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SENADA QUARTERLY REPORT

July – September 2008 (Year 3 Quarter 4)

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1. PROJECT ADMINISTRATION AND FINANCE

1.1 BUDGET ISSUES

The main administration and finance issue during this quarter continued to be the project's uncertain budgetary situation, both in terms of cash flow and the overall project budget ceiling. Because of the FY 2008 budget shortfall at USAID, we maintained expenditures at a level approximately 15 percent below the levels included in our approved year three work plan. Total expenditures for the three month period were \$1,377,248, for an average monthly expenditure of \$459,082. By the end of the quarter, the SENADA project had expended \$12,899,600, equal to 66 percent of the contract ceiling amount.

USAID informed SENADA of an impending reduction in the contract ceiling amount during the quarter. This set in motion a lengthy process of negotiation regarding the total amount to be reduced and the composition of the reduction across line items. The negotiation was not completed until early October with the signing of Modification No. 13 and a new budget ceiling of \$18,679,570, about \$1 million below the original amount. The modification also included minor revisions to the contract scope of work.

Despite the reduced availability of funding during this quarter, SENADA achieved nearly all project goals, both administrative and technical. We expect to continue a high level of project performance in year three and to meet or exceed the requirements in the contact scope of work despite the reduction in overall project funding.

1.2 PERSONNEL

The DAI home office conducted a major reorganization during the quarter resulting in changes in all backstopping staff except for David Whitfield. Notably, SENADA's Project Quality Manager Sani Daher and Business Manager Florencia Mead have left the project. The new support team for SENADA includes the following key persons:

- Andrea Chartock – Technical Program Manager
- David Whitfield – Project Coordinator
- Keith Dokho – Business Manager
- Shiranee Paul – Contracts Manager

Also during this period SENADA terminated the contract of the Communications Manager who had been in the position since February 2008. Due mainly to budgetary constraints we decided to fill this position by transferring a current SENADA employee to the position. The new Communications Manager — Widodo Hardjono — will start in his new position in early October.

2. TECHNICAL PROGRAM

2.1 INDUSTRY VALUE CHAIN STRENGTHENING PROGRAM

2.1.1 AUTO PARTS INDUSTRY VALUE CHAIN

Summary

SENADA's Automotive Parts program achieved several quarterly milestones despite having programmatic issues with two of its key institutional partners. Most significantly, QSEAL completed its first full certification for a car mirror company in August. The QSEAL certified mirror entered the commercial market in September and is currently being distributed through three Jakarta based service stations. SENADA also completed a QSEAL marketing campaign in September with direct marketing provided to over 70 firms and QSEAL information posters posted in over 60 service stations. Finally, distribution continued of the June 2008 launched *Technical Service Provider Directory – Metal Stamping Edition* through PT. Gramedia bookstores. To date, 500 directories have been purchased by the industry.

Activity Descriptions and Deliverables

- **Auto part supplier upgrading initiative.** Despite continued and significant industry and government enthusiasm in the QSEAL program, SOI has not been able to expand its active QSEAL client base as SENADA initially expected. This is due in part to a combination of factors that include: a lack of financial resources of our institutional partner SOI (which severely limits marketing capacity); an unresolved cost-sharing agreement between the three QSEAL partners (which causes internal disagreement and overall inefficiency); political resistance to QSEAL by a industry association GIAMM (undercutting the market of potential clients); and a general wait and see attitude by the firms. SENADA and SOI remain fully confident in the QSEAL program, but based on these factors we have scaled back program targets and outputs.

Despite these challenges, SENADA maintained course and focused support throughout the quarter on building SOI's QSEAL client base and on ensuring the necessary systems were in place to provide quality service to QSEAL clients. Encouragingly the following technical milestones were achieved during the quarter:

- In August Cipta Kreasi Prima Muda, a mirror company based in Jakarta, became QSEAL's first certified firm. In September its QSEAL certified mirrors hit the market and are currently being distributed in three Jakarta based service stations. SOI still has two QSEAL clients in its pipeline
- SOI expanded its technical service offerings by allowing firms to apply for and receive QSEAL product and process certification separately. This allowed the QSEAL process certification service to be marketed to smaller firms that do not necessarily produce final products, thus increasing the pool of potential QSEAL clients.
- SENADA and SOI led a major QSEAL marketing campaign in September that conducted one-on-one QSEAL marketing presentations for 70 firms and distributed QSEAL flyers to over 150 firms. Working with ASBEKINDO, detailed QSEAL informational marketing posters were also placed in 60 ASBEKINDO member service stations and independent distributors (see picture) throughout Java.



Also on a positive note, despite continued frustrations with GIAMM association, industry and government support for QSEAL remains high. In August, MOI published a recommendation letter of support for QSEAL and disseminated it to hundreds of small component producers throughout Indonesia.

Deliverables:

- Cipta Kreasi Prima Muda Innova brand mirror received QSEAL certification and part was sold 40% OEM market value in three service stations. (September 2008)

- ▶ **Technical Service and Training Linkage Development Initiative.** After publishing the *Metal Stamping Technical Training Service Provider Directory* with SENADA's local partner Wahana Pengembangan Usaha (WPU) in June, SENADA decided to discontinue its relationship with WPU for the full directory in July. This decision was based on a distinct change in the core business focus of WPU from automotive components to energy services, after WPU won a large government contract from the Ministry of Energy.



Much of the quarter, therefore, was devoted to searching for and evaluating candidate institutions to develop and publish the full directory. In September SENADA secured agreement from Bandung Institute of Technology (ITB-CIEL) to develop, publish and disseminate the full version of technical service provider directory by May 2009. All survey and rating methodology and brand copy rights were transferred to ITB-CIEL from WPU. WPU still owns and manages the pilot directory which has sold 500 copies in Gramedia bookstores to date.

Deliverables:

- 800 pilot Metal Stamping Technical Training Service Provider Directory published and distributed through Gramedia bookstores. (September 2008)
- ITB-CIEL secured as institutional and technical partner for full technical service provider directory. (September 2008)

- ▶ **Export Promotion Initiative.** SENADA continued to work with two key private sectors investors – PT Gobizx and PT Waysase – on the development the Indonesian Global Sourcing Center (IGSC). Based on a finalized business plan, the IGSC team developed and started initial implementation of IGSC core business services in July, including: market intelligence, supplier global sourcing support (CONDEV), supplier development (FASTDEV) and supplier information system (MAYDEV).

The supplier information system (MAYDEV) is the heart of IGSC and is the central focus of SENADA support. This database will record and analyze supplier data on product development, production capacity and standards, certifications, export sales and subcontractor capacity. IGSC will use this information to promote Indonesian suppliers to larger OEM buyers. It will also assist suppliers to respond to global Request for Quotations, and endow IGSC with a foundation on which it can develop export services in purchasing and supply management, quality control, standards upgrading, product development, and legal and financial support. Initial design for MAYDEV was completed in September. Launch of MAYDEV is scheduled for early 2009.

Deliverables:

- IGSC is officially established by PT Gobizx and PT Waysase. (July 2008)

2.1.2 FURNITURE INDUSTRY VALUE CHAIN

Summary

SENADA's Furniture Value Chain program continued to achieve programmatic milestones throughout the quarter. SENADA closed the quarter with four additional third party certification audits completed and 11 legal wood certifications received. At the end of year three, a total of 22 furniture companies received third party audits and 21 certificates were awarded. These results far surpassed our year three target of 12 certifications. ASMINDO completed the apprenticeship stage of SENADA's *Legal Wood* technical consulting support program in September and has already recruited seven clients. Finally, SENADA completed the *Sustainable Practices* technical assistance program for 11 lead firms and finalized the first draft of the comprehensive *Wood Certification Training Module* to be released early in year four.

Activity Descriptions and Deliverables

- **Sustainable wood furniture upgrading program.** By quarter's end, SENADA had exceeded all year three milestones for the *Legal Wood* program. SENADA finalized four additional certification audits this quarter and 10 furniture companies received certification. Total achievements to date include:

INTERNATIONAL WOOD CERTIFIER	CERTIFICATION AUDITS COMPLETED	CERTIFICATIONS OBTAINED
TUV Rheinland	10	7 VLO ; 3 COC-FSC
Smartwood	6	3 VLO; 3 COC-FSC
SGS	4	3 COC-FSC; 1 CW-FSC
BVQI	2	2 VLO
TOTAL	22 (exceeded estimates by 10)	21 (exceeded target by 9)

SENADA trained an additional 50 suppliers and subcontractors of furniture producers on the importance of VLO and FSC certification, legal wood procurement and chain of custody documentation. Throughout year three SENADA trained a total of 185 firms.

Under the *Sustainable Practices* initiative, SENADA provided technical assistance to 11 lead furniture firms to develop, implement and monitor sustainable practices. The assistance, provided by SENADA's full-time industry advisors, culminated in "sustainability statements" prepared by all 11 firms outlining the current status in meeting international sustainability standards. In addition to the final status reports, concrete sustainable action plans were developed on each firm providing them with tools to continue monitoring their progress towards sustainability in the future



The end of year three marks the formal completion of SENADA's *Legal Wood* and *Sustainable Practices* direct technical assistance programs. *Legal Wood* technical support will be transferred to ASMINDO and a selection of private consulting firms (see below) starting next quarter. *Sustainable Practices* support will be modularized and broadly disseminated in late 2008.

Deliverables:

- 50 suppliers and subcontractors of furniture producers trained in legal wood certifications, procurement and chain of custody documentation (185 to date). (September 2008)
 - Sustainable action plans and statements completed for 11 companies. (September 2008)
 - Four legal wood audits completed (22 audits to date). (September 2008)
 - 11 firms received legal wood certification (VLO / FSC). (22 to date). (September 2008)
- **Institutionalization of Sustainable Wood Program.** With the completion of our *Legal Wood* program at the end of quarter four, SENADA is transitioning away from providing direct legal wood technical services. To guarantee continuous technical consulting services are available to furniture firms throughout the market where demand remains high, SENADA ramped up technical support to ASMINDO and select consulting firms to ensure a seamless institutionalization of our programs, methodologies and overall technical knowledge. Throughout the quarter, 25 ASMINDO staff and 15 consulting firms succeeded in, completing SENADA's legal wood training and apprenticeship program that started in Q3.

SENADA also supported ASMINDO (our primary institutionalization partner) in the creation of a new technical consulting unit (*ASMINDO Certification Care (ACC)*) within the furniture association to provide commercial wood certification consulting services. Activities this quarter primarily focused on developing marketing material and a sales kit and finalizing a consulting services pricing strategy. Although not formally launched, ACC has already started providing technical consulting services in Surabaya and Jogjakarta. By quarter's end, ACC has already secured a portfolio of seven clients and one of its clients — PT. Geristha Agung — already received VLO certification. Supporting ACC's expansion and technical development is a top year four priority.

SENADA also finished the final draft of a comprehensive *Wood Certification Training Module*, a multimedia learning tool that will be utilized by actors throughout the value chain. SENADA expects the training module to be ready for broad industry dissemination in early year four.

Deliverables:

- 25 ASMINDO staffers and 15 consulting firms trained in wood certification competencies and consulting best practices. (August 2008)
- ACC and select consulting companies started providing technical legal wood consulting support in three cities. (August 2008)
- First seven clients recruited by ACC. (September 2008)
- First ACC supported firm receives VLO certification. (September 2008)
- Final draft of *Wood Certification Training Module* completed. (September 2008)

- **Improving the enabling and regulatory environment for trade and investment.** The BEE team has taken full programmatic oversight over this activity with only select Furniture IVC technical team support. For more information on this advocacy program with the MOF's Customs office, please refer to the Business Enabling Environment section of this report (2.2.1).

Deliverables:

- See Business Enabling Environment section (2.2.1).

2.1.3 GARMENTS INDUSTRY VALUE CHAIN

Summary

SENADA's Garments program achieved strong progress this quarter both in terms of its successful technical *Executive Development Program (EDP)* and *Garment Partnership Indonesia (GPI)*. After a complete revision of all EDP training materials and identification and recruitment of new, highly regarded speakers, SENADA successfully conducted six training sessions of EDP round two in July and August. 15 garment factories from Central Java and Bali participated and it was fully supported by major brands and important Indonesian lead firms. SENADA also conducted another successful GPI *Link and Match* market linkage event that engaged 14 buyers and 23 garment factories and textiles mills. Finally, SENADA completed its technical capacity building program with Indotextiles.com, whose web-based trading portal continues to grow with more than USD \$100 million in potential buying and selling leads posted.

Activity Descriptions and Deliverables

- **Facilitate Sustainable Industry Coordination Mechanism for Firm Upgrading.** The Garments IVC made progress in improving garment market linkages on four separate notable fronts:

- *Link and Match.* SENADA successfully conducted a second *Link and Match* event in August (*Link and Match I* was in September 2007). For buyers, the event provided access to more than 23 Indonesian suppliers in one setting. For suppliers, it offered an opportunity to establish contacts with buying offices and buying agents representing 14 companies (including international brands Hanesbrands International, Wal-Mart, Target Corporation, Liz Claiborne, Texline, and Cuddy Global). The event was highly regarded by all participants in part because suppliers were vetted in advance using benchmarks established by SENADA to ensure suppliers met minimum production, quality and ethics standards. The initial outcome of 80 buyer-producer meetings was positive: numerous requests for quotes were made, four of which have already generated new business for domestic producers .



- Swiss Import Promotion Program (SIPPO). In September SENADA, through GPI, facilitated the relationship between SIPPO, International Garment Trading Center (IGTC) and key Indonesian garments producers and industry association stakeholders. The purpose of this activity it to expand access to European markets by through Indonesian textile and garment producers' participation in two upcoming European trade fairs: *Heimtextil* in Frankfurt (January 2009) and *Global Fashion* in Dusseldorf (July 2009). GPI will hold a joint information session between IGTC, SIPPO and other major garment and textile industry leaders in November.
- Indotextiles.com. SENADA completed technical assistance and marketing support for the successful initiative Indotextiles.com web portal. A series of marketing events were conducted throughout the quarter in Jakarta, Solo and Bali to highlight Indotextile's new e-portal online *buy and match* service. By the end of the quarter, over 300 selling and buying leads had been posted valued at over USD \$100 million in potential transactions and over 620 product leads were provided to the industry at large. A total of 1,298 textiles and garments companies are listed on the website and over 50 factory clients are currently paying for, and benefiting from, its services. This site has received over 20,000 visitors since launch in May 2008.
- Institutionalization of GPI. While the design and implementation of tangible programs such as the ones detailed above remains SENADA's principal focus, we are also determined to institutionalize our programs with local partners. SENADA engaged several of Indonesia's principal training and garments institutions, including LPPM, ST3 and IGTC. After evaluating each in terms of capacity and interest level, we decided to jointly manage the GPI program with IGTC. Management from both institutions expressed firm commitment to the program and plans were made to transfer GPI secretariat management and activities to IGTC facilities in Bogor in October.

Deliverables:

- *Link and Match II* market linkage event was successfully conducted resulting in 80 separate buyer-producer meetings and four producers generating new business. (August 2008)
- **Executive development upgrading.** SENADA conducted the second round of its successful Executive Development Program (EDP) in Central Java in July and August. Over the course of four weeks, six separate EDP workshops were conducted: *Human Resource Management, Social Accountability; Fabric Sourcing; Productivity; Quality Assurance* and *Full Package Merchandising*. Based on feedback from the EDP I training modules, SENADA made selective investments in well-regarded speakers and contributors from international brands (Liz Claiborne, Gap, Nike, Pvh, Li&Fung, Dewhirst, Nutexmoda and Adidas) and major Indonesian lead firms (Ungaran Sari Garment, Dayani Garment Indonesia, Multi Garmen Jaya and Buana Lautan). Each one day workshop offered innovative practical solutions to ensure industry executives were equipped with globally recognized skills, knowledge and competencies. In total, 69 senior executives from 15 garment producers participated in EDP II from Solo, Boyolali, Semarang and Bali.

Deliverables:

- Six EDP upgrading sessions held for 15 garment factories, training 69 managers. (August 2008)
- **Development of sustainable manufacturing practices.** After the successful completion of the factory pilot session last quarter, SENADA and Neville Clarke conducted the first *Lean Sigma for Garment Industry* introduction class for 10 garment producers in Jakarta in September. This training was an abbreviated session to introduce firms to the full training program to be launched in October. *Lean Sigma for Garment Industry* is the first market driven Lean Sigma consulting and technical assistance services specifically tailored for the garments industry. It offers innovative management solutions to improve productivity, quality and profitability. The training was well received, although participants voiced some concern over the perceived high investment costs required to implement Lean Sigma management systems. Despite this, SENADA is confident this event, combined with other marketing efforts, will lead to a high turnout at the first full Lean Sigma training session in October.

Deliverables:

- Kick-off Lean Sigma for Garment Industry workshop conducted with Neville Clarke in Jakarta for 10 garment factories. (September 2008)

2.1.4 HOME FURNISHINGS VALUE CHAIN

Summary

A strong wave of momentum was established this quarter in creating a viable sustainable home furnishings industry in Indonesia. SENADA completed the first phase of its sustainable upgrading program with the successful implementation of concrete technical improvements in 16 lead home furnishings and furniture firms. SENADA also supported the successful participation of nine of these firms at one of the world's foremost home furnishings trade shows in Las Vegas. The achievement of these quarterly milestones has led directly to a higher level of commitment of the lead firms SENADA works with and has notably generated great interest among the broader industry in sustainable production. These conditions provide the strong foundation upon which SENADA will extend the adoption and impact of its program during year four.

Activity Descriptions and Deliverables

- ▶ **Improve HF industries capacity to meet international standards of sustainable Business Practices and products.** During the quarter SENADA completed technical assistance to five lead home accessories firms to develop, implement and monitor *sustainable practices*. The assistance, provided by SENADA's full-time industry advisors, culminated in "sustainability statements" prepared by all five firms outlining the current status in meeting international sustainability standards. In addition to the final status reports, concrete sustainable action plans were developed on each firm providing an important tool that the firms can use to continue monitoring their progress towards sustainability in the future.

Overall progress among the firms in implementing tangible improvements has been excellent. Sustainability action plans consisted of six components and included the following examples of improved practices:

- *Raw Materials:* Obtained certified VLO or FSC wood; increased use of natural fibers and waste materials,
- *Design:* Optimized wood utilization, reduced unsustainable materials, modular assembly to reduce energy use.
- *Production:* Reduced or eliminated toxic paints and glues; improved energy utilization and waste disposal.
- *Marketing:* Developed new promotional and marketing materials, branding and websites; utilized recycled paper for promotion.
- *Education:* Trained employees and sub-contractors in sustainable practices, environmental concerns.
- *Social Equity:* Developed and implemented health and safety measures; improved and more transparent compensation and insurance coverage.

