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SENADA QUARTERLY REPORT

October - December 2007 (Year 3 Quarter I)

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1. PROJECT ADMINISTRATION AND FINANCE

1.1 INTRODUCTION

We are pleased to report a second consecutive three month period of strong, uninterrupted program implementation. There were no problematic administrative issues during the period. The project has benefited from having developed strong and focused working relationships in three important spheres: (1) internally; (2) with project counterparts and other stakeholders; and (3) with USAID. We believe the establishment of a highly collaborative and communicative relationship with the CTO has been particularly vital to meeting quarterly objectives. The summary technical reports below outline the project's effectiveness in meeting quarterly targets.

1.1.1 ASSIGNMENT OF NEW DAI PROJECT QUALITY MANAGER (PQM)

In November, 2007 Mr. Sani Daher from DAI's home office replaced James Grall as the SENADA Project Quality Manager. Sani comes to SENADA with strong project management and private business experience. Moreover, he has years of experience designing and implementing value chain strengthening programs similar to SENADA.

Sani traveled to Indonesia in November for a three week STTA assignment with SENADA. His main tasks were to initiate his responsibilities as PQM and to work with the Footwear Value Chain team in developing an association strengthening activity.

1.1.2 OPENING OF YOGYAKARTA OFFICE

SENADA operations in Yogyakarta began in October 2007. Several staff was relocated, including new Regional Manager Zulian Siregar, and other staff was hired. For approximately six weeks SENADA worked from the USAID-financed ESP project conference room until the new SENADA office was fitted out. SENADA officially moved into the new location in December 2007. The office is located at the Exim Plaza Building and will serve as the strategic center for home accessories value chain activities. Furniture and garments value chain activities will also be implemented from the Yogyakarta location.

1.1.3 SENADA BUDGET ANALYSIS AND PROPOSED CONTRACT MODIFICATION

Total project expenditures for the fourth quarter of 2007 were \$1,206,661 (see Annex 5A). This was the second highest quarterly expenditure level thus far in the project, surpassed only by the previous quarter. We have closed the gap between total projected expenditures and actual expenditures during the past two quarters and, as explained in the year three work plan, we are confident of being able to continue to close this gap throughout the remainder of the project.

During this quarter SENADA implemented an internal budgeting system comprised of detailed budget projections and allocations for SENADA's 10 technical / crosscutting program areas. This new system will be monitored on a monthly basis which will enable more accurate budget forecasts and adjustments as necessary to meet overall project budget requirements.

The bar chart in Annex 5A shows budget expenditures per major budget line item. Expenditure rates in these line items differs, although not dramatically, from the original budgets for these same items. It has become clear during the first two years of project operations that the original budget did not precisely reflect eventual program realities. First and most importantly, the project's strategic shift from enterprise improvement to value chain strengthening has affected the mix of personnel required to accomplish project objectives. A smaller number of more highly qualified local staff have been required.

Additionally, SENADA's industry approach (as opposed to firm level approach) to implementation has required far greater travel than originally planned. Therefore, the budget for this item has been exceeded despite an internal management decision to cut lodging and per diem rates well below the USAID published rates. The public awareness budget, on the other hand, was budgeted far too low at \$228,937 even though the project contract calls for \$1 million in public awareness expenditures.

These budgetary changes will result in a relatively modest change in the overall budget for Labor and Other Direct Costs (ODCs). SENADA will request a budget realignment during the first quarter of 2008 to reflect these changes and to incorporate a few additional proposed contract changes. One of these will be to add MOBIS categories and to reclassify the MOBIS categories for a small number of local staff. These proposed changes have been discussed with the USAID CTO and Procurement Officer. It was agreed early 2008 will be an appropriate time to finally formalize some of the key changes that have been required to carry out the radical strategic and structural changes implemented in 2007.

2. TECHNICAL PROGRAM

2.1 INDUSTRY VALUE CHAIN STRENGTHENING PROGRAM

2.1.1 AUTO PARTS INDUSTRY VALUE CHAIN

Summary

SENADA's auto parts industry value chain program achieved important programmatic milestones this quarter, especially with regard to the "QSEAL" national domestic supplier upgrading program and the BDS-producer linkage development initiative. SENADA also expanded into the global export market with the finalization of the initial development model for an Indonesian Global Sourcing Center to be launched next quarter. In late September 2008, SENADA held a well attended national roundtable meeting with key industry officials to share to



lessons learned on production process standardization and certification conducted by STTA Doreen Castro and alternative models for export promotion conducted by STTA Dan Johnson. The IVC continues to have strong commitment from all vested partners and has strong relationships with the Ministry of Industry and the National Automotive Working Group.

Activity Descriptions and Deliverables

- **Auto Part Supplier Upgrading Initiative.** SENADA continues to implement two domestic supplier upgrading initiatives launched in June 2007.

National Seal of Quality Component Supplier Certification Program. SENADA supports Society for Automotive Indonesia (SOI) with the development and launch of "QSEAL", Indonesia's first national seal of quality and supplier upgrading program. In October 2008, "QSEAL" was registered with the Ministry of Trade. In November 2008, "QSEAL" was soft launched with over 50 firms expressing initial interest in SOI upgrading and "QSEAL" certification services. Full launch of the "QSEAL" domestic supplier upgrading program is expected next quarter by April 2008.



There has been a delay in launching "QSEAL" due mainly to difficulties finding an accredited national standards testing house in Indonesia to finalize the "QSEAL" product standards and re-engineering processes. Given the critical importance of obtaining these nationally recognized and approved standards, SENADA had no choice but to delay implementation.

Service Station and Supplier Linkage Initiative. SENADA continues to assist Bandung-based Konjaya and Raka service station groups to launch a new mid-value brand for locally produced components and accessories. Due to relatively weak counterpart commitment, SENADA has given the two groups until January 2008 to complete a critical market assessment and a product/process standards selection system. If they are not completed, SENADA will consider discontinuing this activity given that programmatic and technical needs of "QSEAL" are greater and more important to the overall industry program.

Deliverables:

- “QSEAL” designed and registered at Ministry of Trade. (Oct. 2007)
- “QSEAL” financing system developed with two government banks (East Java Bank & BNI 46) and one private bank (Permatatabank) interested to support. (Nov. 2007)
- “QSEAL” successfully soft launched at *Autopart Reverse Engineer Exhibition* in Jakarta with more than 50 manufacturers showing interest “QSEAL” certification and upgrading. (Nov. 2007)
- “QSEAL” branding campaign designed and launched. (Nov. 2007)
- “QSEAL” talk show conducted at auto parts cluster exhibition in Bandung. (Nov. 2007)
- “QSEAL” branding training conducted with 20 IVC participants. (Dec. 2007)
- “QSEAL” process standard assessment system finalized. (Dec. 2007)
- Konjaya and Raka group brand “OTTO LAND” developed, designed and registered at Ministry of Trade. (Nov. 2007)
- “OTTO LAND” branding and marketing campaign designed. (Dec. 2007)

- **BDS-Producer Linkage Development Initiative.** SENADA and Wahana Pengembangan Usaha (WPU) continued to progress with the development of the “*BDS Technical Training Service Provider Directory*” launched in June 2007. In December 2008, WPU successfully completed the “*Metal Stamping Pilot Directory*”; the outcome of a two-month national BDS survey of 15 automotive technical metal stamping service providers. The pilot directory is slightly delayed because of production issues and is expected to be published and available for sale to manufacturers and industry stakeholders by the end of January 2008. The pilot directory will test the rating methodology and gauge overall industry response. The full 15 sector “*BDS Technical Training Service Provider Directory*” is expected to be published by September 2008.

Deliverables:

- 15 pre-identified technical service suppliers (both TSSPs and part manufactures) surveyed and evaluated by WPU and Rater Group. (Oct. 2007)
- Participated and presented the “*BDS Technical Training Service Provider Directory*” at auto part cluster exhibition held by Industry and Trade Department in Bandung. (Nov. 2007)
- “*Metal Stamping Pilot Directory*” draft finalized for metal stamping industry. (Dec. 2007)

- **Industry IVC and Policy Coordination and Knowledge Sharing.** SENADA continued its broad-based policy coordination and awareness campaign to raise market and value chain awareness of the importance of upgrading and standards in securing higher value domestic and export market segments.

Deliverables:

- Participated and presented “QSEAL” auto part supplier upgrading program at a KOPI SMA workshop in Bandung. (Oct. 2007)
- Participated in three monthly coordination meeting with the auto parts Automotive National Working Group (APWG) in Bandung. (Oct. – Dec. 2007)
- Participated with MOI workshop on progress review of Shidanshi Consultant for SMEs with JICA’s Study Team (Dec 2007). (*This is coordinated with the Ministry of Industry.*)

- **Export Promotion Initiative.** In December 2007, SENADA finalized four months of market research and technical development of an export market promotion strategy (developed with the help of STTAs Yanli Rahman and Dann Johnson) known as the “*Indonesia Global Sourcing Center*” (IGSC). This program will be launched by March 2008 and

will combine domestic vendor quality verification services, upgrading and representative market sourcing to capture global market share for Indonesian producers.

Deliverables:

- STTA assignment with Yanli Rachman (CCN) to assist research and analysis on various models for export market penetration completed. (Nov. 2007)
- *Indonesia Global Sourcing Center (IGSC)* model finalized and marketing to potential investors throughout IVC. (Dec. 2007)

2.1.2 FURNITURE INDUSTRY VALUE CHAIN

Summary

Significant progress was made this quarter in advancing SENADA's responsible sourced timber programs. Since launch in October 2007, three furniture companies completed certification audits by Smartwood (the Rainforest Alliance). With the success of these initial firms, interest in the program has expanded with 36 total firms now participating directly or indirectly in responsible sourced timber certification activities. The program will continue throughout 2008.

Interest in SENADA's legal wood and community forest programs has spread from the producers to wood suppliers and community based organizations. In November 2007 SENADA was approached by Nahdlatul Ulama (NU), a large and influential Muslim based development organization, to work in partnership with SENADA's community forest management program. When fully online in July 2008, this program will increase domestic firms' supply of verifiable legal wood inputs that is so vital to the future global competitiveness of the furniture industry.

