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SENADA QUARTERLY REPORT

April – June 2008 (Year 3 Quarter 3)

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1. PROJECT ADMINISTRATION AND FINANCE

1.1 CHANGES IN KEY STAFF

In April the services of two ex-patriot Senior Industry Advisors terminated under the SENADA contract. The two employees — Patrick Kadian and Jason Bahoney — were responsible for leading two of SENADA's technical programs — Home Furnishings and Knowledge Development — respectively. After their departure, Home Furnishings management was assumed on an interim basis by Project Director Steve Smith. The management of Knowledge Development was transferred to Industry Advisor Wawan Abidin, who had been working closely with Mr. Bahoney on the very same program.

The departure of the two advisors has reduced the number of approved ex-patriot advisors from five to three. SENADA's intention was to fill at least one of these vacated positions, but this was not possible due to the severe cash flow constraints caused by the lack of timely obligations by USAID. As a consequence, the responsibilities and workload of remaining senior managers has increased. Although technical management was affected, it was only minimal and project implementation continued without interruption. Further, measures were taken to ameliorate these effects such as hiring several proven technical managers for extended short term assignments.

1.2 BUDGET CONSTRAINTS

In the last quarterly report (Y3Q2) we provided a detailed explanation on the impact of a postponed funding obligation on the project. In February SENADA reduced the budget for the remainder of the fiscal year (February through September) by approximately \$1.3 million. The impact of this on the quarter's expenditures has been a decrease of approximately \$400,000 from the originally budgeted amount. The cumulative impact on expenditures from February through June has been approximately \$800,000. As a result, corresponding technical programs under the Phase I scenario described in our January-April quarterly report were affected as anticipated, and each of the activities targeted were eliminated.

In May 2008 DAI Bethesda submitted a request for a contract modification to reflect the impact of these budget constraints on program outcomes. We understand a response is being prepared by USAID consistent with the recommendations made by DAI, but at the time of this writing no formal response had been received by DAI.

In early June the acting Director of USAID's Economic Growth Office announced in a Chief of Party meeting that fresh obligations would arrive in June and that all projects should increase their burn rates to the levels planned before the announcement of the constraint. At the same time, we have been notified by the EG Office verbally that a reduction in FY2008 obligations for all EG projects would be likely. SENADA responded to this mixed news by putting into effect a moderate increase in expenditures, but we did not raise them to originally planned levels.

2. TECHNICAL PROGRAM

2.1 INDUSTRY VALUE CHAIN STRENGTHENING PROGRAM

2.1.1 AUTO PARTS INDUSTRY VALUE CHAIN

Summary

SENADA automotive industry value chain achieved two major quarterly milestones with the successful May launches of both QSEAL, Indonesia's first automotive component product seal of quality, and the *Technical Service Provider Directory — Metal Stamping Edition*. Since launch, QSEAL secured its first three clients and completed one certification. SENADA estimates that the first QSEAL products should be hitting store shelves by Aug 2008. The BDS technical directory developed last quarter also received strong market response since launch in May and over 200 have been distributed throughout the industry. Finally, SENADA completed a business plan for the Indonesian global sourcing center (IGSC) and its private sector investors expect launch to be in Q4.

Activity Descriptions and Deliverables

- ▶ **Auto part supplier upgrading initiatives.** With technical and financial support SENADA, the Center for Automotive Indonesia (SOI), the Society of Automotive Engineers Indonesia (IATO) and the Indonesian Service Station Association (ASBEKINDO) successfully launched QSEAL — Indonesia's first product seal of quality for automotive components. The launch was held in May 2008 with over 200 key industry, donor and government stakeholders in attendance, including Indonesia's Minister of Industry (MOI), Mr. Fahmi Idris and USAID Deputy Mission Director Rob Cunnane.



To sustain momentum generated from the launch, SENADA continues to support SOI with all aspects of QSEAL. The priority for QSEAL is to recruit significant number of firms into the certification and upgrading program (two clients are currently going through certification; one client is certified) and marketing the QSEAL certification throughout the value chain. SOI and SENADA launched a multifaceted marketing campaign in June that develops relationships and markets at a variety of levels, including with automotive media, MOI's SME unit, the Indonesian Land Transport Organization (ILTO), Indonesian distributors (i.e. Indoparts Group), and tier one manufacturers (i.e. ASTRA). In addition, ASBEKINDO started marketing QSEAL throughout its 200 service stations members, and is expected to be completed by Q4.

Additionally, SENADA approached the Society of Automotive Engineers International (SAE a U.S.-based global automotive standards leader) in June about possible partnership on the QSEAL initiative. A brief white paper was submitted to SAE senior management which SENADA hopes to capitalize upon in Q4.

Deliverables:

- Three firms applied for QSEAL certification. (May 2008)
 - PT Cipta Kreasi Prima Muda mirror product line certified by QSEAL. (June 2008)
- ▶ **Technical service and training linkage development initiatives.** Wahana Pengembangan Usaha (WPU) successfully released the BDS Technical Service Provider Directory — Metal Stamping Pilot Edition to the public in May 2008 with 14 paid advertisers. This directory received its National Agency ISBN number in June allowing it to be distributed through Gramedia outlets. In addition, SENADA and WPU secured

agreement with KOPISMA, HBBA, FCMB and KOBEKINDO to start marketing and disbursement of the directories to their members. Since launch, 200 directories have been distributed

Deliverables:

- SENADA and WPU held a success advertiser marketing event in Gramedia Indonesia headquarters. 14 paid advertisements for directory secured. (April 2008)
- 1,000 metal stamping industry directories published and 200 distributed. (May 2008)
- Directory registered and ISBN number (978-979-18091-0-8) received. (June 2008)
- Relationship with Gramedia Indonesia secured to distribute the directory throughout their West Javan outlet network. (June 2008)

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

Deliverables:

- Participated in three monthly coordination meetings with the auto parts Automotive National Working Group (APWG) in Bandung. (June. 2008)
- Conducted meetings with MOI, Bapanas and Pustakin on SENADA Automotive IVC upgrading activities. (June. 2008)

- **Export promotion initiatives.** SENADA continued to work with two key private sector investors — PT Gobizx and PT Waysase — on the development the *Indonesian Global Sourcing Center* (IGSC). Working group meetings were held throughout the quarter between IGSC investors and key industry stakeholders (including GIAMM, MOI and NAFED). In May, IGSC selected primary target export product lines including safety glass, aluminum casting, wheels, motor handles, car grilles, mirrors, moldings, lighting parts and windows regulators. In June, SENADA’s work was completed on the IGSC’s business plan and presented to the IGSC working group. Feedback and edits are being incorporated into the plan and the IGSC is expected to be launched in Aug.

