



**FINAL PROGRESS REPORT for**

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<i>Program Title:</i>	<b>Emergency Livelihood Recovery &amp; Income Generation Intervention for Aceh</b>
<i>USAID-OFDA Grant No.:</i>	DFD-G-00-05-00068-00
<i>Country/Region:</i>	Indonesia/Aceh
<i>Type of Disaster/Hazard:</i>	Natural Disaster
<i>Period of the Program:</i>	March 10 – August 10, 2005
<i>Time Period Covered by the Report:</i>	March 10 – August 10, 2005



## I. Executive Summary

The goal of IRD’s program of “Emergency Livelihood Recovery and Income Generation Activities for Aceh” is to provide emergency livelihood recovery and income generation opportunities for internally displaced & crisis affected populations. IRD achieved this goal through immediate interventions which established community based livelihood recovery and cash-for-work programs in Banda Aceh, Aceh Besar, Aceh Jaya and West Aceh.

The following represents a summary of beneficiaries, job creation, and program outputs:

*Objective One: Short Term Labor / Income Generating Opportunities for IDPs\*.*

Cash for Work Intervention Location	Person – Days of Labor Created (Targeted)	Person – Days of Labor Created (Actual)
Banda Aceh and West Aceh	30,000	111,056
<b>Total Person Days of labor Created</b>	<b>30,000</b>	<b>111,056</b>
<b>Total Direct beneficiaries</b>	<b>10,000</b>	<b>5,048</b>

\*The Cash for Work and Small Business activities started under this program will be continued with additional funding provided by UNDP through December 31, 2005.

*Objective Two: Restore Livelihood Security and Promote the Self-Sufficiency of IDPs.*

Livelihood Recovery Activity	Targeted	Achieved
Affected Small Businesses Reopened	50	29
Grants to Affected Micro-Enterprises	500	125
Participants in Business Training	500	837
<b>Total Jobs Created - Direct</b>	<b>250</b>	<b>158</b>
<b>Total Jobs Created - Indirect</b>	<b>250</b>	<b>407</b>

Summary of used resources:

Total Project Budget	Cumulative Expenditures*	Remaining Balance
\$1,499,769	\$1,499,309	\$460

\*Based on IRD provisional indirect cost rate. Final revision will take place when the Negotiated Indirect Cost Rate Agreement is signed for the period of the award.

## II. Program Overview and Performance

### A. Objective One: Cash-for-Work and Labor-Intensive Income Generating Opportunities for Crisis Affected Populations.

#### Community Organizing

Regular sub-district level meetings continued with members of Community Empowerment Groups (CEGs) in both Meuraxa and Kutaraja to coordinate activities between villages and share lessons learned from ongoing activities (see Appendix I). This forum proved particularly effective in fostering communication between neighboring villages as people had an opportunity to get to know one another, share ideas and find solutions to joint problems such as drainage, housing, etc. Problems such as what to do with youth under the legal working age of 18 who lost their parents and were no



longer attending school were discussed as well as government plans to redevelop the sub-district. By June, CEG leaders were calling both formal and informal meetings to address issues separately identified as being of importance to their communities. This has been a key means of empowering communities to identify needs within their villages, improve partnerships with local and international NGOs, and generally access humanitarian and other forms of assistance.

### Cash for Work

Cash for Work (CFW) activities continued throughout July employing a total of 5,048 people for an average of 22 days per month (see Appendix II). Workers had an average income of Rp. 880,000 for a period of 3 months, exceeding the minimum wage (ie. in Aceh approximately Rp. 620,000 per month), and allowing the majority of respondents to independently meet their basic food, education and health needs.

Cash for Work stopped from July 19-31 for an evaluation of ongoing activities. As a result of the evaluation, Cash for Work is scheduled to continue with funding provided by United Nations Development Program (UNDP) and phase out by the end of August 2005. Results of the evaluation are discussed below.

The following types of activities were conducted through Cash for Work:

1. General clean-up and clearing of tsunami debris from habitation and agricultural land.
2. Drainage repairs.
3. Repairs and reconstruction of village infrastructure.

As part of its integrated approach to CFW, IRD has also supported a Children's Creativity Center (CCC) managed by local partner Yayasan Lamjabat, which provides day care and child development and learning to over 200 children and young people from Meuraxa. The CCC has been a valuable child-friendly space, allowing parents – particularly women – to freely participate in CFW. The center employs 30 workers comprised of former teachers, volunteers, and children's health care workers, many of whom lost their livelihoods as a result of the tsunami disaster.