During the quarter SENADA started the next phase of this activity consisting of the development of sustainable upgrading training modules. These modules are being designed to build on and to institutionalize sustainability practices within the broader home furnishings sector. STTA Ted Barber was hired to oversee the development of modules content. He worked closely with SENADA's technical advisors throughout the quarter in undertaking global research of tools and best practices. By quarter's end, SENADA had completed the research phase of module development.

Deliverables:

- Sustainable upgrading completed to five home furnishings lead firms. (September 2008)
 - Research phase in developing sustainable upgrading modules completed. (September 2008)
- ▶ **Establish and carry out permanent capacity of HF industry to promote and access international markets.** Great progress was achieved during the quarter with the successful representation and participation of nine core home furnishings at the Las Vegas World Market Center trade show in July. This group of pioneering firms, calling themselves "Eco Exotic", worked together with SENADA in planning and coordinating the logistical and promotional details for the show. Individual members volunteered to carry out functions for the entire group such as treasury and shipping. With SENADA's technical support, a full blown global promotional and marketing campaign was launched ahead of the show. It included e-mail blasts, an article in trade journal Furniture Today (June 2008 edition), an Eco Exotic website (www.ecoexotic.net) and catalogs and flyers produced for the entire Eco Exotic group.



From July 28 to August 1, the nine firms showcased as themselves as a unified and seamless *Eco Exotic Exhibition* at the Living Pavilion in Las Vegas. They clearly made a substantial impression on the industry. Hundreds of buyer inquiries were made and dozens of these are developing into potentially serious long-term relationships. Among the major brands interested in refocusing on Indonesia specifically because of Eco Exotic are Pottery Barn, Imax, Lamp Plus, Hudson Bay and Willow Green. SENADA and the firms have developed a tracking system to ensure all potential leads are followed-up and monitored.

The real proof of this activity's success is the fact that Eco Exotic members returned to Indonesia and immediately decided to establish a new formal organization dedicated to developing the sustainable home furnishings industry in Indonesia. In August SENADA started to work with Eco Exotic to iron out agreement on the basic precepts of a new institution, including a general vision, legal framework, governance structure and programmatic goals. With less than a year remaining in the SENADA project there is little time to waste. In September, therefore, without a formal institution in place, Eco Exotic established its basic operations and began to function with the direct assistance of SENADA. We will continue to support Eco Exotic throughout year four in fully institutionalizing its structure and functions.

Deliverables:

- Core group of Indonesian Home Furnishings firms successfully attend the Las Vegas World Market Center show, the first of three planned international trade shows. (August 2008)
- Eco Exotic working group starts formal establishment of an organization to support and represent a growing sustainable home furnishings industry and begins operations. (September 2008)

2.2 CROSS CUTTING PROGRAMS

2.2.1 BUSINESS ENABLING ENVIRONMENT

Summary

The most significant achievement for the BEE team this quarter was the application of filter one to RegMAP's initial inventory of 1,000 regulations. Although the RegMAP filters two and three are still ongoing, the BEE team now has a strong understanding of which groups of regulations are the most problematic for our sectors. This knowledge will be further developed as the RegMAP process is finalized in year four. Also this quarter, the BEE advocacy programs continued with a variety of activities including a successful effort to influence an upcoming Ministerial Regulation governing the use of local government disturbance-planning permits, as well as a continuing effort to influence the implementing regulations now being drafted for the recently enacted Shipping Law. Finally, BEE published the *2008 Export Competitiveness Report* for five value chains.

Activity Descriptions and Deliverables

- **Industry Regulatory Mapping and Policy Analysis.** The primary focus this quarter for the BEE team was the completion of RegMAP filter one. Filter one is the most demanding and labor intensive stage of the RegMAP process, involving the production of over 3,000 separate reports by RegMAP researchers and considerable oversight and quality control by the BEE team. The final result of the filter one process was a shortlist of 350 "possibly programmatic" regulations, to be advanced to the filter two process which will be completed (along with filter three) by December 2008.

Progress toward RegMAP institutionalization also continued throughout the quarter with the Legal and Regulation Directorate at BAPPENAS. This involved various planning meetings with senior BAPPENAS officials and most importantly a major RegMAP training event for BAPPENAS staff and other interested stakeholders from BPHN, National Law Development Agency; Ministry of Law and Human Rights, MOI,

APINDO, KPPOD, PEPI, and The Asia Foundation in July. The institutionalization effort with BAPPENAS will be intensified next quarter with their team playing a direct role in the implementation of RegMAP filter three as well as the development of RegMAP IT and data management systems.

Deliverables:

- RegMAP training workshop conducted for more than 30 participants from the Directorate of Legislation Analysis at BAPPENAS and other key industry and government stakeholders. (July 2008)
- RegMAP filter one completed for the initial inventory of 1,000 regulations. (August 2008)
- Filter one data uploaded into RegMAP online database and website. (September 2008)

► **Strategic Advocacy Initiatives.** Complementing RegMAP were a number of additional strategic advocacy activities carried out throughout the quarter as described below:

1. National Shipping Law. SENADA focused this quarter's activity on communicating the results of SENADA's technical report titled *Indonesian Port Sector Reform and the 2008 Shipping Law* published in September to a broad industry and government audience. SENADA conducted a series of workshops and seminars, including at a stakeholders' roundtable at the World Bank, the 2008 National Transport and Logistics Conference, a series of internal meetings at the Coordinating Ministry for Economic Affairs, and various international seminars. SENADA's analysis of the law has been well covered in the media, with over two dozen articles in national dailies and other papers. This coverage has expanded the debate on urgent policy actions required to improve port sector performance. Next quarter's advocacy activities will focus on strategic measures to influence the Shipping Law's implementing regulations, and targeted analysis completed to support the development of a new port for Central Java.
- 
2. Disturbance Permits. SENADA finalized and disseminated a comprehensive report titled *The Nuisance Permit System — A Report on Disturbance Control* by STTA Don Elliot in July providing a clear set of recommendations for the drafting team of the Ministerial Regulation governing the use of disturbance-planning by-laws (*izin gangguan*) by local authorities. The input from SENADA was well received by the Ministry of Home Affairs and much of it is expected to be incorporated into the final draft of the regulation due out in late 2008.
 3. Container Freight Handling Services (CFS). SENADA finished a draft of a comprehensive report outlining key issues and problems surrounding current CFS arrangements at the main port of Tanjung Priok and targeted policy recommendations for improvement. The report will be finalized and disseminated next quarter.
 4. Decentralization of Import Samples. Based on recommendation provided by SENADA (and ASMINDO) to Indonesia's Customs National Office last quarter, the Customs Office has now decentralized the furniture samples import duty waiver process to its regional offices. The Customs Office responded to SENADA's recommendations by forming a team to review the conflicting policies. As a result, the Custom Office drafted a new implementation guide to regulate the waiver application process at the provincial level and provided guidance to national and regional offices on how to implement the new policies. This policy change may, if implemented correctly, greatly improve furniture firms' ability to obtain waivers exempting them from paying import duties on all samples (sometimes as high 60 percent of sample value) from their foreign buyers. During the next quarter, SENADA will independently verify that this decentralized process has occurred, advocate improvements to the Customs office as necessary, and communicate these new arrangements to the broader furniture producing community.

Deliverables:

- Report *Nuisance Permit System – A Report on Disturbance Control* published and broadly disseminated, providing key policy recommendations on upcoming Ministerial Regulation governing disturbance-planning permits. (July 2008)
- *Indonesian Port Sector Reform and the 2008 Shipping Law* published, disseminated and presented at the stakeholders' roundtable at the World Bank, the 2008 National Transport and Logistics Conference, and a series of internal meetings at the Coordinating Ministry for Economic Affairs. (September 2008)
- Ministry of Finance's Customs Office approves decentralization the furniture samples import duty waiver process to regional offices as recommended by BEE advocacy campaign. (September 2008)

- **IVC Export Competitiveness Report.** SENADA completed and disseminated the *2008 Export Competitiveness Report – Footwear, Furniture, Home Accessories, Automotive Components and Garment Industry Value Chains* in September 2008. A follow-up industry stakeholder workshop will be conducted in Oct. 2008, after the Ramadan holiday, to promote and debate key findings found in the report.

Deliverables:

- *2008 Export Competitiveness Report – Footwear, Furniture, Home Accessories, Automotive Components and Garment Industry Value Chains* finalized, published and disseminated. (September 2008)

2.2.2 KNOWLEDGE DEVELOPMENT

Summary

This quarter SENADA added three firms to the subcontractor management technical assistance program. Currently the knowledge development portfolio consists of twelve firms, all selected because of their growth potential and extensive use of subcontractors. To date, SENADA's assistance to these 12 lead firms has positively affected 393 subcontractors (a net increase of 58 subcontractors from last quarter).

Activity Descriptions and Deliverables

- **Lead Firm Capacity Development – Subcontracting.** SENADA's knowledge development portfolio currently consists of 12 lead firms, including eight home furnishings, three footwear and one garments firm. The program benefits over 651 employees from the lead firms and over 5,566 employees from the subcontractors. In July and August, SENADA's subcontractor management training module was transferred to the three new firms on how to quickly and accurately use the prototype management software to identify and evaluate subcontractor performance.



SENADA continued to collect key performance data from nine of the 12 lead firms and their 393 subcontractors. To date the following positive trends have been observed after the SENADA prototype subcontractor management software had been employed by the firms for at least three months:

- On average the **overall reject rate** for subcontractors **decreased** because lead firms were able to monitor subcontractor performance and provide individualized feedback. Pt. Golfer, for instance, had a very high reject rate of 9.7 percent in February. Only three months after the software was implemented, the rate dropped to only 0.8 percent in April. Since April, the rate has stayed consistently low.
- **Order shipment compliance** of lead firms **increased**. PT. Basama Soga was able to reach 100 percent order shipment compliance in January 2008 after recording only 93 percent compliance in December 2007. This was because it was able to monitor which subcontractors had the "lowest performance." From this data the firm provided individual feedback and warned "low performance" subcontractors that future purchase orders would be reduced unless performance were brought back up to acceptable levels.

- **Delivery time variance** of lead firms on average has shown a significant **decrease**. Sumber Kreasi Fumiko succeeded in decreasing its subcontractor delivery time variance from a high 12.2 percent in February to only 6.5 percent April (i.e., 93.5 percent of subcontractors delivered goods on schedule). They did this by monitoring and recording underperforming subcontractors and by providing detailed feedback (and warnings) with regard to meeting required delivery schedules.

Encouraged by the prototype's success to date, SENADA stepped up work with international software producer Inforsys on the piloting and final roll-out of the small business edition of *Bonastoco* subcontractor performance management software. The pilots were completed on three footwear firms in July and the new software was installed in the additional nine lead firms in September (replacing the SENADA-developed prototype version). All firms have been fully trained in the new software and SENADA is closely monitoring progress. Inforsys is finalizing last minute bugs in the software and expects the software to become commercially available no later than October 2008.

Deliverables:

- 12 lead firms activity participate in the subcontractor performance management program, positively affecting 393 subcontractors. (September 2008)
- Subcontract key performance indicators successfully generated from nine firms. (September 2008)
- Subcontractor Performance Management software *Bonastoco* finalized and successfully installed in 12 lead firms. (September 2008)

2.2.3 INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Summary

The ICT cross-cutting program continued its dual role of providing targeted ICT technical support to SENADA IVC programs as well as reducing barriers to and expanding services for ICT products and services. Internally, 12 lead home furnishings firm websites were completely renovated in preparation for the Las Vegas trade show in July. The regulations portal and website for RegMAP was finalized. On the technical programming side, SENADA partnered with CISCO to make strong progress in the initial implementation of the *Industry Attachment Program* (IAP). An MOU with CISCO was finalized, agreements solidified with four university partners, 72 firms recruited and 120 potential IAP students recruited. The IAP program launch is expected in November. Finally, SENADA and Inforsys finished piloting of the *Bonastoco* subcontractor management software, which is now rolled out to 12 SENADA lead firms.

Activity Descriptions and Deliverables

- ▶ **Reducing IVC entry barriers to ICT Services.** Progress continued throughout the quarter on the development of a series of web-based applications and software projects to improve SME competitiveness. Notable progress of SENADA's ICT solutions program includes:
 - The BIF-financed IndoDev's open source *SunFish Small Business Human Resources Management Software* was completed in September and will be available on the market in October.
 - The Inforsys *Subcontractor Performance Management* software completed its pilot phase in June and was rolled out in August to SENADA's 12 firms supported under the Knowledge Management program. It commercially entered the market in late September.
 - PT Quantum Design ISO 9000 Compliance Software was finalized in August and piloted in September. It will be available commercially in December.
 - Three iMULAI 1.0 winners — Sentra Solusi, Dycode and ITS Surabaya — are on schedule to complete their applications and have already submitted prototypes to SENADA for review.

The graph on the following page shows the status of 10 SENADA ICT solutions in development to date:

SENADA ICT SOLUTIONS	STATUS	EST. DATE ENTERING MARKET
IATO E-Library: www.iato-indonesia.com/elibrary (BIF)	Completed	April 2008
Indotextiles E-Trade Promotion Portal: www.indotextiles.com (Garment IVC)	Completed	May 2008
PT InforSys Subcontractor Performance Management Software <i>Bonastoco</i> . (Knowledge Development)	Completed	September 2008
PT InfoDev Sunfish Human Resource Management (HRIS) Software. (BIF)	Completed	October 2008
PT Quantum Design ISO 9000 Compliance Software (BIF)	Completed	December 2008
RegMAP Regulations Portal (for Government)	Pending Partner	December 2008
PT Sentra Solusi Integrasi Mobile Inventory Software. (iMULAI/BIF)	Prototype / Pilot	February 2009
PT Dycode <i>PortMap</i> Software. (iMULAI/BIF)	Prototype / Pilot	February 2009
ITS-Surabaya Laboratories Supply Chain Management Software (iMULAI/BIF)	Prototype / Pilot	February 2009
Business Innovation Center (BIC) web-based innovation-finance linkage technology, database and website. (BIF)	Initial Development	April 2009

Deliverables:

- IndoDev *SunFish Small Business Human Resources Management Software* finalized. (September 2008)
- InforSys *Subcontractor Performance Management* software finalized. (September 2008)
- PT Quantum Design ISO 9000 Compliance Software finalized. (September 2008)

- **SME ICT utilization and adoption initiatives.** Strong progress was made this quarter on the design of the SENADA - CISCO *Industry Attachment Program* (IAP). Although originally planned to start in August, the six month IAP internship and training period was shifted to December 2008 to better meet the student internship schedules of our four university partners Institute Teknologi Sepuluh Nopember Surabaya (ITS), Universitas Indonesia (UI), Universitas Gadjah Mada (UGM) and Bina Nusantara University (BINUS) – Jakarta. Despite this delay, interest and momentum continued and by the end of quarter the following programmatic milestones had been achieved:

- MOU developed between CISCO and SENADA on IAP program implementation.
- Four IAP university partners secured in Jakarta, Yogyakarta and Surabaya.
- IAP program design and internship training schedule finalized.
- IAP program marketed to over 200 firms and 600 students.
- IAP program introduced to APRISINDO, IFSC, YDBA, ASMINDO and MOI.
- 72 firms recruited from five primary IVCs. Firm recruitment will end in November.
- 120 students recruited for 100 IAP internship slots. Selection will occur in November.
- Four IAP university partners submitted BIF proposals for possible IAP institutionalization.

Deliverables:

- MOU developed and finalized between CISCO and SENADA on IAP program implementation.
- Four IAP university partners secured in Jakarta, Yogyakarta and Surabaya.

- **Design and implement ICT applications to support SENADA's industry value chain activities.** This quarter SENADA completed internal ICT work on 12 home furnishing firms' websites in preparation for their July 2008 participation in the Las Vegas home furnishings trade show with Eco Exotic. The RegMAP Regulations portal and website (www.cess.or.id/senada) was also finalized in September. SENADA is waiting for formalization of the RegMAP program with BAPPENAS before the website and database are released to the public (estimated some time in early 2009).

Deliverables:

- 12 home furnishings websites redesigned and launched. (July 2008)
- RegMAP Portal is completed and the content is updated. (September 2008)

3. GRANTS PROGRAM

3.1 BUSINESS INNOVATION FUND

Summary

SENADA achieved planned Business Innovation Fund targets this quarter by approving and signing three additional grants. Our total portfolio increased to 23 grants valued at \$503,288, a net increase of \$74,000 from the previous quarter. At the end of the quarter we had an active portfolio of 12 grants, with nine grants successfully closed and two pending start-up. SENADA remains on target to meet projected BIF end-of-project grant expenditures of \$850,000 (revised upward from a year three target of \$600,000 in September 2008).

Activity Descriptions and Deliverables

- ▶ **Business Innovation Fund marketing and promotion.** SENADA continued to actively promote and market the fund during the quarter. 10 *Roadshow Meetings* to private companies, research institutes, universities, NGOs and trade/industry associations were conducted during the quarter, bringing the total since launch to 245 (reaching over 1,217 potential innovators). Direct marketing meetings have generated a total of 58 proposals to date (47 percent of BIF's total). In addition to direct promotion, the BIF website www.senada.or.id/innovation received 1,425 hits during the quarter; bringing the total to over 10,688 hits since launch.
- ▶ **Business Innovation Fund proposal evaluation, selection and approval.** SENADA received 19 proposals during the quarter (up from 13 last quarter) bringing the current total of BIF proposals, including that from the iMULAI Innovation Competition, to 228. Based on the consistently steady rate of proposals submission during this and previous quarters, we are confident our pipeline will exceed all remaining quarterly targets.

During the quarter, four proposals were recommended for BIF External Evaluation Committee review. Of note, grant proposals continue to improve in terms of standards of innovativeness and quality. Three proposals were approved by the BIF review committee (and subsequently by USAID) during the quarter for \$74,000. The Committee's approval rate is currently 60.5 percent. The decrease in the rate of grants approved from last quarter was due to budgetary constraints during July and August as well as a general slowdown of all activities during the Ramadan holiday season in September. Grants approved this quarter include:

- Hybrid GHE Solar Dryer for Tanned Leather (UNSADA) — \$25,000.
- Intermediary Linkage Service for Innovation and Investment (Business Innovation Center) — \$25,000.
- Pre-Feasibility Study on Kendal Port Development (CV Wijaya Beringin) — \$24,000.