Negotiations were ended with private sector consulting company StarPerforma for the development of a market analysis and roadmap for Indonesian companies to enter the U.S. market. StarPerforma failed to meet SENADA / USAID contracting requirements.

Deliverables:

- PT Gobizx and PT Waysase identified and secured as primary IGSC investors. (May 2008)
- Indonesian Global Sourcing Center (IGSC) business plan finalized. (June 2008)
- IGSC product lines identified. (June 2008)

2.1.2 FURNITURE INDUSTRY VALUE CHAIN

Summary

SENADA’s Furniture Value Chain achieved planned programmatic milestones this quarter with nine third party certification audits completed for seven furniture companies and nine FSC or VLO certificates issued. Since the start of the program, 18 audits have been completed and 11 certificates have been obtained. Progress continued on the institutionalization of the legal wood program as SENADA completed the first round of the legal wood competency building program for the Indonesia Furniture Association (ASMINDO), eight private sector consulting firms and three training organizations. SENADA also engaged two additional Indonesian certification bodies to start providing VLO auditing services. Finally, SENADA solidified its relationship with the Ministry of Finance’s (MOF) Customs office and made initial progress advocating for more flexible and decentralized customs procedures governing the importation of furniture samples.

Activity Descriptions and Deliverables

- ▶ **Sustainable wood furniture upgrading program.** This quarter saw solid progress in SENADA's sustainable furniture program with nine additional certification audits completed. Since inception 18 audits have been conducted, including 10 audits by TUV Rheinland; five audits by Smartwood; two audits by SGS and; one audit by BVQI. To date, 11 certificates have been issued, including seven VLO and four FSC (a net increase of 9 this quarter). Moreover, SENADA trained an additional 65 suppliers and subcontractors this quarter on how to document integrated chain of custody from producers back to the suppliers in the supply chain (135 to date) — a critical component of FSC and VLO certification. SENADA is on target to exceed its annual performance target of 12 certifications issued by the end of Y3Q4.

Progress was made as well in the *Sustainable Practices* upgrading program with the completion of strategic action plans and sustainability statements for seven furniture companies. Although the plans are still in the initial implementation stages, firms have already started using legal (certified/verified) wood and re-used wood residue for new products; implemented energy efficiency improvement programs to reduce material, waste and energy consumption; changed from solvent-base to water-based finishing materials; and begun tracking recyclable content of packaging material.



Deliverables:

- 65 suppliers and subcontractors of furniture producers trained in VLO/FSC certification, legal wood procurement and chain of custody documentation (135 to date). (May 2008)
 - Strategic action plans and sustainability statements completed for seven companies (May 2008)
 - Nine quarterly audits completed (18 audits to date). (July 2008)
 - Six VLO certificates issued (seven to date). (June 2008)
 - Three FSC certificates issued (four to date). (June 2008)
- ▶ **Institutionalization of sustainable wood furniture program.** Progress this quarter was made in institutionalizing SENADA's legal wood technical programs. SENADA completed the first round of legal wood competency building for ASMINDO (including five regional branches), eight private sector Indonesian consulting firms and three training centers. Institutionalization of SENADA's technical program occurs through a combination of in-class training, field work and apprenticeship. In-class training was completed in April and field work will be completed in July. Upon completion of the apprenticeship (where trainees mirror SENADA technical staff) in August, SENADA will provide report cards and evaluation reports back to companies monitoring their progress. Upon completion of our program, SENADA will actively refer these companies to furniture firms that need VLO and FSC technical upgrading support.

SENADA also supported Indonesian certification bodies BVQI and BM Trada in May in the development of standards and VLO and FSC certification systems. In June their certification services became available in the market, increasing the total number of Indonesian certification bodies providing VLO and COC audits and certification services to five (joining Smartwood, TUV Rheinland and SGS).

Finally, SENADA started finalizing a comprehensive VLO training module which will document our entire technical legal wood upgrading program (for both consulting and certification) into a multimedia learning tool that can be utilized by actors throughout the value chain. SENADA expects the training module to be ready for broad industry dissemination in Y4Q1.

SENADA continued to work with Nahdlatul Ulama (NU) throughout the quarter on village level promotion and education of legally sourced community forest timber products. NU's Business Innovation Fund (BIF) Grant was approved by USAID in April and community forest activities will start in July.

Deliverables:

- 25 ASMINDO staff, eight consulting firms and three training centers complete stage one of SENADA legal wood competency building program. (April 2008)
- Media briefing on wood certification conducted for six international media companies (June 2008)
- Two additional VLO and FSC certification bodies (BVQI and BM Trada) start providing certification services in the market. (June 2008)

- **Improving the enabling and regulatory environment for furniture value chain trade and investment.** SENADA kicked off a targeted advocacy program in April 2008 to improve customs procedures governing the importation of samples. MOF's Customs Office positively responded towards SENADA's legal recommendations and promptly formed a team to review two overlapping regulations, KMK 140/1997 and KMK 140/2007, in order design a new implementation guide (JUKLAK) for decentralization. The Customs Office disseminated the draft JUKLAK internally for feedback at the national and regional level in May.

In June, SENADA facilitated a dialogue meeting between the Customs Office (national office) and ASMINDO (national headquarters) to help provide the government with the industry's perceptions and confusion on the complexities of current sample procedures. Regional dialogue(s) is/are scheduled in Q4.

It is SENADA's goal that the JUKLAK will be formalized as a Director General decree by Y4Q1. The decree will provide guidance for the decentralization of the imported sample product waiver application process to the provincial level. Based on our legal analysis this will assist firms in applying for and obtaining waivers and tax exemptions, and in turn will enhance their ability to import samples of new products from potential buyers.

