institutional capacity building for KDP staff after KDP reform is completed in November/December 2006, when there would be more certainties to future directions of KDP. In the meantime, the ILO Aceh Programme would "roll out" the Gender Equality Training in Enterprise Development (GET Ahead) with selected KDP subdistricts. This work will take place during November 2006 – March 2007.



**Table 2: Changes made of Project Objectives**

<b>Concept Note</b>	<b>Work Plan</b>
<p><u>Sub objective 1:</u></p> <p>Enhance implementation capacities of local stakeholders in providing direct services to recover sustainable livelihoods</p>	<p><u>Immediate Objective 1:</u></p> <p>Identify strategic economic sectors and gaps in value chain through SWOT analysis and outline measures to improve economic competitiveness and efficiency of the main sectors in the frame of economic recovery/development in 3 areas (Aceh Besar, Sabang and Nias)</p>
<p><u>Sub objective 2:</u></p> <p>Community projects for recovery of micro and small business are selected and implemented by local stakeholders</p>	<p><u>Immediate Objective 2:</u></p> <p>Execute LER project to recover basic IGAs in tsunami affected areas (Aceh Besar, Sabang and Nias)</p>
<p><u>Sub objective 3:</u></p> <p>Local groups have enhanced capacities to submit recovery and development plans/projects to relevant national and international programmes/organisations dealing with economic recovery and development.</p>	<p><u>Immediate Objective 3:</u></p> <p>Strengthen ILO-KDP (WB) cooperation in Aceh, ILO undertakes activities addressing KDP beneficiaries and it works for the enhancement of the economic component of the WB programme. On the basis of the HQ work on Community Driven Development (CDD) and LED.</p>

**Quality of original outputs:** Each of the three objectives had a set of “outputs” (1-4 outputs), 8 outputs in total. Three out of eight outputs can be considered as outputs (concrete and tangible) namely: “comprehensive mapping”, “implementation strategy and micro-projects” and “financial support”. The remaining outputs are either phrased as vague *objectives* (example: “enhanced capacities”), or are too broad, or phrased as activities (example: “participate in...”)

**Quality of indicators of achievement:** No indicators found in the Project Steering Document (Concept Note). No indicators in the two LER/LED Work Plans. No gender-specific indicators found. An attempt to formulate indicators, or rather indicator *areas* is found in a Terms of Reference for LER implementing partners (HMI and Pugar) – indicating that “numbers and names...” can be used. But actual indicators not formulated.

**Assumptions:** In a project document, assumptions should be clearly defined as statements about “risks” to successful implementation of the project - outside control of the project. No assumptions have been formulated. For a project implemented in Aceh, risks to a successful implementation would be particularly important to define.

#### **4.11 LED Project delivery & expenditures**

Participatory approaches (time consuming), as well as administrative and logistics problems with the disturbances in the set up of the ILO Banda Aceh office (explained earlier in this report) have slowed down the rate of “delivery”. It should improve during the last quarter of 2006.

It was found (and confirmed by the Programme Manager) that, at end of September 2006, 42 % (USD 1,017,000 which include commitments) of the total project budget of ca USD 2.4 m has been used to date. With the information received, it seems as if only 12 % (USD 277,000) of the total project budget of ca USD 2.4 m so far has been directed to the ultimate target group (primary beneficiaries) in the form of training, workshops, awareness raising events and grants.

#### **4.12 Programme Management Unit - ILO Aceh programme**

##### **4.12.1 Tasks**

The PMU was set up in September 2005, and is, together with the LED project, partly financed by the contribution from the Finnish Government. It consists of an International Programme Manager (IPM) representing ILO in Aceh, national programme officers and administrative staff. The PMU coordinates the programming of all six technical components of ILO Aceh Programme. It is responsible for negotiations (locally) with donors and meeting reporting requirements from thirteen different donor agencies. PMU is also responsible for all office administration & logistics of the Aceh programme and manages together with the technical specialists and component managers the use of the "pool" of funds for its implementation.

##### **4.12.2 Perceptions of the functioning of the PMU**

The Mission designed and sent out a simple questionnaire intended for all staff of the ILO Programme in Aceh Nias & Sabang (Annex III). The purpose was to gauge staffs' perceptions of communication & information flow, coordination and performance assessment by PMU. The response from (so far) 10 respondents showed:

**PMU Communication & problem solving:** - Problems faced? Problems mainly related to delay in payments, coordination & communication. - Who do staff communicate with when facing problems?: Most communicate with colleagues in their small unit, a few with PM, a few with supervisors in Jakarta. - Have ways of communication been effective in solving problems? All staff replied "yes".

**PMU Coordination:** - To whom do you report? Most report to supervisors and the Programme Manager. - Do you attend regular meetings? Most replies "yes" and said they are effective but not held very often. - Are these meetings good instruments to appreciate your views/concerns? Most said "yes", a few replied that there is a problem with "change of rules", one said they are "useless because rules keep changing". - Has your work performance been assessed? Most said "no" and two said "yes".

**Assessment on work performance<sup>7</sup>:** - What kind of support do you get to improve your work? (No replies received). - In what areas do you need more support from PMU? Most replied "technical guidance" and "administrative support" and need for "fixed guidance on administrative rules". - How has PMU functioned in uniting various components into one programme? In a scale which ranged from "Fair" – "Excellent!", the majority replied "Good", one answered "improvement needed on coordination", one stated "necessity to report more on project progress to PMU".

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<sup>7</sup> The PM later informed that four formal appraisals have been undertaken and one "informal". By ILO rules, only a staff member who completes a one-year contract will receive an appraisal.

The mission's findings on the role of the PMU are as follows: i) The PMU has been instrumental in bringing projects/technical components under one umbrella ILO Aceh Programme and given "a face" to ILO in Aceh. ii) Apart from the admin work being part of PMU, the challenge of the PM includes making technical sense of "bits and pieces" of projects/components, oversee quality of implementation and outputs, manage and justify the utilization of the fund pool/budgets and report on the same to ILO and donors.