### Monitoring, Evaluation and Lessons Learned

In general, the positive aspects of CFW have outweighed the negative aspects. Interestingly, some of these negative aspects became significant enough that IRD found itself phasing out CFW for general clean-up activities faster than it had anticipated. It is, however, comforting to note that communities were ready to make the transition to more sustainable income-generation opportunities. In future, CFW will be used only to accomplish specific targets or projects such as construction of community infrastructure. IRD discontinued CFW in respect of clean-up activities in August and has continued to use targeted CFW projects for activities such as repair of ocean floodwater gates and rehabilitation of shrimp ponds.

Some of the positive impacts of CFW include as follows:

1. CFW has provided a steady source of income for the majority of people in Meuraxa and Kutaraja for over three months enabling families to meet their basic household needs independently.
2. CFW has given communities a reason to gather each day in their village and has had tremendous psychosocial effects for rebuilding communities.
3. CFW has contributed significantly to clean-up and debris removal in Meuraxa and Kutaraja and has cleared land for housing to be rebuilt.

Notwithstanding the above, there have been some detrimental aspects of CFW, namely as follows:



1. Aid dependency: Many communities no longer see CFW as a means of accomplishing cleanup and infrastructure projects, but rather have developed an attitude of entitlement, a feeling that its enough to show up, sign the paper, not work all day and receive a salary once a week. As many NGOs do not closely monitor CFW, communities learned early on that they could get away with receiving wages without working. IRD and Yayasan Lamjabat have worked hard to monitor CFW in the field to counter this perception and convey to communities that CFW is not only a job that provides a source of income, but also an opportunity to rebuild the community.
2. Corruption: After the first month, members of the Community Empowerment Groups, village chiefs, and workers began to understand the CFW system and learned how to manipulate it. Names of people who are not present have been found in CFW forms and fake names have been listed. The CEG representative, works supervisor, or whoever is committing the corruption usually collude by splitting the defrauded funds. In instances where IRD/Yayasan Lamjabat have discovered fraud, CFW has immediately been discontinued in the village(s). Villagers are invited to participate in the small business program, however no further CFW activities are conducted in the village(s) concerned. An example is the village of Lambung in Meuraxa where it was found that a representative of the local CEG was colluding with the Village Chief to embezzle money from their CFW projects. CFW was immediately discontinued.
3. Before the tsunami, the majority of people in Meuraxa and Kutaraja were employed as government employees, store owners, traders, and trades people or in service industries. Most people were not used to doing manual labor, and many people did not want to continue the intensive manual effort required by CFW projects. As the majority of cleanup has been accomplished, most people want to return to their previous sources of employment that does not require manual labor and demand for the small business program has increased significantly.

The single largest factor in the decision to discontinue CFW is that the demand for the Small Business Program (SBP) has rapidly increased. From the beginning, IRD designed the SBP as an integral part of the CFW work in order to provide communities with an alternative source of income.

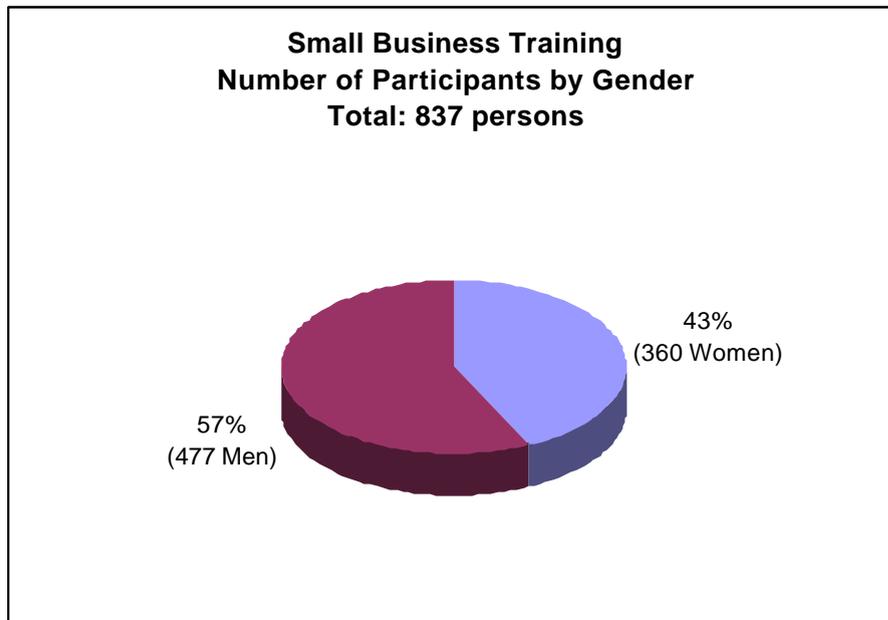
***B. Objective Two: Restore Livelihood Security and Promote the Self-Sufficiency of IDPs and Crisis Affected Populations.***