Deliverables:

- Advocacy program for the decentralization of import samples waiver process initiated. (April 2008)
- A national dialogue between MOF Custom Office and ASMINDO conducted. (June 2008)

2.1.3 GARMENTS INDUSTRY VALUE CHAIN

Summary

Progress was made this quarter in improving the overall quality of the technical *Executive Development Program (EDP)* around which the SENADA *Garment Partnership Indonesia (GPI)* alliance is built. SENADA brought together a specialized team of international and local experts to revise six EDP upgrading modules in preparation for EDP round two to be carried out in Central Java in July. SENADA also leveraged this technical team and knowledge to expand the sustainable network alliance comprising major domestic and international brands and retailers (such as Jones Apparel and Wal-Mart), garment producers, associations and business service providers who will institutionalize and sustain the GPI program into the future. Finally, Indotextiles.com continued to build strong momentum after its launch last quarter with over 1,000 garment factory clients paying for, utilizing, and / or benefiting from, its services.

Activity Descriptions and Deliverables

- **Facilitate sustainable industry coordination mechanism for firm upgrading.** SENADA's GPI program stimulated interest among key industry brands and stakeholders on the long-term and sustainable benefits of the GPI partnership concept. Although SENADA postponed formal GPI working group meetings until after completion of round two of the EDP upgrading, the project engaged international expert Dr. Henrietta Lake to revamp the international brand engagement strategy. By the end of the quarter, SENADA had made solid progress engaging Gap, Jones Apparel, Wal-Mart, Phillips van Heusen (PvH), Liz Claiborne, Adidas and Nike to participate informally in various aspects of the GPI program, from supplying speakers to promoting the EDP training with their vendors. Negotiations on formal involvement were initiated with Gap, Jones Apparel and Wal-Mart. GPI continues to have strong relationships with local garment companies, associations and business service providers. Additional information can be found on GPI's website www.gpin.info.

Launched last quarter, Indotextiles.com (www.indotextiles.com) continued to successfully grow as Indonesia's first permanent trade portal providing supply chain linkages for the garment industry in Indonesia. Supported technically by SENADA, Indotextiles.com this quarter completed and started implementation of its strategic business and sustainability plan and launched a national marketing campaign of press and public events, on-line advertising and other web-based promotion. By the end of the quarter, 150 selling and buying leads had been posted valued at over \$9 million in potential transactions and over 370 product leads were provided to the industry at large. Over 1,000 textiles and garments companies are listed on the website and over 40 factory clients are currently paying for, and benefiting from, its services. This site has received over 9,700 visitors since launch (an average of over 2,500 visitors per month). Ten articles have been generated in the local and national media about Indotextiles.com to date.

Deliverables:

- Business sustainability and marketing plan for indotextiles.com finalized and rolled out; a revamped and enhanced indotextiles.com up and running. (May 2008)

- ▶ **Executive development upgrading.** Improving the overall quality of the EDP training modules before round two of EDP (Central Java) in July 2008 was SENADA's main objective this quarter. SENADA evaluated and revised all six EDP modules based on feedback and analysis from first round participants. A team of five international and local expert SITAs was engaged to complete the revisions, including Dr. Henrietta Lake for *Human Resource Development* and *Social Accountability*; Sunaryo for *Fabric Sourcing*; Yulius Gustisudaryanto for *Productivity*; Aas for *Quality Assurance*, and Petronella Maria for *Full Package Merchandising*. Dr. Lake is providing overall guidance and oversight to the revision process. SITA Sunaryo is also contracted to develop a *Fabric Sourcing Material Reference Handbook* for manufacturers that will be ready Q4.



In addition to finalizing revisions of EDP's six training modules, SENADA continued to build relationships and secure highly competent professionals from the brands and garment lead factories (including P3M ST3, Dewhirts, Nutexmoda, P.T. Hansnesia, PvH, Liz Claiborne, Adidas and Nike) as speakers and presenters for EDP round two. SENADA engaged various potential counterpart training institutions to deliver and institutionalize this training program, including business management institute LPPM and garments training school ST3. Both of these institutions will be involved in implementation of round 2 of the EDP, although neither has yet expressed a formal commitment to undertaking full responsibility for future EDP ownership. In the meantime, SENADA will continue working with these institutions in an effort to ascertain the best possible solution to institutionalization.

Deliverables:

- Six EDP modules fully revised in preparation for July EDP round two upgrading (June 2008)

- ▶ **Development of sustainable manufacturing practices.** After significant delays in module development and piloting due to contracting issues with our main implementing partner Neville Clarke, the *Lean Sigma for Garment Industry* sustainable practices upgrading module entered the final stages of development. SENADA engaged STTA Deddy Pabelu — a Six Sigma black belt consultant — to finalize the *Lean Sigma for Garment Industry* module as well as oversee the pilot with PT. Darma Maruwa. The module is the first market driven Lean Sigma service specifically tailored for the garments industry and will offer innovative management solutions to improve productivity, quality and profitability. The module will be promoted to the industry by Neville Clarke after the completion of the pilot in Q4.

Deliverables

- Lean-Sigma for Garment Industry module revision and pilot initiated. (June 2008)

2.1.4 HOME FURNISHINGS VALUE CHAIN

Summary

SENADA's priority home furnishings activities progressed on or ahead of schedule during the period. Lead firms demonstrated unusual commitment to implementing tangible changes in the name of sustainability and assisted firms are ahead of schedule in implementing these improvements. Further, these firms, combined with a core group of furniture companies, worked constructively together in preparation for upcoming international trade fairs. This kind of horizontal cooperation is vital in achieving systemic improvements in the industry. Individual firms cannot do it alone. We are encouraged by this development and will continue to emphasize its importance in establishing a truly sustainable home furnishings industry in the eyes of the world markets.

Activity Descriptions and Deliverables

- ▶ **Improve HF industries capacity to meet international standards of sustainable business practices and products.** The effectiveness of SENADA's sustainable upgrading technical assistance has been borne out by the many tangible improvements implemented in lead firms during the quarter. Nearly all assisted firms have redesigned their products to be more sustainable through reduced use of glues, increased use of water based and natural colors, and producing collapsible or disassembled products to reduce packaging and shipping waste. All seven firms have developed and implemented written codes of conduct for their employees and sub-contractors. Of these, several have implemented ongoing training programs in health and safety as well as sustainable production practices. Finally, all of these firms completed company "sustainability statements" well ahead of schedule. The statements describe the firms' sustainability profile and concrete actions recently taken in sustainable practices. In addition, each lead firm completely renovated their websites with SENADA assistance, allowing them to more effectively communicate with international buyers.