## 5 Conclusions and recommendations

### 5.1 *Job creation in six villages*

#### Conclusion

The LER component at village level has addressed the needs to recover economic activities, improve the livelihoods of men and women and recreate a social dialogue among local stakeholders. The project has availed direct support in the form of grants (in kind) combined with SIYB training. The project management has informed that 2.4 jobs on average were *created* for every grant delivered. This support has definitely had a value as opportunities for income generation have been provided, and skills and knowledge have been imparted.

#### Recommendation

When describing support to newly started small-scale entrepreneurship in the informal economy, such as the ones covered by the LER activities, it would be better to describe it as short-term support to reinstall self-employment, or promotion of informal economy income-generation instead of *job creation* – as job retention in a period of local economic recovery is uncertain and depends on very many factors.

### 5.2 *Gender concerns*

#### Conclusion

The project does not have an explicit gender strategy. Addressing *women concerns*, as e.g. done in the LER village support, important as it is, does not constitute a gender strategy as such.

Gender analysis would entail e.g. that practical and strategic gender needs of women and men are analysed and taken into account and that project implementation is geared to meet some of these gender needs.

#### Recommendation

ILO has over the years built up vast institutional knowledge on gender dynamics, gender equality, gender planning, analysis and integration (mainstreaming) of gender concerns. In a possible continuation of LED in Aceh, an explicit gender strategy should be developed using some of the gender tools developed by the ILO, described in the Gender Mainstreaming Checklist (also available in the ILO Aceh office)<sup>8</sup>.

The evaluation was informed by the programme officer who is working on gender issues, that training on gender methodology would be organised for the implementing partners of LED during the fourth quarter – a very positive development.

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<sup>8</sup> “Gender Mainstreaming. A Management tool for promoting gender equality in the technical cooperation projects with the ILO/NPP 2004-2006. Checklist and Recommendations”.

In the LER direct support to villagers, sex has been disaggregated in the data collection. The evaluation has not been able to find any documentation or analysis regarding gender in this support, neither in the processing of the data collected, nor regarding types of enterprises chosen by men and women. What were the differences in choices or sizes of enterprises? Is there any difference regarding employment in the enterprises (paid or unpaid)? It seems that men are choosing enterprises that have potential for being more profitable, and that they also apply for larger grants.

It is understood that the Aceh is a religious and traditional society and that women are not encouraged to be mobile or running businesses that compel them to be away from their homes. It appears that most women engage in cake making, bread making, banana or vegetable selling, sewing and very few are choosing “non-traditional” enterprises. The evaluation has been informed that “up-graded” income-generating activities were promoted for women – and it would be very good if such work or processes would be documented for lessons learnt and/or the final evaluation.

### **5.3 Determining poverty levels/status**

#### **Conclusion**

From the information received regarding village support in Aceh Besar, it appeared that ‘income’ has been used as a determining factor regarding socio-economic status, placing programme participants in three categories; Poorest (Rp. \$33/month) poor (\$110/month) and middle (\$110-220/month). Information received later from LED management, stated that also other criteria were used by KDP, in participatory mapping exercises in the villages to determine socio-economic categorisation and eligibility for project support. These were “having lost family members and assets, settlement conditions, access to public services as water and electricity”. However, no supporting documents have been seen describing the process or result of the poverty mapping exercise.

#### **Recommendation**

When distributing material resources directly to individuals and groups of people, it is important that mechanisms, criteria, as well as process and results from participatory exercises are documented and available for the sake of learning, transparency and accountability.

### **5.4 Capacity-building as part of the project process**

According to information received from the project, the total number of persons involved in LED training during about 18 months is to date 253. The following brings out some aspects of capacity building as it involves implementing partners (the NGO), project staff and to some extent other stakeholders:

#### **5.4.1 Capacity-building of implementing organisations**

##### **Conclusion**

The project informed the evaluation that HMI personnel participated in the first SYB Training of Trainers in early 2005. Furthermore, HMI and Pugar personnel attended a two-day meeting/workshop which the project organised to explain the LER process and informing them about the steps of the process of selection, training, and grants.

### **Recommendation**

When working with NGOs, the project needs to assess what is needed in terms of capacity building of staff in these organisations even though these have been assigned to undertake certain tasks. In the case of HMI, it seemed clear that the facilitation staff would benefit from more learning about the LED project and what its role is. Pugar facilitators, working for/with international NGOs and development programmes, as mentioned earlier, claimed its staff had received training from others.

#### **5.4.2 Capacity building in Sabang**

##### **Conclusion**

Tourism was chosen as a sector to be supported by the LED project and in the last quarter of 2006, tourism operators would receive training, as stated by the project manager. English speaking trainers (expatriate) for hotel and tourism training needed to be identified for this activity, as expressed in the evaluation presentation meeting in ILO Jakarta, 1 September 2006.

##### **Recommendation**

As recommended in the above-mentioned meeting, the project could use trainers on hotel and tourism available in the country - English language skills should not be a requirement for training national persons and can in this case, hotel and tourism, be brought in from Jakarta.

#### **5.4.3 Capacity-building of project staff**

##### **Conclusion**

The evaluation appreciates that project staff have learnt a lot since the start, and are putting in efforts to achieve results in sometimes very difficult and unusual circumstances (even having to shift the office due to an earthquake!). It is also understood that “learning on the job” is one of the best ways to learn. It was noticed that there seemed to be a lack of understanding of certain elements of the project cycle and uniformity of work plans as steering documents for the staff.

##### **Recommendation**

Delegation to junior and/or national staff is vital in a project environment where performance requirements and “deadlines” are frequent. Knowledge and information need to be shared about where the project is heading, what resources are required to reach the objectives and targets and how progress could be measured.

Staff should be encouraged to improve data collection/making sense of socio-economic data, including relevant gender disaggregated data, and be given the opportunity to develop analytical as well as organisational skills. Gender integration needs to be looked at from a perspective that goes beyond women participation – what are the *issues*? Is project staff familiar with gender planning, gender analysis, gender-responsive indicators? While certain tasks seem to have been delegated to national staff in the LED project, such delegation needs to go hand in hand with investments in them, boosting

their confidence and reducing uncertainties about what is required to plan, implement, monitor, follow-up.