***Banda Aceh: Small Business Program***

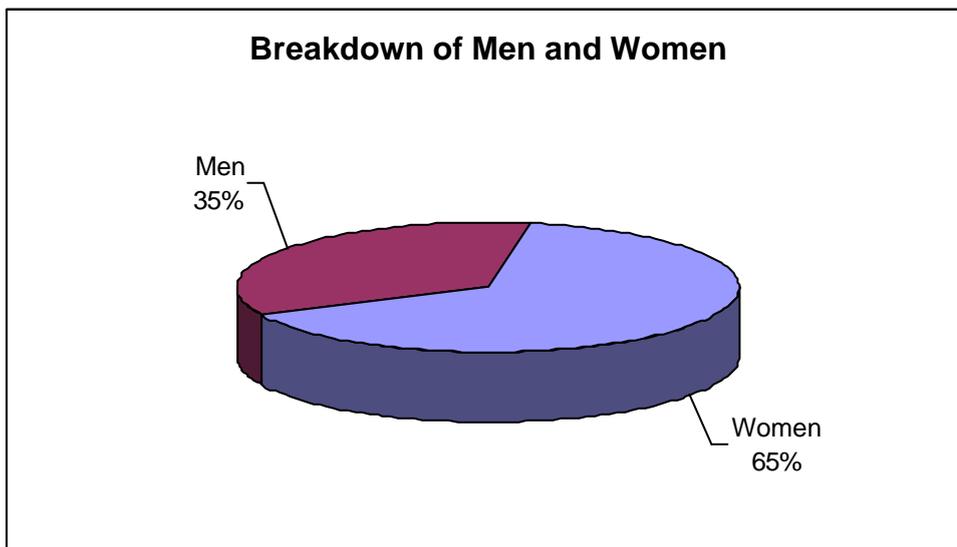
As of July 31, 2005, 837 persons have participated in the small business training that is taking place at Yayasan Profesor Majid Ibrahim in Lampriet, Banda Aceh. Sixty-five businesses employing 125 people have received grants and 204 businesses employing 410 people are scheduled to receive grants on August 30 with additional funding provided by UNDP. Eighteen members of the community are working full time as facilitators for the ongoing trainings.

One of the key achievements of this program is the strong participation of women in the training and implementation of small businesses through provision of grants, namely 43% and 65% respectively (see Diagrams 1 and 2 below).

**Diagram 1: Gender Participation in Small Business Training**



**Diagram 2: Receipt of Small Business Grants by Gender Participation**



The training received by the communities stands to have a lasting impact, especially when one considers that 837 people from 22 villages received training in one form or another (see Appendix III and IV). These interventions improve the knowledge quotient of communities and have tremendous trickle-down potential.



The Small Business Program is scheduled to continue through December 2005 targeting an estimated 2,500 people and covering a diverse range of business sectors (see Appendix V). IRD is currently designing a microfinance program that will provide credit to successful entrepreneurs to expand their businesses.

Meulaboh: Medium Business Program

The goal of the Medium Business Program in Meulaboh was to stabilize market prices for farming, fishing and livestock products in the District of Aceh Barat and surrounding areas (ie. Districts of Nagan Raya and Aceh Jaya), and revitalize business supply chains and opportunities for local primary producers and businesspeople. A critical part of this process was providing financial and business management training for the businesses to increase their capacity and promoting good business practices.

On 25<sup>th</sup> – 28<sup>th</sup> of April 2005, 29 businesses (17 Farming & Livestock, 12 Fishing) attended training provided by IRD in Financial Management, and Business Plan Development. To accommodate more grantees, IRD also provided the same training for four other businesses between 16<sup>th</sup> – 23<sup>rd</sup> June 2005.

The businesses developed their business plans, which were later submitted to IRD for revision, monitoring, and evaluation.

IRD chose to use a grant mechanism to revive businesses as existing banks were not offering credit facilities. Grant amounts were calculated in a similar manner to that a bank would use to process a loan application, thereby preparing businesses for future credit opportunities and reinforcing the entrepreneurial ethic.

The following general equation was used to calculate grant amounts:

$$\text{Total Grant} = \text{Working Capital Needed to Break Even} + \text{Store Rent} + \text{Inventory}$$

Of the 29 businesses that participated in the training, 26 were eligible to receive grants ranging from \$295 to \$6,000 depending on the needs delineated in their respective business plans (refer to Appendix VI).