A full description of SENADA current Business Innovation Fund grant portfolio can be found in Annex E or on the BIF website at www.senada.or.id/innovation.

- ▶ **Business Innovation Fund grant monitoring, evaluation and reporting.** At the end of the quarter there were 12 active grants (out of 23 approved). A total of \$225,304 was disbursed during the quarter for these grants (a net increase of \$87,304 from Q3), leaving \$277,984 in outstanding disbursements. For the 12 active grants in the portfolio, grant implementation progressed with only minimal programmatic and administrative issues. Notably:
 - ICCOSH (#004) grant was under spent at grant closure. SENADA withheld \$1,095 in unused grant funds from the final disbursement and recycled these funds back to the general BIF fund.
 - API (#006) grant was under spent at grant closure. SENADA withheld \$1,095 in unused grant funds from the final disbursement and recycled these funds back to the general BIF fund.

SENADA has completed monthly performance evaluations, mid-term reports and final technical reports for all grantees and we have noted strong progress in general. Five grants were closed during the quarter for which SENADA completed detailed *Grant Profiles*. (see Communication Section 4 and Annex F for more information). Notable achievements from this quarter include:

- **Sigma Training Center (#005) — Surabaya / Automotive Components.** Sigma Training Center (STC) launched East Java's first publically accessible advanced technologies motorcycle training center in Surabaya. The center offers two advanced training packages — one on continuous variable transmissions and one on fuel injection — on a regular basis. STC's two current training sessions are highly innovative, using a competency based training (CBI) methodology that allows students to train directly on one of STC's five newly purchased training motorcycles. To date, six rounds of training have been offered for 107 participants from Surabaya, Jombang, Sidoarjo and Gresik. STC also developed a partnership with LSP Teknisi Otomotif, East Java's private sector professional certification body (LSP) for automotive component maintenance. LSP Teknisi Otomotif moved into the STC training center and now offers the competency certification for motorcycle and automotive technicians. To date, 20 STC graduates have been assessed for certification.
- **Indonesian Textile Association (#006) — Jakarta /Garments.** Indonesian Textile Association (API) created a professionally designed, comprehensive website and information exchange portal to provide essential information to members, educate the public, and strengthen the image of Indonesia's textile industry as a global player. The website (found at www.indonesiatextile.com) offers members immediate access to insights on technological innovations, labor issues, and market opportunities.
- **ASPILOW (#007) — Surabaya /Automotive Components.** ASPILOW designed and launched a metal roll machine that allows tractor tire frames to be made with greater quality control and economies of scale. ASPILOW completed construction of the machinery as planned, testing and adjusting the design during the process to ensure that it met the needs of the local tractor tire producer market. In field tests conducted after construction, one operator was able to produce 200 frames per day, a ten-fold increase in productivity.
- **Quantum Design Engineering (#008) — Jakarta / All Industries.** PT Quantum Design Engineering (QDE) developed and pilot-tested a complete package of services, including software, seminars, consulting, and an external audit, that is designed to culminate in obtaining ISO 9000 certification at approximately half the cost of hiring a consultant. The QDE software uses tutorials to take companies step-by-step through the learning, implementation, and documentation process required before an ISO 9000 audit can be completed. This computer-based instruction is supplemented by six seminars that introduce the ISO 9000 concept and teach companies how to use the software effectively. Also included in the package are three days of individualized consulting services and two audits: an ISO audit by QDE for compliance and an external internationally certified auditor who gives a second opinion. QDE is now pilot-testing the package with three firms. QDE has copyrighted and replicated its software and started marketing its consulting services. It expects to commercially launch *QDMS-P02.001 for SMEs* at Gunung Agung and Gramedia bookstores in December 2008.
- **Mangrove Action Plan Indonesia (#009) — Yogyakarta / Home Furnishings.** Mangrove Action Plan Indonesia (MAPI) teamed up with CV Sahabat Bambu, an associate company of MAPI, to launch a commercial Vertical Soak Diffusion (VSD) bamboo processing facility in Yogyakarta. This VSD facility consists of a large tank and supporting equipment such as a vacuum machine, pressure machine, and fluid tank and uses borates of low toxicity to cure bamboo and prevent infestation. With the new technology, local treatment capacity has increased ten-fold. Now bamboo can be treated in a few hours and dried in one to two days. The plant's capacity has also expanded from 2,000 medium to large poles/month to 6,000, and an additional 10,000 small diameter poles/month can also be processed.

Deliverables:

- 10 Roadshow Meetings conducted during Q4 exceeded annual target of 1,000 individuals. To date over 1,217 potential innovators have been reached. (September 2008)
- 23 BIF grants approved to date totaling \$503,288. (September 2008)
- Five BIF grants successfully closed. (June 2008)

4. COMMUNICATIONS

4.1 COMMUNICATIONS CROSS CUTTING SUPPORT

Summary

SENADA's value chain activities are maturing and the project has increasingly been able to report and disseminate concrete results. As a consequence, SENADA produced a record total of 29 discreet publications during the quarter, including success stories, activity updates, grant profiles, technical reports, press releases and *Competitiveness at the Frontier* issues. Similarly, there were over 50 Indonesian media citations in addition to a handful of citations in international trade journals.

This was achieved despite the departure of SENADA's Communications Manager during the quarter. The Manager's duties had already been largely split up and divided among other capable SENADA staff. Rather than recruit a new Communications Manager, we will continue to carry out these functions with existing project staff.

Activity Descriptions and Deliverables

► **Provide communications support in implementing technical program activities.** During the quarter, SENADA has effectively used communications to achieve notable results:

- SENADA advocated for important business-enabling reforms in the port logistics sector, where high costs and delays are a major constraint to international competitiveness. SENADA provided early, robust analysis of the 2008 Shipping Law, and disseminated the analysis in a series of workshops and seminars, including a stakeholders' roundtable at the World Bank, the 2008 National Transport and Logistics Conference, some internal meetings at the Coordinating Ministry for Economic Affairs as well as two international seminars. SENADA's analysis of the law was well covered in the media with more than two dozen articles in national dailies (such as Kompas and Bisnis Indonesia) and other papers. Most of this media coverage of SENADA's analysis has focused on the current poor state of Indonesia's ports as well key policy recommendations with regards to foreign investment restrictions and the role of the port authorities. This coverage has helped spark debate on urgent policy actions required to immediately improve port sector performance.
- SENADA conducted a variety of highly visible events to support the Garment IVCs goal of strengthening producers' manufacturing processes, market information and market access, including:
 - Teamed with Neville Clark, an international consultancy firm, to promote the newly launched *Lean Sigma* training and consulting service designed specifically for the garments industry.
 - Presented an end-markets study (financed through USAID AMAP) in both Semarang and Jakarta.
 - Jointly with Indotextiles, carried out a road show promotional campaign for the web portal marketplace managed by Indotextiles (www.indotextiles.com).
 - Carried out a very successful *Link and Match* event in Jakarta in August designed specifically to create new contract relationships between buyers and vendors.

All noted events were attended by the press and the coverage generated additional inquiries from the market and the general public about SENADA Garment IVC programming.

- SENADA completed a comprehensive global marketing campaign for Indonesia's sustainable home furnishings pioneering organization Eco Exotic. SENADA reached thousands of targeted buyers and other stakeholders with its www.ecoexotic.net website, Eco Exotic catalog, flyers, e-mail blasts and articles placed in industry trade journals. The exhibition itself was visited by thousands, including Indonesia's Ambassador to the U.S., who were greatly impressed by Eco Exotic's booth design and construction. Eco Exotic's successful foray into the global marketplace was covered by both Indonesian and international press and generated nine media citations.

- Finally, SENADA continuously strengthened the monthly *Competitiveness at the Frontier* publication, which is now distributed widely to government, business and the academic community. SENADA has received praise from several readers for the publication's excellent and provocative articles on current issues.

In addition to the aforementioned, SENADA published four press releases, six technical reports and three editions of *Competitiveness at the Frontier*.

Press Releases:

- *GPI Executive Development Program to Answer the Global Garment Market Challenge.* (July 2008)
- *Improved Sea Transportation for Central Java Commodities to Increase Competitiveness and Economic Growth.* (July 2008)
- *Eco Exotic at the Las Vegas World Market.* (July 2008)
- *Garment Industry meets at "Link and Match" Event to Expand Export Opportunities.* (June 2008)

Technical Reports and Papers:

- *QSEAL Product Standard and Testing Final Report.* (July 2008)
- *The Nuisance Permit System – A report on Disturbance Control.* (July 2008)
- *Indonesian International Design Center Business Plan.* (July 2008)
- *Report on Scarcity of Verification of Legal Origin (VLO) Consulting and Certifier Services.* (July 2008)
- *2008 Export Competitiveness Report.* (August 2008)
- *Indonesian Port Sector Reform and the 2008 Shipping Law.* (September 2008)

Competitiveness at the Frontier:

- *Value Chains.* (July 2008)
- *Access to Finance.* (August 2008)
- *Business Development Services.* (September 2008)

Deliverables:

- Three *Competitiveness at the Frontier* monthly issues published and disseminated. (September 2008)
- Four press releases published and disseminated. (August 2008)
- Public awareness and advocacy for the new Shipping Law and port reform completed. (August 2008)
- Production and implementation of comprehensive international sustainable home furnishings promotional campaign. (July 2008)
- Six technical reports published and disseminated. (September 2008)
- 49 media international, national and regional media citations generated. (September 2008)

- **Effectively communicate SENADA project information and achievements.** SENADA continues to regularly distribute project publications and updates to USAID and counterparts, including government officials, industry leaders, business associations, universities, the media and other donor projects. The distribution lists for these documents, continually revised, has grown to 444 targeted individuals. The fourth quarter proved to be SENADA's most productive in terms of achieving and documenting project milestones. A total of 16 technical updates and reports were disseminated during the quarter, including:

Success Stories:

- *Companies Eager to Improve Quality Sign up for SENADA's QSEAL Initiative.* (July 2008)
- *Green Certification Produces Dramatic Results.* (July 2008)
- *Firms use SENADA Software to Reward the Best and Help their Worst Subcontractors.* (July 2008)
- *SENADA Task Force Professionalizes 12 Company Websites in Record Time.* (September 2008)
- *SENADA Overcomes Barriers to Creating a Sustainable Web-based Portal.* (September 2008)

Activity Updates:

- *SENADA briefs media about wood certification and export markets.* (July 2008)
- *Lead manufacturers use prototype software to better manage subcontractors.* (July 2008)

Activity Updates (Continued):

- *SENADA Analysis Stimulates Customs Office to Improve Regulatory Environment.* (August 2008)
- *Indonesia's Sustainable Home Furniture Pioneers Impress International Buyers.* (Sept 2008)
- *GOI Officials Learn to Identify Problematic Regulations Using SENADA's RegMAP Tool.* (September 2008)
- *Link & Match Event Brings Quality Textile Makers Together With Enthusiastic Buyers.* (September 2008)
- *SENADA Fosters Analysis of Nuisance Law Regulatory Reform.* (Sept 2008)
- *Garment Industry Leaders Determined to Implement Productivity Strategies Presented at SENADA Workshop.* (September 2008)

Grant Profiles:

- *Worker Welfare Rights Improved as Internationally Accepted Occupational Health and Safety Standards Become Law.* (August 2008)
- *New Sigma Training Center Strengthens Competency in Advanced Motorcycle Fuel Injection Production and Maintenance.* (September 2008)
- *New Web Portal Offers Textile Industry a Competitive Edge through Faster Information and New Insights.* (September 2008)

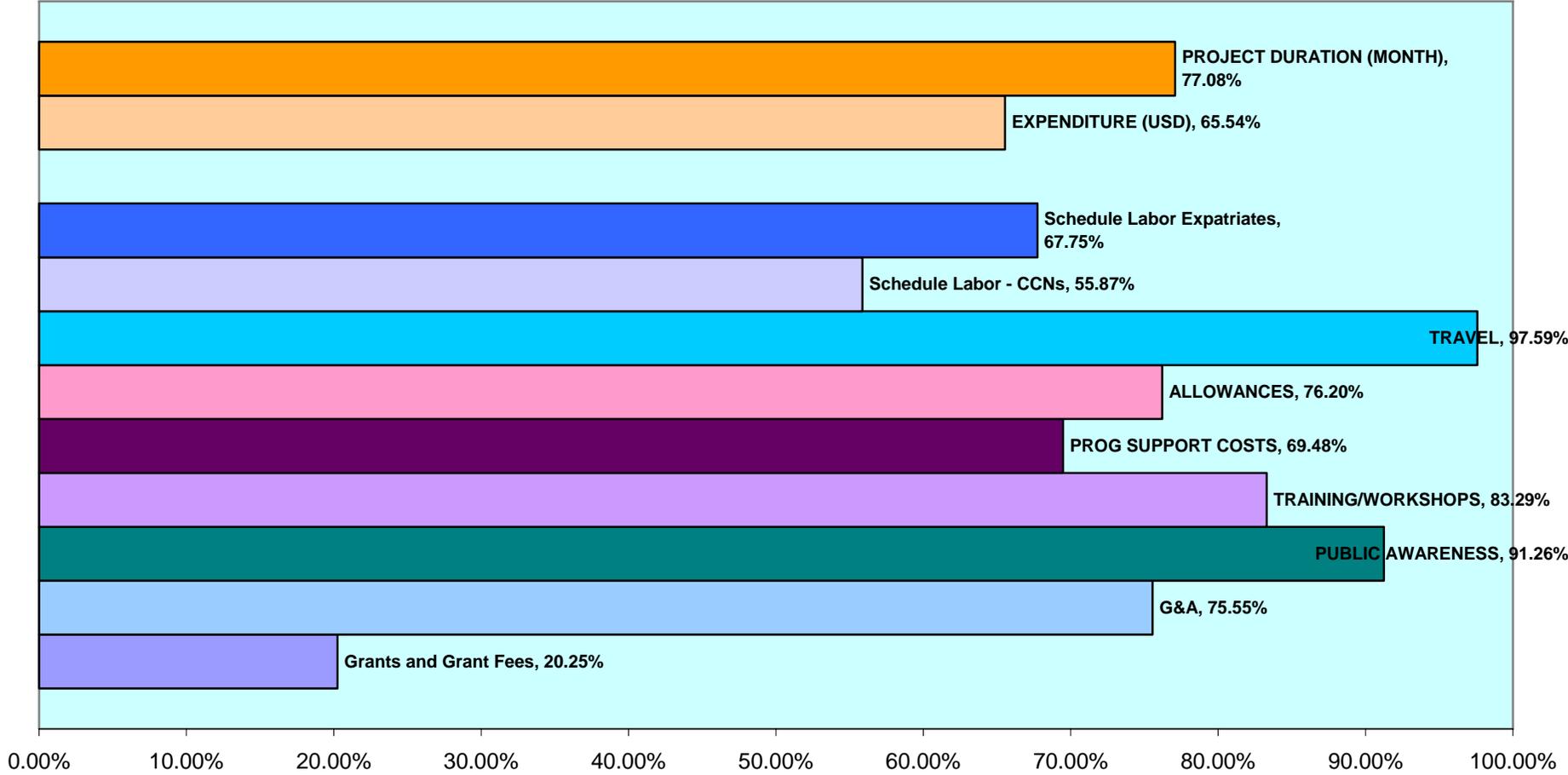
Deliverables:

- Eight activity updates published and disseminated. (September 2008)
- Five success stories published and disseminated. (September 2008)
- Three grant profiles published and disseminated. (September 2008)

5. ANNEXES

A. SENADA PROJECT BUDGET

**SENADA
BUDGET VS ACTUAL EXPENDITURES
AS OF 30 SEPTEMBER 08**



SENADA
BUDGET VS ACTUAL EXPENDITURES AS OF 30 SEPTEMBER 2008 (Amount in USD)

	TOTAL	ACTUAL	%
PROJECT DURATION (MONTH)	48	37	77.08%
EXPENDITURE (USD)	19,682,092.63	12,899,600.32	65.54%

	TOTAL BUDGET	EXPENDED THROUGH SEPT 08	% EXPENDED THRU SEPT 08	% PROJECT PERIOD EXPIRED
NET SCHEDULE LABOR - US EXPATRIATES	5,941,473.00	4,025,075.86	67.75%	77.08%
NET SCHEDULE LABOR - CCNs	4,842,951.00	2,705,606.39	55.87%	77.08%
SUB TOTAL SCHEDULE LABOR	10,784,424.00	6,730,682.25	62.41%	77.08%
TRAVEL	930,663.00	908,201.25	97.59%	77.08%
ALLOWANCES	1,463,909.00	1,115,524.18	76.20%	77.08%
PROGRAM SUPPORT COSTS	4,404,417.63	3,060,345.86	69.48%	77.08%
TRAINING/WORKSHOPS	211,000.00	175,751.38	83.29%	77.08%
PUBLIC AWARENESS	228,937.00	208,917.56	91.26%	77.08%
SUB TOTAL ODC	7,238,926.63	5,468,740.23	75.55%	77.08%
G&A	658,742.00	497,655.35	75.55%	77.08%
Grants and Grant Fees	1,000,000.00	202,522.49	20.25%	77.08%
TOTAL	19,682,092.63	12,899,600.32	65.54%	77.08%

SENADA
EXPENDITURES AS OF 30 SEPTEMBER 2008 (Amount in USD)

	CUMULATIVE TO JUNE 08	JULY 08	AUG 08	SEPT 08	TOTAL
NET SCHEDULE LABOR - US EXPATRIATES	3,661,757.26	105,127.08	145,507.73	112,683.79	4,025,075.86
NET SCHEDULE LABOR - CCNs	2,419,983.80	99,468.80	87,974.11	98,179.68	2,705,606.39
SUB TOTAL SCHEDULE LABOR	6,081,741.06	204,595.88	233,481.84	210,863.47	6,730,682.25
TRAVEL	836,042.08	29,564.66	26,600.37	15,994.14	908,201.25
ALLOWANCES	976,787.94	74,411.62	42,025.90	22,298.72	1,115,524.18
PROGRAM SUPPORT COSTS	2,700,869.12	107,207.06	133,397.30	118,872.38	3,060,345.86
TRAINING/WORKSHOPS	138,576.86	8,290.82	9,250.26	19,633.44	175,751.38
PUBLIC AWARENESS	194,185.99	9,821.13	2,439.05	2,471.39	208,917.56
SUB TOTAL ODC	4,846,461.99	229,295.29	213,712.88	179,270.07	5,468,740.23
G&A	441,844.94	20,865.91	18,630.92	16,313.58	497,655.35
GRANTS AND GRANT FEES	152,307.56	30,069.70	9,308.81	10,836.42	202,522.49
TOTAL	11,522,355.55	484,826.78	475,134.45	417,283.54	12,899,600.32
<i>CUMULATIVE TOTAL</i>		<i>12,007,182.33</i>	<i>12,482,316.78</i>	<i>12,899,600.32</i>	
<i>CURRENT OBLIGATION</i>				<i>17,965,000.00</i>	
<i>BALANCE</i>				<i>5,065,399.68</i>	
<i>CUMULATIVE TOTAL</i>		<i>12,007,182.33</i>	<i>12,482,316.78</i>	<i>12,899,600.32</i>	