As far as possible both management and staff need to document major planning/implementation steps in operational areas, not only for the sake of accountability vis-à-vis outsiders such as evaluators, but for the sake of lessons learnt. While implementing may be “outsourced” to NGOs or the KDP in the case of the LER village support, all project staff needs to be more aware about what steps are taken by these as the ultimate responsibility still lies with the project.

### **5.5 Application of LER/LED approaches**

Since actual activities started only in December 2005, following a period of establishment and preparations, this evaluation covers not even one year of activities. One of the issues of great interest to the ILO is to determine how the Finnish funded project in Aceh has been able to use and promote the available LER/LED approaches in its operations.

#### **5.5.1 Training on Comparative Advantages and the aftermath**

##### **Conclusion**

Training approaches, which are participatory in nature and bringing in new elements to the stakeholders in Aceh, have been applied in a sound way in workshops using expertise on LED training methodologies. The workshops named PACA, PVCA and LACA managed to engage the designated stakeholders from public, private sectors and civil society. Availing the opportunity for BAPPEDA staff to be trained at Turin training centre, and in the PACA/ PVCA/LACA workshops, was highly appreciated and will serve as a motivating factor to continue engagement on LED in Aceh.

The project has been less successful *so far* in following up what has been started. Expectations have been raised among stakeholders following the workshops in Aceh Besar, Nias and, lately, in Sabang. A question that has to be raised is which role shall the project assume to keep up momentum created during the short time left (June 2006)? Keeping in mind the philosophy explained by Mr. Alfredo Lazarte-Hoyles, Director, the Crisis Response and Reconstruction Unit, that the actual role of the Project Manager is to avail opportunities for the stakeholders – the stakeholders seem to expect much more engagement and support from the project. The project’s plans to “start up” forums, create or support cooperatives, start up food, fish and coconut processing units, (Nias and Aceh) and build up the tourist sector (Sabang) do not seem realistic.

##### **Recommendation**

A realistic outlook is needed, to gauge and determine what is feasible and what is not feasible, what achievements can be consolidated and built on during the remaining project time. In the Work Plan for the remainder of the time, the project would need to consider that activities for which the end cannot easily be envisaged within February-March 2007 - should not be started, unless it is clear that they will be completed by others and some kind of sustainability is ensured.

### 5.5.2 Local Economic Recovery (LER) – direct support in six villages

#### **Conclusion**

It is understood that the project has worked in difficult circumstances under this component, particularly at the beginning. The mission found that praiseworthy efforts have been made to engage in a participatory community process, provide grants and SIYB training.

The project gives grants to people who already before tsunami had operated a small enterprise, enabling them to reach at least the socio-economic level they had enjoyed before December 2004. It is understood that the nomination/selection of persons to receive e.g. SYB training was not directed by the project or NGO staff, but by the “communities”, however the very nature of the support to be provided (business/entrepreneurship development) are believed to have guided the nominations.

#### **Recommendation**

This component should be completed (training and grants delivery) and closed before the end of the year, which should also be communicated clearly with local facilitators, KDP, village chiefs and selected beneficiaries. The training and delivery of the grants, following the SYB training, should be sped up in order to ensure that what has been learnt in the training is not “lost” once the grants have come through for business development.

### 5.5.3 Integrated support and cooperation with others

#### **Conclusion**

The ideal integrated ILO-LED approach does not come across strongly in the project to date. In Nias, some difficulties were allegedly encountered in ILO’s collaboration with the FAO, and the main cooperation in Nias seem to be among ILO’s micro credit component, the credit organisation Faomasi and the locally based LED staff member. In Sabang it is too early to gauge what the level of integrated efforts will be – but the LACA team members from private and public sectors seem willing to pull toward the same direction in developing some tourism activities.

Interesting and effective cooperation and joint actions have been found in the Meuraxa endeavours, in particular among the SYB, vocational training and KDP inputs, but also with the UNDP/UNHABITAT (there was little or no collaboration between the BQB and the LED Meuraxa consultant). Still, when discussing with UNHABITAT about cooperation, their staff members claimed that more direct communication is desired in the cooperation with ILO in addition to the coordination and collaboration undertaken at the community level.

In the direct support component in Aceh Besar, with the support to six villages, integration of other ILO components seems to have been limited mainly to the entrepreneurship development for the SIYB training. Coordination and cooperation between these two ILO components seem to have worked quite well. The local stakeholders involved are the facilitating organisations (Pugar and HMI), the village chiefs, KDP and at the start universities were involved in mapping and identification exercises. According to the project manager, ILO staff (labour-based infrastructure and child labour) have been somewhat involved on an “ad hoc basis”.



### **Recommendation**

Sharing strategies and plans, and coordinate actions are the very essence of an LED approach and therefore more efforts need to be made to be inclusive. Gender expertise need to be brought in, and, for instance be used to analyse what it would take for men, women and children, respectively, to return from shelters to the new built homes in Meuraxa. Are women's needs and concerns related to moving into the new houses the same as those of the men and how could their respective concerns be handled by ILO, UN-HABITAT or others?

#### **5.5.4 Applying a LED strategy in Aceh**

##### **Conclusion**

There are many bits and pieces of good work and efforts initiated by the project staff, such as conducting workshops, engaging in community mobilisation and discussions to trigger economic growth, patiently using participatory methodologies and developing links to micro finance.

##### **Recommendation**

A clear strategy for the remainder of the project period of LED is required, on how to glue these bits and pieces together and link different players with each, in order to reach further and sustain something in the society after the project has ended.