It is assumed also that re-established businesses will provide job opportunities for communities at large. Usually businesses employ their own store helpers/keepers and daily labours, whilst most businesses used an in-house marketing network providing similar job opportunities. Direct beneficiaries will together employ approximately 70 direct employees at start up, and are anticipated to absorb a further 60 day labourers as businesses grow. The indirect impact of this project on small and local businesses will potentially lead to the creation of a further 407 jobs in Meulaboh, in addition to supporting 369 small businesses: Refer to Appendix VII.

The project is striving to promote best business practices and capacity building of the project beneficiaries. After a series of meetings between grantees/businesses and stakeholders in Meulaboh, it was decided to set up a business association. On 28<sup>th</sup> June 2005 grantees formed under notarized deed the *Asosiasi Pengusaha Menengah Bidang Pertanian, Perkebunan, Peternakan, dan Perikanan* (APMP), or the Association of Medium Size Businesses in the Sectors of Farming, Plantations, Livestock, and Fishing.



There are no membership fees levied by APMP, however in order to support as many members of the community as possible, encourage a sense of community service, and hold businesses responsible for the grants they receive, APMP members have pledged to contribute 2% of their monthly fixed costs to a community fund for a period 12 months beginning in July 2005.

It is expected that the businesses can grow through the association and have a serviceable vehicle to communicate and undertake mutual problem-solving. The association has submitted a proposal to IRD for technical and financial assistance that will enable APMP to operate and advocate member interests, and IRD proposes to support APMP this crucial stage in development.

### III. Success stories

**Suktia Furniture:** Suktia is a mother of two from the village of Ulhee Lheue, Meuraxa. Her home and furniture business were lost in the tsunami and she now lives in the barracks in Lhong Raya, Aceh Besar. From May 23-27, Suktia, her husband Agus and three partners attended IRD's small business training. After developing a business plan, Suktia and her four partners reopened their furniture business in front of her home in the barracks with the support of a grant for 7.5 million Rupiah (\$750). Her business has been a success to the extent that Suktia exhibited her work at the recent trade fair *Aceh Bangkit* hosted by the municipal government of Banda Aceh from September 9-18. Suktia plans to return home to Ulhee Lheue as soon as housing becomes available.



Pak Agus, Furniture Business Lhong Raya Barracks



**Nasi Soto Pak John:** John, age 55, lost his home and family in the village of Merduati, Kutaraja. He returned to Merduati in February with his remaining child and participated in Cash for Work. After attending the small business training in June, he received a grant of Rp. 3 million (\$300) and opened a food stall selling “Nasi Soto” (rice and soup). He now has daily sales of Rp. 500-700,000 , making a profit of approximately 30%. John’s business now employs three workers.

“I am very grateful for the assistance provided by IRD as I can now meet the needs of my family and help several people who work for me,” John beams.

Pak John remarried at the beginning of September with money earned from his Nasi Soto business.



Pak John, Nasi Soto Restaurant, Merduati, Kutaraja

#### IV. Overall performance of the project

Overall, the Emergency Livelihood Recovery & Income Generation Intervention for Aceh has been extremely successful. Over 6,000 people have received both temporary and long term sources of income through Cash for Work and business opportunities. Most importantly, CFW, self-employment and training opportunities have helped rehabilitate communities both emotionally and physically, leading to greater motivation levels. The program has established the framework for a longer term business and credit intervention that will continue to operate through support provided by UNDP. This means that IRD will be able to continue to support and monitor the progress of businesses, and facilitate job creation within these communities well into 2006. IRD thanks USAID for an excellent partnership that has had a tremendous impact on the vulnerable communities served.



## Appendix I: Sub-District Level CEG Meetings

Date	Community Empowerment Group	Location	Topics
May 23, 2005	Kutaraja	Gampong Pande	Collected information about NGO activities in Kutaraja (Who does, what, where). Discussion with KPMs about injured workers during CFW programs
May 27, 2005	Meuraxa & Kutaraja (Joint Meeting)	Lamjabat Village	Meeting with all CEG's to evaluate on-going CFW activities. Ensuring that the payment system is understood by CEGs and that they can provide necessary documents to IRD 3 days before payment every week.
May 29, 2005	Kutaraja	Gampong Pande	Discussion with KPMs about CFW progress and implementation
June 6, 2005	Kutaraja	Gampong Pande	Weekly meeting to discuss problems that arose during the week, find joint solutions and develop plans for the following week.
June 8, 2005	Meuraxa	IRD Office	Discussion with Yayasan Lamjabat & CEG Meuraxa: Cash For Work Plan should be submitted, verified and approved by IRD and Yayasan Lamjabat before implementation. How to fill out the Cash for Work plan, including how to calculate the volume of work and estimating the number of workers and days needed.
June 9, 2005	Kutaraja	IRD Office	Discussion with CEG Kutaraja: Cash For Work Plan should be submitted, verified and approved by IRD before implementation. How to fill out the Cash for Work plan, including how to calculate the volume of work and estimating the number of workers and days needed.
June 13, 2005	Kutaraja	Gampong Pande	Weekly meeting to discuss problems that arose during the week, find joint solutions and develop plans for the following week.
June 20, 2005	Kutaraja	Gampong Pande	Weekly meeting to discuss problems that arose during the week, find joint solutions and develop plans for the following week.
June 27, 2005	Kutaraja	Gampong Pande	Weekly meeting to discuss problems that arose during the week, find joint solutions and develop plans for the following week.
July 18, 2005	Planned Meuraxa/ Kutaraja joint meeting	IRD Office	Evaluation of CFW to date, planning exit strategy for CFW and transition to focus on small business program.