B. SENADA YEAR THREE PROJECT DELIVERABLES

SENADA PROJECT DELIVERABLES (BASED ON YEAR 3 USAID APPROVED WORKPLAN)				
#	Section	Deliverables	Status	Explanatory Note
CORE IVC AND CROSS-CUTTING PROGRAMS				
1.	AUTO PARTS INDUSTRY VALUE CHAIN			
Q1	1.1	Seal of Quality for at least five product lines developed and launched.	Completed	10 product lines are covered by the seal of quality "QSEAL.
Q2	1.2	Konjaya Motor service station brand developed and launched for at least three product lines.	Cancelled.	Due to low commitment from Konjaya and Raka Group, SENADA discontinue the Service Station Branding initiative.
Q2	1.3	500 print/200 CD-based pilot <i>Metal Stamping TSSP Directories</i> published and distributed.	Completed	1000 printed / 200 CD based pilot Metal Stamping Directories with 14 advertiser inside published and distributed. 500 sold to date.
Q3	1.4	At least five firms participated and successfully achieved product line SOI SOQ certification.	Partially completed	3 firms current participate in QSEAL program.
Q3	1.5	At least three firms participated and successfully achieved Konjaya brand certification.	Cancelled	Due to low commitment from Konjaya and Raka Group, SENADA discontinue the Service Station Branding initiative.
Q3	1.6	1,000 full <i>Industry TSSP Directories</i> published and distributed.	Postponed	To be developed by ITB-CIEL. Published Y4Q2.
Q3	1.7	Indonesian Global Sourcing Center (IGSC) business plan finalized.*	Completed	Finalized by IGSC in July 2008. * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>
Q4	1.8	At least one SOI SOQ product line achieved 50-70% OEM valued market segmentation	Partially completed	CKPM product (Innova mirror) achieved 40% OEM valued market.
Q4	1.9	At least one certified, mid-value product line sold in all five Konjaya Motor service stations.	Cancelled.	Due to low commitment from Konjaya and Raka Group, SENADA discontinue the Service Station Branding initiative.
Q4	1.10	At least one additional BDS-producer linkage model developed and launched.	Cancelled	Due to year three budget constraints, deliverable will be delayed until year four or cancelled.

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

#	Section	Deliverables	Status	Explanatory Note
Q4	1.11	At least 20 articles in popular press (local, regional or national) on SENADA's upgrading and/or standardization activities generated.	Completed	3 articles about BDS Directory Focus Group Discussion generated. 20 articles about QSEAL initiative generated.
Q4	1.12	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 market penetration.	Completed	4 events were completed with MoI and other key industry stakeholders this quarter. To date, SENADA has conducted 13 events.
Q4	1.13	At least 500 export penetration model publications disseminated to potential IVC investors.	Completed	500 IGSC export penetration model publications disseminated to IVC investors.
2.	FURNITURE INDUSTRY VALUE CHAIN			
Q1	2.1	Promotional materials developed.	Completed	Brochure developed and distributed. Other promotional materials (catalogue, video) developed under Exo Exotic label 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.	Completed	125 media / journalists of national and international media already trained. ASMINDO staff and 185 other training in 3 regions to date on importance of sustainable wood industry.
Q2	2.3	Study on nature and impact of the scarcity of certifier services completed.	Completed	Instead of having a separate and specific study, SENADA decided to use all existing information and data and turned it into an internal self-assessment simple report. Report completed in April 2008.
Q2	2.4	One national roundtable on select policy issues conducted.	Cancelled	Given the May 2008 launch of advocacy activities on the decentralization of import sample tax reimbursement, a national roundtable on sample issues was postponed indefinitely to concentrate on advocacy activities. Instead of a roundtable, a detailed report named " <i>Analysis Of Policy Constraints On The Furniture Industry — Case Study In East Java And Central Java</i> " was published and disseminated in Bahasa English and Indonesian.
Q2	2.5	Detailed legal recommendations [REDI] report on key policy issues completed.	Completed	Tesalonika Law Firm completed legal recommendations of REDI report in February 2008.

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

#	Section	Deliverables	Status	Explanatory Note
Q3	2.6	Two regional/national roundtables conducted on the benefit of VLO-FSC certification for wooden furniture producers in penetrating green market.	Completed	Four roundtables completed in Surabaya, Jakarta (2) and Yogyakarta.
Q3	2.7	100 producers/suppliers trained on the importance of VLO-FSC certification and associated implementation processes.	Completed	185 suppliers and subcontractors of furniture producers in VLO/FSC certification, legal wood procurement and chain of custody documentation.
Q3	2.8	Two regional workshops on community forest certification held.	Postponed	For budgetary and programmatic reasons this activity is being implemented through a BIF grant. The grantee, NU, will hold two community forest workshops in Y3Q4 and Y4Q1.
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.	Completed	Due to the swift of the issue to the region, the dialogue was conducted in Surabaya in mid September 2008.
Q3	2.10	Institutionalization of Wood Certification Program to ASMINDO, consulting firms and certification bodies for sustainability of the program.	Completed	ASMINDO Certification Care established in three cities (Semarang, Jogjakarta, Surabaya) started, recruited 13 new clients. Presentation, sales kit and pricing strategy for ACC completed.
3.	FOOTWEAR INDUSTRY VALUE CHAIN			
Q1	3.1	Footwear promotion film produced.	Completed	Ownership and responsibility for films distribution will be APRISINDO's with SENADA assistance.
Q1	3.2	Survey of APRISINDO's current operations completed.	Completed	Preliminary survey of APRISINDO and its chapters completed and disseminated to association.
Q1	3.3	Memorandum of understanding (MOU) with APRISINDO signed.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q2	3.4	Business plan for web portal developed.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q2	3.5	Web portal ownership and management structure in place.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q2	3.6	Strategic planning exercises (strategic management retreat for APRISINDO) to identify critical needs completed.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.

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

#	Section	Deliverables	Status	Explanatory Note
Q2	3.7	Roundtable with key APRISINDO officials to outline survey results completed.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q3	3.8	Footwear trade portal launched.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q3	3.9	Implementation plan outlining delineation of responsibility for key activities developed.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q4	3.10	Domestic and international launch promotion strategy developed.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q4	3.11	30 new trade portal members registered.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q4	3.12	Key activities outlined in plan implemented.	Cancelled	Due to year three budget constraints, deliverable will be cancelled.
Q4	3.13	Baseline survey of selected footwear manufacturers completed.	Cancelled	Removed as key deliverable when program shifted to APRISINDO capacity building.
Q4	3.14	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.	Completed	Program brochure designed and distributed hardcopy and on www.gpin.or.id .
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 partners have joined to date.

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

#	Section	Deliverables	Status	Explanatory Note
Q1	4.4	[Executive Development (EDP)] Upgrading program launched.	Completed	Six EDP modules launched in February for 21 garment factories training 193 managers. (EDP Round I) Modules were revised in June 2008.
Q1	4.5	At least four workshops in Jakarta, Bandung, Semarang, Yogyakarta and Solo conducted to build awareness of the program.	Cancelled	Due change in approach SENADA chose to pursue a more targeted promotional effort specifically engaging key brands, producers and associations one-on-one (rather than one based on large public events). SENADA initiated GPI alliance building meetings with several key industry stakeholders (GAP, Ann Taylor, Hanes Brand, Adidas and Nike) and 10 individual garment companies, and registered another 15 interested companies online at the GPI website www.gpin.info .
Q2	4.6	At least two [Executive Development] training manuals/modules developed and rolled-out to participating firms.	Completed	Six EDP modules developed, launched, revised and rolled out in two rounds of training.
Q3	4.7	A minimum of two activity [quality improvement] modules developed and launched.	Postponed	<i>Module Lean-Sigma for Garment Industry</i> presented to 10 garment factories on September 2008. Actual class postponed to Y4Q1 to fulfill minimum participants.
Q3	4.8	15 additional factories trained in the executive development and / or quality improvement program. [EDP Round II]	Completed	EDP Round II conducted in Semarang, attended 15 firms; 13 from garment factories and two from buying agent and sourcing house.
Q3	4.9	Additional two additional [Executive Development (EDP)] training manuals/modules launched.	Completed	Six EDP modules developed, launched, revised and rolled out in two rounds of training.
Q4	4.10	15 additional factories trained in executive development and / or quality improvement upgrading program. [EDP Round III]	Postponed	EDP Round III will take place Y4Q2.
Q4	4.11	At least one national event to promote market linkage between program participants and buyers conducted.	Completed	Link and Match II conducted in Jakarta, attended by 14 Buyers/Buying Agent and 18 garment factories.
Q4	4.12	At least 30 firms actively participating in the GPI Alliance.	Completed	33 garment factories participated in GPI alliance to date.

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

#	Section	Deliverables	Status	Explanatory Note
5.	HOME FURNISHINGS INDUSTRY VALUE CHAIN (COMBINED HOME ACCESSORIES AND HOME FURNISHINGS TRADE PROMOTION)			
Q1	5.1	“Sustainable Home Furnishings Design Competition” completed.	Completed	60 entries submitted. Pt. Prima Putra Bengawan (indoor seating); Pt. Karya Wahana Sentosa (indoor table); Pt. Siji Life Style (containers); and Pt. Palmae Square (wall-art).
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.	Partially Completed	16 companies currently participating in <i>Sustainable Upgrading Program</i> .
Q2	5.6	Identification of at least 5 lead firms committed to continuous improvement through the Knowledge Development Program.	Completed	5 home accessories engaged to date. (Tashinda Putraprima, Siji Lifestyle, Harpa Inti Mandiri, Lunar Kreasi Mulia, Mendong Jaya)
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.	Cancelled	Due to programmatic adjustments, Knowledge Center will not be designed or launched.
Q3	5.8	“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.	Completed	Deliverable modified to produce catalog exclusively for firms committed to attending international trade fairs. Final catalog includes nine firms.
Q4	5.9	2 “Sustainability 101” seminars conducted twice by international experts, similar to Sustainability 101 seminars held in Eco-pavilions in western trade shows.	Completed	“Sustainability 101” seminar I completed in Dec. 2007 with over 15 firms attending. Seminar II was conducted with David Mahood in February 2008 with 19 attendees.
Q4	5.10	20 articles in Indonesian publications stimulated by SENADA activity.	Completed	This was completed ahead of schedule, with over 30 articles published in Q1 alone.

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

#	Section	Deliverables	Status	Explanatory Note
Q4	5.11	18 additional Indonesian Sustainable Furniture Council members' applications verified, to support the growth of an internationally trusted industry association in Indonesia. (This includes both furniture and home accessories firms.)	Partially Completed	Per end of Y3Q4, nine home furnishings producers received Sustainable Furnishing Council membership another four producers applied for membership.
Q4	5.12	"Sustainable Design" seminar series.	Completed	SENADA organized a sustainable design workshop in Yogyakarta in January, featuring faculty and interns of Goldsmiths College, a renowned design school at University of London. The intensive four day workshop, which was attended by 52 participants.
Q4	5.13	At least 10 trade deals between buyers and producers facilitated by SENADA.	Completed	12 trade deals completed to date for over US \$300,000 (this includes Ambiente Feb 2008 and IMM Jan 2008).
Q4	5.14	At least one public-private partnership with major international furniture buyer established.	Postponed	Still under development with Williams Sonoma and other firms. The new completion date will be Q2 of year four.
Q4	5.15	"Sustainable Indonesia" group participation in three international trade shows held in the US eco-pavilions of major trade shows.	Partially Completed	Successful attendance by 9 Eco Exotic members at Las Vegas World Market Center in July and August 2008.
Q4	5.16*	Indonesian Home Furnishings working group established, engaged and sustainable. (New deliverable added since Year 3 Workplan).	Partially Completed	Working group established with 9 active members and is currently pursuing objective of sustainability. SENADA will continue to support Eco Exotic through end of project.
Q4	5.17	10 articles in western trade journals generated, promoting Indonesia as a source of sustainable materials.	Cancelled	We decided this was not the most effective use of SENADA resources in gaining access to markets. Current activities include catalog, website, press releases and flyers, as well as direct support to 12 firms in redeveloping their company websites.
6.	BUSINESS ENABLING ENVIRONMENT (CROSS CUTTING)			
Q1	6.1	RegMap methodology developed and initial piloting carried out.	Completed.	RegMap methodology developed and piloted. RegMap launched in Q2.
Q2	6.2	Database of initial inventory of regulations completed.	Completed	First initial inventory 1,000 regulations submitted, to be reviewed and further developed in Q3

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

#	Section	Deliverables	Status	Explanatory Note
Q2	6.3	Key MOI 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.	Postponed	Due for completion and online in Y4Q1.
Q3	6.5	Regulatory Impact Report (RIR) for each IVC summarizing most problematic regulations completed.	Postponed	Due for completion in Y4Q1.
Q3	6.6	RegMAP report (stage 1) disseminated and public-private dialogues and associated media coverage carried out.	Postponed	Due for completion in Y4Q1.
Q3	6.7	Report on design and recommendations for stage two advocacy program using RegMAP results completed.	Completed	Completed in December 2007, through SITTA Gary Goodpaster.
Q3	6.8	Final report reviewing MOI industry promotion measures completed.	Completed	Completed and disseminated to MOI in June 2008 (Y3Q3).
Q3	6.9	Presentation of results and recommendations to MOI conducted.	Completed	Presentation to Secretary General and senior MOI staff in January and May 2008
Q3	6.10	Major survey exploring issues on a representative sample of garments, footwear and furniture producers carried out.	Postponed	Due to year three budget constraints, deliverable will be postponed until year four or cancelled.
Q3	6.11	Final report and public-private dialogue(s) on the results of the survey conducted.	Cancelled	Due to year three budget constraints, deliverable was cancelled.
Q3	6.12	Training and other dissemination of best-practices in Human Resource management for producer firms carried out.	Postponed	Due to year three budget constraints, deliverable will be postponed until year four, or cancelled.
Q4	6.13	Template/model Regulatory Impact Statement finalized.	Cancelled	RIS has now evolved into a policy brief covering a broad cluster of regulations, but still based on standard RIA principles. Model to be developed in Y4Q1
Q4	6.14	Selection of problematic regulations for which a full RIA carried out.	Postponed.	First draft of policy brief to be completed in Y4Q1, but final draft completed in Y4Q2 quarter as part of the final RegMAP report
Q3	6.15	A brief trade competitiveness report for each of the IVCs completed.	Completed	Published and disseminated in September 2008.

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

#	Section	Deliverables	Status	Explanatory Note
7.	KNOWLEDGE DEVELOPMENT (CROSS CUTTING)			
Q1	7.1	Criteria for lead firm selection as program participants developed.	Completed	Criteria for lead firm designation selected and implemented.
Q4	7.2	Memorandum of understanding (MOU) with 12 lead firms signed.	Completed	SENADA signed cooperative consulting agreements with 12 lead firms to date.
Q4	7.3	Sub-contractor performance management capabilities and programs of 12 lead firms assessed.	Completed	SENADA completed diagnostic assessments with 12 firms.
Q4	7.4	Subcontractor performance management program implemented in 12 lead firms.	Partially Completed	KPI collected and assessed for 9 lead firms.
8.	INFORMATION AND COMMUNICATIONS TECHNOLOGY (CROSS CUTTING)			
Q1	8.1	ICT capacities assessment tool developed and conducted in 50 firms.	Postponed	Assessment tools created, but survey cancelled due to SENADA acquiring enough information about ICT needs through general IVC work. SENADA skipped assessment to focus on implementation. To be completed, Y4Q4.
Q1	8.2	<i>iMULAI</i> successfully mass marketed to millions throughout Indonesia.	Completed	1,600 registered members, 106 proposals submitted and more than 10,000 visitors to website www."iMULAI".com . Media has been confirmed to reach millions.
Q2	8.3	Website for Garments IVC private partnership initiative for upgrading program developed and launched. *	Completed	Completed and launched at www.gpinfo.com . * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>
Q2	8.4	Business plan including revenue and cost projections for Garments trade promotion portal developed.	Completed	The business plan completed together with the portal owner Indotextiles.com (www.indotextiles.com). * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>
Q2	8.5	Trade promotional portal for Garments IVC developed and launched. *	Completed	Completed and launched at www.indotextiles.com . * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>

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

#	Section	Deliverables	Status	Explanatory Note
Q2	8.6	3 iMULAI awards successfully approved and funded for companies for at least \$115,000 USD (\$40,000 Microsoft/\$75,000 SENADA).	Completed	iMULAI competition complete with three winners selected. Software development started in June 2009 and will be complete in Dec. 2008.
Q2	8.7	iMULAI entrepreneurship conference conducted attended by at least 200 entrepreneurs. *	Completed	iMULAI conducted entrepreneurship conference with main speaker Dr. Rhenald Kasali. * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>
Q2	8.8	Trade promotion portal for Footwear IVC developed and launched.	Cancelled	Due to year three budget constraints in Footwear, deliverable is cancelled.
Q3	8.11	Two workshops for low capacity firms conducted.	Completed.	During iMULAI, five workshops completed for low capacity firms training over 200 people.
Q3	8.12	Two workshops for medium capacity firms conducted.	Postponed	Strategy changed. Will train over 100 medium capacity firms during Y4 with CISCO-SENADA IAP program and two ICT-fairs.
Q3	8.13	Two radio talk shows conducted.	Completed	Completed two talk with Trijaya FM in Nov. 2007 for iMULAI on important of innovation and ICT development.
Q3	8.14	Knowledge Center portal for Home Accessories IVC developed and launched.	Cancelled	Due to change in HF strategy, Knowledge Center portal was replaced with Eco Exotic website (www.ecoexotic.net).
Q4	8.15	12 home furnishing firms' websites developed and/or upgraded.	Completed	12 firms websites upgraded in May 2008. * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>
Q4	8.16	BEE RegMap Portal launched and functional.	Postponed	Shell of website www.cess.or.id fully functioning and the content is updated on regular basis as the work progresses. The official launch to the public is postponed until Y4Q2. * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>
Q4	8.17	Subcontractor performance management software <i>Bonastoco</i> developed and installed in three pilot companies within footwear IVC.	Completed	<i>Bonastoco</i> SPM developed and implemented in 3 pilot companies in Footwear IVC. Currently the application is implemented in 9 other companies from Home Furnishing IVC. The application will be commercially available in Y4Q1. * <i>Deliverable newly added and not included in final Year 3 Workplan.</i>

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

#	Section	Deliverables	Status	Explanatory Note
Q4	8.18	Evaluation of changes in utilization of ICT by firms carried out.	Postponed	Strategy changed. Will evaluate over 100 medium capacity firms during Y4 during the conclusion of the CISCO-SENADA IAP program.
Q4	8.19	Three (3) ICT business software solutions made available in market through public or private sector initiatives.	Completed	10 SENADA business solutions in development. Five complete and available to market.
9.	THE BUSINESS INNOVATION FUND (CROSS CUTTING)			
Q4	9.1	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.	Completed	245 <i>Roadshow Meetings</i> were conducted to date (reaching over 1,217 potential innovators). BIF website received 10,688 hits to date.
Q4	9.2	At least 18 grants successfully approved and funded for a total of approximately \$400,000 USD.	Completed	At end of Year 3, total BIF portfolio increased to 23 grants valued at \$503,288.
10.	COMMUNICATIONS (CROSS CUTTING)			
Q1	10.1	Key messages developed for all IVCs.	Completed	Key messages developed for all SENADA IVCs and for overall program.
Q1	10.2	Spokespersons and moderators trained for all IVCs.	Cancelled	Due to change in strategy, activity discontinued.
Q2	10.3	National media campaign on innovation/competitiveness implemented.	Completed	Concluded “ <i>İMULAI</i> ” with 2 press conferences.
Q4	10.4	Press coverage on SENADA’s events generated.	Completed	177 media citations generated to date.
Q4	10.5	Technical and ongoing project reports published and disseminated.	Completed	32 technical / SITTA reports completed and disseminated in Year 3.
Q4	10.6	6 journalist workshops conducted.	Completed	Seven completed in Year 3. Three journalist workshops conducted for furniture IVC, one for the labor law, one for garment best practices and two for automotive value chain on components standardization.
Q4	10.7	2 editor roundtables conducted.	Cancelled	Due to change in strategy, activity discontinued.