Activity Descriptions and Deliverables

- ▶ **Legal Wood Program.** Under SENADA's sustainable furniture industry program, three furniture companies were audited by Smartwood, two for Verified Legal Origin (VLO) certification and one for full Forest Stewardship Council (FSC) certification. Although final certification is still progressing, Smartwood has given all three companies permission to use "...assisted by Smartwood Indonesia" in their marketing materials, representing a preliminary claim of legality for their products in global markets.

SENADA also facilitated initial certification programs between private certifying organizations and five large furniture companies: PT. Bina Mega, PT. Delta Furniture, PT. Bintang Terang, PT. Duta Cita Furniture and PT. Printa Fajar. To date, SENADA is working directly or indirectly with 36 firms to become more aware of, informed about, and engaged in VLO or FSC certification.

In addition to direct certification activities, SENADA trained 70 company representatives on the VLO audit process and how to improve wood procurement policies. In December 2007, support was also expanded to the wood suppliers of VLO-audited firms through training in how to document integrated chain of custody from producer to supplier. Addressing wood supplier systems is vital to ensuring all certification documentation is in place.

Deliverables:

- VLO certification systems developed and staff trained. (Oct. 2007)
- 15 additional furniture companies selected for Group II VLO certification support. (Oct. 2007)
- MOUs signed with Smartwood, TUV-Rheinland and SGS-Indonesia certification bodies to support SENADA responsible timber program audit activities. (Nov. 2007)
- 70 company representatives trained in VLO certification, legal wood procurement and documentation. (Nov. 2007)
- Two VLO / one FSC audits completed. (Dec. 2007)
- VLO certification programs facilitated between five major producers and independent consulting certifiers. (Dec. 2007)



- **Wood Certification Knowledge Sharing.** SENADA continued activities designed to communicate the value added benefits of furniture production using legally sourced timber to the greater value chain. During the quarter, SENADA completed an implementation strategy for the newly launched community forest management program. SENADA identified and secured initial commitment from LEI, ASMINDO, Persepsi, PERHUTANI and CEFED as potential community forest stakeholders in East and Central Java. Community forest working groups will be engaged and active by March 2008. Further, discussions were initiated with Nahdlatul Ulama (NU) regarding possible direct partnership in promoting legal sourcing of timber products at the community level.

Deliverables:

- Nahdlatul Ulama (NU), LEI, ASMINDO, PERHUTANI, Persepsi, and CEFED identified as possible key stakeholders in regional community forest management programs. (Dec. 2007)
- Journalist legal wood certification workshop designed and participants selected. (Dec. 2007)
- Research methodology designed and STTA identified for February 2008 green supplier certification survey. (Dec. 2007)



- **Improving the Enabling and Regulatory Environment for Trade and Investment.** Given the importance and potential impact of the Regional Economic Development Institution (REDI) policy study completed for the furniture value chain in August 2007, SENADA felt it was necessary to carry out an independent legal analysis of report policy findings. This analysis was delayed due to our inability to identify and contract a qualified law firm or consultant to provide the services. Despite this delay, SENADA is confident that the legal analysis mainly on national REDI policy issues will be completed by February 2008.

SENADA will use findings from the REDI survey to conduct targeted advocacy programs beginning in April 2008. During the quarter, SENADA identified key public sector policy bodies that will be the focus of these future campaigns. The first body identified in October

2007 was PEPI, a newly created cross-ministry public sector advisory group for the Ministries of Trade, Industry, Transportation and Tourism, as well as the State Apparatus for Empowerment and the Coordination Board for Investment. Created with the support of Coordinating Ministry of Economic and Finance (Menko Ekuin) and the internationally recognized research organization Center for Strategic and International Studies (CSIS), PEPI's mission is to coordinate policy formation on national export and investment issues. Based on initial discussion, PEPI has expressed interest in addressing policy issues related to the furniture industry.

Deliverables:

- PEPI identified as one of the public sector counterparts for REDI advocacy activities. (Dec. 2007)

2.1.3 FOOTWEAR INDUSTRY VALUE CHAIN

Summary

During this quarter SENADA narrowed its IVC technical direction to focus on capacity building of APRISINDO, Indonesia's national footwear association. This decision resulted from SENADA's conclusion that the footwear industry lacks capable, committed counterpart institutions required to carry out sustainable value chain improvements. This conclusion was based on experience gained with earlier footwear activities, including the leather-tannery directory, the stitchers upgrading program and the footwear trade e-portal. SENADA determined that the project's ability to create positive change will require engaging and invigorating a critical institution that historically has underperformed.

SENADA has designed a program to empower APRISINDO in serving lead footwear producers. The program is based on an in-depth analysis of APRISINDO carried out by SENADA in October 2007 to determine critical capacity development capacity and needs. This survey was transformed into an integrated capacity development strategy by Sani Daher from DAI/Bethesda in November 2007. The programmatic strategy and 18 month implementation plan was presented to the APRISINDO Board of Directors for approval in December 2007. The strategy consists of two main activities: (a) a capacity development program to strengthen APRISINDO financially, administratively and technically; and (b) discrete, targeted technical initiatives in marketing and policy strengthening.

SENADA's program is essentially an association "reform" program that requires unwavering commitment and significant financial investment by the association, as well as buy-in from APRISINDO's branch offices. Despite several late quarter meetings with APRISINDO's Executive Director and several Board members, full approval from the Board has yet to be obtained. SENADA will continue negotiations with APRISINDO and a decision will be made in January 2008 as to the nature of this future assistance.

Activity Descriptions and Deliverables

- **Industry Association Institutional Capacity Building Program.** SENADA carried out a comprehensive APRISINDO internal survey and assessment (completed in November 2008) and institutional capacity program design (completed in December 2008). The assessment focused on APRISINDO's main office in Jakarta and two satellite offices in Bandung and Surabaya. Respondents to the survey included APRISINDO staff, members and non-members who were affected directly or indirectly by the association in some way.

The survey concluded that APRISINDO's had critical, but resolvable, institutional weaknesses (financial and operational) and had an inappropriate industry image compared to its supposed industrial clout and mission. These issues were a result of low-valued member services, a weak governance structure, and an overall inability to strategically plan (operationally or industrially). The resulting capacity building program designed by SENADA will therefore focus on developing the association's internal ability to: effectively manage an industry sector growth strategy; develop internal governance capability; manage financial and human resources; and develop high value member services.

Deliverables:

- Survey of APRISINDO's current operations completed. (Oct. 2007)
- Integrated capacity development plan finalized for APRISINDO. (Nov. 2007)

► **IVC Coordination and Strengthening Program.** During the quarter SENADA continued development of industry promotion tools to help IVC producers and industry support organizations target new high value export markets and new investment. In December 2007 SENADA completed an industry footwear producer promotional film that was transferred to APRISINDO for ownership and distribution to help the association better market the industry to foreign buyers and investors. Throughout the quarter SENADA also continued development of a buyer-producer trade portal designed in collaboration with Microsoft Corporation. 25 footwear manufactures were initially registered in October 2008 to become first members of the web portal. Although significant work has been completed, the activity has been put on hold until APRISINDO agrees to assume full ownership.



Deliverables:

- Initial group of 25 footwear manufacturers registered to participate with buyer-producer trade portal. (Oct. 2007)
- Footwear promotion film produced and transferred to APRISINDO. (Dec. 2007)

2.1.4 GARMENTS INDUSTRY VALUE CHAIN

Summary

SENADA accomplished a major programmatic milestone during the quarter with the development of the “*Garment Partnership Indonesia*” (GPI) initiative in December 2007. GPI is a private partnership initiative to develop a sustainable network of major domestic and international brands and retailers, garment producers, associations, business service providers, and international development institutions. This network will collaborate in upgrading business practices and social and technical manufacturing standards as a means to enhance global competitiveness. GPI will be driven by the private sector for the private sector.

In addition to GPI, SENADA teamed with Indotextiles.com to rebuild an industry intelligence website to strengthen and invigorate interaction between industry players. Partnerships were also secured with International Garments Training Center (IGTC), Neville Clarke and the Jakarta Consulting Group that resulted in the development of six world class training models that will be launched as part of an integrated GPI upgrading program in February 2008.

Activity Descriptions and Deliverables

- ▶ **Facilitate Sustainable Industry Coordination Mechanism for Firm Upgrading.** Created in December 2007, GPI works by catalyzing a community of private sector industry stakeholders to design and implement innovative upgrading solutions for garment manufacturers. GPI works to promote the developmental role of key value chain players and helps garment firms plan and prepare for future growth. GPI's objective is to transform Indonesian garment industry into a sustainable, world class competitor.

In preparation for the full public launch in February 2008, SENADA completed work on the development of the GPI framework and implementation plan in November 2007. In December 2007, SENADA launched the GPI website www.gpin.info to serve as the main communication mechanism to promote the GPI initiative to industry stakeholders and to attract partners. Alliance building activities commenced, and by the end of the quarter SENADA had formalized GPI relationships with four industry leaders: International Garment Training Center, Indotextile, Neville Clarke and InterTek. Promising discussion have been underway with GAP, Ann Taylor, Hanes Brand, Adidas and Nike and we are confident that a number of these market leaders will join as partners in GPI.

SENADA further facilitated sustainable industry coordination in partnering with Indotextiles.com. SENADA began work with Indotextiles.com in redeveloping the industry intelligence website www.indotextiles.com by introducing a new look and layout, improving the quality of existing web-based services and developing new dynamic features to enhance overall reach, scope and marketability.

New website features being developed are: *market analysis* (timely market information), *buy and sell* (buyer-seller trading portal), *new product development* (global product trend information) and *expert perspective* (overall industry information exchange). Aside from technical assistance provided by our ICT team, the garments team is assisting in website promotion throughout the industry and supporting formularization of a business plan that will strengthen the website's overall sustainability and increase its ability to generate revenue.