### Appendix II: Cash-For-Work Participation

No	Sub - district	Village	Total Population	TOTAL CASH FOR WORK PARTICIPANTS											Total Workers per Village	% of Village involved in CFW
				April 13-17	April 18-24	April 25 - May 2	May 3 - 8	May 9 - 15	May 16 - 22	May 23 - 29	May 30 - June 2	June 6 - 9	July 16-18	July 19- 31		
1	Meuraxa	Blang Oi	943	102	249	272	275	256	360	406	446			Evaluation	446	47%
2		Punge Jurong	1.935		406	433	450	452	463	486	473			Evaluation	486	25%
3		Lambung	283	58	69	95	76	91						Evaluation	95	34%
4		Punge Ujong	805		247	270	293	292	318	356	365			Evaluation	365	45%
5		Cot Lamkeweh	276		154	162	165	164	173	181	179			Evaluation	181	66%
6		Gampong Pie	173				39	100	111	111	115			Evaluation	115	66%
7		Lamjabat	224	112	305	305	148	140	145	181	12		20	Evaluation	305	136%
8		Asoe Nanggroe	183		75	93	90	123	114	140	153			Evaluation	153	84%
9		Gampong Blang	176		70	68	74	62	80	89	93			Evaluation	93	53%
10		Surien	402	210	205	258	204	254	253	106	20			Evaluation	258	64%
11		Deah Glumpang	336	88	147	127	49	120	156	175	179			Evaluation	179	53%
12		Alue Deah Tengoh	219	88	109	115	100	111	107	107	155		100	Evaluation	155	71%