#### **5.6 *Cooperation with KDP – World Bank***

##### **Conclusion**

It is clear that KDP is interested and willing to honor the Memorandum of Understanding (MoU) drawn up with the ILO/LED. A ToR attached to the MoU describes the work to be done by ILO regarding the development of six training manuals for KDP and followed by Training of Trainers (ToT) for each module. It is therefore somewhat disturbing that the KDP representative expressed concerns as quoted in this report. Is there confusion as to what exactly was to be produced, at what quality level, for what purpose and for which audience?

##### **Recommendation**

Utmost care should be taken to straighten out and clearly identify what the contents of the cooperation with the KDP should be for the remaining period of LED, also *beyond* the production of manuals and the training to be part of the component – keeping in mind the remaining duration of the project.

As gender issues have been left out in at least one of the produced Manuals, namely the “Community Participatory Monitoring and Evaluation in the KDP” - a revision of the materials should ensure incorporation of gender concerns.

#### **5.7 *Meuraxa Home Based Improvements Units***

A lot of work and engagement has clearly been invested by the LED project and the ILO, jointly with UNHABITAT in this UNJP endeavour. The evaluation found that the basic idea to assist returnees to tsunami hit areas in starting up their small businesses through provision of tailor-made economic units (attachments to their newly built houses) is a good idea since it could prove to be the very incentive that brings people back from the

shelters. There could, thus, be great potential for replication of these ideas in other post-crisis areas and interventions.

The evaluation has expressed its concern about the link to micro finance. The project manager has explained that it is necessary to “impose” the condition on the HBBM owners to apply for micro finance from BQB, claiming that it is part of the strategy and it would not be good to deviate at this stage. In the prevalent situation, when it is uncertain whether micro finance is desired by the house owners, the project needs to be very cautious. It seems not to be a wise idea in a short-term engagement to continue in this line, particularly since there were many unknown factors, such as “will people actually want to return? If they return, will they be serious about their business commitment? Would BQB be sufficiently self-confident to handle the situation? Is the micro finance product well-defined/developed and transparent to the “would be” borrowers?

### **Recommendation**

The lessons learnt about community work, participatory processes in a crisis situation are valuable and should be documented further by the ILO, e.g. in case studies, articles etc.

Considering the participatory “requirements”, the weak capacity of community and implementing partners in preparing financial and/or progress report and the need for review of these financial reports, it seems unrealistic that the project would be able to meet the target of another 32 home units, which is the target, provide training, clarify the micro-credit issue mentioned earlier, and construct a large market place in time before December/January. Therefore it is proposed that a lower target is agreed upon.

Regarding the condition of micro-finance on the house owners as part of a LED strategy, this situation needs to be solved urgently as it has become apparent that the beneficiaries are unsure whether they wish to apply for the loans. Projects deal directly with real people with real problems, and projects have to be prepared to adjust principles in some way **as not to create new problems**. If not already settled, a solution on the way forward has to be sought rapidly and locally, with all stakeholders involved, if the time table is to be met and people’s interest is to be maintained. Flexibility must be applied both by ILO/LED and the UN partners.

### **5.8 Programme Management unit (PMU)**

#### **Conclusion**

It is clear that the introduction of a Program Management Unit into Aceh has greatly enhanced the effectiveness of programme administration. As a consequence, the ability of technical staff to perform their tasks has been facilitated (as earlier also found by an earlier ILO mission headed by Alan Moody). The concerns that the evaluation already expressed in the meeting in Jakarta regards the following:

- 1) The PM’s area of responsibility and workload are substantial, there is a multitude of tasks undertaken by the PM. The majority of the staff members do not have previous experience from working with the ILO, thus a lot is required to explain and share knowledge about administrative rules and regulation, and procedures to the staff. At the same time, pressing issues do not allow for making necessary

administrative investments in issues such as follow-up on operational and administrative guidelines, staff recruitment and training.

- 2) There seemed to be a lack of clear division of task between the PM and the LED project manager.

#### **Recommendation**

It is clear that efforts have been made to set out procedures and clarify roles – also that the work load of the PM is heavy. More needs to be done to further clarify division of roles and tasks, e.g. how far PM's role stretches and where the LED Project Manager's decision-making, in this case, takes over. It seems that should be agreed upon urgently, as there is a risk of duplication of management functions and confusion of responsibility areas.

### **5.9 Documentation & reporting**

#### **Conclusion**

The evaluation team has been given many documents. Still, it found it difficult to get hold of certain types of information while working in Aceh and Jakarta, such as exact number of villages worked in, number of people trained, criteria for selection of beneficiaries and villages, list of NGOs from which implementers were selected and the size of grants delivered.

More information has eventually been compiled/consolidated and shared with the evaluation team and improvements on summarising facts and figures for future information needs are said to be under way.

#### **Recommendation**

It is here recommended that the project devotes more efforts in, particularly, compiling and analysing gender data (ensuring that all is gender disaggregated). This should facilitate the work for the end of project evaluation but also help the project to reach its own conclusions on accomplishments and gaps in information gathering. In the "sea" of loose excel sheets, diagrams, work plans and short reports that are compiled, project staff could compile summaries of the most pertinent information to be part of the regular Progress Reports.

### **5.10 Sustainability**

#### **Conclusion**

Sustainability is of great concern in all technical cooperation and development work but while projects are ongoing and there are still many things "to do", before close down, project managers seldom raise the question regarding what exactly is to be sustained?

In a post-crisis situation/environment, distribution of handouts is probably unavoidable. For the medium term, sustainability must be the objective – the question is "what is it that is to be sustained?" Without a strategy on how to sustain whatever is to be accomplished, and what exactly is to be sustained, medium and long term achievements may also be hard to obtain.

The philosophy that the role of the LED project and in particular the role of the project manager in this case, is to create opportunities for others to contribute to improved livelihoods is basically sound (explained to the mission by the head of Crisis). While this may be clear in the mind of the project designers and back stoppers at headquarters, it may not be as clear for the stakeholders “on the ground”, whose expectations of the project may exceed being provided *opportunities* – and who may perceive that there are resources to be shared by the project. In turn, project staff and community facilitators who are in direct contact with the beneficiaries are often intent on creating sustainable changes and, in general, be able to show tangible achievements as direct results of implementation.