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

#	Section	Deliverables	Status	Explanatory Note
Q4	10.8	48 SME Q&A columns published in Jawa Pos.	Partially Completed	10 SME Q&A Columns published to date. Contract with contract with PeacBromo (Jawa Pos) ended in March 2008..
Q4	10.9	30 radio talk shows conducted.	Partially Completed	Two radio talk shows conducted to date for ICT (iMULAI). Strategy discontinued due to budget constraints and increase costs associated with radio air time. SENADA focused on more cost efficient communication activities.
Q4	10.10	12 Competitiveness at the Frontier monthly forum published.	Partially Completed	11 issues have been published to date. January 2008 edition not published because of newsletter transition and upgrade.
Q4	10.11	24 activity updates distributed.	Partially Completed	18 activity updates have been published in Year 3.
Q4	10.12	8 success stories distributed.	Completed	13 success stories completed. Seven traditional success stories and six grant profiles.
Q4	10.13	Website run properly and its content updated.	Completed	Website online and updated regularly. Will be updated in Y4Q1.
Q4	10.14	Daily news on competitiveness-related issues, SENADA's focus industries and SENADA's activities circulated to SENADA project and counterparts.	Completed	Done on a daily basis.

C. SENADA STTA UTILIZATION

SENADA STTA UTILIZATION (JULY – SEPTEMBER 2008)

Name	Start / End Date of Performance	# of Days Utilized	Objective of STTA
Carol Walker	10 Dec 07 – Dec 08	125	Reinforced SENADA's communications capacities with specialized skills in strategic analysis, publications development and top notch English writing skills and also ensured the growing requirements and expectations of SENADA's communications activities are fulfilled.
Henrietta Lake	4 April – 31 Aug 08 12-30 Oct 08	46	Enhanced the capacity of Indonesia's garments industry to meet increasingly demanding international standards in a competitive global marketplace. In line with SENADA's mission, the sustainability of the GPI is critical to achieving medium to long-term impact. As such, the key value chain players; vendors, buyers and service providers – must participate actively in program development and implementation from inception.
Nanang Widananto	17 April – 31 Aug 08	102	The Senior Business Manager for QSEAL maintained senior management oversight over aspects of the SOI QSEAL certification service and staff. Business Manager reported directly to QSEAL Board Management and SENADA.
Buck Jones	28 Apr – 30 Oct 08	25	Assisted the SENADA group of home accessories and furniture producer in trade show preparation and promotion and in selling their products to international buyers, especially in the western markets.
Sunaryo	30 April – 15 Aug 08	50	Improved and redeveloped the Fabric Sourcing training module and provide additional practical tools to help participants implement what they have learned. The EDP (Executive Development Program) training modules designed to assist the senior key decision makers at garment manufacturing firms.
Maria N. Petronella	12 May – 15 Aug 08	15	Improved and redeveloped the Full-Package Merchandising training module and associated materials. The training program aims assisted firms move from a purely assembly platform to a full package production platform. It also showed participants the opportunities and obstacles of switching from Cut-Make-Trim (CMT) to FPS (Full Package Service) and sharpens their understanding of the requirements involved in actually making the transition.
Ted Barber	1 June – 31 Oct 08	66	Developed highly practical sustainability guide for home furnishing companies. The guide comprised in fulfilling increasingly demanding market requirements for environmental and social sustainability. Together the modules allowed companies to integrate sustainability into all aspects of their businesses, including operations, production, human resource management and marketing.
Dedy Pabelu	2 June – 31 July 08	34	Maximized effort in the development of a lean sigma training module that specifically designed and dedicated for the garment industry. Development of a manual for the training module. Develop on site understanding of the practical application in the garment industry.

SENADA STTA UTILIZATION (JULY – SEPTEMBER 2008)

Name	Start / End Date of Performance	# of Days Utilized	Objective of STTA
Rheza Sutedja	2 June – 30 Aug 08	25	Supporting SENADA in the development of targeted and sustainable strategies for its ICT Best Practices and Solutions Upgrading Program to increase firms' ability and willingness to adopt market based ICT solutions. To improve overall ICT utilization, the consultancy focus both on developing solutions for increasing ICT adoption as well as develop proper mediums for increasing access to ICT solutions already in marketplace.
Yulius Gusti Sudaryanto	2 June – 15 Aug 08	15	Improved and redeveloped the productivity training module and associated materials. The Executive Development Program (EDP) training modules designed to assist the senior key decision makers at garment manufacturing firms.
Donald L Elliott	8 June – 15 July 08	14	Significantly strengthen current advocacy efforts to reform the use of HO regulations at the local level. This included providing input to a number of background papers and also direct input on the wording of the proposed joint ministerial decree.
Doug McLean	1 – 31 July 08	14	Supported SENADA in the initial development of a solid public private partnership that developed and sustained IAP's annual internship program. Institutionalization ensured IAP increased competitiveness by increasing firms' ability and willingness adopted market based ICT solutions. Also supported the technical team developed a world class training program. Through this training program in Aug 2008 interns maximized their already strong IT skills become more competent in IT and how it related to general business competitiveness.
Heri Kurniawan	1 Aug – 19 Sept 08	20	Supported SENADA's Knowledge Management technical team with in the Jogjakarta region with the launch of the Inforsys Subcontractor Management Software, the inputting of subcontractor's data into the performance management application; and the collection of KPI data. The technical coordinator based in Bandung – Jakarta supervised the Data Support Specialist and ensured data inputting completed, problem with data collection or new software are identified and resulted, and key performance indicators are reported for seven firms on weekly basis. Data Support Specialist stationed in Jogjakarta office and served seven home furnishing lead firms located in Jogjakarta surroundings.
Dionisius A Narjoko	1 Sept – 17 Nov 08	25	Carried out some early in-depth analysis of regulations based on filter one results, assisted SENADA in the final presentation/discussion with MOI regarding the review of MOI's industry support measures, and assisted in the dissemination workshop/ press briefing for the SENADA Trade Competitiveness Report.

D. SENADA MEDIA CITATIONS FOR THIS QUARTER

MEDIA CITATION

NO	DATE	MEDIA	TITLE	TYPE OF MEDIA
QSEAL Media Gathering, 2 July 2008				
1	2 July	Kapanlagi.com	60% Component Market Controlled By 'Non-Genuine'	On-line media
2	2 July	Inilah.com	QSEAL Process Two Component Producers	On-line media
3	3 July	Kompas Cetak Online	Automotive Market Remains Excited	On-line media
4	3 July	Kompas	Automotive Market Remains Excited – BI Rate Will Probably Increase 25 Basis Points	National business newspaper
5	3 July	Bisnis Indonesia	Implementation of MIDECA Project Needs Acceleration	Regional general newspaper
6	3 July	Indo Pos	Special Seal Stabilizes Component Prices	Regional general newspaper
7	3 July	Investor Daily	Non-Branded Automotive Component Market Reaches 60 Percent	Regional general newspaper
8	3 July	Jurnal Nasional	Components without Brand Control Market	Regional general newspaper
9	3 July	Kontan	Standardization of Automotive Components – Questionable Suppliers will have No Chance	Regional general newspaper
10	3 July	Koran Sindo	Ten Component Industries Do Product Certification	Regional general newspaper
11	3 July	Indonesia Business Today	Ten Companies will Get QSEAL Certificate	Regional business newspaper
12	3 July	Suara Pembaruan	Automotive Component Producers Join QSEAL	Regional general newspaper
13	3 July	Otomotif.net	QSEAL Gives Opportunity To Improve Quality	On-line media

MEDIA CITATION				
NO	DATE	MEDIA	TITLE	TYPE OF MEDIA
EDP (Round 2) Program Promotion and Discussion Event, 1 July 2008				
1	2 July	Wawasan	Market Competitiveness is Increasingly Tight	Regional general newspaper
2	2 July	Bisnis Indonesia	Garment Industry of Central Java Challenged by the Competition	Regional general newspaper
3	3 July	Suara Merdeka	Garment Challenged to Get Access to Europe	Regional general newspaper
4	3 July	Koran Sindo	Central Java Textile Peers at Middle Eastern Market	Regional general newspaper
5	3 July	Jawa Pos	Textile Exporting Industry Remains Potential	Regional general newspaper
Balitbang – SENADA Seminar for Sea Transportation Improvements in Central Java, Semarang, 15 July 2008				
1	16 July	Suara Merdeka	Tanjung Emas Forwarding Business Slows Down Significantly	Regional general newspaper
2	16 July	Kompas	Sea Transportation/ Port Services Are Insufficient	National business newspaper
3	16 July	Koran Sindo	Gafeksi Membership Shrinks Due to High Costs	National general newspaper
4	16 July	Wawasan	Tanjung Emas Port Infrastructure Inadequate; Can Not Support Export Activities	Regional general newspaper
5	16 July	Jawa Pos	High; Operational Cost of Tanjung Emas	Regional general newspaper
6	16 July	Smart FM	Featured as a highlight in their morning news program	Regional radio station
7	17 July	Solopos	89 Shipping Services Collapsed	Regional general newspaper
8	17 July	Joglo Semar	Complaints About Port's High Costs	Regional general newspaper

MEDIA CITATION

NO	DATE	MEDIA	TITLE	TYPE OF MEDIA
9	17 July	Bisnis Indonesia	Part of the Expedition Businesses of Tanjung Emas Shut Down	National business newspaper
10	17 July	Trijaya FM	Featured as a highlight in their nightly news program	Regional (branch) radio station
ECO EXOTIC at the Las Vegas World Market, Las Vegas, NV, USA 28 July – 01 August 2008				
1	9 June	Gift Shop online	Summer Las Vegas Market Moves in Eco-Friendly Direction	US- based online media
2	10 June	Furniture Today	Las Vegas Market Putting Brighter Spotlight On Green	US- based online media
3	10 July	World Market Center	Summer Las Vegas Market Moves in Eco-Friendly Direction	US- based online media
4	11 July	IIPC- NAFED	World Market EXPO	Online media
5	24 July	Furniture World Magazine	Eco Exotic To Bring A Diverse & Original Product Line to Las Vegas	US- based online media
6	25 July	DAI	Making A Difference – The Evidence of Success	US- based online media
7	27 July	Home Accents Today	Indonesian Group, Eco Exotic , Debuts In Living Green Pavilion	US- based online media
8	28 July	Premium Furniture.com	Las Vegas Market, World Market Center	Online media
9	6 Aug	Bernas	Jogja Entrepreneurs Feature Eco Exotic as Theme	Regional general newspaper
National Apparel Link and Match Event, Jakarta, 21 August 2008				
1	21 Aug	Media Indonesia Online	Orders Keep Increasing, Skilled Garment Workers Are Scarce	Online media

MEDIA CITATION

NO	DATE	MEDIA	TITLE	TYPE OF MEDIA
2	21 Aug	Antara	RI's Garment Producers Need to Expand to East Europe	Online media
3	21 Aug	Depkominfo	Garment Industry Players Expand Export Opportunities	Online government media
4	22 Aug	Bisnis Indonesia Online	17 Global Garment Brands Invest in Indonesia	Online media
5	22 Aug	Detik Portal	17 Global Garment Brands Invest in Indonesia	Online media
6	22 Aug	Indotextiles.com	SENADA and Indotextiles.com to carry out Indonesia Apparel Network 2008 : Link & Match Meeting	Online media
7	22 Aug	Investor Daily	17 Global Garment Brands' Order of USD 230 million	National business newspaper
8	22 Aug	Indonesia Business Today	Indonesia Must Leave Its Dependency On the American Market	National business newspaper
9	22 Aug	Bisnis Indonesia	17 Global Garment Brands Invest in Indonesia	National business newspaper
10	22 Aug	Media Indonesia	Skilled Garment Workers Are Scarce	National general newspaper
11	22 Aug	Seputar Indonesia	Potential Order of USD 230 million	Regional general newspaper
12	22 Aug	The Jakarta Post	Garment Makers Cash-In On Big Foreign Orders	National general newspaper

E. SENADA BUSINESS INNOVATION FUND SUMMARY

SENADA BUSINESS INNOVATION FUND - USAID GRANT SUMMARY (as of September 2008)

No	Grantee / Contractor	Activity Title	Type	Target	Location	Start	Finish	Amount (IDR)	Amount (USD)	Purpose	Date approved by USAID
1	Servitama Consulting (CLOSED)	Increasing the SME's competitiveness through problem solving capabilities improvement	Private Company / Business Service Provider	Various Industries	Jakarta	1-Nov-07	30-Apr-08	224,100,000	\$24,900	Executive Management Coaching	19-Sep-07
2	IATO Indonesia (CLOSED)	Automotive Product and Process Standards E-Library	Business Association	Autoparts	Jakarta	1-Nov-07	1-May-08	201,850,000	\$22,428	Automotive Standards E-Library	5-Oct-07
3	Diponegoro University (UNDIP) (CLOSED)	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) (CLOSED)	Certification of Competencies on Occupational Safety & Health	NGO	Various Industries	Jakarta	3-Dec-07	3-Jun-08	143,150,000 (Amendment # 1: Total Amount Reduced from 204,498,000)	\$15,906 (Amendment #1: Total Amount Reduced from \$22,722)	OSH Certification Program	19-Nov-07
5	Indonesian Textile Association (API) (CLOSED)	Garment / Textile Industry Virtual Business Forum	Business Association	Garments	Jakarta	21-Jan-08	21-Jul-08	122,643,415	\$13,627	Virtual Business Forum	4-Jan-08
6	Sigma Training Centre (CLOSED)	Advance Motorcycle CBT Training Center	Private Company / Business Service Provider	Autoparts	Surabaya	28-Jan-08	28-Jul-08	166,700,000	\$18,522	Application of Competence Based Training Approach	4-Jan-08

SENADA BUSINESS INNOVATION FUND - USAID GRANT SUMMARY (as of September 2008)

No	Grantee / Contractor	Activity Title	Type	Target	Location	Start	Finish	Amount (IDR)	Amount (USD)	Purpose	Date approved by USAID
7	ASPILOW (CLOSED)	Engineer Roll Machine for Tractor Tire Production	Business Association	Autoparts	Sidojaro	25-Feb-08	25-Aug-08	82,150,000	\$9,128	Improving tractor tire production efficiency by application of simple useful equipment.	8-Feb-08
8	Quantum Design Engineering(CLOSED)	ISO9000 Compliance Software	Private Company / Business Service Provider	Various Industries	Jakarta	25-Feb-08	25-Aug-08	180,100,000	\$20,011	Software Development, Prototyping and Field Testing.	8-Feb-08
9	Mangrove Action Plan Indonesia (CLOSED)	Building Bamboo Pressure Treatment Facility	NGO	Furniture and Home Accessories	Yogyakarta	25-Feb-08	25-Aug-08	211,800,000	\$23,533	Providing Sustainable Bamboo Raw Material for Furniture and Home Accessories Industries	8-Feb-08
10	Center for Furniture Design and Development	Launch of Furniture and Processed Woods Professional Certification Institute	Business Association	Furniture and Home Accessories	Semarang	25-Feb-08	25-Aug-08	169,300,000	\$18,811	Formalization and activation of industry's Certification Institute.	8-Feb-08
11	PT. Dycode Cominfotech Development (iMULAI)	Port Management Portal (PORTMAP)	Private Company / Business Service Provider	Various Industries	Bandung	2-Jun-08	2-Dec-08	225,000,000	\$25,000	Developing web portal for port management.	13-Feb-08

SENADA BUSINESS INNOVATION FUND - USAID GRANT SUMMARY (as of September 2008)