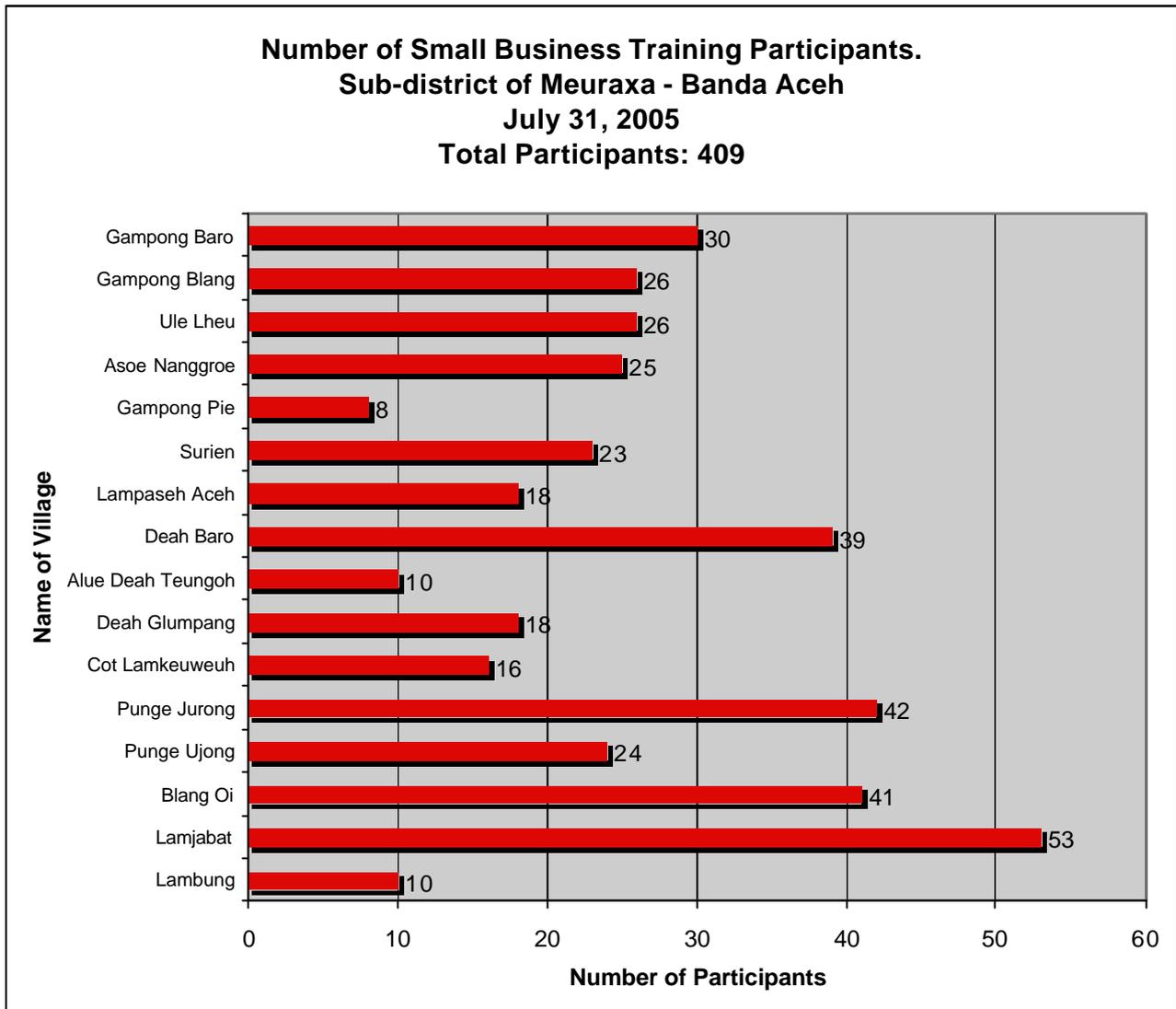


13		Lampaseh Aceh	848		168	187	187	124	191	227	234		20	Evaluation	234	28%
14		Deah Baro	287		86	88	67	46	94	102	112		15	Evaluation	112	39%
15		Ulee Lhee	967					125	22					Evaluation	125	13%
16		Gampong Baro	457		152	157	147	123	155	163	174			Evaluation	174	38%
17	Kuta Raja	Gampong Pande	254		68	69	73	61	35	78	82	75	8	Evaluation	82	32%
18		Merduati	1.450		392	374	346	369	181	393	412	451		Evaluation	451	31%
19		Keudah	633		206	189	187	218	110	221	191	238		Evaluation	238	38%
20		Lampaseh Kota	1.106		263	263	243	279	149	298	299	343	10	Evaluation	343	31%
21		Peulangghahan	1.010		189	191	188	230	102	210	210	210		Evaluation	230	23%
22		Gampong Jawa	1.270					183	99	228	234	225		Evaluation	228	18%
<b>Total</b>			<b>11.076</b>	<b>658</b>	<b>3.560</b>	<b>3.716</b>	<b>3.401</b>	<b>3.923</b>	<b>3.418</b>	<b>4.258</b>	<b>4.138</b>	<b>1.542</b>	<b>173</b>	<b>0</b>	<b>5.048</b>	<b>46%</b>

**Note:** Villages in which the number of workers exceeds the total population brought in assistance from camps and/or neighboring villages and subdistricts to assist with clean-up/rehabilitation