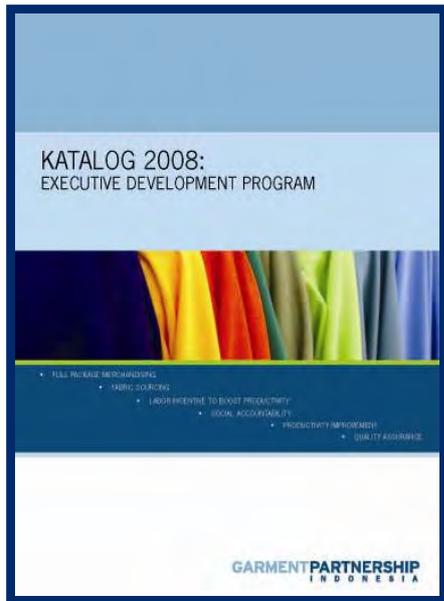
Deliverables:

- The GPI framework and implementation plan completed. (Nov. 2007)
- Industry intelligence website www.indotextiles.com redevelopment program commenced with Indotextiles.com. (Nov. 2007)
- GPI program brochure finalized. (Dec. 2007)
- GPI website www.gpin.info developed. (Dec. 2007)
- Four key GPI alliance partnerships formalized with International Garment Training Center, Indotextile, Neville Clarke and InterTek. (Dec. 2007)

- ▶ **Executive Development Upgrading.** In partnership with International Garments Training Center (IGTC), SENADA developed training models that will serve as the foundation of "*executive development*" upgrading provided under GPI. The training programs will begin in February 2008. By the end of the quarter six training models were completed, including: fabric sourcing, full-package merchandizing, productivity improvement, quality assurance, labor compensation, good working environment.

Deliverables:

- IGTC partnership secured to develop executive development modules. (Nov. 2007)
- Six executive development training models finalized for GPI upgrading. (Dec. 2007)



- **Sustainable Manufacturing Practices Promotion.** SENADA identified and formalized a partnership with international training leader Neville Clarke (November 2007) and Jakarta Consulting Group (JCG) (December 2007) to develop “*six sigma*” and “*balance scorecard*” upgrading programs that will comprise key components of the GPI upgrading program. Training models and handbooks were completed for “*six sigma*” in December 2007; “*balanced scorecard*” will be completed in January 2007.

Deliverables:

- Neville Clarke partnership formalized to develop “*six sigma*” upgrading. (Nov. 2007)
- JCG partnership formalized to develop “*balanced scorecard*” upgrading. (Dec. 2007)
- “*Six sigma*” upgrading program manual and module finalized. (Dec. 2007)

2.1.5 HOME ACCESSORIES INDUSTRY VALUE CHAIN

Summary

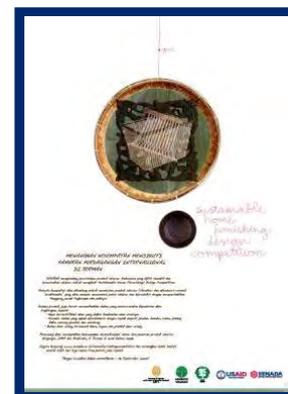
SENADA exceeded its goals in helping to position the Indonesian home accessories industry in the global “sustainable” and “eco-friendly” end market segments. SENADA’s “*Sustainable Design Competition*” generated more articles and entries than anticipated; “green” consulting services came on-line ahead of schedule; and progress was achieved towards establishing a sustainable design center during the quarter.

Activity Descriptions and Deliverables

- **Raising Industry Awareness of Global Sustainable Home Accessories Market.** SENADA held a national roundtable in October 2007 with over 100 key industry stakeholders in Yogyakarta to discuss global buyer attitudes concerning Indonesian vendor capability. The event featured the results of the end market survey completed by home accessories market expert Ted Barber. Mr. Barber’s primary conclusion was that Indonesia’s home furnishings industry has an excellent opportunity to improve global market performance through increasing its ability to produce “sustainable products.” This market share can be secured, he suggested, by improving on-time delivery performance, quality

consistency and design. Published results of his survey will be available in February 2008. The event generated 30 media citations.

In late October 2007, SENADA completed the “*Sustainable Home Furnishings Design Competition*” with 62 entries received. Four winners were selected from the home accessories and furniture industries. Each winner received an all expense trip to Germany (co-financed by SIPPO) to attend one of two international trade fairs: IMM for furniture (January 2008) and Ambiente for home furnishings (February 2008).



In preparation for these major events, SENADA supported the winners to participate in the Jogja Furniture Show (JFS) in October 2007 to practice highlighting the “sustainable trend” to domestic trade show participants and to sharpen overall trade show participation skills. Each winner also received additional trade promotion consulting support in November 2007 from SENADA’s in-house trade promotion team to prepare for the Germany exhibitions.

Deliverables:

- “*Sustainable Home Furnishings Design Competition*” completed with six winners chosen from 62 entries. (Dec. 2007)
- Roundtable conducted with 100 key industry players to discuss global buyer attitudes and SENADA’s end market survey results. (Oct. 2007)
- More than 30 articles generated in national press on demand of sustainable home accessories. (Dec. 2007)



- ▶ **Position Indonesia as a Source for Sustainable Products in Western Markets.** SENADA completed activities focused on identifying capable, committed, export-ready home furnishings producers in order to foster the formation of “*Pioneering Sustainable Indonesia*”. This group will be committed to promoting and positioning Indonesia as a source for sustainable products. SENADA identified 15 potential founding members for the group through an export readiness survey of 50 firms completed in December 2007 as well as from sustainable design competition participants and previous sustainability workshop attendees.

Later in December 2007, SENADA conducted a strategic planning session in SENADA’s Jogjakarta office with the 15 founding members of “*Pioneer Sustainable Indonesia*” on the future design of an “*e-knowledge center*”. This on-line resource center will be first project designed and managed by this industry group to provide detailed information and tools on how Indonesian firms can become sustainable producers.

Deliverables:

- 15 firms engaged as founding members of “*Pioneering Sustainable Indonesia*.” (Dec. 2007)
 - “Sustainability 101” seminar was completed for 15 firms in Jogjakarta. (Dec. 2007)
- ▶ **Strengthening Lead Firm Performance through Targeted Upgrading and Greening.** SENADA engages leading exporters, premier “green” consultants, national and international industry associations, as well as local and world renowned international educational institutions, such as Goldsmiths London University, to provide targeted upgrading services

and secure resources for future activities. In November 2007, SENADA launched our sustainable production upgrading program.

Upgrading began with STTA David Mahood assisting a core group of Indonesian manufacturers in developing internal management plans to adopt international best practice standards in sustainable production. Leveraging Mr. Mahood's expertise as a "green" markets expert from the US-based Sustainable Forest Council, SENADA also provided technical assistance to these firms in marketing their sustainable products to the global market. By the end of the quarter, three companies completed this program. An additional seven will be completed by March 2007. Finally in December 2007, SENADA conducted a "Sustainability 101" seminar with Mr. Mahood for the founding members of "Pioneering Sustainable Indonesia." in Yogyakarta.

SENADA also successfully engaged the support of four Goldsmiths London University instructors to deliver a four-day "Sustainable Design Workshop" to targeted exporters and learning institutions in January 2008. This workshop, also supported by private entrepreneur Warwick Purser from Yogyakarta, will engage and train local home accessories stakeholders and launch discussions on a permanent sustainable design center for Central Java (established tentatively in September 2008).

Deliverables:

- Three firms formulate sustainability action plans. (Dec. 2007)
- Goldsmiths agrees to participate in the *Sustainable Design Workshop*. (Dec. 2007)

2.2 CROSS CUTTING PROGRAMS

2.2.1 BUSINESS ENABLING ENVIRONMENT

Summary

This quarter saw further development of Business Enabling Environment program through launch and initial implementation of the "RegMAP" initiative and the commencement of a review of the Ministry of Industry's policies and programs impacting SENADA's IVCs. Plans were also developed and finalized for the commencement of a major study on the Manpower Law and labor productivity, as well as for the completion of our IVC Export Competitiveness database.

Activity Descriptions and Deliverables

- ▶ **Regulatory Mapping and Review.** After considerable discussion and negotiation with the selected contractor Centre for Economic and Social Studies (CESS), the scope of work and contract for the implementation of the "RegMAP" was finalized and signed. With the assistance of consultants Richard Waddington and Faisal Naru from DAI/Europe, a field manual providing detailed survey guidelines was completed and road tested in three locations: Jakarta, Bandung and Surabaya. The pilot review was commenced in December 2007 and will be completed by mid-January 2008. Upon completion of the pilot, the "RegMAP" methodology will be fine tuned for the full survey to be launched in February 2008. Also this quarter, SENADA was assisted by legal and regulatory reform expert Professor Gary Goodpaster to develop strategies for institutionalizing the "RegMAP" process and results once the mapping and review process has been completed.

Deliverables:

- “RegMAP” field manual and guidelines to researchers completed. (Oct. 2007)
- “RegMAP” survey methodology finalized and initial piloting commenced. (Dec. 2007)
- Completed 20 day survey of regulatory reform stakeholders to develop options for institutionalizing “RegMAP.” (Dec. 2007)
- Roundtable undertaken with 30 regulatory reform stakeholders to secure industry support for RegMAP program (Dec. 2007)



- ▶ **Industry Policy and Programs Review.** The first phase of SENADA’s review of the Ministry of Industry’s policies and programs was launched in November 2007 with the completion of approximately 20 interviews with MOI staff, business associations, donors and local experts by international STTA Erin Weiser and local STTA Dionisius Aryanto. From the initial review, SENADA shortlisted four highest priority promotion measures (trade show subsidies, textile and garment equipment subsidies and investment incentives) that we felt had the greatest negative on our core IVCs. The second round of in-depth analysis and the completion of targeted policy recommendations will be launched upon Ms. Weiser’s return in February 2008.

Deliverables:

- Phase I policy review of key MOI policies completed. (Nov. 2007)
- Four key promotion measures shortlisted for February 2008 full analysis. (Nov. 2007)

- ▶ **Labor Productivity Review.** Initial background research and analysis completed as preparation for SENADA’s 2008 national labor productivity survey. This included the identification and selection of STTA Henrietta Lake who will develop the initial draft methodology for the survey in January 2008. This survey will inform a broader study of the 2003 Manpower Law researching how this and other labor regulations impact upon firm level decisions and performance and what actions can be taken at the firm level to increase labor productivity.

Deliverables:

- International STTA contracted for Manpower Law research project. (Dec 2007)

- ▶ **IVC Export Competitiveness Database.** SENADA, with the support of local STTA economist Dionisius Aryanto, finalized the first draft of the IVC export competitiveness database and key indicators. This database, one completed, will provide SENADA with a central reference source of up-to-date and accurate trade data (including global competitiveness indicators) which will be used in the design and ongoing implementation of IVC activities. The database is expected to be launched and fully operational by March 2008.