Based on our research and analysis, producers' design capacity is a critical factor in accessing international markets and, moreover, Indonesia lags behind the competition in this category. Strengthening design is therefore an integral part of SENADA's strategy. We continue to support the creation of the *Indonesia International Design Center* (IIDC), an initiative of the local private sector. SENADA, with the support of local SITTA, developed a full business plan for the new center and supported the socialization of this plan with several key stakeholders, including Bandung Technology Institute (ITB). Also during the quarter the three core founders of the planned institution were established: home furnishings business person Warwick Purser and two of Indonesia's universities with strong art and design programs, ITB and Indonesian Art Institute (ISI) in Yogyakarta.

We are still concerned that this group of core founders lacks the financial and management resources to convert this very relevant idea into a reality. Furthermore, one of the key international stakeholders, Goldsmiths College of London, has been largely unresponsive to proposals to set up an international interns program. Given the project's short timeframe, it is not prudent that SENADA play a leadership role in the creation of this new institution. Therefore, at this juncture SENADA will step to the side and provide targeted technical and possible financial support to the founders as appropriate.

Deliverables:

- Seven lead firms provided with technical assistance in sustainable upgrading practices. (April 2008)
- 12 lead firm websites (including all Eco Exotic members) redesigned and content reformulated to reflect sustainable commitment. (May 2008)
- Design consultants directory of biographical data completed and business relationships established between consultants and four home furnishings companies. (May 2008)
- Indonesia International Design Center (IIDC) business plan completed by SENADA SITTA; initial founders of future Design Center established. (June 2008)
- "Sustainable Home Furnishings" interactive educational modules for the industry initiated by SENADA LITTA and international SITTA Ted Barber. (June 2008)

- **Establish and develop permanent capacity of HF industry to promote and access international markets.** Activities under this component focused on preparing a core group of pioneering sustainable home furnishings companies for the first of three international trade fairs. The myriad of details that were carried out can be divided into two main categories. The first was to conceptualize and develop a comprehensive, world caliber promotional campaign and to produce all the materials required to reach out effectively to the markets. The second category was to plan and carry out extensive logistics, from transport logistics to booth space rental and layout. All of the tasks were completed on schedule by the end of June.

The most promising development this quarter was the consolidation and commitment shown by the newly created core group of home furnishings companies behind Eco Exotic. These busy entrepreneurs met as a group no less than 10 times during the quarter; on each occasion with a clear purpose in readying for the upcoming show. In a demonstration of trust and teamwork, they divided responsibilities of the broader group among them, such as management of finances and shipment consolidation. Although initially created by SENADA, this group has begun to form a strong bond that could be invaluable to the future growth of Indonesia's sustainable home furnishings industry.



Deliverables:

- International promotional campaign for Indonesia's sustainable home furnishings industry developed and produced, including logo, catalog, new website, booth design and postcard and banners. (May 2008)
- Preparations completed by SENADA and nine companies to exhibit in Las Vegas trade show, including design, production and shipping of samples; renting of booth space in the Green Pavilion; hiring of U.S. based STTA sales consultant. (June 2008)
- Seven companies accepted for membership in Sustainable Furniture Council (SFC). (June 2008)

2.2 CROSS CUTTING PROGRAMS

2.2.1 BUSINESS ENABLING ENVIRONMENT

Summary

This quarter the BEE team, progressed with RegMAP implementation, focusing significant energy on desk-work reviewing and monitoring the first and second set of deliverables to ensure the highest-level of quality of data and analyses. In addition to RegMAP, BEE also commenced a number of advocacy initiatives to reform regulations identified through the RegMAP and other consultative processes. This included research, analysis and advocacy on the newly enacted Shipping Law; recommendations and input for a new national regulation governing local 'disturbance permits'; research and analysis of government-sanctioned price fixing arrangements in container-freight services (CFS) in the main port of Tanjung Priok; and assistance to the furniture team to advocate for easier and more flexible customs procedures governing the importation of samples.

Activity Descriptions and Deliverables

- **Regulatory Mapping and Review.** Throughout the quarter RegMAP required considerable quality control and technical input from the BEE team to ensure the consistency, accuracy and relevance of initial list of 1,000 regulations and the 39 reports that describe the various focus group discussions and expert surveys undertaken in the first quarter. In addition to quality control, the additional analysis provided necessary consultative input as to which categories of regulations require the greatest attention (i.e. labor, import/export, etc). The time invested in this unanticipated technical oversight, coupled with the late start of the program (due to delays in contract negotiations), translates into a three month delay in our initial deliverable schedule. SENADA fully expects RegMAP to be completed by December 2008.

Work on RegMAP institutionalization also continued this quarter as SENADA explored possible public and private sector counterparts for the program. On the government side, the most likely candidate is the Legal and Regulation Directorate at Bappenas which has already expressed strong interest, and has a strong mandate to promote and mainstream regulatory impact analysis (RIA) into government policy processes. On the private sector side, SENADA is working with a USAID funded AED project to send 20-30 business association and other civil society representatives to one week training course in the U.S. on RIA in late 2008. Participants will be required to use RegMAP results in future advocacy efforts.

In addition to RegMAP, SENADA completed and disseminated a detailed report titled “*A Review Of Select Policies of the Indonesian Ministry Of Industry*” providing review and recommendations on current industry support measures by the Ministry of Industry. The report, developed by SITAs Erin Weiser and Diono Ardiyanto, was submitted and presented to MOI for comment in June. Informally the response by MOI has been a very defensive one, and at this stage there appears to be little opportunity for constructive or impactful follow-on activities.

Deliverables:

- A searchable on-line database of the 1,000 RegMAP regulation inventory finalized. (June 2008)
- 39 RegMAP reports on expert surveys and FGDs completed. (June 2008)
- Final report reviewing MOI industry promotion measures completed and disseminated; presentation of key results and recommendations to MOI conducted. (June 2008)

► **Regulatory Reform and Advocacy.** In parallel with RegMAP, BEE made initial progress in the preparation of SENADA’s strategic regulatory reform and advocacy initiatives. Throughout the quarter, SENADA explored and laid the analytical foundation for four possible advocacy programs:

1. **National Shipping Law.** SENADA completed and presented strategic analysis on the new Shipping Law (UU 17/2008) which removes constraining monopoly powers of the public sector over Indonesia’s port sector, and allows for the injection of much needed competition and private sector participation. SENADA is currently finalizing a report on this law that highlights key reform issues that and provides an analytical foundation for follow-on advocacy and implementation activities. SENADA presented initial findings of the report at a World Bank stakeholder roundtable in April attended by over 50 people. Since April, SENADA received positive feedback on recommendations and we expect future advocacy efforts to focus on issues relating to increasing competition and private sector participation in ports, once the first draft of the implementing regulations have been released later in the year.