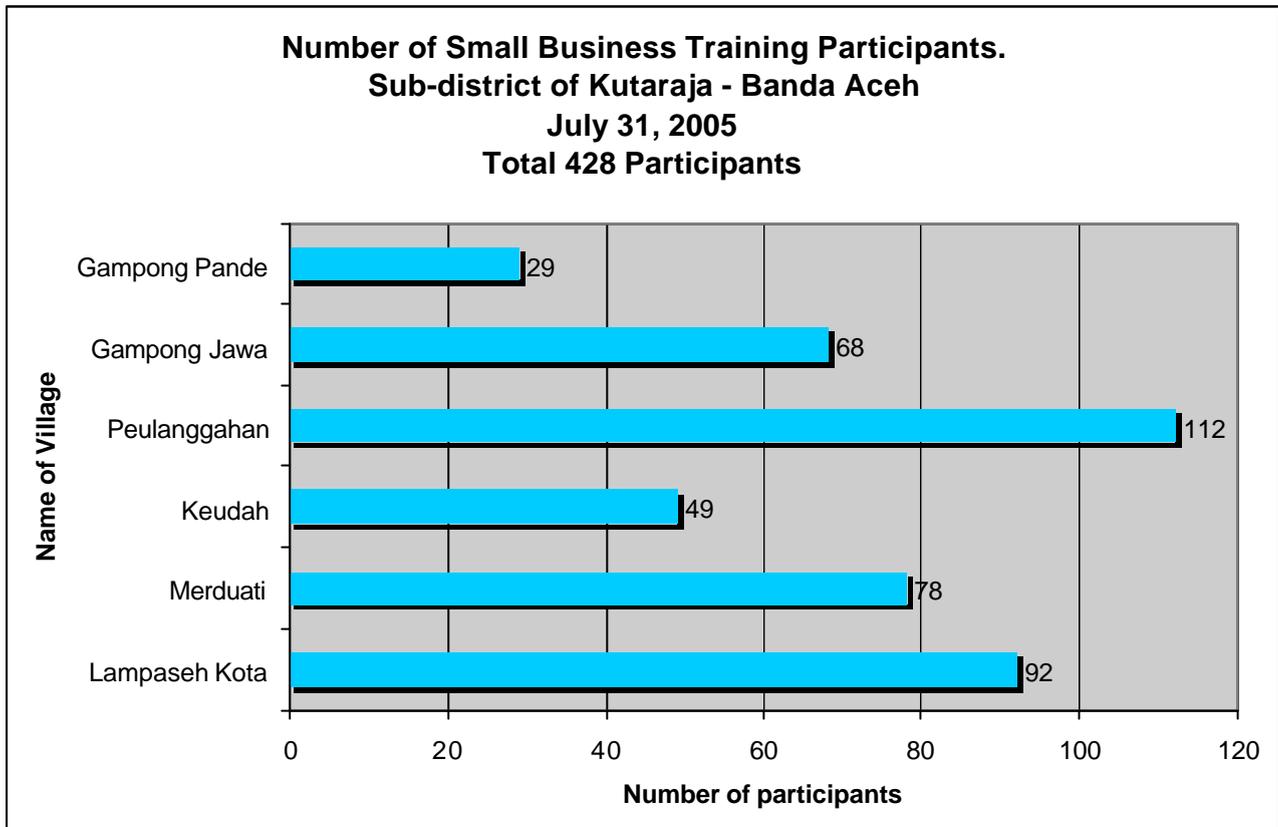


**Appendix III: Participation in Small Business Training in Meuraxa.**



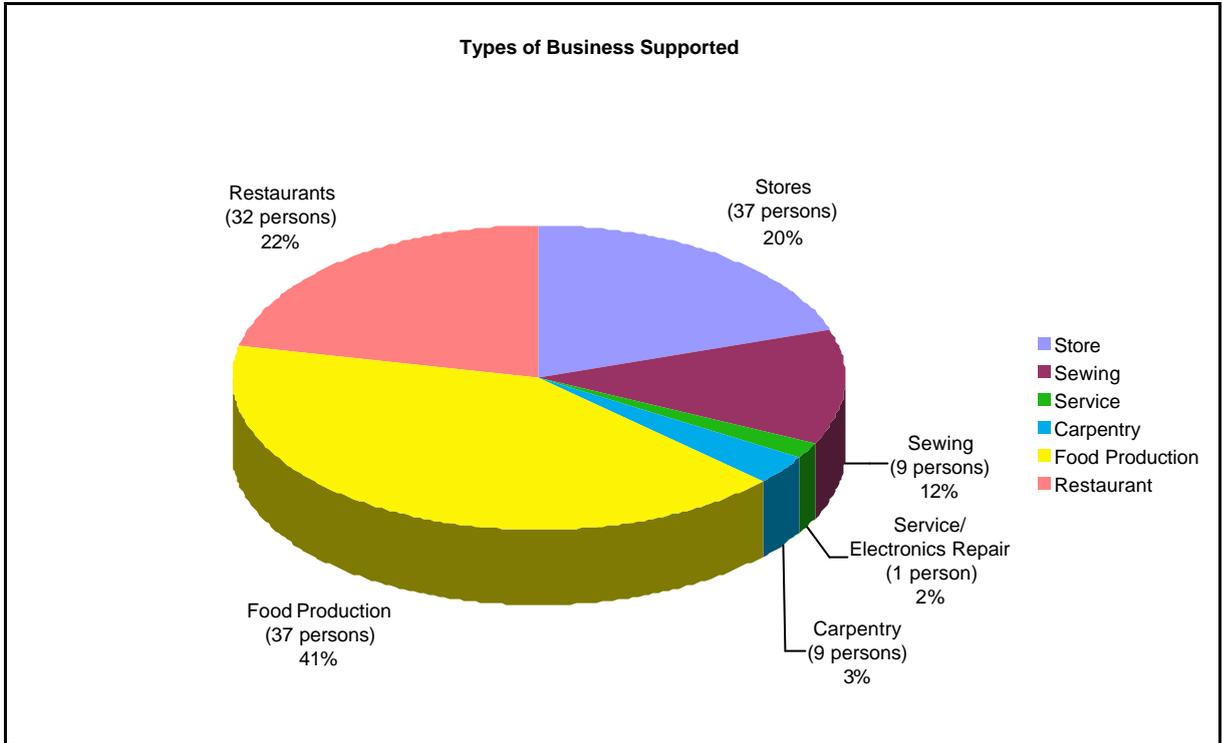


**Appendix IV: Participation in Small Business Training in Kutaraja**





### Appendix V: Small Business Sectors





**Appendix VI: List of Grantees for Medium Businesses Grants in Meulaboh**

No	Business Name	Owner	Sector	Disbursement I (USAID)	
				IDR	US\$
1	Gelora Tani	Darmayanti	Farming	24,985,400	2,576
2	Harapan Tani PS	Ridwan	Livestock	40,179,500	4,142
3	Inti Tani	Lukman	Farming	29,263,035	3,017
4	Koperasi Pertanian	Masri Mozas,SP	Farming	34,712,180	3,579
5	Kurnia Agro PS	Juni Darman	Farming	53,941,916	5,561
6	Makro Tani	Amal	Farming	55,168,000	5,687
7	Menara Tani	Saiful Amdi	Farming	61,409,917	6,331
8	Monanza Tani	Badruzzaman	Farming	23,050,674	2,376
9	Mutiara Tani	Salman	Farming	57,900,045	5,969
10	Pola Tani	Maimun	Farming	50,851,590	5,242
11	Subur Tani	T. Syamsoel Rizal Gunawan	Farming	57,511,990	5,929
12	Tiara Tani	Abdullah. MN	Farming	44,283,205	4,565
13	Trienggadeng Tani	Syafuruddin	Farming	42,465,150	4,378
14	Mount Tani	Muhammad Nazar AW	Farming	2,859,060	295
15	Gramalet	Drs Mawardi Husein	Farming	52,150,000	5,376
16	Maju Jaya Alsintani	Ruslan, MP	Farming Machinery	47,895,000	4,938
17	Ridha Mama	Bambang Andi I	Fisheries	40,071,982	4,131
18	Satria Perkasa	Muhammad Yunus, Sp.d	Fisheries	43,223,668	4,456
19	Usaha Nelayan	Rajudin	Fisheries	31,724,226	3,271