Deliverables:

- SENADA finalized initial development of IVC export database and selection of key competitiveness indicators. (Oct 2007)

2.2.2 KNOWLEDGE DEVELOPMENT

Summary

SENADA rolled out the innovative subcontractor performance management activity as part of an enhanced Knowledge Development program. The activity strengthens the technical capability of firms that exhibit significant growth potential lead firms and a well developed network of subcontractors. In October 2007, SENADA finalized development of its subcontractor management programmatic tools and methodology and performed initial analysis of 16 potential lead firms working in SENADA's respective industry value chains. Since November 2008, SENADA selected and provided direct technical assistance to three footwear firms in Jakarta and Bandung and is developing a computerized system for tracking and evaluating subcontractor performance. This assistance to date has positively affected 192 subcontractors with 2,506 employees. In January 2008, Knowledge Development initiates the next round of support to home accessories lead firms.

Activity Descriptions and Deliverables

- ▶ **Lead Firm Capacity Development-Subcontracting.** SENADA has designed an industry-specific approach in providing technical support that will be rolled out in quarterly stages. Following an initial assessment of 16 potential lead firms in October 2008, SENADA selected three companies (Pt. Basama Soga, Pt. Sumber Kreasi Fumiko and Pt. Golfer) from a total of six shortlisted from the footwear industry for the first round of knowledge development support. Upon selection, SENADA prepared and signed agreements of collaboration with each outlining our respective roles and responsibilities.

Three subcontractor management teams comprised of lead firm senior personnel and SENADA advisors began the process of mapping and strategic planning to identify subcontractor related constraints, strategies for improvement and key performance indicators. The collaborative teams developed individual subcontractor performance improvement plans for each lead firm that include specific implementation activities and monitoring and evaluation schedules to guide future assistance. Lastly, SENADA piloted a prototype Microsoft Access based software for subcontractor performance management at Basama Soga to ascertain initial user and system functionality requirements. This will become the basis of a more advanced and replicable subcontractor inventory and quality control management software being developed in conjunction with SENADA's ICT program. It is intended that the software will be made available to the entire industry.

Deliverables:

- Criteria for lead firm selection developed. (Oct. 2007)
- Programmatic tools and methodology developed. (Oct. 2007)
- Assessment of 16 potential lead firms completed. (Oct. 2007)
- Subcontractor management software prototype built. (Nov. 2007)
- Cooperative consulting agreements signed with three footwear lead firms. (Dec. 2007)
- Assessment of three confirmed lead firms conducted. (Dec. 2007)
- Subcontractor process mapping of three lead firms completed. (Dec. 2007)
- Subcontractor performance plan for three lead firms developed. (Dec. 2007)

2.2.3 INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Summary

This quarter marked both the completion of the initial groundwork of the ICT program and the full integration and engagement of the ICT's cross-cutting program into SENADA's portfolio. The pinnacle accomplishment during the quarter was the huge success of "iMULAI", a national business innovation competition launched in joint cooperation with Microsoft Corporation in October 2007. "iMULAI" attracted over 100 proposals and raised national level awareness of the importance of innovation in building economic competitiveness. The "iMULAI" competition closed in December 2007 and winners are expected to be announced in March 2008.

Activity Descriptions and Deliverables

- ▶ **Reducing IVC Entry Barriers to ICT Services.** SENADA completed all necessary ICT capacity assessment tools and questionnaires for a national survey on the Indonesia's industry adoption of ICT solutions. The survey will be conducted in March 2008. SENADA also commenced initial discussions and negotiations with prominent ICT providers DataOn, Cisco, Zahir, Accurate and Excelcom about their collaboration as investors and/or technical service providers in the future workshops. Finally, ICT launched (in collaboration with SENADA's Knowledge Development team) its first best practice ICT solution project to support the development of a market driven, low cost subcontractor inventory and quality control management software that will be piloted with three lead footwear firms Bersama Sogo, Sumber Kreasi Fumiko and Golfer and their 192 subcontractors.

Deliverables:

- Assessment tools and questionnaire completed for the March 2008 national survey on the Indonesia's industry adoption of ICT solutions. (Dec. 2007)
 - Prototype of low cost subcontractor inventory and quality control management software developed and tested in three lead footwear firms. (Dec. 2007)
- ▶ **ICT Applications to SENADA's IVC activities.** Targeted cross-cutting ICT support and solutions continued to be provided to SENADA IVCs technical programs. In footwear the buyer-producer trade portal initially designed in collaboration with Microsoft was put on hold until the footwear association APRISINDO's role is established as owner and operator of the portal. In garments, significant development was achieved for two industry support websites, the *Garment Partnership Indonesia (GPI)* website www.gpin.info and IndoTextiles trade portal www.indotextiles.com. Finalization of both websites is expected to be completed ahead of schedule in January 2008.

Deliverables:

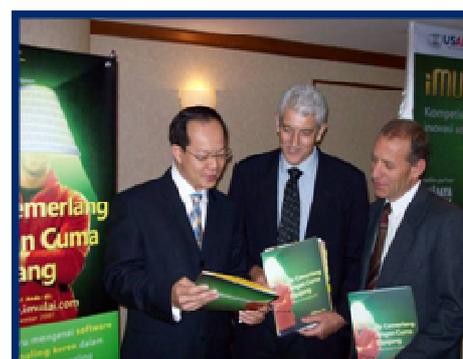
- Business plan (including revenue and cost projections) for garments trade promotion portal www.indotextiles.com finalized. (Dec. 2007)
 - *Garment Partnership Indonesia (GPI)* www.gpin.info website initially launched. (Dec. 2007)
- ▶ **ICT Business Innovation Competition.** The SENADA-Microsoft "iMULAI E-business Innovation Competition" was successfully launched in October 2007 at the high profile Indonesia National Blogger Conference and press conference in Jakarta. Attended by over 25 journalists from Indonesia's leading media, the "iMULAI" launch resulted in 18 news articles in several leading newspapers (Jakarta Post, Kompas, and Business Indonesia.) and

online news portals (www.detik.com), fulfilling a major SENADA goal to communicate the importance of innovation on economic competitiveness nationwide.

Competition commenced in November 2007 and the “iMULAI” innovation website www.imulai.com was launched. “iMULAI” closed at the end of December 2007 resulting impressively in over 1,600 individual firms registered with www.imulai.com and 106 submitted proposals. The “iMULAI” website had equal success with over 10,000 unique visitors. Three winners will be announced in March 2008.

Deliverables:

- “iMULAI” nationwide print, radio and internet marketing campaign successfully reached over 10 million individuals. (Oct. – Nov. 2007)
- “iMULAI” competition successfully launched nationwide (Nov. 2007).
- National conference on proposal writing and business planning conducted with Microsoft for over 70 companies. (Dec. 2007)
- “iMULAI” website generated over 10,000 unique visitors, 1,604 registered users and 177 blog members. (Dec. 2007)
- 106 “iMULAI” proposals received. (Dec. 2007)



2.2.4 HOME FURNISHINGS TRADE PROMOTION

Summary

The Home Furnishing Trade Promotion cross-cutting program was created in November 2007 to promote “Sustainable Indonesia” export trade promotion activities for the furniture and home accessories industries. Given the overlap of the “sustainable” and “green” end market strategies for the two IVCs, SENADA combined and streamlined resources and integrated end-market promotion activities. Although two industries (known collectively as home furnishings) have distinct supply chains and producers, they generally share the same markets, in particular the sustainable market segment. SENADA has been successful in trade promotion activities to date with close to \$3 million in export contracts facilitated this quarter alone.

SENADA’s core strategy is to engage a working group of private sector home furnishings industry leaders to become a sustainable mechanism that firms can utilize to participate in future western "sustainable" or "green" trade exhibitions. Once launched, SENADA will assist the working group to develop and implement an integrated, professional and highly visible “Sustainable Indonesia” global marketing and branding campaign. This campaign, to be launched in

May 2008, will strengthen the international reputation of Indonesian sustainable home furnishing manufacturers in global markets. SENADA will support the working group with technical assistance and overall program coordination.

Activity Descriptions and Deliverables

- ▶ **Trade Exhibition Program.** Even before the creation of the formal home furnishing cross-cutting program, SENADA was already actively involved in trade promotion activities with the furniture IVC. In October 2007, SENADA collaborated with NAFED to co-sponsor a "Green Pavilion" at the Indonesia Product Export Tradeshow (PPE). SENADA selected and trained six furniture companies from our VLO certification program to participate. This directly led to \$180,000 in new orders at the event. Also during October, SENADA partnered with the Swiss Import Promotion Program (SIPPO) in promoting three Indonesian furniture producers at the SPOGA Trade Show in Cologne, Germany. Again, the collaboration was successful, with close to \$3 million in trade deals secured.

SENADA laid the groundwork for this activity through initial development of a working group of committed and vested furniture and home accessory lead producers. This group will develop and coordinate future Indonesian home furnishing industry marketing and trade exhibition activities at western "Green Pavilion" exhibitions. SENADA started assessments of six home furnishing industry leaders to become possible champions of the working group. The group will begin working in February 2008.

Also in December 2007, SENADA finalized market research and selected three international trade shows for future "Sustainable Indonesia" marketing, branding and trade linkage activities. These trade shows include: Las Vegas Market Show, Nevada, USA (July 2008); High Point Trade Fair, North Carolina, USA (Oct. 2008); and Las Vegas Hospitality Design Expo, Nevada, USA (May 2009). Our target is to secure a minimum of 10 export contracts during these exhibitions.

Deliverables:

- In collaboration with NAFED, SENADA facilitated \$180,000 in new orders for six furniture firms at the Indonesia Product Export Tradeshow (PPE). (Oct. 2007)
 - In collaboration with SIPPO, SENADA facilitated close to \$3 million in new orders for three furniture firms at the SPOGA Trade Show in Cologne Germany. (Oct. 2007)
 - SENADA's Home Furnishing cross-cutting support program launched (Nov. 2007)
 - Preliminary assessment to identify six potential "Sustainable Indonesia" working group champions completed. (Dec. 2007)
- ▶ **"Sustainable Indonesia" Market Promotion Campaign.** Although a separate activity, this campaign is an integrated part of the trade exhibition activity. The "Sustainable Indonesia" working group will also take ownership over the market promotion campaign. SENADA initiated preliminary branding activities in December 2007 by identifying an Indonesian branding expert Wanlie who will support the working group in January 2008 in developing industry marketing and branding campaigns. These campaigns will be implemented through a broad international campaign, much of which will be focused on the three western trade exhibitions.