No	Grantee / Contractor	Activity Title	Type	Target	Location	Start	Finish	Amount (IDR)	Amount (USD)	Purpose	Date approved by USAID
12	PT. Sentra Solusi Integrasi (iMULAI)	Mobile Application Development for Inventory Management	Private Company / Business Service Provider	Various Industries	Jakarta	2-Jun-08	2-Dec-08	220,000,000	\$24,444	Developing mobile-based application to support inventory management.	13-Feb-08
13	ITS - Surabaya (iMULAI)	Development of Application Software on Optimizing Product Shipment Consolidation for a Cluster of Industries/SMEs	University	Various Industries	Surabaya	2-Jun-08	2-Dec-08	225,000,000	\$25,000	Developing application software to optimize shipment schedules among a cluster of Industries to reduce delivery cost.	13-Feb-08
14	CV Rafindo Raya	Rubber Processing Prototype to Improve Competitiveness of Footwear and Automotive Industries.	Private Company / Business Service Provider	Various Industries	Bogor	4-Aug-08	4-Feb-09	193,564,767	\$21,507	Prototype rubber processing machines that will improve cost efficiency, energy saving and overall quality of rubber parts manufacturers.	3-Apr-08
15	PT IndoDev Niaga Internet (DataOn Corporation)	Affordable Small Business Human Resource Software	Private Company / Business Service Provider	Various Industries	Jakarta	1-Jul-08	1-Jan-09	225,000,000	\$25,000	Develop Small Business Edition of Sunfish's successful Human Resources Information System (HIS) Software.	3-Apr-08
16	APRISINDO West Java	Computer Based Pattern Making Service Development in W. Java	Business Association	Footwear	Bandung	1-Sep-08	1-Mar-09	224,587,500	\$24,954	Strengthening of Manual and CAD/CAM Pattern Making Practice	7-May-08

SENADA BUSINESS INNOVATION FUND - USAID GRANT SUMMARY (as of September 2008)

No	Grantee / Contractor	Activity Title	Type	Target	Location	Start	Finish	Amount (IDR)	Amount (USD)	Purpose	Date approved by USAID
17	GNKL-NU	Village Based Community Forest Management and Sustainable Markets Education.	NGO	Furniture and Home Accessories	Jakarta	1-Jul-08	1-Jan-09	224,995,000	\$24,999	Establishment of a Permanent Community Forest Management Education Mechanism to Educate Farmers in Supplying Legally Verifiable Wood.	7-May-08
18	Diponegoro University (UNDIP)	Chitosan Anti-Bacterial Agent for Garment Fabrics	University	Garments	Semarang	1-Aug-08	1-Feb-09	220,150,000	\$24,461	To develop, produce and market Chitosan based anti-bacterial fabric as new potential niche, high value market for Indonesian garment / textiles.	26-Jun-08
19	Langlangbuana University (UNLA)	Mendong Waste Production Technology for Fancy Paper	University	Furniture and Home Accessories	Bandung	4-Aug-08	4-Feb-09	225,000,000	\$25,000	To develop and socialize applied technology enabling mendong craftsmen to utilize waste bi-products for production of "fancy" high-end market craft paper.	26-Jun-08
20	Vocational Education Development Center (VEDC)	Furniture Wood Dryer Oven Powered by Wood Waste	University	Furniture and Home Accessories	Malang	1-Aug-08	1-Feb-09	217,000,000	\$24,111	To develop low-cost technology for drying wood, using wood waste bi-products as the source of energy.	26-Jun-08

SENADA BUSINESS INNOVATION FUND - USAID GRANT SUMMARY (as of September 2008)

No	Grantee / Contractor	Activity Title	Type	Target	Location	Start	Finish	Amount (IDR)	Amount (USD)	Purpose	Date approved by USAID
21	Darma Persada University (UNSADA)	Hybrid GHE Solar Dryer for Tanned Leather	University	Various Industries	Jakarta	13-Oct-08	13-Apr-09	225,000,000	\$25,000	To develop prototype Solar Energy Driven Dryers for Tanned Leather	4-Sep-08
22	Business Innovation Center (BIC)	Intermediary Linkage Service for Innovation and Investment	NGO	Various Industries	Jakarta	TBD	TBD	225,000,000	\$25,000	To develop a IT-based link and match service that links potential innovations to commercial investment opportunities.	29-Sep-08
23	CV Wijaya Beringin Consulting	Pre-Feasibility Study on Kendal Port Development	Private Company / Business Service Provider	Various Industries	Semarang	TBD	TBD	216,000,000	\$24,000	To conduct Pre-Feasibility Study on Kendal Port Project in the Special Economic Zone of Kendal City Central Java	29-Sep-08

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
1	Servitama Consulting (CLOSED)	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.	After only three months of technical support, all five pilot firms were able to make tangible improvements to their manufacturing processes after Servitama's coaching, which included brainstorming sessions in which dozens of managers and over 750 line staff were shown how to develop innovative solutions to their problems. For example, one firm reduced machine change-over time from an average of 61 to 55 minutes. Another firm cut its reject rate in half, dropping it from 19.6 percent to 9.8 percent. Servitama's consulting service is fully operational and is currently taking new clients.
2	IATO Indonesia (CLOSED)	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.	IATO's e-library contains literature on standards set by international certification bodies, including JIS (Japanese Industrial Standards), JASO (Japanese Automotive Standards Organization), and SAE (Society of Automotive Engineers). Material in the library illuminates the need for and technical purpose of each of the recognized automotive standards — essential information for automotive manufacturers that wish to remain competitive. Established within the official IATO website, the e-library can be viewed at www.iato-indonesia.com/elibrary . It already contains approximately 200 documents.
3	Diponegoro University (UNDIP) (CLOSED)	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.	The grant capitalized on six years of research already completed by UNDIP, which had invented a material composite formula that improved tension capacity and fatigue strength of brake drums by 17 to 20 percent. The grant provided the resources needed to take that research and turn it into a set of Standard Operating Procedures (SOP) that SMEs can use to guarantee improved and consistent quality when mass-manufacturing brake drums. The Research Institute produced a 90-page SOP manual, along with a 34-page Workshop Manual explaining technical specifications and a Product Quality Control Manual of 24 pages.

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
4	<p>LSK-K3 (ICCOSH) (CLOSED)</p>	<p>Certification of Competencies on Occupational Safety & Health</p>	<p>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.</p>	<p>ICCOSH completed and submitted two operational safety and health (OSH) certifications (SKKNI) for Ministry of Manpower approval — Occupational Safety and Health and Institutional Hygiene. The objective of these two national standards are to ensure basic workplace health and safety standards implemented in industries nationally. SKKNI certification for Occupational Safety and Health was signed into law 11 March 2008 (received 30 May 2008) by Minister Dr. Erman Suparno (Ministry of Manpower and Transmigration). The SKKNI approved is KEP #42/MEN/III/2008. Institutional Hygiene completed the "expert drafting" and "national comment" stages and is currently awaiting the Minister's signature.</p>
5	<p>Indonesian Textile Association (API) (CLOSED)</p>	<p>Garment / Textile Industry Virtual Business Forum</p>	<p>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.</p>	<p>API created a professionally designed, comprehensive website and information exchange portal to provide essential information to members, educate the public, and strengthen the image of Indonesia's textile industry as a global player. The website (found at http://indonesiatextile.com/) offers members immediate access to insights on technological innovations, regulatory developments, labor issues, and market opportunities. Its essential features include: (a) a complete database of Association members (presently including 694 companies representing six regional chapters) and their production capacity; (b) discussion forums where members can confer with fellow industry players on topics ranging from raw materials to production concerns to finishing processes; (c) a series of downloadable files covering crucial industry information and technical resources; (d) information on upcoming events, including trade shows, buyer presentations or training opportunities; and (e) daily news updates and interactive polls.</p>
6	<p>Sigma Training Centre (CLOSED)</p>	<p>Advance Motorcycle CBT Training Center</p>	<p>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.</p>	<p>Sigma Training Center (STC) launched East Java's first publically accessible advanced technologies motorcycle training center in Surabaya. The center offers two advanced training packages — one on continuous variable transmissions and one on fuel injection — on a regular basis. STC's two current training sessions are highly innovative, using a competency based training (CBT) methodology that allows students to train directly on one of STC's five newly purchased training motorcycles. To date, six rounds of training have been offered for 107 participants from Surabaya, Jombang, Sidoarjo and Gresik. STC also developed a partnership with LSP Teknisi Otomotif, East Java's private sector professional certification body (LSP) for automotive component maintenance.</p>

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
7	ASPILOW (CLOSED)	Engineer Roll Machine for Tractor Tire Production	ASPILOW will build a simple machine/equipment for tractor tire production process. This machines will very helpful for SME's at metal industries center, Ngingas Surabaya. ASPILOW will rent out this machine to their members and encourage their members to replicate this machine for themselves under ASPILOW assistance.	ASPILOW designed and launched a metal roll machine that allows tractor tire frames to be made with greater quality control and economies of scale. ASPILOW completed construction of the machinery as planned, testing and adjusting the design during the process to ensure that it met the needs of the local tractor tire producer members. In field tests conducted after construction, one operator was able to produce 200 frames per day, a ten-fold increase in productivity.
8	Quantum Design Engineering(CLOSED)	ISO9000 Compliance Software	Quantum Design Engineering will design and launch software to prepare SMEs to be ISO 9001:2000 compliant enterprises. Using this tutorial based program, managers will able to better develop the necessary quality management systems (QMS) that are required for future ISO certification. This software package will help SMEs learn by themselves on basic ISO documentation and prepare for pre-audit which will result in significant cost savings.	PT Quantum Design Engineering (QDE) developed and pilot-test a complete package of services, including software, seminars, consulting, and an external audit, that is designed to culminate in obtaining ISO 9000 certification at approximately half the cost of hiring a consultant. The QDE software uses tutorials to take companies step-by-step through the learning, implementation, and documentation process required before an ISO 9000 audit can be completed. This computer-based instruction is supplemented by six seminars that introduce the ISO 9000 concept and teach companies how to use the software effectively. Also included in the package are three days of individualized consulting services and two audits: an ISO audit by QDE for compliance followed by an external internationally certified auditor who gives a second opinion. QDE is now pilot-testing the package with three firms. QDE has copyrighted and replicated its software and started marketing its consulting services. It expects to commercially launch QDMS-P02.001 for SMEs at Gunung Agung and Gramedia bookstores by December 2008.
9	Mangrove Action Plan Indonesia (CLOSED)	Building Bamboo Pressure Treatment Facility	MAPI introduce a new technology of bamboo treatment what they call "Bamboo Pressure Treatment" by building bamboo pressure treatment plant to provide treated bamboo and ensuring new critical supply of low-cost, environmentally friendly,, "green" wood to local home accessories and furniture producers. MAPI will also improve farmers' knowledge by conducting bamboo clump management training and developing bamboo production management manual.	Mangrove Action Plan Indonesia (MAPI) teamed up with CV Sahabat Bambu, an associate company of MAPI, to commercially launch a new, environmentally friendly Vertical Soak Diffusion (VSD) bamboo processing facility in Yogyakarta. This VSD facility consists of a large tank and supporting equipment such as a vacuum machine, pressure machine, and fluid tank and uses borates of low toxicity to cure bamboo and prevent infestation. With the new technology, local treatment capacity has increased ten-fold. Now bamboo can be treated in a few hours and dried in one to two days. The plant's capacity has expanded from 2,000 medium to large poles/month to 6,000, and an additional 10,000 small diameter poles/month can also be processed. This allows local farmers to better meet both local demand (which is primarily for the larger poles) and export requirements (70 percent of the bamboo bought by exports is the smaller size).

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
10	Center for Furniture Design and Development	Launch of Furniture and Processed Woods Professional Certification Institute	Center for Furniture Design and Development (CEFED) will develop and launch an LSP FOK to become the government certified labor competence body for the Indonesian wood and timber industries. CEFED will develop, and get approval for, internationally-based human resource and labor standards that will become the furniture / wood Indonesian national competence working standards (SKKNI).	Final Draft of National Competency based-Labor Standard (SKKNI) will be prepared and then brought to National Agency for Professional Certification (BNSP) for official approval. Assessors will also be prepared and recruited to help the Institute (LSP-FOK) function officially and properly as Industry's Certifying Body once approval been given by BNSP. Manufacturers in this industry will have access for standardizing and certifying their own labors based on accepted competency level.
11	PT. Dycode Cominfotech Development (iMULAI)	Port Management Portal (PORTMAP)	PORTMAP is an a web based and internet based application for port management. The application will manage a wide variety of port activity including schedule of docking, cargo loading, length of berthing and departure date. The developer had developed and implemented non-internet version Port Management Application in one of the port in west java.	A portal will be developed and launched to serve 25 main ports that handle export and import traffic. They expect this application will create systemic impact to port management which could benefits to various industries.
12	PT. Sentra Solusi Integrasi (iMULAI)	Mobile Application Development for Inventory Management	Developing application that uses mobile devices (Wi-Fi) to perform Inventory management including inventory of raw materials, work In progress, finished goods and spare parts (MRO items) using barcode and RFID technology.	A comprehensive mobile based application system will be developed and launched including its supporting software (plus user acceptance test and training) and website.
13	ITS - Surabaya (iMULAI)	Development of Application Software on Optimizing Product Shipment Consolidation for a Cluster of Industries/SMEs	This application software will consolidate the shipment schedule for industries within a cluster or a center of certain industries. Hence SMEs will gain some benefit by using one shipping or trucking vehicle for several industries instead of the current way of using many half filled trucks.	This application software will produce a consolidation shipment schedule within a cluster, and utilized effective transportation resources. Here so, SMEs can deliver their products even for small quantity with better transportation cost. As a result, the SMEs can reduce their transportation cost and optimizing their products price.

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
14	CV Rafindo Raya	Rubber Processing Prototype to Improve Competitiveness of Footwear and Automotive Industries.	Innovation is focused on the development and commercial launch of two simple machinery prototypes that will produce rubber finished goods components through utilizing LPG or hot oil plate, and engineering the use of toggle, temperature, pressure and & time control instruments. This will be a huge breakthrough from conventional rubber processing machines used in the market that (a) uses kerosene (very expensive in current markets); and (b) does not control instruments which results in low quality and higher price per unit of rubber-finished good components. Machine will be used by automotive and footwear manufacturers primarily.	One prototype machine built and tested using LPG equipped with all necessary control instruments. One prototype machine built using hot oil plate equipped with all necessary control instruments. Both prototypes launched commercially by end of grant.
15	PT IndoDev Niaga Internet (DataOn Corporation)	Affordable Small Business Human Resource Software	The use of "community based" open source software, Sunfish Corporate HRIS software (valued over \$1000.00) will be developed into a Small Business Edition which can be downloaded by SMEs with no cost. SMEs will get access to a simple, yet affect human resources to track staff time, process salary, track and pay taxes and organizes very complex Indonesian labor requirements (i.e. severance). As SMEs become more accustomed with this simple version, they can upgrade (for a cost) to the fully upgraded conventional software with relatively low price including customization and users' training.	A open source HIS-Small Business Edition Software prototype will be developed, tested and launched through initial public launching to the market.
16	APRISINDO West Java	Computer Based Pattern Making Service Development in W. Java	Historically footwear producers in Indonesia have been very weak in manual and CAD/CAM pattern making compared to other global footwear industry leaders. Manual pattern making practices (which are traditionally accepted and used in Indonesia) are accepted only for the first size in a series of samples. Other sizes must use technical drawings made from CAD/CAM technology to guarantee accuracy. Currently CAD/CAM services are only available in large companies and are many times too expensive or too complicated for smaller firms to utilize. Development of a localized CAD/CAM services is critical to helping SMEs compete domestically and abroad.	APRISINDO West Java will develop an independent, fee based CAD / CAM pattern making service that will be available to all SMEs in W. Java. In addition to the CAD/CAM service, APRISINDO West Java will train 20 designers in men and women manual and CAD/CAM pattern making who will become industry leaders in the subjects and help APRISINDO West Java transfer critical pattern making knowledge to rest of the footwear industry in West Java.

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
17	GNKL-NU	Village Based Community Forest Management and Sustainable Markets Education.	Indonesia has a long history of poor forest management and high levels of illegal logging which have seriously hurt the furniture industry's reputation abroad. Forest Sustainable Council (FSC) and Verification of Legal Origin (VLO) are is the most credible accreditation standards used in sustainable or green community forest management. GNKL-NU will use its broad village based network to develop and establish a permanent education mechanism in community forest management.	GNKL-NU will successfully develop and implement a FSC/VLO community forest education program supported a broad based communication / PR campaign in the basics of community forest management. Tools and methodology will be transferred to over 100 community based farmer training-of -trainers and 10,000 community forest management handbooks will be provided to community forests. A business plan for a permanent community forest center will also be completed with buy-in and resources secured for their long term sustainability. Center will be established, equipped and manned.
18	Diponegoro University (UNDIP)	Chitosan Anti-Bacterial Agent for Garment Fabrics	Indonesian producers are not currently taking advantage of the growing global (especially Asian region) demand for anti-bacterial textiles and garment products. Textile and garment producers are not entering the market because domestic production of anti-bacterial agents is still nascent and imported raw material is very expensive. UNDIP will finalize research and develop a market ready anti-bacterial agent for fabric known as Chitosan, developed from abundantly available crab and shrimp waste.	In cooperation with CV. Synergy (a laundry Industry leader), UNDIP will finalize and socialize the Chitosan process to textile / fabric producers who will in turn use the process to produce raw material for the local / regional garment industry. UNDIP will provide detailed explanation of the Chitosan manufacturing process methodology (in the form of a standard operating procedure) and disseminate this process to textile manufactures. This may lead to the development of a new niche market in anti bacterial textiles or garments.
19	Langlangbuana University (UNLA)	Mendong Waste Production Technology for Fancy Paper	Abundant mendong waste from the regional craftsmen community has been an unutilized recyclable raw material that has been abundant for years. While developing solutions to community mendong pollution, UNLA started developing ideas to converting mendong waste into fancy paper for home accessories craftsmen. UNLA has successfully pioneered the fancy paper from mendong waste process, and will use the grant to commercialize the process and develop simple machinery for village-based production. Process follows global "sustainable" market trends required by international buyers.	Commercialization and socialization of UNLA developed applied technology and simple machinery may create new niche market for regional home furnishings craftsmen. Two sets of applied technology training materials and simple machinery (cutting machine and refiner machine) developed and built. Each set of this machinery will be piloted in Cibereum and Manonjaya district in W. Java. Piloted Fancy Papers products will be publicly displayed during launch with machinery spurring industry players and community craftsmen toward future utilization and commercialization.