20	Gelora Laut	Zul Arci	Fisheries	51,179,739	5,276
21	Roda Laut	Armia	Fisheries	51,104,701	5,269
22	Sekata	Syukri Yakob	Fisheries	34,757,800	3,583
23	Sinar Laut	Felly Amrol	Fisheries	43,245,082	4,458
24	Rama	Sahurdi MS	Fisheries	35,005,653	3,609
25	Zona Nelayan	Zulkarnaini	Fisheries	41,363,825	4,264
26	Mus Amin	Muslim M. Amin	Fisheries	38,774,004	3,997
<b>Total</b>				<b>1,089,077,342</b>	<b>112,276</b>



**Appendix VII: List of Direct and Indirect Beneficiaries of the project**

No	Business	Owners	Number of Employees	Number of Daily Workers	Number of Small Businesses that Purchase Supplies at Supplier	Number of Employees in Small Businesses
1	Gelora Tani	1	2	2	12	12
2	Gramalet	1	2	2	32	37
3	Harapan Tani PS	1	2	4	0	0
4	Inti Tani	1	1	1	8	8
5	Koperasi Pertanian	1	2	1	32	62
6	Kurnia Agro PS	1	2	1	4	4
7	Maju Jaya Alsintani	1	5	3	6	6
8	Makro Tani	1	2	1	0	0
9	Menara Tani	1	1	1	24	24
10	Monanza Tani	1	3	0	12	12
11	Mutiara Tani	1	2	1	18	18
12	Pola Tani	1	2	1	2	2
13	Sinar Tani	1	3	3	8	8
14	Subur Tani	1	1	1	32	32
15	Tiara Tani	1	2	1	0	0
16	Trienggadeng Tani	1	2	2	5	5
17	Gelora Laut	1	1	1	0	0
18	Ridha Mama	1	1	1	0	0
19	Roda Laut	1	3	3	7	10
20	Satria Perkasa	1	2	7	5	5
21	Sekata	1	2	3	0	0
22	Setia	1	3	2	25	25
23	Usaha Nelayan	1	2	2	0	0
24	Sejati	1	10	5	10	10
25	Mount Tani	1	2	1	124	124
26	Sinar Laut	1	2	3	3	3
27	Rama	1	2	2	0	0
28	Zona Nelayan	1	1	5	0	0
29	Mus Amin	1	2	2	0	0
<b>Total</b>		<b>29</b>	<b>67</b>	<b>62</b>	<b>369</b>	<b>407</b>