Deliverables:

- STTA identified to develop "Sustainable Indonesia" branding campaign. (Dec. 2008)

3. GRANTS PROGRAM

3.1 BUSINESS INNOVATION FUND

SENADA continued the promotion and expansion of the Business Innovation Fund launched in June 2007. Five grants were approved during the quarter, bringing the total number of grants approved to six for a total of \$120,157. Below is a summary of notable accomplishments from the quarter.

Activity Descriptions and Deliverables

- ▶ **Business Innovation Fund Marketing and Promotion.** SENADA continued to expand Business Innovation Fund promotion and marketing activities. 116 *Roadshow Meetings* to private companies, research institutes, universities, NGOs and trade/industry associations were conducted during the quarter, bringing the total since launch to 180 (reaching over 950 attendees). Direct marketing meetings have been very successful, generating a total of 32 proposals (50% of the total) to date. In addition to direct promotion, the Business Innovation Fund website www.senada.or.id/innovation received over 2,600 hits during the quarter; bringing the total to over 5,600 hits since launch.

The growth in our marketing and promotion statistics came in part from the addition of a Technical Grant Officer in our Surabaya Office. This new staff is responsible for marketing and promotion activities as well as grant management oversight for East Java, including Jogjakarta. Our Technical Grant Officer based in Jakarta will cover West Java and Semarang.

- ▶ **Business Innovation Fund Proposal Evaluation, Selection and Approval.** SENADA received 33 proposals during the quarter bringing the current total received to 64. During the same period, six proposals were recommended for Evaluation Committee review and 23 proposals failed to pass SENADA's internal review process. USAID approved five proposals during the quarter for \$95,910. Grants approved this quarter include:*

- Quality Control Certification System for Brake Drum Production (Research Institution of Diponegoro University — \$17,944.
- E-Library for Automotive Component Standards (Society Automotive Engineers Indonesia — \$22,428
- Occupational Safety and Health Certification Program (LSK-K3 (ICCOSSH)) — \$22,722
- Garment / Textile Industry Virtual Business Forum (API) — \$13,627
- Advanced Motorcycle Continuous Variable Transmission Training Center (Sigma Training Center — \$18,522

* Full description of SENADA current Business Innovation Fund grant portfolio can be found in Annex 5F.

In addition, SENADA reserved \$75,000 of the Business Innovation Fund for the “*iMULAI Innovation Competition*” (see ICT section for more information). Three grants (\$25,000 each) will be awarded in by March 2008.

It is too early to evaluate overall BIF performance, but there has been a mix of both promising and challenging signs so far. The sheer number of proposals received has surpassed expectations. Nonetheless, proposals have not met the high standards for quality and innovativeness that we set at the outset. In an effort to strengthen proposals, SENADA's technical grant officers have devoted significant time to working one-on-one

with the most promising prospective grantees in developing proposal submissions. This is paying off as grant proposals have shown improvement late in the quarter.

On another positive note, many proposals and all six approved grants are designed to achieve broad systemic impact in industry. Grantees will develop projects, such as training courses and certification systems, which will benefit hundreds if not thousands of companies beyond the walls of their own businesses. The BIF was intended to do this, one of several means SENADA is seeking to leverage USAID resources.

- ▶ **Business Innovation Fund Grant Monitoring, Evaluation and Reporting.** At the end of the quarter SENADA had six active grants in the Business Innovation Fund portfolio and had disbursed \$30,790. There was \$89,353 in disbursements outstanding. There were no grants closed during the quarter and no issues (technically or administratively) to report. Attached in the annex is a full description and summary of all grants funded by the Business Innovation Fund to date.

Deliverables:

- 116 *Roadshow Meetings* to during the Q1 bringing the total since launch to 180 (reaching over 950 attendees). BIF website www.senada.or.id/innovation received over 2,600 hits during the quarter; bringing the total to over 5,600 hits since launch. (Dec. 2007)
- SENADA had six active grants in the Business Innovation Fund portfolio (Q1) and had disbursed \$30,790. There was \$120,000 approved to date. (Dec. 2007)

4. COMMUNICATIONS

4.1 COMMUNICATION PROGRAMS

Summary

During this quarter SENADA combined ongoing communications activities with new initiatives. Three issues of “*Competitiveness at the Frontier*” were published and a number of IVC program-specific activities were carried out. SENADA implemented a successful national Home Accessories “*Sustainable Design Competition*”; soft launched the Auto Parts “*QSEAL*” certification program; and introduced the Business Enabling Environment program to stakeholders with the launching of the “*RegMap*” activity. SENADA also designed and launched “*iMULAI*”, a major business innovation competition implemented in collaboration with Microsoft Indonesia. Daily news on competitiveness-related issues, SENADA’s focus industries and SENADA’s activities circulated to SENADA staff and uploaded to SENADA website at www.senada.or.id.

We are disappointed to announce the departure of Eva Muchtar, SENADA’s highly capable Communications Manager. After an intensive recruitment exercise, SENADA has contracted Ms. Deborah Tomasowa to fill this position. The transition will occur in January 2008.

Activity Descriptions and Deliverables

- ▶ **Provide Communications Support to Technical Program Activities.** The communications team continued to support SENADA’s technical programs. Collaterals for the Furniture’s VLO campaign and Auto Part’s “*QSEAL*” soft launch were designed and produced. SENADA created a promotional video on Indonesia’s footwear industry, which will be used for promotional activities beginning in January 2008. During the quarter SENADA conducted four events and generated 25 media citations.

SENADA Communications staff worked closely with technical program teams in developing communications plans for year three of the project. These included a public relations strategy for “*Garments Partnership Indonesia*” and initial elements of a promotional strategy for the Sustainable Home Furnishings trade promotion program.

Deliverables:

- Three public events implemented:
 - Seminar on home accessories end market study in Yogyakarta (Oct. 2007).
 - “*QSEAL*” soft launch at Reserve/Auto parts Exhibition in Jakarta (Nov. 2007).
 - Stakeholder roundtable on regulatory reform in Jakarta (Dec. 2007).
 - 25 media citations on SENADA’s events generated.
- ▶ **Implement Effective, Ongoing Communications Programs to Build Public Awareness on Competitiveness.** SENADA is proud to have successfully launched and promoted a national innovation competition in collaboration with Microsoft Indonesia. “*iMULAI*” was announced in November 2007 at a press conference featuring Microsoft’s President Director for Indonesia and USAID’s Deputy Director. This was followed by a blitz of public relations activities, including a blogger conference, a full page ad in Kompas, and a series of electronic news portal ads. SENADA worked closely with Microsoft technical managers in creating a dedicated “*iMULAI*” website www.imulai.com, which was visited by over 10,000 unique users and attracted over 1,600 registered “*iMULAI*” participants and 116

formal innovation proposals. Competition winners will be chosen and announced publicly in March 2008.

Despite an intensive communications workload, SENADA consistently maintained a commitment to regularly publish monthly publications *“Competitiveness at the Frontier”* and the SME Q&A columns in Jawa Pos. In addition, we also started to replicate our radio talk show program in the leading Jakarta-based business radio station Trijaya FM, in conjunction with the *“iMULAI”* campaign. This radio talk show initiative will continue during the upcoming next quarter.

Deliverables:

- *“iMULAI”* innovation Competition launched and national media campaign implemented (Dec. 2007).
- Radio talk show on innovation conducted. (Dec. 2007)
- Three *“Competitiveness at the Frontier”* monthly issues published (Dec. 2007).



- Six SME Q&A columns in Jawa Pos published. (Dec. 2007)



- **Effectively Communicate SENADA Project Information and Achievements.** SENADA distributed one activity update this quarter and incorporated all other event updates in SENADA highlights column in the quarter's "*Competitiveness at the Frontier*" issues. We also better utilized our project website www.senada.or.id to inform counterparts on our events and on all news related to Indonesian industry competitiveness.

Deliverables:

- One activity update distributed (See Annex 5C). (Dec. 2007)
- SENADA's www.senada.or.id runs properly and its content updated. (Dec. 2007)

ANNEXES

A. SENADA PROJECT BUDGET

B. SENADA YEAR THREE PROJECT DELIVERABLES

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
CORE IVC PROGRAMS				
1.	AUTO PARTS INDUSTRY VALUE CHAIN			
Q1	1.1	Seal of Quality for at least five product lines developed and launched.	Delayed	"QSEAL" launch will be in late March (Q2). Delay due to difficulties in completing "QSEAL" product standard.
Q2	1.2	Konjaya Motor service station brand developed and launched for at least three product lines.		
Q2	1.3	500 print/200 CD-based pilot <i>Metal Stamping TSSP Directories</i> published and distributed.		
Q3	1.4	At least five firms participated and successfully achieved product line SOI SOQ certification.		
Q3	1.5	At least three firms participated and successfully achieved Konjaya brand certification.		
Q3	1.6	1,000 full <i>Industry TSSP Directories</i> published and distributed.		
Q4	1.7	At least one SOI SOQ product line achieved 50-70% OEM valued market segmentation.		
Q4	1.8	At least one certified, mid-value product line sold in all five Konjaya Motor service stations.		
Q4	1.9	At least one additional BDS-producer linkage model developed and launched.		
Q4	1.10	At least 20 articles in popular press (local, regional or national) on SENADA's upgrading and/or standardization activities generated.		

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q4	1.11	At least three roundtables and/or press briefings conducted with key IVC players (producers, associations, BAPPENAS, Ministry of Industry, etc.) sharing models, approaches or impact assessments for upgrading, standardization or high-value market penetration.		
Q4	1.12	At least 500 export penetration model publications disseminated to potential IVC investors.		
2.	FURNITURE INDUSTRY VALUE CHAIN			
Q1	2.1	Promotional materials developed.	Completed.	Brochure developed and ready for distribution. Other promotional materials (catalogue, video) will be developed by home furnishings with specific focus for trade shows.
Q2	2.2	80 media and ASMINDO members trained on the critical importance of certification to the future of the Indonesian wood furniture industry.		
Q2	2.3	Study on nature and impact of the scarcity of certifier services completed.		
Q2	2.4	One national roundtable on select policy issues conducted.		
Q2	2.5	Detailed legal recommendations report on key policy issues completed.		
Q3	2.6	Two regional/national roundtables conducted on the benefit of VLO-FSC certification for wooden furniture producers in penetrating green market.		
Q3	2.7	100 producers/suppliers trained on the importance of VLO-FSC certification and associated implementation processes.		
Q3	2.8	Two regional workshops on community forest certification held.		