In addition SENADA is working with other donors to promote and further develop a variety of initiatives to promote port sector reform through this new Shipping Law. For example, SENADA started exploration and initial ground work on an initiative to facilitate the development a new sea port in Central Java (as made possible by the new Shipping Law) that will help overcome logistics constraints impacting furniture, footwear, garments and other manufacturers in the province.

2. **Disturbance Permits.** SITTA Don Elliot, a U.S. expert on land use and local zoning, completed a SITTA to provide detailed recommendations for a new national regulation governing local ‘disturbance permits’ (izin gangguan). Mr. Elliot consulted with a variety of stakeholders in Jakarta, Bandung and Solo and his input is expected to have a direct impact upon improving the business enabling aspects of this planned regulation which is due to be released by the Ministry of Home Affairs later in 2008. Once the regulation has been released, SENADA will likely focus on dissemination and further guidance to local authorities.
3. **Container Freight Handling Services (CFS).** Working closely with Export-Import Association (IEI), SENADA completed an analysis on the legality of government sanctioned price-fixing arrangements for CFS. This analysis represents the initial planning exercise that lays the framework for future advocacy activities that will seek to promote more competition in CFS at the port of Tanjung Priok.

4. **Decentralization of Import Samples.** The BEE team supported the furniture IVC team with legal analysis and recommendations on regulations and procedures for easier and more flexible customs procedures governing the importation of samples. For more information on this advocacy program with the MOF's Customs office, please refer to the furniture section of this report (2.1.2).

Deliverables:

- Report presented at World Bank stakeholder roundtable on relative strengths and weaknesses of the newly passed Shipping Law and recommendations for further improvement. (Apr. 2008)
- **IVC export competitiveness database.** Work continued on the development of the export database and targeted competitiveness reports for each of SENADA's IVC. The database is in the final stages of development and STTA Diono Ardiyanto completed analysis and drafts for each report this quarter. Despite significant delays noted during Q2, we fully expect the database to be on line and reports published and disseminated in early Q4.

Deliverables:

- Trade data analysis and draft reports completed for each IVC trade competitiveness report. (June 2008)

2.2.2 KNOWLEDGE DEVELOPMENT

Summary

During this quarter SENADA added two firms to the subcontractor management technical assistance program and one firm was removed. Currently our knowledge development portfolio is nine firms; all selected because of their significant growth potential and well developed network of subcontractors. SENADA's assistance to date has positively affected 335 subcontractors with 5,535 employees (a net increase of 40 subcontractors and 735 employees from last quarter). The current rate of implementation is on schedule and we are positioned to exceed year three performance targets.

Activity Descriptions and Deliverables

- **Lead Firm Capacity Development - Subcontracting.** SENADA's knowledge development portfolio currently consists of nine lead firms, including five home furnishings, three footwear and one garments. C-59, a garments manufacturer was dropped from the program because of a lack of commitment from their senior management. SENADA continued to work with each firm's international senior management team to identify and resolve subcontractor related constraints, as well as collect key performance indicators.

Using SENADA's subcontractor management training module, two home furnishings and one garment firm was trained on how to quickly and accurately use the subcontractor performance management prototype to identify and evaluate their subcontractor performance. SENADA successfully generated key performance indicator data from eight lead firms and used the data to guide subcontractor performance review meetings with internal team and senior managers.



In May, SENADA and InforSys completed the version 1.0 of *Bonastoco*, an innovative, multipurpose software based on SENADA's prototype that allows SMEs to record, monitor and analyze the performance of subcontractors. In June, software pilots were launched with three lead footwear firms that will continue until July. SENADA estimates that *Bonastoco* will be rolled out to all 12 knowledge management firms by Q4 and will be commercially available to all light manufacturing industries in Y4.

Deliverables:

- Assessment of two home accessory lead firms completed. (May 2008)
- Cooperative consulting agreements signed with two home accessory lead firms. (May 2008)
- Subcontractor performance improvement plan for three home furnishings firms developed. (May 2008)
- Subcontractor performance prototype installation for one home furnishing firm conducted (May 2008)
- Key performance indicators collected from eight lead firms. (June 2008)
- Subcontractor Performance Management software *Bonastoco* developed and piloted started. (June 2008)

2.2.3 INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Summary

The ICT cross-cutting program continued to achieve broad reaching results in 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 solutions. Internally, projects were completed with SENADA's Garment Partnership Indonesia (GPI) website and Indotextiles.com. Work continued on the RegMAP website and database which should be completed in Q4. Additionally, the SENADA ICT team worked with 12 lead home furnishing firms to completely renovate their websites, allowing them to more effectively communicate with international buyers.

SENADA also finalized highly innovative subcontractor performance management software with InforSys (*Bonastoco*) in May and began piloting it on three knowledge development lead firms in June. Eight additional ICT solutions are in SENADA development pipeline scheduled to enter the market in Y4. Finally, SENADA and Cisco Corporation, a U.S. based international leader in industry network development, launched a new and exciting public private partnership for the *Industry Attachment Program* (IAP) that will place qualified Cisco Network Academy graduates in 100 firms to increase industry competitiveness through ICT adoption and utilization.