While resources are handed out to beneficiaries *for free* (in kind or cash), as the case is in the project, there are obvious risks that dependency is created and self-help processes are halted, and sustainability is not likely to come by. This dilemma was faced by the project LED and since the majority of the organisations distributed hand outs (money, boats, houses) after the tsunami had hit Aceh, it has been difficult, to say the least, for the project to e.g. get ahead with more sustainable activities. The fact that it has, in this situation, made serious attempts to meet stakeholders’ medium and longer term needs, such as involving them in entrepreneurship and business training, as well as linking them to micro finance institutions are good efforts to inspire local stakeholders and bring innovative ideas for economic growth where they are needed.

### **Recommendation**

For the LED activities in Aceh, it may be useful to distinguish between sustainability of benefits of an activity and sustainability of the activity itself. The question is thus - sustainability of what? Jobs “created”? Income-generated activities? Sustainable livelihoods? Systems? Changed attitudes? Knowledge “imparted” and skills developed? Approaches and methods used?

Should sustainability mean organisational sustainability? Are the activities such that certain activities must continue in order for the benefits to be sustainable – if so which are those activities? The question is particularly essential if the project has substantial elements of methodology/method development, a category in which the PACA, LACA training methodologies and tools fit in.

### **5.11 Replicability**

The Terms of Reference (ToR) for the evaluation stated that “the evaluation will be conducted in parallel with the formulation of a livelihoods programme in conflict-affected areas in Aceh”, and that “the evaluation shall identify approaches and/or activities that can be directly expanded into those areas and suggest adjustments in tsunami-response approaches/activities for implementation in the conflict-affected areas”.

*It should be noted that the latter assignment was started as the first (evaluation) ended and therefore there was very little interaction between the two.*

The LED project in Aceh has attempted to put in practice LED philosophy and realise some of its basic elements to assist in recovery after the tsunami and boost economic growth in weakened and vulnerable communities. This report has attempted to point at a few lessons that could be learnt to further improve ILO's and CRISIS's technical cooperation.

Some *further* suggestions are as follows:

### **Build on unique knowledge gained**

Knowledge about how the Aceh society, at large, and local organisations and communities have coped with the tsunami crisis is invaluable, first hand knowledge for the ILO and the involved partners, which will *strengthen ILO's resource (staff) base*, making it better equipped to undertake technical cooperation during crisis and post crisis environments in the future.

### **Continue using & learning more about participatory approaches**

The focus on *participatory approaches* is very promising and has been used by LED project both at community group and higher levels. In a possible continuation of LED activities in Aceh, more could be promoted from the ever growing basket of Participatory Learning and Action approaches now used widely in development cooperation<sup>9</sup>. ILO could play an important role in spreading these methodologies and build local capacity one their use.

The project should be clear in determining what participation really entails – all partners agreeing that participatory approaches should be used, may have different understanding about what they entail e.g. what are we promoting? Passive participation, participation in providing information, participation through consultation, participation for material incentives, functional participation (participation by forming groups), *interactive* participation, or self-mobilisation?

### **Maintain and strengthen ILO's comparative advantage**

Having stated the above, the ILO also needs to maintain and strengthen its own comparative advantage in employment/job related areas, and its vast institutional knowledge base on roles and needs in the formal and informal economy, as well as on gender dynamics and strategies.

LED is using the established training package Start and Improve Your Business (SIYB), which ILO started already in 1980s, with the first version Start Your Business (SYB) which is appreciated and used in many parts in the world. Since then, other successful training packages have been developed which can be used for actors in the informal economy, such as Get Ahead for Women Entrepreneurs and WEDGE materials.

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<sup>9</sup> Many of the approaches mentioned here are very similar and most are built on the early (from the 1960-70s) Rapid Rural Appraisal (RRA) and its improved follow-up Participatory Participatory Rural Appraisal (PRA): such as PM&E (Participatory Monitoring and Evaluation), BA (Beneficiary Assessment), DELTA (Development Education Leadership Team), PALM (Participatory Analysis and Learning Methods), PAR (Participatory Action Research), PRAP (Participatory Rural Appraisal and Planning), PTD (Participatory Technology Development), RA (Rapid Appraisal), RAT (Rapid Assessment Techniques), TtT (Training for Transformation), VIPP (Visualization in Participatory Programs), SA (Stakeholder Analysis) and BA (Beneficiary Assessment).

**Facilitate direct links between partner organisations**

Facilitate for local partners to cooperate even after end of project, by bringing them together and assist in creating links – this would be an important contribution which even could be sustained.

Build partnerships across borders, especially interesting is public and private partnerships. The traditional ILO social partners need to be part of the framework.

**Replicate/adapt “models” from the LED project**

*Meuraxa home based economic development units* in cooperation with others, is an interesting participatory and inter-agency approach and should be replicated in recovery, or post-crisis circumstances. Important learning elements could be used also in more “normal” development contexts, such as what has been learnt about mobilisation, community leadership in a traditional Muslim society/context (e.g. the role of religious leaders versus secular), gender roles, people selecting contractors for infrastructure, and many more issues.

*Training on Comparative Economic Advantages* is useful and should be used in all relevant contexts and should incorporate socio-cultural and gender concerns.

**6 Annexes**

**Annex I: Activity Schedule of Evaluation Team**

**Activity Schedule of the Evaluation Team**

NB: Prior to Lotta Nycander's visit to Indonesia, she met with Federico Negro at ILO Geneva, and was briefed about the project, and discussed with Julien Magnat, LED project manager over the phone. Lily Puspasari started her briefing in Aceh on September 10, 2006.