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q3	2.9	At least two major public-private dialogues carried out to consider recommendations for reform; press release and media coverage of issues/dialogues.		
Q4	2.10	12 wooden furniture producers get VLO certification.		
Q4	2.11	At least one public-private partnership with major international furniture buyer established.		
3.	FOOTWEAR INDUSTRY VALUE CHAIN			
Q1	3.2	Footwear promotion film produced.	Completed	Ownership and responsibility for films distribution will be APRISINDO's with SENADA assistance.
Q1	3.3	Survey of APRISINDO's current operations completed.	Completed	Preliminary survey of APRISINDO and its chapters completed and disseminated to association.
Q1	3.4	Memorandum of understanding (MOU) with APRISINDO signed.	Delayed	Still negotiating with APRISINDO BOD terms of upcoming program. Expected completion in Q2.
Q2	3.5	Business plan for web portal developed.		
Q2	3.6	Web portal ownership and management structure in place.		
Q2	3.7	Strategic planning exercises (strategic management retreat for APRISINDO) to identify critical needs completed.		
Q2	3.8	Roundtable with key APRISINDO officials to outline survey results completed.		
Q3	3.9	Footwear trade portal launched.		

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q3	3.10	Implementation plan outlining delineation of responsibility for key activities developed.		
Q4	3.11	Domestic and international launch promotion strategy developed.		
Q4	3.12	30 new trade portal members registered.		
Q4	3.13	Key activities outlined in plan implemented.		
-	-	Baseline survey of selected footwear manufacturers completed.	Cancelled	Removed as key deliverable when program shifted to APRISINDO capacity building.
-	-	Follow-up survey of selected footwear manufacturers completed.	Cancelled	Removed as key deliverable when program shifted to APRISINDO capacity building.
4.	GARMENTS INDUSTRY VALUE CHAIN			
Q1	4.1	Implementation program designed and developed and a program brochure distributed.	Delayed	Program brochure designed but not yet distributed. Distribution postponed until January 2008 to allow for more detail training contents and calendar.
Q1	4.2	Website communicating SENADA program to stakeholders developed and launched by SENADA.	Completed	Website www.gpin.info and program description designed and launched. Website will serve as the key tool to promote SENADA program to industry stakeholders.
Q1	4.3	MOU signed with partners to assist in the delivery of this program.	Completed.	Our approach has moved away from MOU formality to a more practical oriented support of “ <i>Roles and Responsibility</i> ”. 4 key partners have joined to date.
Q1	4.4	Upgrading program launched.	Delayed	Despite communication and promotion of GPI to the industry, the official GPI launching ceremony will be delayed until Q2 to formulate a more solid panel of key partners (especially international brands).

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q1	4.5	At least four workshops in Jakarta, Bandung, Semarang, Jogja and Solo conducted to build awareness of the program.	Delayed	Promotion workshops delayed until Q2 to allow for additional time to finalize the <i>upgrading section</i> design of GPI website.
Q2	4.6	At least two training manuals/modules developed and rolled-out to participating firms.		
Q2	4.7	A minimum of five lead firms actively engaged in SENADA upgrading program.		
Q3	4.8	A minimum of two activity modules developed and launched.		
Q3	4.9	A minimum of 15 factories participating in the program.		
Q3	4.10	Additional two training manuals/modules launched.		
Q3	4.11	Additional 10 factories assigned and engaged in SENADA upgrading program.		
Q4	4.12	Additional 15 factories participating in this upgrading program to make a total of 30 factories participated throughout the year.		
Q4	4.13	At least one national event to promote market linkage between program participants and buyers conducted.		
Q4	4.14	Additional 15 factories assigned and engaged in the program to make a total of 30 companies engaged by end of year three.		
5.	HOME ACCESSORIES INDUSTRY VALUE CHAIN			
Q1	5.1	“Sustainable Home Furnishings Design Competition” completed.	Completed	Very successful, with more than 60 entries into the competition. Pt. Prima Putra Bengawan (indoor seating); Pt. Karya Wahana Sentosa (indoor table); Pt. Siji Life Style (containers); and Pt. Palmae Square (wall-art).

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q1	5.2	“Understanding the Market for Sustainable Products” one day-workshop conducted with Executive Director of the Sustainable Furniture Council, Susan Inglis.	Completed	More than 120 key players participated in the event.
Q1	5.3	Roundtable discussing global buyer attitude concerning Indonesian vendor capability, convened particularly in regard to supplying sustainable product, showcasing the results of the end market survey performed by home accessories expert, Ted Barber.	Completed	Held at the Jogjakarta Furniture Show; more than 100 participants from industry participated.
Q1	5.4	50 export-ready producers with a strong track record of satisfying foreign buyer identified.	Completed	Completed and providing the basis for future upgrading and design center activities.
Q1	5.5	20 export-ready producers willing to commit to a process of continuous improvement towards sustainable practice engaged.	Delayed	15 companies engaged to date in <i>Pioneer</i> group. Short fall attributed primarily to initial meeting held at peak sales and production season. Full group engaged Q2.
Q2	5.6	Identification of at least 5 lead firms committed to continuous improvement through the Knowledge Development Program.		
Q3	5.7	Knowledge Center launched, compiling information concerning the sustainability trend, and how to go about continuous improvement as an Indonesian business, including highlighting resources.		
Q4	5.8	2 “Sustainability 101” seminars conducted twice by international experts, similar to Sustainability 101 seminars held in Eco-pavilions in western trade shows.	In progress	First “Sustainability 101” seminar completed in Dec. 2007 with over 15 firms attending.
Q4	5.9	20 articles in Indonesian publications stimulated by SENADA activity.	Completed	This was completed ahead of schedule, with over 30 articles published in Q1 alone.
Q4	5.10	18 additional Indonesian Sustainable Furniture Council members’ applications verified, to support the growth of an internationally trusted industry association in Indonesia.		

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q4	5.11	“Sustainable Design” seminar series.		
6.	BUSINESS ENABLING ENVIRONMENT			
Q1	6.1	RegMAP methodology developed and initial piloting carried out.	Delayed	Due to a longer than expected partner negotiation process, the pilot was not commenced until Dec 2007. It will nevertheless be completed in Q2. RegMap methodology finalization completed.
Q2	6.2	Database of initial inventory of regulations completed.		
Q2	6.3	Key promotion measures to be assessed selected.	Completed	Trade show subsidies, textile and garment equipment subsidies and investment incentives selected.
Q2	6.4	SENADA export competitiveness trade database and indicators developed.		
Q3	6.5	Regulatory Impact Report (RIR) for each IVC summarizing most problematic regulations completed.		
Q3	6.6	RegMAP report (stage 1) disseminated and public-private dialogues and associated media coverage carried out.		
Q3	6.7	Report on design and recommendations for stage two advocacy program using RegMAP results completed.		
Q3	6.8	Final report reviewing industry promotion measures completed.		
Q3	6.9	Presentation of results and recommendations to MOI conducted.		
Q3	6.10	Major survey exploring issues on a representative sample of garments, footwear and furniture producers carried out.		

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q3	6.11	Final report and public-private dialogue(s) on the results of the survey conducted.		
Q3	6.12	Training and other dissemination of best-practices in Human Resource management for producer firms carried out.		
Q4	6.13	Template/model Regulatory Impact Statement finalized.		
Q4	6.14	Selection of problematic regulations for which a full RIA carried out.		
Q3	6.15	A brief trade competitiveness report for each of the IVCs completed.		
7.	KNOWLEDGE DEVELOPMENT			
Q1	7.1	Criteria for lead firm selection as program participants developed.	Completed	5 criteria for lead firm designation selected and engaged as methodology.
Q4	7.2	Memorandum of understanding (MOU) with lead firms signed.	In Progress	SENADA signed cooperative consulting agreements with 3 footwear lead firms: 1). Basama Soga (Bandung); 2). Sumber Kreasi Fumiko (Jakarta); 3). Golfer (Bandung).
Q4	7.3	Sub-contractor performance management capabilities and programs of lead firms assessed.	In Progress	Conducted assessments of 1). Basama Soga; 2). Sumber Kreasi Fumiko; 3). Golfer; 4). Donatello (further assistance stopped due to a lack of commitment) 5). PT Lika (postponed until Q3-4).
Q4	7.4	Subcontractor performance management program implemented.	In Progress	Completed the following deliverables with Basama Soga, Sumber Kreasi Fumiko and Golfer.
8.	INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)			
Q1	8.1	<i>iMULAI</i> successfully mass marketed to millions throughout Indonesia.	Completed	1600 registered members, over 100 proposals submitted and more than 10,000 visitors to website www."iMULAI".com .

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q2	8.2	ICT capacities assessment tool developed and conducted in 50 firms.		
Q2	8.3	Trade promotion portal for Footwear IVC developed and launched.		
Q2	8.4	Website for Garments IVC private partnership initiative for upgrading program developed and launched.	Completed	Completed and launched at www.gpinfo.com
Q2	8.5	Business plan including revenue and cost projections for Garments trade promotion portal developed.	Completed	The business plan completed together with the portal owner www.indotextiles.com .
Q2	8.6	Trade promotional portal for Garments IVC developed and launched.		
Q2	8.7	At least 3 <i>iMULAi</i> awards successfully approved and funded for companies for at least \$115,000 USD (\$40,000 Microsoft/\$75,000 SENADA).		
Q3	8.8	Two workshops for low capacity firms conducted.		
Q3	8.9	Two workshops for medium capacity firms conducted.		
Q3	8.10	Two radio talk shows conducted.		
Q3	8.11	Knowledge center portal for Home Accessories IVC developed and launched.		
Q4	8.12	Evaluation of changes in utilization of ICT by firms carried out.		
9.	HOME FURNISHINGS TRADE PROMOTION			
Q3	9.1	“Sustainable Indonesia” catalogue completed, highlighting the offerings of 20 home accessory and 20 furniture producers that have a demonstrated commitment to sustainability, as well as export.		