Activity Descriptions and Deliverables

- **ICT product and service development and expansion.** In May, SENADA and InforSys completed version 1.0 of *Bonastoco*, an innovative, multipurpose software that allows SMEs to record, monitor and analyze the performance of subcontractors. The software is a critical component of the SENADA knowledge management program which after completion of the pilot in Q4, will be commercially available to all light manufacturing industries in Y4. Additionally, three iMULAI innovation competition winners PT Sentra Solusi Integrasi, PT Dycode and ITS Surabaya started development of their software applications in June. The current status of all nine ICT business software- and web-based solutions under development through SENADA's *ICT Solutions* or Business Innovations Fund is as follows:

| ICT SOLUTION | 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 |
| RegMAP Regulations Portal (for Government) | In Development | July 2008 |
| PT InforSys Subcontractor Performance Management Software <i>Bonastoco</i> . (Knowledge Development) | Piloting | August 2008 |
| PT Quantum Design ISO 9000 Compliance Software (BIF) | In Development | September 2008 |
| PT Sentra Solusi Integrasi Mobile Inventory Software. (iMULAI/BIF) | In Development | February 2009 |
| PT Dycode <i>PortMap</i> Software. (iMULAI/BIF) | In Development | February 2009 |
| ITS-Surabaya Laboratories Supply Chain Management Software (iMULAI/BIF) | In Development | February 2009 |
| PT InfoDev Sunfish Human Resource Management (HRIS) Software. (BIF) | Pending Start | March 2009 |

Deliverables:

- IATO E-Library online. (April 2008)
- Indotextiles.com E-Trade Portal online. (May 2008)
- ITS Surabaya, Dycode and Sentra Solusi start development of iMULAI business solutions. (June 2008)
- Subcontractor Performance Management software developed and piloted in three firms. (June 2008)

► **SME ICT Utilization and Adoption Initiatives.**

SENADA made strong progress this quarter in finalizing start up of its signature ICT technical program to increase industry competitiveness through increasing firm adoption and utilization of ICT services. This opportunity was initiated in November 2007, when SENADA and Cisco's Katherine Roberts discussed possible collaboration during the Business Social Responsibility in San Francisco. In March 2008, SENADA finalized negotiations with Senior Vice President Corporate Affairs Cisco Systems Tae Yoo to integrate Cisco's successful Network Academy Program with SENADA's ICT value chain work.



In June 2008, SENADA and Cisco launched the *Industry Attachment Program (IAP)* to increase firms' competitiveness by improving SME's ability and willingness to adopt market based ICT solutions. IAP will leverage Cisco's Network Academy program to develop a broad public private consortium between CISCO, four top Indonesian Universities (ITS-Surabaya, UI - University Indonesia, UGM - University of Gadjah Mada - Yogyakarta and ITB - Bandung) and the private sector (100 firms from SENADA IVC programs). This public private partnership will transfer IT knowledge and best practices to firms through innovative internship program that will be focused on increasing ICT adoption as well as developing proper mediums for increasing SME's access to ICT solutions already found in the marketplace. The IAP differs from traditional internships because interns will bring important "IT essentials" directly into firms to expand ICT use and adoption as well as reduce overall IT "total cost of ownership" (TCO), a critical and common constraint to normal ICT utilization and expansion.

Work started in June on securing the consortium of partners to design a specific ICT learning curriculum for SENADA's IAP internship bootcamp that will take place in Aug. CISCO is developing training modules for *SME Network Development*" and SENADA is responsible for *"Business and Technology."* Work is also progressing on leveraging Cisco's 24,000 graduates from its Indonesian Network Academy to select 100 top interns to work for six months in 100 selected firms that are most willing and able to upgrade ICT utilization. Firms are currently being recruited from four major industries (footwear, home furnishings, automotive parts, and garments). IAP internships will start in September.

Deliverables:

- Industry Attachment Program with Cisco and four universities launched. (June 2008)

► **Design and implement ICT Applications in support of SENADA's IVC activities.** This quarter SENADA completed ICT work on the garment IVC's GPI website (www.gpin.info) and Indotextiles.com (www.indotextiles.com). Work continued on the RegMAP website and database of 1,000 regulations (temporarily found at www.cess.or.id/senada). Work is progressing slower than anticipated due to weakness of the CESS web developer, but should be completed by Q4. Additionally, the SENADA ICT team worked with 12 lead home furnishing firms as part of the EcoExotic trade promotion program to completely renovate their websites, allowing them to more effectively communicate with international buyers.

Deliverables:

- www.indotextiles.com finalized and launched to public. (May 2008)
- www.gpin.info finalized and launched to public. (May 2008)
- 12 home furnishings websites redesigned and content reformulated (May 2008)

3. GRANTS PROGRAM

3.1 BUSINESS INNOVATION FUND

Summary

SENADA met planned Business Innovation Fund targets this quarter by approving and signing five grants. Our total portfolio increased to 20 grants valued at \$429,288, a net increase of \$116,709 from the previous quarter. Due to continued SENADA's budget constraints, the start dates of five grants approved from April and June 2008 (G#016-020) will be delayed until August / September. We also estimate that all grants to be awarded during next quarter will be postponed until October for the same reason. Despite this obvious challenge, we are confident that the projected BIF end-of-project expenditures of \$600,000 (revised for year three work plan) will be exceeded.

Activity Descriptions and Deliverables

- ▶ **Business Innovation Fund marketing and promotion.** SENADA continued to actively promote and market the fund during the quarter. 22 *Roadshow Meetings* to private companies, research institutes, universities, NGOs and trade/industry associations were conducted during the quarter, bringing the total since launch to 235 (reaching over 1,169 potential innovators). Direct marketing meetings have been very successful, generating a total of 54 proposals to date. In addition to direct promotion, the Business Innovation Fund website www.senada.or.id/innovation received 1,381 hits during the quarter; bringing the total to over 8,941 hits since launch.
- ▶ **Business Innovation Fund proposal evaluation, selection and approval.** SENADA received 13 proposals during the quarter (down from 26 last quarter) bringing the current total of Business Innovation Fund proposals, including that from the iMULAI Innovation Competition, to 209. Although the weekly rate of proposals received is down 50 percent from last quarter (due to the end of the iMULAI innovation competition), the rate of proposals received is steady and SENADA is confident our pipeline will exceed all remaining quarterly targets.

During the quarter, six proposals were recommended for BIF External Evaluation Committee review, reducing our rate of recommendation down 2 percent from last quarter to 12.4 percent. Importantly grant proposals continue to improve in terms of standards for innovativeness and quality. USAID approved nine proposals during the quarter for \$123,525 and rejected one. USAID / external review committee's approval rate is currently 76 percent. Grants approved this quarter include:

- Computer Based Pattern Making Service Development in W. Java (Aprisindo West Java) — \$24,954.
- Village Based Community Forest Management (Nahdlatul Ulama - GKNU) — \$24,999.
- Chitosan Anti-Bacterial Agent for Garment Fabric (Diponegoro University -UNDIP) — \$24,461.
- Mendong Waste for Fancy Paper (Langlangbuana University - UNLA) — \$25,000.
- Furniture Wood Dryer Oven Powered by Wood Waste (Vocational Education Development Center - VEDC) — \$24,111.