Tue. 19/9:

10.00 – 15.30 ILO Office Jakarta: Alan Boulton, Director, Peter Rademaker, Deputy Director, and finance & administrative staff

Wed. 20/9

04.20 Depart for airport, Jakarta, by plane to Banda Aceh  
09.00 Arrived Banda Aceh Airport  
09.15 Introduction and short briefing with ILO Aceh Programme Manager (Parissara)  
09.45 First short introduction and purpose of the evaluation with LED and other project staff  
14.00 Field visit to LER village, discussion with project beneficiaries and HMI  
16.00 Returned to office

Thur. 21/9 Individual interviews with ILO Aceh programme and LED project staff

Fri.. 22/9

09.30 Departed by boat from Banda Aceh to Sabang,  
09.31 Arrived Sabang  
10.30 Focused Group Discussion with Mr. Zia, Programme Assistant and four LACA team members at BAPPEDA office (representatives from public and private sector)  
12.00 Visited potential tourism development sites and further discussions with Mr. Zia  
16.00 Departed Sabang by boat  
16.45 Arrived Banda Aceh  
16.45-17.30 Field visit in Banda Aceh – visited tsunami hit areas

Sat. 23/9 Discussions with Parissara and Lily, planning and write up

Sun. 24/9 - ditto -

Mon. 24/9

11.00 - Field visit to Meuraxa: talked to LED staff (consultant Alex) & beneficiaries in Meuraxa UNJP-ILO "village"



p.m. Field visit to LER village, discussed with beneficiaries and HMI facilitator

Tue. 25/9

10:00 – 11:50 Discussion with Pak Rusli, KDP-WB  
Met LER beneficiaries and Pugar in *Weuraya* village.  
Discussion with Claudia Mueller (Women Enterprise Development Expert), ILO office.

Wed. 26/9

10:00 UN Habitat, Mr. Rida, Ms. Deepty (India), Mr. T.M. Aziz, Community Development Facilitator, Mr. Alex Redona, Community Architect Facilitator, Ms. Desy Rikayanti, Community Engineer Facilitator  
14:00-16.30 Meeting at ILO office with HMI, Pugar, a village chief (*Keuchik*), PPK (KDP village level)  
16:30 Mr. Soeharjono, Local Project Coordinator, Trade Union Aceh Project, ILO Aceh Programme  
16:45 Ms. Osie, APINDO, PACA Team Member

Thu. 27/9

10:00 Discussion with Pak Rahman, BRR – Life skills Unit  
Rounding up LED project staff members  
Prepared presentations

Fri. 28/9

09:30 Presentation of main summary findings and discussion with ILO staff in Aceh  
pm Writing report

Sat. 29/9

Am: Departure by plane for Jakarta

Sun. 30/9

Writing report, meeting with Lily

Mon. 1/10

Meeting with Ginette, Lily, Finnish Embassy & writing report  
Prepare for meeting and presentation ILO Jakarta

Tue. 2/10

Present preliminary report in meeting with ILO Jakarta and discussion  
Individual in-depth discussions with Alfredo Lazarte, Head of ILO Crisis unit, Geneva, and Julien Magnat, project manager LER project  
Pm: L. Nycander departed Indonesia and Lily Puspasari finished her assignment.

**Annex II: Persons Met**

Name	Designation	Org./based in	Contact
Alfredo Lazarte-Hoyles	Director a.i., International Programme on Crisis, Response and Reconstruction	ILO, Geneva	<a href="mailto:lazarte@ilo.org">lazarte@ilo.org</a>
Federico Negro	Socio-Economic Reintegration Specialist, Crisis	ILO, Geneva	<a href="mailto:negro@ilo.org">negro@ilo.org</a>

Name	Designation	Org./based in	Contact
Joonas Heiskanen	Deputy Head of Mission	Embassy of Finland	<a href="mailto:joonas.heiskanen@formin.fi">joonas.heiskanen@formin.fi</a>
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Name	Designation	Org./based in	Contact
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Novriani Aida	Secretary	ILO, Jakarta	<a href="mailto:enny@ilojkt.or.id">enny@ilojkt.or.id</a>
Ginette Forgues	Local Strategies for Decent Work, Senior Specialist	ILO SRO Bangkok	<a href="mailto:forgues@ilo.org">forgues@ilo.org</a>
Gorm Skjaerlund	Vocational Training Specialist, ILO Consultant	ILO, Jakarta	Tel: (62-21) 391 3112 Mobile: 0816 907749

Name	Designation	Org./based in	Contact
Parissara Liewkeat	Program Manager, Aceh Programme	ILO, Banda Aceh	<a href="mailto:parissara@ilo.org">parissara@ilo.org</a>
Julien Magnat	LED Expert	ILO, Banda Aceh	<a href="mailto:magnat@ilo.org">magnat@ilo.org</a>
Rizal Muhammad	LED Programme Assistant	ILO, Banda Aceh	<a href="mailto:rizal@ilo.org">rizal@ilo.org</a>
Wahyu Saputra	LED Community Mobilizer	ILO, Banda Aceh	
Zia Ul Azmi	LED Community Mobilizer	ILO, Sabang	
Yulia Frida	LED Admin – Secretary	ILO, Banda Aceh	
Soeharjono	Local Project Coordinator, ILO Trade Union Project	ILO, Banda Aceh	<a href="mailto:Soeharjano@ilojkt.or.id">Soeharjano@ilojkt.or.id</a>
Matthieu Cognac	Microfinance Specialist	ILO, Banda Aceh	<a href="mailto:cognac@ilo.org">cognac@ilo.org</a>
Tomas Sugiono	Microfinance	ILO, Banda Aceh	<a href="mailto:tomas@ilo.org">tomas@ilo.org</a>

	Programme Officer	Aceh	
Alexandra Halbwachs.	Coordinator Meuraxa Project	Banda Aceh	
Sergei Muzyka	Chief Technical Advisor and Enterprise Component Manager	ILO, Banda Aceh	<a href="mailto:muzyka@ilo.org">muzyka@ilo.org</a>
Dewi Hanifah	Women Enterprise Development Programme Officer	ILO, Banda Aceh	<a href="mailto:dewihanifah@ilo.org">dewihanifah@ilo.org</a>
Claudia Mueller	Women Enterprise Expert	ILO, Banda Aceh	<a href="mailto:Mueller@ilo.org">Mueller@ilo.org</a>
Dewayani Savitri	Programme Officer	ILO, Banda Aceh	<a href="mailto:dewayani@ilo.org">dewayani@ilo.org</a>
Riska Effriyanti	Programme Officer	ILO, Banda Aceh	<a href="mailto:riska@ilo.org">riska@ilo.org</a>