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q4	9.2	At least 10 trade deals between buyers and producers facilitated by SENADA.	In progress	3 trade deals completed to date for over US \$3 million.
Q4	9.3	At least one public-private partnership with major international furniture buyer established.		
Q4	9.4	“Sustainable Indonesia” group participation in three international trade shows held in the US eco-pavilions of major trade shows.		
Q4	9.5*	Indonesian Home Furnishings working group established, engaged and sustainable. (New deliverable added since Year 3 Workplan).		<i>* Deliverable newly added and not included in final Year 3 Workplan.</i>
Q4	9.6	10 articles in western trade journals generated, promoting Indonesia as a source of sustainable materials.		
10.	THE BUSINESS INNOVATION FUND			
Q4	10.1	Business Innovation Fund marketed to at least 1,000 individuals from dozens of key IVC institutions through marketing road show and joint IVC-Business Innovation Fund public relations events.	In Progress	116 <i>Roadshow Meetings</i> to during the Q1 bringing the total since launch to 180 (reaching over 950 attendees). BIF website www.senada.or.id/innovation received over 2,600 hits during the quarter; bringing the total to over 5,600 hits since launch.
Q4	10.2	At least 18 grants successfully approved and funded for a total of approximately \$400,000 USD.	In Progress	SENADA had six active grants in the Business Innovation Fund portfolio (Q1) and had disbursed \$30,790. There was \$120,000 approved to date.
11.	COMMUNICATIONS			
Q1	11.1	Key messages developed for all IVCs.	Delayed	The activity has been postponed until after the annual project plan for technical programs are finalized (Q2).
Q1	11.2	Spokespersons and moderators trained for all IVCs.	Delayed	The activity has been postponed until after the new Communications Manager is on board (Q2).

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)

#	Section	Deliverables	Status	Explanatory Note
Q2	11.3	National media campaign on innovation/competitiveness implemented.	Completed	Launched the “iMULAI” initiative on Nov 15.
Q4	11.4	Press coverage on SENADA’s events generated.	In Progress	25 media citation generated.
Q4	11.5	Technical and ongoing project reports published and disseminated.		
Q4	11.6	6 journalist workshops conducted.		
Q4	11.7	2 editor roundtables conducted.		
Q4	11.8	48 SME Q&A columns published in Jawa Pos.	In Progress	6 SME Q&A Column published in Q1.
Q4	11.9	30 radio talk shows conducted.	In Progress	2 radio talk show conducted in Q1.
Q4	11.10	12 Competitiveness at the Frontier monthly forum published.	In Progress	3 issues published in Q1.
Q4	11.11	24 activity updates distributed.	In Progress	1 activity update distributed.
Q4	11.12	8 success stories distributed.		
Q4	10.13	Website run properly and its content updated.		
Q4	10.14	Daily news on competitiveness-related issues, SENADA’s focus industries and SENADA’s activities circulated to SENADA project and counterparts.		

C. ACTIVITY UPDATES



USAID
FROM THE AMERICAN PEOPLE



ACTIVITY UPDATE

SENADA LAUNCHES ITS REGMAP PROGRAM TO IMPROVE THE BUSINESS CLIMATE



“A few clear and mutually consistent regulations are incomparably better and more effective than a thousand unclear and mutually inconsistent pile of regulations which confuse both businessmen and officials.”

*Dr. Thee Kian Wie
Senior Economist
Indonesian Institute for Sciences*

The SENADA RegMAP offers a comprehensive mapping and review of all regulations associated with and/or impacting upon the project’s five focus industry value chains: garments, footwear, furniture, auto parts and home accessories.

SENADA will use the analysis resulting from this exercise to develop follow-on targeted advocacy and reform activities that work closely with key public, private and civil society counterpart organizations.

RegMAP’s most immediate, meaningful and sustainable impact will be the institutionalization of regulatory review techniques and processes within the private and public sectors. In the longer term, RegMAP may also contribute to the simplification or elimination of problematic regulations.

With the purpose of sharing information and sourcing input on RegMAP from a broad range of stakeholders, SENADA held a roundtable on regulatory reform at the Le Meridien Hotel in Jakarta on Friday, December 14, 2007.

Through presentations by David Ray (SENADA) and Andi Ikhwan (from the contracted RegMAP team) SENADA outlined the rationale, approach and methodology behind the RegMAP initiative.

This was followed by a major presentation by SENADA consultant Prof. Gary Goodpaster on the problems, constraints and opportunities associated with institutionalizing RegMAP into key business associations

The roundtable was attended by 35 enthusiastic participants representing a broad cross-section of stakeholders including business associations, government, research groups and donors.

Key discussion topics included: building the advocacy capacity of business associations, RegMAP methodology and problems faced by other donors/groups working on regulatory reform issues.

SENADA is a four-year, USAID financed project whose goal is to increase Indonesia's economic growth and employment by improving the competitiveness of major, labor intensive light manufacturing industries.

To learn more about SENADA, visit <http://www.senada.or.id>.

Activity Update #16e - Dec 2007



USAID
FROM THE AMERICAN PEOPLE



SENADA
INDONESIA COMPETITIVENESS PROGRAM

ACTIVITY UPDATE

SENADA LUNCURKAN PROGRAM REGMAP UNTUK MENINGKATKAN IKLIM USAHA



“Peraturan dalam jumlah relatif kecil yang jelas dan konsisten satu dengan lainnya akan jauh lebih baik dan efektif ketimbang ratusan ribu peraturan yang tidak jelas, bertentangan satu sama lain dan membingungkan bagi pelaku usaha maupun pejabat pemerintah.”

*Dr. Thee Kian Wie
Ekonom Senior
Lembaga Ilmu Pengetahuan
Indonesia*

Program RegMAP SENADA melingkupi kegiatan pemetaan dan penelaahan menyeluruh terhadap seluruh kebijakan yang berkenaan atau berdampak kepada lima rantai nilai industri SENADA: garmen, alas kaki, furnitur, komponen otomotif dan aksesoris rumah.

SENADA akan memanfaatkan hasil analisis kegiatan pemetaan dan penelaahan ini untuk mengembangkan kegiatan advokasi serta reformasi terfokus melalui kerjasama erat dengan mitra organisasi, baik dari pihak pemerintah, swasta maupun masyarakat madani.

Dampak penerapan RegMAP yang paling berarti dan berkelanjutan adalah pelembagaan teknik dan proses penelaahan peraturan dalam sektor swasta maupun pemerintah. Dalam jangka waktu yang lebih panjang, Program RegMAP dapat pula berkontribusi dalam menyederhanakan dan menghapus kebijakan bermasalah.

Guna berbagi informasi dan mendapatkan masukan untuk program RegMAP dari berbagai pemangku kepentingan, SENADA menyelenggarakan pertemuan *roundtable* tentang reformasi kebijakan di Hotel Le Meridien, Jakarta, pada hari Jumat, 14 Desember 2007.

Melalui presentasi yang dibawakan oleh David Ray (SENADA) dan Andi Ikhwan (dari tim RegMAP), SENADA menjabarkan rasional, pendekatan dan metodologi yang termaktub dalam inisiatif RegMAP.

Presentasi ini juga diikuti oleh pemaparan dari konsultan SENADA Prof. Gary Goodpaster berkenaan dengan masalah, keterbatasan serta peluang terkait dengan pelembagaan RegMAP dalam asosiasi bisnis.

Pertemuan ini dihadiri oleh sekitar 35 peserta mewakili beragam pemangku kebijakan, termasuk asosiasi bisnis, pemerintah, lembaga penelitian serta lembaga donor.

Diskusi mencakup beberapa topik, seperti memperkuat kapasitas advokasi asosiasi bisnis, metodologi RegMAP dan masalah yang dihadapi oleh kelompok atau donor lain yang berkecimpung dalam isu reformasi kebijakan.

SENADA adalah proyek empat tahun yang didanai oleh USAID. Tujuan SENADA adalah meningkatkan pertumbuhan ekonomi, tenaga kerja terserap dan pendapatan melalui peningkatan daya saing industri manufaktur ringan padat karya yang signifikan.

Lebih lanjut tentang SENADA,
kunjungi <http://www.senada.or.id>.

Activity Update #16i - Dec 2007

D. STTA UTILIZATION

SENADA STTA UTILIZATION (OCTOBER - DECEMBER 2007)

Name	Start / End Date of Performance	# of Days Utilized	Objective of STTA
Ngurah Pratama Citra	1 Jul - 31 Oct	45	To identify the gap between global buyer demand and Indonesia's home accessories industry performance, and assist in formulating viable strategies to bridge this gap
Wanlie	1 Sept - 31 Oct 07	20	To conduct thorough analysis of companies' Seal Quality, product lines, competition, and potential market segmentation; and, provide technical advise and detailed recommendations on all aspects of the brand development, marketing and pricing
Ted Barber	18 Oct - 2 Nov 07	*	To conduct AMAP End Market Studies
M. Riza Radyanto	29 Oct 08- 31 Jan 08	41	To develop upgrading activity modules for 4 areas; (1) labor compensation and incentive scheme; (2) working environment; (3) productivity improvement & production planning; and (4) quality assurance planning and implementation.
Tim Armstrong	21 - 27 Oct 07	*	To conduct AMAP End Market Studies
Erin Weiser	22 Oct - 9 Nov 07	15	To reduce information gap by mapping out and reviewing a board range of existing industry promotion programs and policy measures that potentially impact SENADA's IVCs.
Samira Salem	22 Oct - 31 Dec 07	8	To attract a meaningful participation of major international brand-name buyer in SENADA's upgrading program.
Dionisius A. Narjoko	9 Nov 07- 30 Apr 08	7.5	To reduce information gap by mapping out and reviewing a broad range of existing industry promotion programs and policy measures that potentially impact SENADA's IVCs.
Richard Waddington	4 - 11 Nov 07	5	To apply the RIA checklist to the inventory of regulations, and fine tune the final proposed recommendations based on the field research.
Sani Daher	11 - 27 Nov 07	12	To familiarize SENADA's new Project Quality Manager with project organization, staff and technical activities, and to provide critical direction and leadership in assuring that SENADA's footwear value chain activities can proceed smoothly and effectively.
Gatot Herianto	12 Nov - 11 Dec 07	10	To process standard methodology and specifically develop all reference materials related to QSEL process certification.
Gary Goodpaster	25 Nov - 15 Dec 07	15	To develop a strategy for institutionalizing the Reg-MAP process results to ensure more sustainable impact of this activity.