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

- ▶ **Business Innovation Fund grant monitoring, evaluation and reporting.** At the end of the quarter SENADA had 13 active grants (out of 20 approved) and had disbursed \$138,842 (a net increase of \$75,242 from Q2). There was \$290,446 in disbursements outstanding. Seven grants have been delayed during Q4 due to SENADA funding shortages. For the 13 active grants in the portfolio, grant implementation progressed with only minimal programmatic and administrative issues. Notable issues include:

- IATO (#003) was amended (approved by USAID) to extend the grant period three months to May 2008 due to initial unrealistic grantee milestones. Based on this example, SENADA stopped allowing grants with implementation periods less six months.
- ICCOSH (#004) was amended (approved by USAID) to reduce overall program budget (from 22,733 to \$15,906) and deliverables (five government approved occupational health and safety standards to two). Amendment was made based on poor initial performance by grantee.
- API (#006) was amended (approved by USAID) to switch the originally planned grant period due to slow initial grant preparation by grantee.

SENADA has completed monthly performance evaluations and mid-term / final technical reports with each of our grantees and have noted strong progress. Three grants were closed during the next quarter and SENADA completed detailed *Grant Profiles* updates for each grantee (see Communication Section 4 and Annex C for more information). Notable achievements from these grants:

- **Servitama Consulting (#001) — Jakarta/All Industries.** 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 new *SME Competitiveness Improvement* consulting service is fully operational and is currently taking new clients.
- **Indonesian Society of Automotive Engineers IATO (#002) — Jakarta /Autoparts.** 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.
- **Diponegoro University (UNDIP) (#003) — Semarang/Autoparts.** 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. Grant may lead to a new high value market for local autoparts manufactures.
- **ICCOSH (#004) — Jakarta/All Industries.** 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 during the grant and is currently awaiting the Minister's signature.

Deliverables:

- 22 Roadshow Meetings conducted during Q3 exceeded our annual target of 1,000 individuals. To date we reached over 1,169 potential innovators. (June 2008)
- 20 BIF grants approved to date totaling \$429,288. (June 2008)
- Four BIF grants successfully closed. (June 2008)

4. COMMUNICATIONS

4.1 COMMUNICATION PROGRAMS

Summary

SENADA's communications activities continued in support of technical program implementation in building public awareness on competitiveness. SENADA launched a newly designed "*Competitiveness at the Frontier*" — SENADA's monthly competitiveness newsletter — in May. In total, three editions were published and distributed during the quarter to over 3,300 stakeholders. Two automotive components IVC public events were conducted for over 200 people including the launching of QSEAL and the *TSSP Directory - Metal Stamping Edition*. Targeted communication and marketing support was provided for home furnishings "*Eco Exotic*" promotional campaign for the Las Vegas tradeshow in July. Two media briefings were also conducted for local and international press — one for the launch Indotextiles.com website (garments IVC) in May and one to educate the international community on the value added market benefits of wood certification (furniture IVC) in June. Finally, support was provided in the production of promotional collaterals for the upcoming round two of EDP in July (garment IVC).

Activity Descriptions and Deliverables

- ▶ **Provide communications support in implementing technical program activities.** During this quarter, targeted communications, media and material support was provided to six SENADA IVC events generating 35 national and regional media citations. Support was provided for the following:
 - Roundtable discussion and media review at Gramedia headquarters in Bandung to market the *Technical Training Service Provider Directory — Metal Stamping Edition* (published by WPU) in April.
 - Report presented at SENADA / World Bank stakeholder roundtable on relative strengths and weaknesses of the newly passed Shipping Law and recommendations for further improvement in April for over 50 people.
 - The May QSEAL launch for over 200 key industry, donor and government stakeholders.
 - GPI seminar in June for approximately 50 garment industry stakeholders in partnership with the Indonesia Textile Association (API) to discuss strategies for GPI institutionalization.
 - Media briefing for the launch of www.indotextiles.com in June.
 - Media briefing on wood certification conducted for six international media companies in June.

Deliverables

- Six IVC events were conducted generating 35 national and regional media citations. (June 2008)
- ▶ **Implement effective, ongoing communications programs to build public awareness on competitiveness.** The launch of QSEAL was a milestone for the series of activities to raise awareness about the importance of national product and process standards in fostering competitiveness in the automotive components industry. Approximately 200 people attended the launch event from various stakeholders including prominent industry leaders, automotive associations, government, auto part firms and national media agencies. The event featured prominent speakers including Indonesia's Ministry of Industry, Fahmi Idris; USAID Deputy Mission Director, Robert Cunnane; and Gunadi Sinduwinata, President Director of Indomobil Group.

Important relationships were also established with worldwide news agencies to generate coverage on Indonesia's home furnishing industry wood certification efforts as well as the future market importance of the demand of "green" and "sustainable" products. Generating international media exposure is an important marketing vehicle to highlight Indonesian progress with the environmentally conscious international home furnishings markets. Initial, but promising, relationships were fostered with CNN, BBC, Associated Press, the Asian Wall Street Journal and Reuters.

In addition to SENADA technical communication support, three successful editions of *Competitiveness at the Frontier: "Trade Shows – April 2008 Edition"*, *"Standards and Certifications – May 2008 Edition"* and *"Corporate Social Responsibility – June 2008 Edition"* were published. Each edition featured articles written by SENADA staff and the Magister Manajemen Universitas Indonesia in addition to prominent experts from various industries. Featured interviews were also conducted with experts including: Ambar Tjahyono, head of the Furniture and Handicraft Association of Indonesia (ASMINDO) (April issue); Ditta Amhorseya the Head of Corporate Affairs of Citibank Indonesia (June Edition); and Inggita Notosusanto, Manager Corporate Communications of Southeast Asia GE (June edition). Finally the monthly published newsletter's "look and feel" was completely transformed with a new design, first launched with the May edition.