### Others met and discussed with in Aceh

- ❖ BAPPEDA representative and four LACA team members (private and public), at BAPPEDA office in Sabang
- ❖ Pak Russli, KDP-WB, KDP Representative
- ❖ Ms. Osie, APINDO, PACA Team Member
- ❖ Mr. Rida, Ms. Deepty (India), Mr. T.M. Aziz, Community Development Facilitator, Mr. Alex Redona, Community Architect Facilitator, Ms. Desy Rikayanti, Community Engineer Facilitator, UN Habitat
- ❖ Representaives and Community Facilitators of Pugar and HMI
- ❖ Pak Rahman, BRR office, Aceh
- ❖ Village chiefs and beneficiaries (men and women) in Aceh Besar, Sebang and Meuraxa

**Annex III: Questionnaire on PMU, ILO Aceh**

<b>1. Communication and problem solving at office</b>	
1.1	If you face problems at work - what kind of problems/constraints are they?
1.2	With whom do you usually communicate about your work situation, including if you face any work related problems/constraints? - Colleague in the unit/section/project/component in which you work: - Colleague in other unit: - Programme Management (PMU): - Other:
1.3	The solutions you are offered by colleagues – have they assisted you in solving work related problems, if any? (yes/no) If <u>not</u> , what are your actions?
<b>2. Coordination</b>	
2.1	<b>Reporting</b> To whom do you report on your work? (you can mention more than one if appropriate, for example: ILO “backstopper”/supervisor in Geneva/Jakarta, or other)
2.2	<b>Meetings</b> 2.2.1 Do you attend regular staff meetings organized by PMU and/or meeting in which PMU attends? Yes/No 2.2.2 How often are such meetings organized? 2.2.3 Do you think they are effective (assisting you in your work) or not effective? 2.2.4 Do you think that these meetings serve as good instruments for the PMU to appreciate your views and concerns? Yes/No Please explain (optional) 2.2.5 <u>“Ad-hoc” coordination meetings:</u> Do you often attend such meetings? How many times in a week, usually? If less than once a week, how often? Effective or not effective? (Yes/No) Please explain:
2.3	<b>Assessment of your work</b> Has your work performance been assessed by the PMU, or supervisor? Yes/No If so, were you informed about the outcome/result? Did you give comments on the result of this assessment?
2.4	<b>Improving your work</b> Please briefly explain, what kind of support you usually get from your supervisor/s to better perform your work? In what areas would you like to get more support from the PMU? Technical guidance: Yes/No Please explain briefly: Administration: Yes/No Please explain briefly: Other kinds of support, please explain:
2.5	<b>Function of PMU</b> How do you think that PMU has functioned in its role to unite all the various units into one programme (ILO Aceh Programme)? Fair - needs improvement. Explain how: – Good – Very good – Excellent

**Annex IV: Documentation/Reports**

BRR and International Partners: Aceh and Nias: One Year after the Tsunami, the Concept Note – LED (LED Project Steering Document)

Concept Notes

Demand-Driven Approaches to Livelihood Support in Post-War Contexts, a Joint ILO-World Bank Study, by Piet Goovaerts, Martin Gasser and Aliza Belman Inbal, 2006

Draft Manuals for KDP, ILO 2006: Community Participatory Monitoring and Evaluation in the KDP, How to apply Microfinance in the KDP and Accounting and Transparency in the KDP

Gender Mainstreaming. A Management tool for promoting gender equality in the technical cooperation projects with the ILO/NPP 2004-2006. Checklist and Recommendations.

ILO-UNDP LOA Nias attachment

Lessons Learned and Good Practices from the ILO Aceh Program, 26 September 2006 – (draft), by Charley Landow, Crisis Response and Reconstruction, ILO Geneva

Matrix of Status of LED Aceh Programme by March 2005 (2006?)

Mission Report, December 8-26, 2005 by Senior Technical Programme Advisor, Alan Moody, Consultancy for International Labour Organization, Banda Aceh, Indonesia (*confidential*)

Memorandum of Understanding ILO-LED and KDP

Notes from a meeting with a meeting with Victor Bottini, Resident representative of the World Bank Aceh and Nias, October 9, 2006, by Ginette Forgues, ILO SRO, Bangkok

One-year Report of BRR and Partners; Office of the Special Envoy for Tsunami Relief, 2006.

PACA Workshop documentation 2005, LED project Aceh Besar

Progress Report 2006, by Matthew Cognac

Recovery Effort and Way Forward, 2005

Review of ILO Crisis Response and Reconstruction, Minutes of an ILO meeting, 4 October 2006

Terms of Reference for the Evaluation assignment of LED project

Terms of References for the LER Implementing Partners (NGOs)

Updated Work Plan, 14 October 2006, prepared by LED Team (covers September 2005 – December 2006)

Women, Gender and Work in Nanggroe Aceh Darussalam province. A Working Paper, by Inge Vianen, ILO, ILO Tsunami Response Programme in Banda Aceh, July 2006

Work Plan of LER Activities July 2006- August 2007

Working Paper: Women, Gender and Work in Nanggroe Aceh Darussalam Province, by Inge Vianen, Gender Specialist for ILO Tsunami Response Programme in Banda Aceh July 2006

**Further materials reviewed:** Checklists, Concept Papers, Contracts, Minutes of meetings and data collection & analysis excel sheet documents.