SENADA STTA UTILIZATION (OCTOBER - DECEMBER 2007)

Name	Start / End Date of Performance	# of Days Utilized	Objective of STTA
David Mahood	25 Nov - 17 Dec 07	16	To better understand how to compete in the "sustainable" market and develop the contents of a catalogue highlighting sustainable Indonesian home furnishing offerings and their producers.
Kurniawan M. Harta	5 Dec 07 - 15 Mar 08	15	(1) to improve website of indotextiles.com by re-designing and redeveloping its features and structures to enrich the content, information and other functionalities that can benefit garment industry players (2)To build a website for Garment Partnership Program.
Faizal Naru	16 - 23 Dec 2007	5	To apply the RIA checklist to the inventory of regulations, and fine tune the final proposed recommendations based on the field research.
Total LOE		214.5	

** SENADA supports AMAP End Market Studies by covering travel related expenses.*

E. MEDIA CITATIONS FOR THIS QUARTER

MEDIA CITATION (October to December 2007)

NO	DATE	MEDIA	TITLE	TYPE OF MEDIA
<i>"iMULAI"</i> initiative – Jakarta, 15 November 2007				
1	15 Nov	LKBN Antara	Microsoft and SENADA Conduct Innovation Competition Worth of IDR 1 Billion	News agency
2	15 Nov	Detikinet	Microsoft Prepares 1 Billion, Cooperation With Local Innovation	Online media
3	15 Nov	KCM	Photo: Microsoft and USAID to Organize Competition Worth of Rp1 Billion	Online media
4	16 Nov	The Jakarta Post	Photo news: Getting Down To Business	National general newspaper (English)
5	16 Nov	Investor Daily	Photo news: Local Innovation	National business newspaper
6	16 Nov	Bisnis Indonesia	Photo news: Innovation of Information Technology	National business newspaper
7	16 Nov	Investor Daily	Microsoft Gives IDR 1 Billion Through Software Competition	National business newspaper
8	16 Nov	Bisnis Indonesia	The Government Has Not Taken an Interest in Microsoft Low Price Software	National business newspaper
9	16 Nov	Koran Tempo	Indonesia Information Technology Competitiveness is Low	National general newspaper
10	16 Nov	Indocommit.com	<i>"iMULAI"</i> , Idea Competition	Online media
11	15 Nov	Okezone.com	Wanted: A New Innovator on Business Solution	Online media
12	16 Nov	SDA Asia	Microsoft Indonesia Collaborates with SENADA	IT magazine
13	16 Nov	Chip Online	<i>"iMULAI"</i> : Competition on Innovative Ideas Worth Rp1 Billion	IT magazine

MEDIA CITATION (October to December 2007)

NO	DATE	MEDIA	TITLE	TYPE OF MEDIA
14	17 Nov	Indopos	Microsoft Launches “ <i>MULAI</i> ”	National general media
15	17 Nov	Detikinet	TOP TRADE STORY: Software Innovation, Indonesia’s Asset in Global Competition	Online media
16	18 Nov	Warta Ekonomi	Local ISV Not Familiar with Industrial Knowledge and Marketing Skill	Business magazine
17	19 Nov	Kedaulatan Rakyat	Microsoft and USAID Engage in Unique Public-Private Collaboration	Regional newspaper
18	19 Nov	Kompas	Capability Detection	National general newspaper
19	19 Nov	The Point	Microsoft, USAID seek innovative entrepreneurs	National newspaper (English)
20	23 Nov	Kedaulatan Rakyat	“ <i>MULAI</i> ” Supports Product Competitiveness	Regional newspaper
21	25 Nov	Suara Pembaruan	“ <i>MULAI</i> ”, Innovation Competition	National general media
22	4 Dec	PC Plus	Don’t be NATO, Reveal Your Idea	IT magazine
23	6 Jan	Kedaulatan Rakyat	TOP TRADE STORY: Creative Idea Initiates Software Economic Development	Regional newspaper

The Sustainable Home Furnishing Design Competition (non-event)

1	11 Nov	Kedaulatan Rakyat	Environmentally friendly interior sought after	Regional newspaper.
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F. SENADA BIF USAID SUMMARY

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (December 2007)

No	Grantee / Contractor	Activity Title	Type	Target	Location	Start	Finish	Amount (IDR)	Amount (USD)	Purpose	Date approved by USAID
1	Servitama Consulting	Increasing the SME's competitiveness through problem solving capabilities improvement	Consulting Firm	Various Industries	Jakarta	1-Nov-07	30-Apr-08	224,100,000	\$24,900	Executive Management Coaching	19-Sep-07
2	IATO Indonesia	Automotive Product and Process Standards E-Library	Business Association	Autoparts	Jakarta	1-Nov-07	21-Jan-08	201,850,000	\$22,428	Automotive Standards E-Library	5-Oct-07
3	Diponegoro University	Break Drum Industry Standardization Program	University	Autoparts	Semarang	1-Nov-07	30-Apr-08	161,500,000	\$17,944	Break Drum Standardization	22-Oct-07
4	LSK-K3 (ICCOSSH)	Certification of Competencies on Occupational Safety & Health	NGO	Various Industries	Jakarta	3-Dec-07	3-Jun-08	204,500,000	\$22,722	OSH Certification Program	19-Nov-07
5	Indonesian Textile Association (API)	Garment / Textile Industry Virtual Business Forum	Association	Garment	Jakarta	7-Jan-08	7-Jul-08	122,643,415	\$13,627	Virtual Business Forum	14-Dec-07
6	Sigma Training Centre	Advance Motorcycle CBT Training Center	Consulting Firm	Autoparts	Surabaya	7-Jan-08	7-Jul-08	166,700,000	\$18,522	Application of Competence Based Training Approach	14-Dec-07

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (December 2007)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
1	Servitama Consulting	Increasing the SME's competitiveness through problem solving capabilities improvement	An innovative executive management problem solving consulting and coaching consulting service for SMEs will be piloted to improve SMEs ability to made day-to-day management and operational decisions. Consulting service, originally offered only to large companies, will be tested on 10 SMEs and launched commercially for multiple industries in May 2008.	Improvement of the capabilities in problem identification and problem solving is very critical for SMEs in Indonesia, especially for developing SMEs' competitiveness. By improving this capability, strengthened with appropriate continuous learning behavior, would arise and finally can improve the competitiveness of the SMEs.
2	IATO Indonesia	Automotive Product and Process Standards E-Library	Indonesia's most comprehensive automotive standards repository will be launched as a highly interactive E-Library. E-Library will be web based and serve as centralized knowledge bank for all SAE, JIS, JASO and ASTM standard handbooks and publications for the industry. Initially E-Library will be used to develop various IATO consulting services including production standards development for Society of Automotive Indonesia's "QSEAL"™ Program.	Improve public awareness on the need and function of standards and other recognized technical documents. Provide access to JIS, JASO, SAE& ASTM documents to all parties who need them for references and research & development purposes. Increase public participation in the development of automotive engineering.
3	Diponegoro University	Break Drum Industry Standardization Program	Finalization of a standard operation procedure (SOP) for the globally competitive heavy duty break drum for commercial vehicles. SOP production will serve as the basis for a new industry wide consulting service provided by UNDIP to upgrade producers to SOP standards levels guarantying quality control and consistency of value added production standards across the break drum automotive component industry.	Improving the competitiveness of products and increasing consumers' trust to use them. Improving the heavy duty brake drum production process capability so that SME's can produce high-quality products. Encouraging SMEs to develop superior products that can substitute imported automotive components, so that this can save the national reserves, open chances of exporting activities and support the national automotive industry. Encouraging SME's to shift to modern methods in its production process by namely utilizing SOP, quality control and certification on all of its products, so that it is expected that this way can offer guarantee on such products for domestic and foreign consumers.

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (December 2007)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
4	LSK-K3 (ICCOSH)	Certification of Competencies on Occupational Safety & Health	ICCOSH will launch a nationwide Operational Safety and Health (OSH) certification program for Indonesian companies to ensure basic workplace health and safety standards are in place. With OSH certification, firms will reduce accidents and disasters, increase efficiency and profitability due to reduction in poor performance of workers, and reduce regulatory burdens related to government OSH Certification	With the OSH people in enterprises certified, the level of implementation of OSH at the workplace would then improve in intensity and quality, such would lower the risk of accident and disasters, lower the unnecessary costs for covering damages.- At the other hand the level of global competitiveness of the business will rise. Companies will be able to fully and accurately implement the OSH regulations. There will be no more "fake" reports, no unnecessary fear for government inspections, because everything related to OSH has been practiced appropriately at the workplace. Such is definitely a significant benefit for industries concerned.
5	Indonesian Textile Association (API)	Garment / Textile Industry Virtual Business Forum	This innovative website will combine e-commerce and virtual business forum features to greatly enhance information exchange across Indonesia's garment and textile industries. SMEs will be able to access critical industry and trade information, including industry performance data and trends, select research on best practices, critical information on buyers/trade opportunities, and select information (for buyers) on local textile/garment firms and their product lines.	API focuses on the assistance to the members and other national textile stakeholders by aim at developing and increasing national textile industry and trade. For that purpose, API has worked together with all textile stakeholders, such as government, textile businessmen, textile machine producers, designer associations, university and academy, press, analysts and textile experts, NGOs, etc. The web contain will consist of (a) information on Indonesian textile industry and trade; (b) the actual data on the Indonesian textile industry and trade; (c) research and development for developing national textile industry and trade; and (d) other basic information. All of the need easily, quickly, and up to date means of communication
6	Sigma Training Centre	Advance Motorcycle CBT Training Center	STC will launch a hands on competency-based (CBT) education, training and certification program for motorcycle workshop mechanics in automotive transmission (CVT) and fuel injection (FI) maintenance. This training center will be the first of its kind in Indonesia and will lead to great improvement in the quality of mechanic services provided to millions of Indonesian's motorcycle owners in E. Java.	With development of CBT method directly can deliver effective impact for human resource development, especially for motors cycle mechanics competency and automotive vocational school teachers. This activity indirectly can also improve awareness of formal education providers to start focused and develop education system with competency base approach. Hence we can produce graduates which are ready to work. If this can be realized, in result can reduce educated unemployed.

SENADA – Indonesia Competitiveness Program

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