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
20	Vocational Education Development Center (VEDC)	Furniture Wood Dryer Oven Powered by Wood Waste	Dryness of wood is one of the most important qualities when producing wood based products (especially from tropical regions) and is critical for entering export markets in the U.S. or Europe. Unfortunately the costs of obtaining necessary equipment to dry wood is very high and only largest producers have in-house capacity. VEDC has developed simple, yet effective, machinery and processes for wood drying that powered by woods waste and bi-products. This cheaper technology will be available to smaller home furnishings producers, be very cost effective, and pass "green" and "sustainable" international standards.	VEDC will finalize its wood powered prototype oven dryer and launch a low cost wood drying service for furniture and home accessories SMEs in Malang. Additionally, VEDC will also sell the wood dryer oven technology and offer training to Indonesian vocational schools across Java in the new technology.
21	Darma Persada University (UNSADA)	Hybrid GHE Solar Dryer for Tanned Leather	Most SME based tanneries depend on either direct-solar drying (leather drying in direct sunlight) or fuel-based drying chambers (generating steam through boilers) which are not effective or efficient (direct sunlight) or expensive (steam boilers). Developing a prototype technology that can harness the free, eco-friendly power of the sun for drying leather without the problems associated with sporadic sunlight, rainy seasons and persistent humidity and mold is very important to the industry. Solar Energy Driven Dryers, if successful, will improve competitiveness of the entire value chain by (a) increasing the local supply of quality and affordable dried leather for the footwear, garment, home furnishings industries, and (b) increasing the productive capacity of the local leather industry.	One prototype GHE Solar Dryer will be built, lab-tested, field tested and launched publicly for around 100 key industry stakeholders. During field testing, three tanning companies will receive demonstration technical assistance and four operators and one manager of each company will be trained. Further dissemination will occur of the product and its impact throughout the industry to generate as much interest in replication as possible. PT Sumber Piranti, UNSADA's commercial partner, will develop the prototype into a commercial product and market the GHE Solar Dryer with APKI (Indonesia's Tanners Association) to potential buyers.
22	Business Innovation Center (BIC)	Intermediary Linkage Service for Innovation and Investment	BIC will develop and pilot a IT-based intermediary service that links innovators and investors. This grant will allow BIC to test this comprehensive link and match model and develop a solid business plan to guarantee sustainability, transparency, accuracy and usability of the innovation link and match services and tools. BIC will also develop and populate an database (supported by interactive-database technology) that collects and matches innovations and potential commercial investment opportunities.	BIC will finalist, test and launch an advanced interactive linkage technology for matching innovations and commercial investment opportunities and develop a populate a comprehensive database of potential innovators and investors data. Pilot intermediation for five innovations will be completed, hopefully producing contracts between innovators and investors. Business plan will be piloted and link and match service will be sustainable.

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 2008)

No	Grantee / Contractor	Activity Title	Summary Description	Summary / Results Expected
23	CV Wijaya Beringin Consulting	Pre-Feasibility Study on Kendal Port Development	Research will lay the foundation for a major new investment in a seaport container terminal in Kendal, near Semarang in Central Java. The proposed terminal is part of a proposed industry zone in a green-fields site that may qualify for 'special economic zone' status. The key output will be a pre-feasibility study that will provide an initial assessment of the economic and (possibly technical viability) of the new port. This pre-feasibility study will represent a crucial project document that will allow the District, Provincial and Central governments take next steps in the development of the Kendal port/industry complex.	Pre-Feasibility Study for the submission of izin lokasi will be completed with the following information: review of economic feasibility study; review of port planning/master plan; environmental assessment; progressing port industry complex; proposed layout of new port/terminal integrated with industry complex; proposed preliminary design of port facility (including model, structure, design of breakwater and access channel and other port facility); proposed staging of port construction, project cost and development scheme; proposed model of cooperation between regional government, central government, port operator and other investors in the SEZ; and proposed participation model in monitoring on project implementation, including capacity building on various level of employment. Application submitted to local government for izin lokasi location permit.

F. SUCCESS STORIES, ACTIVITY UPDATES AND GRANT PROFILES



USAID
FROM THE AMERICAN PEOPLE



SUCCESS STORY

COMPANIES EAGER TO IMPROVE QUALITY SIGN UP FOR SENADA'S QSEAL INITIATIVE



“QSEAL protects consumers and OEM buyers alike by separating high-quality, low-priced, locally produced parts from poor quality imitation component manufacturers that have little or no appreciation of quality.”

— *Yayat Ruhiyat*
President, ASBEKINDO

The term “competitiveness” may seem synonymous with “increasing exports,” but in the Indonesian automotive parts industry, the battle to increase competitiveness is being fought right at home in the domestic market. Indonesia has experienced rapid growth in the production and sales of two- and four-wheeled vehicles, and as a result more vehicles on the road have exceeded their original warranties. This in turn has increased demand for non-original auto parts — a market that foreign suppliers are ready to supply with cheap, low-quality parts. To lure consumers away from these imports, domestic auto parts manufacturers need a strategy to convince them that their best choice for quality and affordability is a made-in-Indonesia product.

SENADA worked with Indonesia’s key players in the auto parts aftermarket to meet this need by developing QSEAL, Indonesia’s first national seal of quality for domestic automotive component producers. QSEAL is the result of collaboration among the Indonesia Automotive Center (SOI), the Indonesian Automotive Engineers Association (IATO), and the Indonesian Service Station Association (ASBEKINDO).

Under the QSEAL program, SOI and IATO experts have developed a set of quality standards that fulfill a realistic subset of OEM (original equipment manufacturer) standards. Companies that wish to participate in QSEAL must pass independently verified product and process certification tests before their products receive the QSEAL label.

QSEAL was launched on 7 May with three firms immediately signing up (PT Fuboru Indonesia, PT Cipta Kreasi Prima Muda, and PT Indta Pratamajaya). Following independently provided technical assistance designed to bring them up to standard, SOI will audit and certify their products and processes for QSEAL certification. As an added benefit, these firms will be better positioned to take the additional steps needed to fulfill OEM requirements. They may also use ASBEKINDO as a marketing channel for their QSEAL products, which will appeal to consumers by offering a combination of quality, price, availability, and safety.

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SUCCESS STORY

GREEN CERTIFICATION PRODUCES DRAMATIC RESULTS



“VLO certification has opened a wider market for us. We’ve already acquired a better reputation and appreciation from many parties, including buyers. We’ve been given more opportunities to work on projects and we’ve raised prices with one buyer by 3 to 5 percent.”

*— Jajag Suryoputro
Owner/Manager, Jawa Furni
Lestari*

When SENADA began assisting Indonesian wood furniture companies to achieve green certifications, many participating firms were focused on a simple outcome: more sales at higher prices. But if Jawa Furni Lestari – the first Indonesian furniture company to secure Verification of Legal Origin (VLO) certification with help from SENADA – is a guide, companies stand to achieve this goal and much more.

Recognizing that Indonesian firms that hope to compete internationally must “go green,” SENADA has been facilitating the efforts of 40 wood furniture firms in Central and East Java and Yogyakarta to obtain VLO certification (and ultimately full green certifications from the Forest Stewardship Council) based on the standards accepted in major target markets such as the US and EU. TUV Rheinland, the Rainforest Alliance/ SmartWood and SGS are collaborating with SENADA to provide the technical assistance companies require and to serve as third-party certifiers.

The Central Java firm Jawa Furni Lestari was the first company to obtain VLO certification, beginning work with SENADA in Fall 2007. With its own funds, it hired TUV to conduct an audit in February, becoming certified in time to incorporate the certification into its preparations for Jakarta’s International Furniture and Craft Fair (IFFINA) in March.

Results were dramatic. Jawa Furni Lestari drew a far more rewarding response from buyers than it had at comparable exhibitions in 2006 and 2007. The company obtained 48 appointments with buyers (compared to its previous record of 31), US\$ 560,000 worth of orders filling an estimated forty 40’ containers (cf US\$ 216,000 and 17 40’ containers) and a minimum of 24 repeat orders (cf 10). Moreover, buyer interest in the past was based partly on low prices; at IFFINA buyers identified certification as a draw, instead of low price.

Jawa Furni Lestari also reports that preparing for the certification audit spurred them to improve management and production efficiency, management knowledge and marketing strategy – traits that will serve Jawa Furni Lestari well as it grows its business.

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SUCCESS STORY

FIRMS USE SENADA'S SOFTWARE TO REWARD THE BEST AND HELP THEIR WORST SUBCONTRACTORS



“The prototype software made it possible for us to reward good performance with more orders and provide constructive feedback to poorly performing subcontractors with advice on how to improve.”

*—Bapak Heru
Owner/Manager, Golfer*

A manufacturing firm's productivity is constrained by the performance of its subcontractors. The manufacturer will be stymied if intermediate goods and materials fail to arrive on time, are of less than the specified quality, or contain an unacceptably high level of defects.

But when working with multiple subcontractors, keeping track of who is performing best and whose performance quality is trending up or down is not a simple matter. Lead firm managers are awash in data that they cannot use if they have no way to record and analyze it.

SENADA's Knowledge Development and IT experts worked together with lead firms representing several light manufacturing industries to create a solution to this problem, by developing prototype software and accompanying training materials/protocols that enable lead firms to manage data on subcontractor performance and use it to modify their business operations accordingly. (The application was developed by a local software company, and the software will ultimately be included in their flagship Enterprise Resource Planning suite that will be commercially available for the Indonesian SME market.)

One firm involved in the prototype testing was footwear company Golfer, which used the software to identify and correct its subcontractor problems. After inputting all the data, the company discovered which of its subcontracting firms had the best performance record, and transferred more orders to this manufacturer. At the same time, PT Golfer identified the worst-performing subcontractor, reduced its orders with this firm, and provided detailed feedback on the problems so that the firm managers knew what they needed to do to improve and win back more business.

Ultimately, the poorly performing firm reduced its defect rate and improved its delivery time, bringing its performance to acceptable levels and ensuring that PT Golfer maintained a range of subcontractors to rely on.

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SUCCESS STORY

SENADA TASK FORCE PROFESSIONALIZES 12 COMPANY WEBSITES IN RECORD TIME



“This website is now able to highlight the quality of our products and helps companies to achieve, in the eyes of buyers, a respected position in the industry.”

— Budi Virgono

Owner, PT Lunar Mulia Kreasi

There is only one thing worse than a company without a website that has aspirations to export its products: a firm with a poorly designed, badly presented site. An unprofessional website sends the message to potential overseas customers “this company is not ready to meet international standards.”

With this in mind, SENADA assisted a group of home furnishings companies from Yogyakarta and Central Java, banded together under the “Eco Exotic” initiative, prepare for international scrutiny as they launched Eco Exotic at the Las Vegas World Market from 28 July to 1 August. A review of the company websites six weeks in advance revealed that none of the companies had sites that were ready for the attention Eco Exotic would generate from international buyers.

The short timeframe called for aggressive action. Typically, a company should allot two or three months to website design. With only half that time available, SENADA mobilized a task force and set an ambitious goal of quickly bringing the websites of 12 home furnishings companies to international standards (the firms included nine Eco Exotic members and three additional companies in the same value chain that were poised to benefit from an immediate website upgrade).

Using a tightly focused, carefully scheduled approach, the task force evaluated the effectiveness of existing sites, invited and assessed bids from the best web designers in Yogya, and chose the top two designers. The task force established common standards and features for each website and divided the work between the two designers to maximize the speed and quality of results. Simultaneously, the task force educated executives from the home furnishings companies on the importance of internet promotion and marketing.

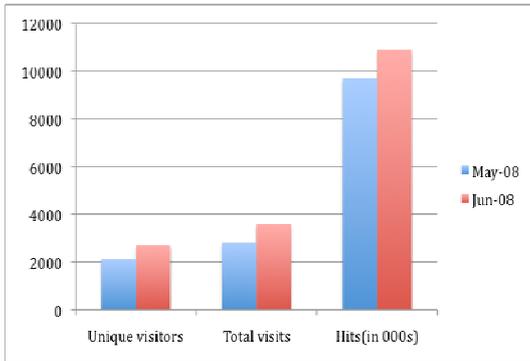
The effort was a success, with twelve appealing websites up and running in time for the Eco Exotic launch. The sites were designed using a content management system that allows the companies to easily update their websites as needed. Planned follow-on activities will train companies on search engine optimization, viral marketing, and other aspects of internet promotion, thus ensuring that the newly designed sites become an integral feature of the companies’ future marketing efforts.

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SUCCESS STORY

SENADA OVERCOMES BARRIERS TO CREATING A SUSTAINABLE WEB-BASED TRADE PORTAL



Utilization of the website jumped immediately upon launch of the new content on 3 June, 2008.

In the exceptionally competitive global market for garment and textile products, Indonesian producers cannot afford to overlook any tool that will bring them into closer, faster contact with potential buyers. A web portal that provides knowledge and also acts as a marketplace where buyers and producers can interact is essential.

But until earlier this year, Indonesia's textile and garment industry was without such a trade portal. The barriers were not technical ones, but rather related to obtaining the resources for designing a web portal and creating a self-sustaining business model.

SENADA teamed with dedicated industry leader Mr. Redma, director of the company Gaindo Pratama and an industry and trade analyst for the Indonesian Textile Producers Association (API), to overcome these barriers and launch a trade portal that not only features up-to-the-moment leads for buyers and sellers alike, but sustains itself through member fees and advertising revenue.

SENADA supplied the needed technical assistance to develop Mr. Redma's existing self-financed textile news site, www.indotextiles.com, into a full-fledged, economically viable trade resource. The web development company Pisang Raja was hired to complete the technical design of the site, and SENADA provided project management assistance to help Mr. Redma and API create a sustainable business model.

The result is a comprehensive site launched on 3 June, 2008. It has 636 members and has quickly built up a database of over 1,300 companies. The home page features buying and selling leads as well as advertisements from a range of industry players. Users report that, aside from news, the most helpful features are the "Featured Company" and "Product Development" sections. For example, one firm, PT Fransputratex, has used the site to launch their new "Quick-Dry" fabric technology. Within three months of the launch, 620 products were added and the buying and selling leads posted valued more than US\$ 100 million in potential transactions.

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ACTIVITY UPDATE

SENADA BRIEFS MEDIA ABOUT WOOD CERTIFICATION AND EXPORT MARKETS



“This event was fun and for a good purpose: to help Indonesia’s forest product industries to do better in world markets.”

—Loy Jones

*Regional Manager for Asia Pacific,
Smartwood/Rainforest Alliance*

Actors all along the value chain are influenced both by public opinion and knowing how they will benefit from changing their operations. This is certainly true in Indonesia’s wood furniture industry, where stakeholders must adapt their processes in order to participate in the growing global market for products made from certified, responsibly sourced timber.

The media are a valuable tool for educating the public and stakeholders about wood certification – but media representatives must first be educated themselves.

Therefore SENADA, which works directly with wood furniture companies to promote Verification of Legal Origin (VLO) certification as a means of strengthening the industry’s competitiveness, works with local and international media as a logical complement to its efforts with value chain actors.

SENADA held a briefing for Jakarta-based international and English-language media representatives on 4 June. Representatives of *The Jakarta Post*, Metro TV English, and *The Wall Street Journal* attended and were able to access the expertise of Loy Jones, Asia Pacific Regional Manager of Smartwood/Rainforest Alliance (a certification body); Ambar Tjahyono, head of ASMINDO (the Indonesian Furniture and Handicrafts Industry Association); and owners of three Indonesian furniture-producing firms that have achieved certification (Jawa Furni Lestari, Prima Putra, and Accasia). These individuals explained the facts about certification procedures, how the export market for certified goods is growing, and firm experiences going through the certification process. SENADA Chief of Party Steve Smith also participated, emphasizing the role of market incentives in promoting a sustainable wood furniture export industry. Follow-up efforts to the briefing include arranging field visits for additional representatives of prestigious media outlets such as CNN, BBC and Reuters.

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ACTIVITY UPDATE

LEAD MANUFACTURERS USE PROTOTYPE SOFTWARE TO BETTER MANAGE SUBCONTRACTORS



“The subcontractor performance prototype is easy to use for entering receipts from subcontractors and editing data.”

*—Ibu Tari
Production/Administrative
Supervisor,
CV Tashinda Putraprima*

Manufacturing firms that want to properly manage the performance of their subcontractors must develop different types of tools along with the skills to use them. Knowing what data to collect on subcontractor activities and how to present subcontractors with feedback are important parts of the picture, but not the whole story. Firms need a system to record the relevant data, and training on how to enter and extract information from this system.

Because such systems and knowledge on how to use them are lacking among Indonesian manufacturing firms, SENADA developed a prototype database for recording key data on subcontractor performance, such as defect rates, type of defects, and fulfillment of delivery schedules.

Over time, the application gives manufacturers not just a snapshot of current performance, but the ability to analyze historical data on subcontractor performance and give appropriate feedback on performance trends.

SENADA’s Information Technology and Knowledge Development experts initially collaborated with three Indonesian footwear firms (Basama Soga, Golfer, and Sumber Kreasi Fumiko) to install the prototype, train users, and create a user-friendly manual to accompany the application. The activities took place over a six-month period from September 2007 to February 2008.

Using lessons learned from these initial efforts, between February and June SENADA expanded installation of the prototype, training the personnel of five home accessory firms (Siji Lifestyle, Tashinda Putraprima, Harpa Inti Mandiri, Mendong Jaya and Lunar Kreasi Mulia) and a garment firm (Orca) to utilize the software and its user manual. As a result, five out of six have generated key performance indicators that have enhanced their ability to monitor their subcontractors and the sixth will soon reach that goal.

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ACTIVITY UPDATE

SENADA ANALYSIS STIMULATES CUSTOMS OFFICE TO IMPROVE REGULATORY ENVIRONMENT



“The SENADA study will help us to ensure that our regulations related to furniture sample imports are efficient and function smoothly.”

*—Bapak Purwantoro
Subdivision Head, Customs*

Indonesian furniture producers encounter a major business obstacle when they receive imported sample products from potential overseas buyers. Because sample products are classified as commercial goods, furniture producers must pay taxes and duties equal to more than 60 percent of the value of the samples. In addition, although producers are able to obtain waivers exempting them from paying an import duty, the procedures for obtaining the waiver are very complicated. The complexity stems from the need to comply with two separate regulations (KMK/140/1997 and PMK/140/2007) that each call for differing steps to be taken.

SENADA identified these problems as part of its efforts to strengthen the Indonesian furniture value chain. As a first step in removing the constraints, the project completed a cost-benefit analysis of the regulations. A key finding of the analysis was that Indonesia loses an estimated Rp 485 billion/year in export orders as a result of the regulations' complexity. The SENADA study goes on to make two recommendations. First, a legal review of the regulations should be conducted in order to clarify misunderstandings on how they are to be implemented. Second, the waiver application process should be moved to the provincial level in order to make importation procedures simpler and less expensive.