**Annex V: LER Consolidated Analysis**

Village	Group of Business	Unit	Sex		Job Created			SYB attendants			Grant	SYB Training Cost	Grant + SYB Cost	Grant + SYB cost Men	Grant + SYB cost Women	Average cost per unit
			Male	Female	Men	Women	Total	Men	Women	Total						
Lambada Lhok	Traders	28	17	11	26	19	45	18	10	28	202,094,000	7,777,784	209,871,784	162,566,226	47,305,558	7,495,421
	Agriculture,Agro/Fish Processing	3	3	0	6	1	7	3	0	3	17,000,000	833,334	17,833,334	17,833,334	0	5,944,445
	Services	5	5	0	8	1	9	5	0	5	59,376,720	1,388,890	60,765,610	60,765,610	0	12,153,122
	<b>Sub Total</b>	<b>36</b>	<b>25</b>	<b>11</b>	<b>40</b>	<b>21</b>	<b>61</b>	<b>26</b>	<b>10</b>	<b>36</b>	<b>278,470,720</b>	<b>10,000,008</b>	<b>288,470,728</b>	<b>241,165,170</b>	<b>47,305,558</b>	<b>8,013,076</b>
Lampeudaya	Traders	15	2	13	8	18	26	1	15	16	105,580,000	5,052,632	110,632,632	14,276,789	96,355,842	7,375,509
	Agriculture,Agro/Fish Processing	6	3	3	6	2	8	3	3	6	71,000,000	1,894,737	72,894,737	50,631,579	22,263,158	12,149,123
	Services	31	10	21	27	35	62	7	9	16	193,420,000	5,052,631	198,472,631	105,673,682	92,798,947	6,402,343
	<b>Sub Total</b>	<b>52</b>	<b>15</b>	<b>37</b>	<b>41</b>	<b>55</b>	<b>96</b>	<b>11</b>	<b>27</b>	<b>38</b>	<b>370,000,000</b>	<b>12,000,000</b>	<b>382,000,000</b>	<b>170,582,050</b>	<b>211,417,947</b>	<b>7,346,154</b>
Miruk Taman	Traders	23	16	7	23	19	42	15	8	23	165,630,500	8,024,444	173,654,944	145,348,222	28,306,722	7,550,215
	Agriculture,Agro/Fish Processing	7	5	2	12	8	20	4	3	7	65,560,000	2,442,222	68,002,222	57,304,444	10,697,778	9,714,603
	Services	11	6	5	16	15	31	7	8	15	132,389,500	5,233,333	137,622,833	74,987,333	62,635,500	12,511,167
	<b>Sub Total</b>	<b>41</b>	<b>27</b>	<b>14</b>	<b>51</b>	<b>42</b>	<b>93</b>	<b>26</b>	<b>19</b>	<b>45</b>	<b>363,580,000</b>	<b>15,699,999</b>	<b>379,279,999</b>	<b>277,639,999</b>	<b>101,640,000</b>	<b>9,250,732</b>
Weuraya	Traders	19	10	9	22	55	77	10	9	19	158,880,000	7,457,500	166,337,500	64,412,500	101,925,000	8,754,605
	Agriculture,Agro/Fish Processing	7	6	1	9	9	18	6	1	7	48,000,000	2,747,500	50,747,500	40,355,000	10,392,500	7,249,643
	Services	14	12	2	39	25	64	11	3	14	148,000,000	5,495,000	153,495,000	134,710,000	18,785,000	10,963,929
	<b>Sub Total</b>	<b>40</b>	<b>28</b>	<b>12</b>	<b>70</b>	<b>89</b>	<b>159</b>	<b>27</b>	<b>13</b>	<b>40</b>	<b>354,880,000</b>	<b>15,700,000</b>	<b>370,580,000</b>	<b>239,477,500</b>	<b>131,102,500</b>	<b>9,264,500</b>
Lamkreut	Traders	21	11	10	26	44	70	7	14	21	163,816,500	8,400,000	172,216,500	89,000,000	83,216,500	8,200,786
	Agriculture,Agro/Fish Processing	9	3	6	13	22	35	3	6	9	58,000,000	3,600,000	61,600,000	18,200,000	43,400,000	6,844,444
	Services	10	7	3	25	7	32	3	7	10	134,163,500	4,000,000	138,163,500	111,963,500	26,200,000	13,816,350
	<b>Sub Total</b>	<b>40</b>	<b>21</b>	<b>19</b>	<b>64</b>	<b>73</b>	<b>137</b>	<b>13</b>	<b>27</b>	<b>40</b>	<b>355,980,000</b>	<b>16,000,000</b>	<b>371,980,000</b>	<b>219,163,500</b>	<b>152,816,500</b>	<b>9,299,500</b>
<b>Total</b>	<b>Traders</b>	<b>106</b>	<b>56</b>	<b>50</b>	<b>105</b>	<b>155</b>	<b>260</b>	<b>51</b>	<b>56</b>	<b>107</b>	<b>796,001,000</b>	<b>36,712,360</b>	<b>832,713,360</b>	<b>475,603,737</b>	<b>357,109,622</b>	<b>7,855,786</b>
	<b>Agriculture, Agro/Fish Processing</b>	<b>32</b>	<b>20</b>	<b>12</b>	<b>46</b>	<b>42</b>	<b>88</b>	<b>19</b>	<b>13</b>	<b>32</b>	<b>259,560,000</b>	<b>11,517,793</b>	<b>271,077,793</b>	<b>184,324,357</b>	<b>86,753,436</b>	<b>8,471,181</b>
	<b>Services</b>	<b>71</b>	<b>40</b>	<b>31</b>	<b>115</b>	<b>83</b>	<b>198</b>	<b>33</b>	<b>27</b>	<b>60</b>	<b>667,349,720</b>	<b>21,169,854</b>	<b>688,519,574</b>	<b>488,100,125</b>	<b>200,419,447</b>	<b>9,697,459</b>
	<b>Integrated Total</b>	<b>209</b>	<b>116</b>	<b>93</b>	<b>266</b>	<b>280</b>	<b>546</b>	<b>103</b>	<b>96</b>	<b>199</b>	<b>1,722,910,720</b>	<b>69,400,007</b>	<b>1,792,310,727</b>	<b>1,148,028,219</b>	<b>644,282,505</b>	<b>8,575,649</b>