The Customs Office responded to SENADA's recommendations by forming a team to review the conflicting policies. As a result, the Custom Office has drafted a new implementation guide to regulate the waiver application process at the provincial level. Customs has also initiated a series of discussions within the bureaucracy at the national and regional levels about the new draft guide. SENADA has facilitated dialogue between the Customs Office and producers/industry players so that business stakeholders can give feedback on the draft. The first such discussion was held in June.

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ACTIVITY UPDATE

INDONESIA'S SUSTAINABLE HOME FURNISHINGS PIONEERS IMPRESS INTERNATIONAL BUYERS



Among the buyers now in negotiation with Eco Exotic companies are trendsetting companies Crate & Barrel, Pottery Barn, and Hudson Bay.

Indonesia has several advantages in serving the growing global demand for sustainable home furnishings. It is blessed with an abundance of natural fibers and recyclable materials, and is unrivaled in its use of village-based production. The challenge is to overcome the negative perception markets have about Indonesia's treatment of the environment.

A progressive group of nine Indonesian companies – called Eco Exotic – has mobilized to meet this challenge. With assistance from USAID-SENADA, each of these companies has introduced procedures in their factories that meet rigorous sustainability standards, such as using wood that is certified sustainable, switching from oil- to water-based paints and using recycled packing materials. They teamed to collaborate on an 18-month international promotional campaign with e-mail blasts, trade journal articles, a joint catalog and a website (www.ecoexotic.net).

The highlight of the Eco Exotic activities was a showcase of their sustainable products in the Living Green Pavilion at the World Market Center trade show in Las Vegas from 28 July to 1 August. Eco Exotic's booth was visited by hundreds of enthusiastic potential buyers. As a result, several contracts have already been secured. More importantly, dozens of serious inquiries are being followed up. One buyer, who is negotiating an order for 15 containers of Eco Exotic products, commented that he “never imagined Indonesia had such a wealth of renewable resources.”

On their return to Indonesia, Eco Exotic members decided to coordinate in consolidating container shipments to the U.S. They have also drawn up plans to create a new association to continue international promotion of the Eco Exotic label and to expand the base of local producers implementing socially and environmentally sustainable practices.

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ACTIVITY UPDATE

GOI OFFICIALS LEARN TO IDENTIFY PROBLEMATIC REGULATIONS USING SENADA'S REGMAP TOOL



“RegMAP is a strategic step in the effort to enhance the competitiveness of Indonesia’s light industrial sector, which employs so much of our workforce.”

*—Bapak Djimanto
Vice Chairman, APINDO*

A key factor in national competitiveness is the nature of a country’s business regulations: how many there are, how expensive and time-consuming it is to comply with them, whether or not they are internally consistent, and the extent to which adhering to the rules hinders business operations.

Indonesia has a large number of potentially problematic national and regional regulations, making it difficult to establish priorities for analysis and reform. To assist in this process, SENADA has created an innovative tool dubbed RegMAP. RegMAP allows stakeholders to conduct a preliminary review of a large number of regulations in a relatively short period of time, leading to a “top 10” list of regulations targeted for further action. RegMAP works by applying three progressively stricter filters based on the basic principles of Regulatory Impact Assessment.

As the authorizing body for all regulation, the Government of Indonesia is the most appropriate party to utilize RegMAP. To work toward institutionalizing RegMAP in the GOI, SENADA held a workshop focused on applying the first RegMAP filter on 31 July, attended by more than 30 participants from the Directorate of Legislation Analysis at BAPPENAS (Indonesia’s national development agency); BPHN, the National Law Development Agency; the Ministry of Law and Human Rights; and the Ministry of Industry. The workshop was held at BAPPENAS and was also attended by representatives of various NGOs with an interest in reforming the Indonesian business environment, including the Indonesian Employers Association (APINDO), KPPOD, PEPI, and The Asia Foundation.

Following a presentation on RegMAP by SENADA’s RegMAP Activity Manager Efrulwan, workshop participants practiced what they had learned by applying Filter 1 to several regulations. Future workshop activities are planned to provide similar training on the second and third filters.

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ACTIVITY UPDATE

LINK & MATCH EVENT BRINGS QUALITY GARMENT MAKERS TOGETHER WITH ENTHUSIASTIC BUYERS



“The meetings were extremely effective and we were able to closely interact with the buyers. We began discussing prices on the spot.”

*—Ibu Nettyani
Senior Marketing Staff
PT Sutera Indah*

The modern textile and garments industry is exceptionally fast-paced. Fashion trends rapidly come and go. International markets increasingly demand smaller runs of more individualized products. Improvements in technology allow savvy producers to increase the range of products they produce and to switch specifications at a moment's notice. All these factors mean that buyers face a complex task locating suppliers who can keep up with their changing needs, while suppliers must work hard to establish solid relationships with buyers in order to stay attuned to market signals and grow their sales.

To help Indonesian manufacturers develop these relationships, Garment Partnership Indonesia (GPI, a private-sector initiative facilitated by SENADA), held a “Link and Match” event designed to appeal to buyers and suppliers alike. For buyers, the event provided access to more than 20 suppliers in one setting. For suppliers, it offered an opportunity to establish contacts with Buying Offices and Buying Agents representing 14 companies. The event, held on 21 August at the Commerce Club in Jakarta, built on the success of a similar event held in September 2007 by GPI.

Vendors, who came from Solo, Semarang, Bandung and the greater Jakarta area, were vetted in advance using standards drawn up by SENADA, so participating buyers were assured that all the suppliers they met were able to meet certain production and quality standards and also ethically source their products.

Both buyers and suppliers were enthusiastic about the contacts they made, and more than 80 one-to-one sessions resulted from the event. Many of the businesses urged SENADA and GPI to hold more of these events and with greater frequency.

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ACTIVITY UPDATE

SENADA FOSTERS ANALYSIS OF NUISANCE LAW REGULATORY REFORM



“Thank you for all the support from SENADA in reviewing the Ministry’s regulations. Hopefully this activity will provide additional insight to the team compiling our regulations and also to BANG DA.”

*—Bapak Djiman Sarosa
Director, BANG DA
(Regional Development),
Ministry of Home Affairs*

Indonesian businesses are still subject to a law promulgated by the Dutch colonial government in 1926, the *Hinder Ordonantie*, or Nuisance Law. The law specifies that before a business can establish or expand operations, it must obtain a permit from the local government to ensure it does not ‘disturb’ the nearby community. Not surprisingly, the implementing regulations that have grown up around the law are redundant and overly restrictive, and they have allowed for excesses in rent-seeking behavior while providing little or no real environmental protection.

Building upon an existing coalition of stakeholders advocating for change, SENADA and The Asia Foundation teamed up to assist GOI representatives to analyze problems with the regulations and develop modernization strategies. From 9 to 13 June, the two organizations sponsored a series of public forums and meetings in Jakarta and Solo attended by stakeholders from local, regional, and national governments, including the Department of Home Affairs and BAPPENAS (the national development agency), as well as business associations and NGOs. Among the problems tackled were the costs of obtaining permits, the need for frequent renewals, and lack of recourse for companies who are forced to suspend operations. Participants considered methods for streamlining overlapping requirements and eliminating troublesome delays.

The centerpiece of the event was a presentation by Donald Elliot, an attorney with international expertise in developing robust legislation that will serve public policy goals while creating an environment where business can flourish. Mr. Elliot pinpointed the most problematic aspects of the current situation and outlined possible solutions based on the experiences of other countries in developing and implementing effective and appropriate nuisance laws and regulations. He offered concrete proposals for change, energizing audience members and prompting ongoing follow-up activities after the event. GOI officials are now preparing and reviewing a significant series of revisions which are slated to be approved and instituted before the year is out.

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ACTIVITY UPDATE

GARMENT INDUSTRY LEADERS DETERMINED TO IMPLEMENT PRODUCTIVITY STRATEGIES PRESENTED AT SENADA WORKSHOP



“It was the most comprehensive, detailed and practical training I ever experienced in the garment industry. Mr. Araki showed us that it is not impossible to implement the Toyota Production System in garment manufacturing.”

*Melly Gunawan
Factory Manager,
PT Bina Busana Internusa*

Few managers in Indonesia are unaware of internationally proven strategies for maximizing productivity on the factory floor, such as 5S (Sort, Set in order, Shine, Standardize, Sustain) or the Toyota Production System. But lacking evidence that these concepts will work for their firms too, it is easy for company executives to assume that those methods are irrelevant, not applicable in Indonesia, or perhaps would only work for auto manufacturers or other unrelated industries.

Working through Garment Partnership Indonesia (GPI), SENADA set out to overcome these misperceptions. SENADA and GPI sponsored a workshop in Semarang on 28 August featuring an energizing presentation entitled “Productivity Improvement: A Practical Guide on Implementing Lean Manufacturing in the Garment Industry.” The workshop was attended by 17 managers from five manufacturing firms in Solo and Semarang. The main speaker was Tatsuro Araki, a renowned Japanese garment productivity expert with 30 years experience in China and Indonesia. While explaining how the firms could implement Time and Process Analysis and similar strategies, Mr. Araki showcased garment factories that had achieved substantial gains by taking such steps. His presentation convinced attendees that the techniques he described would benefit their operations as well. Participants left the training eager to put what they had learned to work in their factories.

The workshop was part of GPI’s Executive Development Program II, a series of trainings designed to strengthen the garment industry by offering innovative solutions and ensuring that industry executives are equipped with the right skills, knowledge and competencies. This and other GPI activities are intended to increase the competitiveness of Indonesia’s garment industry, create business networks and improve access to global markets.

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USAID
FROM THE AMERICAN PEOPLE



The SENADA Business Innovation Fund Grantee Profile:

WORKER RIGHTS IMPROVED AS INTERNATIONALLY ACCEPTED OCCUPATIONAL HEALTH AND SAFETY STANDARDS BECOME LAW



Candidates for certification as Occupational Safety and Health Specialists participate in a training workshop.

Manufacturers in Indonesia wishing to enhance their competitiveness face pressures from all sides. On the one hand, it is vital to increase labor productivity on the factory floor. On the other, it is essential to comply with international safety standards. Only by addressing both productivity and safety issues can firms expect to hold their own internationally and to protect the welfare of their workers.

However, uninformed attempts to speed production have the potential to lead to a higher risk of workplace accidents. The solution is to undertake such efforts within a framework of internationally accepted workplace safety standards. The difficulty that firms face is in understanding what these standards are and how to meet them. Firms need competent in-house Occupational Safety and Health (OSH) specialists who can educate management about safety standards and verify that these standards are being met.

To address this need for qualified specialists, SENADA's Business Innovation Fund awarded a grant to the Institute for Certification of Competency of Occupational Safety and Health (ICCOSH), entitled "Certification of Competencies on Occupational Safety and Health." The grant provided ICCOSH with Rp 143,150,000 over a six-month period from December 2007 to June 2008.

Grant funds were used to draft competency standards in two areas, Occupational Safety and Industrial Hygiene, that trainees will be required to meet in order to be certified as OSH Specialists. The standards were prepared internally at ICCOSH and then reviewed by external experts from a variety of industries, with the goal of institutionalizing them as official regulations of the Ministry of Manpower.

The Occupational Safety standards became law on 11 March, 2008 when the Minister of Manpower signed Decree No. KEP. 42/ MEN/ III /2008. The standards for industrial hygiene are now in process and are expected to be similarly authorized. ►►

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

“After long years of waiting, these urgently needed and officially sanctioned competency standards will enable manufacturers to improve safety standards and the working environment.”

— Bapak Suprpto
General Secretary of the Society for
Occupational Health and Safety
(A2K3)

Fourteen specialists were selected and approved by ICCOSH to be trained, tested and certified as professional assessors using the competency standards. These assessors will work at four assessment centers under the auspices of institutions selected, approved, and guided by ICCOSH. The assessors will train and test future OSH Specialists sent by manufacturing firms so that they can return to their companies and implement safety standards on site.

ICCOSH is a non-profit organization established in 2002 to advocate for the implementation of occupation health and safety standards in Indonesia. Its vision is to become the first professional certification institute officially recognized by Badan Nasional Sertifikasi Profesi (Indonesia’s national agency for professional certifications) in the field of occupational health and safety.

ICCOSH conducts activities related to the preparation and implementation of examination materials to test for competencies, including: training trainers, maintaining examination sites and monitoring performance. ICCOSH also researches the needs for competency standards in industries, assessing and updating existing standards, and presenting new and revised competencies to appropriate associations and government bodies for review and approval.

The Business Innovation Fund (BIF) is an initiative launched in June, 2007 by SENADA. BIF offers short-term, high impact grants for innovative projects involving the value chains where SENADA focuses. Details can be found at www.senada.or.id/innovation. 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.

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GRANTEE PROFILE

NEW SIGMA TRAINING CENTER STRENGTHENS COMPETENCY IN ADVANCED MOTORCYCLE FUEL INJECTION PRODUCTION AND MAINTENANCE



The opening of the third STC training session at PGRI Elementary Vocational School in Gresik, East Java, June 2008.

As technology grows increasingly sophisticated, the people who build, maintain and repair the goods that utilize such technology must be better and better trained. This is the case with motorcycles, which increasingly are being manufactured with complex transmission systems and fuel injection systems that vary in design from manufacturer to manufacturer. Without strong technical expertise in these new product lines, Indonesia could lose access to important domestic and international markets.

Ideally, technical and service staff at small manufacturers and service stations maintain knowledge on the latest technology and know how to build, diagnose and fix any motorcycle component. But in reality, finding the means to keep workers trained is difficult. Sole agents can rely on materials provided by the brands they represent, but such workshops are the minority in Indonesia, where most small part manufacturers and service stations attempt to provide services across a range of manufacturers.

Additionally, the majority of training programs currently offered in the market rely heavily on book-focused, trial-and-error based training methods — a poor strategy when technology is constantly evolving and the number of motorcycles in Indonesia is growing. The result is training that does not meet the needs of an increasingly technologically advanced market.

Sigma Training Center (STC), a training institution specializing in the advanced production and maintenance of motorcycles, was working to provide high quality training but only had the resources to offer sporadic, in-house training on demand. STC recognized that the BIF grant opportunity would give it the capacity to address an important knowledge gap, leading to increased customer satisfaction and safety, new job opportunities and an overall strengthened auto parts industry in East Java.

STC applied for and obtained a Business Innovation Fund grant from SENADA entitled “Education and Training Program for Automatic Transmission (CVT) and Fuel Injection (FI) Using the Competency-Based Training Approach.” The grant provided STC with Rp 166,700,000 over a six-month period from January to July 2008. ►►

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



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Six STC classes totaling 107 participants were trained from Surabaya, Jombang, Sidoarjo and Gresik.

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STC used the grant funds to launch East Java's first publically accessible advanced technologies motorcycle training center in Surabaya. The center offers two advanced training packages — one on continuous variable transmissions and one on fuel injection — on a regular basis.

STC's two current training sessions are highly innovative, using a *competency based training* (CBT) methodology that allows students to train directly on one of STC's five newly purchased training motorcycles. To date, six rounds of training have been offered for 107 participants from Surabaya, Jombang, Sidoarjo and Gresik.

STC also developed a partnership with LSP Teknisi Otomotif, East Java's private sector professional certification body (LSP) for automotive component maintenance. LSP Teknisi Otomotif moved into the STC training center and now offers the competency certification for motorcycle and automotive technicians. To date, 20 STC graduates have been assessed for certification.

Sigma Training Center was founded in 2006 and specializes in technical assistance for motorcycle production, repair and maintenance. More information on upcoming STC trainings is available by contacting agus.susilo@fuboru.biz or through www.fuboru.biz.

The Business Innovation Fund (BIF) is an initiative launched in June, 2007 by SENADA. BIF offers short-term, high impact grants for the development of innovative products for the value chains where SENADA focuses. Details can be found at www.senada.or.id/innovation.

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. 🌸

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GRANTEE PROFILE

NEW WEB PORTAL OFFERS TEXTILE INDUSTRY A COMPETITIVE EDGE THROUGH FASTER INFORMATION AND NEW INSIGHTS



Chairman of the Indonesian Textile Association Mr. Benny Soetrisno speaks at the official launching ceremony of the new website on 13 June, 2008.

The speed with which information is available in the age of the Internet has raised expectations for everyone. Businesses that are slow to obtain and react to information will lose out to their swifter competitors. Therefore, a key service that industry associations can provide to members is a web portal that allows members to quickly access critical new information.

In Indonesia's textile industry, manufacturers need data on daily fluctuations in global cotton prices and developments with respect to dumping issues, domestic energy prices, customs and more. But as of early 2008, the Indonesian Textile Association (API) had no means to provide electronic information to its members.

To obtain the resources needed to correct this serious gap, API turned to SENADA's Business Innovation Fund. API secured a grant to create a professionally designed, comprehensive website and information exchange portal that will provide essential information to members, educate the public, and strengthen the image of Indonesia's textile industry as a global player. The grant, for Rp 122,643,415, operated for six months, from January to July, 2008.

The website (found at <http://indonesiatextile.com/>) offers members immediate access to insights on technological innovations, regulatory developments, labor issues, and market opportunities and has essential features that include:

- A complete database of Association members (presently including 694 companies representing six regional chapters) and their production capacity.
- Discussion forums where members can confer with fellow industry players on topics ranging from raw materials to production concerns to finishing processes.
- A series of downloadable files covering crucial industry information and technical resources. ►►



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“This website is a critical tool for the Association to communicate with the global textile industry, and its creation demonstrates the ongoing relationship between API and USAID.”

— **Mr. Benny Soetrisno**
Chairman,
Indonesian Textile Association

(continued from other side)

- Information on upcoming events, including trade shows, buyer presentations or training opportunities.
- Daily news updates and interactive polls.

API is the voice of the textile and textile product industry in Indonesia. It was established in Jakarta in 1974 by industry leaders who recognized the need to share information and experiences and work together on initiatives of mutual concern. It is an independent, nonprofit organization committed to developing Indonesia's textile industry through the participation of small, medium and large firms, and the strengthening of cooperation among stakeholders such as entrepreneurs, government, unions, academia, and the media.

Its membership encompasses companies that perform a wide range of upstream and downstream activities, including fiber and filament making, texturizing, spinning, weaving, knitting, embroidery, dyeing, printing, finishing, batik, and other garment production.

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