In addition to the aforementioned, SENADA published four press releases this quarter including:

Press Releases:

- *"Comprehensive Automotive Technical Services Directory Important for Future Sector Workforce Development."* (April 2008)
- *"Newly Launched National Seal of Quality "QSEAL" Gives Special Opportunity to Auto Parts Suppliers to Upgrade Capacity and Increase National Market Exposure."* (May 2008)
- *"Wood Certification: Increasing Access to the Green Market."* (June 2008)
- *"Information Technology Vital to Market Penetration in the Textile Export Industry."* (June 2008)

Deliverables:

- Three *"Competitiveness at the Frontier"* monthly issues published and disseminated to over 3,300 stakeholders. (June 2008)
- Four press releases published and disseminated. (June 2008)

- **Effectively communicate SENADA project information and achievements.** SENADA continued to distribute regular Activity Updates this quarter. Additionally, SENADA introduced a new communication medium for our successful business innovation fund — "Grant Profiles." Each Grant Profile provides a succinct two page overview of the completed program. It includes information on the grantee, a description of the innovation and a summary of the impact in strengthening industry competitiveness. Grant Profiles are published upon closure of each grant in our portfolio and will complement SENADA's already published program success stories and activity updates. Publications this quarter include:

Activity Updates:

- *"SENADA Tackles Certification Bottleneck by Building Local Capacity."* (May 2008)
- *"SENADA Strengthens the Ability of Manufacturers to Manage Subcontractors."* (June 2008)
- *"SENADA Presentation Energizes Audience to Advocate Port Reform Strategies."* (June 2008)
- *"SENADA Identifies Business Software Gap and Catalyzes Design of New Application."* (June 2008)
- *"SENADA Supports First-of-Its-Kind Directory to Guide Auto Parts Manufacturers."* (June 2008)

Grant Profiles:

- *"Semitama Shows Companies How to Solve Problems, Improve Quality and Raise Productivity."* (June 2008)
- *"LATO Provides Auto Industry with its First Comprehensive Bahasa Indonesian Engineering Standards."* (June 2008)
- *"Diponegoro University Turns its Research into Practical Procedures to Help Small and Medium Brake Drum Producers."* (June 2008)

All project information and updates are saved on TAMIS, posted on SENADA's website (www.senada.or.id) and distributed, both electronically and in print, to all stakeholders and interested parties. Distribution lists are current and are continued being updated as necessary.

Deliverables:

- Five activity updates published and distributed. (June 2008)
- Three grant profiles published and distributed. (June 2008)
- Content of current SENADA website (www.senada.or.id) is continuously updated. (June 2008)

5. PERFORMANCE MONITORING

5.1 PERFORMANCE MONITORING AND EVALUATION

SENADA's Performance Monitoring Plan (PMP) continued to be closely tracked and progress was made collecting data on 10 of SENADA's 12 performance indicators. 2007-08 PMP data collection for all indicators will be finalized by Q4. The current status of data collection for each performance indicator is as follows:

| 2007-2008 PERFORMANCE TARGETS | STATUS |
|--|--|
| Auto Parts — 3% percentage increase in the unit value and 5% volume of Seal of Quality Certified automotive components sold in aftermarket. | In progress. SENADA started collecting data on QSEAL's first three clients in May. Measurable and analyzable data will be available (with baseline) on schedule by end of Q4. |
| Auto Parts — 60 retail outlets selling Seal of Quality or branded service station products. | Not started. SENADA will start collecting data after the first QSEAL companies start selling certified goods in the market. We expect to start collecting data in Q4. |
| Furniture — 12 firms legally verified and/or FSC certified through SENADA's Responsible Timber Purchasing Program. | In progress. 11 firms have been legally VLO or FSC certified and we are confident that we will exceed our annual target of 12 companies certified. |
| Garments — Number of SENADA assisted Indonesian garment manufacturing firms classified as <i>full package manufacturers</i> . | Not started. PMP indicator currently being totally revised because after initial baseline data collection on 21 firms it was clear indicator did not measure performance. Available Q4. |
| Knowledge Development — 360 lead firms and subcontractor suppliers improving subcontractor / supplier performance management capability. | In progress. SENADA has assisted 335 lead firms and subcontractors. We will exceed our 2007-08 annual target. |
| ICT — 3 ICT business software solutions made available in market through public-private sector initiatives. | Target achieved. SENADA has nine business software- or website-based solutions in development. SENADA has already exceeded our 2007-08 annual target. |
| Business Enabling Environment — Advocacy campaign has been developed and implemented with and by industry stakeholders for 3 regulations. | In progress. SENADA has completed one advocacy activity (Y2). SENADA started two advocacy campaigns in Q3. SENADA will meet Y3 targets. |
| Business Enabling Environment — 1,000 regulations ReqMapped. | Target achieved. 1,000 regulations RegMapped in June 2008. Regulations can be found at www.cess.or.id . |
| Home Furnishings — 12% increase in annual export sales of SENADA target group of Home Furnishing (furniture or home accessories) manufacturers using green, sustainable, legally verified and/or certified raw materials. | In progress. Baseline export data collected from 8 home accessories and 20 furniture companies (Q3). No trends or growth measured yet as full data will be finalized in Q4. |
| OP Indicators — 3% positive change in total effective employment (salaried, contract, casual) by SENADA-assisted firms. | In progress. Employment data collection in footwear, garment, home accessories, furniture and auto parts IVC started and will be finalized in Q4. |
| EG 6.2 (Private Sector Productivity) — 1,000 firms receiving USG supported assistance [to improve their management practices]. | In progress. SENADA has assisted 924 firms to date and is scheduled to exceed our annual target in Q4. |
| EG 5.2 (Agricultural Sector Productivity) - 10 public-private partnerships formed as a result of USG assistance. | Target exceeded. SENADA has leveraged 16 public private partnerships to date, exceeding annual target. |

Please note: PMP indicators noted above are separate from output deliverables noted in Annex B and specifically measure broad scale impact of SENADA's technical IVC programs. Two of SENADA indicators are drawn from the USAID/State Department OP Indicators while 10 indicators have been developed by the SENADA IVC teams. The final indicator is a project-wide indicator that tracks employment in SENADA-assisted industries. A performance summary table is provided on the next page. A full PMP report and data is available and will be provided to USAID annually.

SENADA PERFORMANCE MONITORING SYSTEM - PERFORMANCE SUMMARY TABLE *

| Program Area | Performance Indicator | Unit of Measure | Baseline Value | 2006 Actual | 2007 Actual | 2008 Target | 2008 Actual | Annual Variance (as of Q3) |
|-------------------------------|---|---------------------|----------------|-------------|-------------|-------------|-------------|----------------------------|
| Auto Parts | Average percentage increase in the unit value and volume of Seal of Quality Certified automotive components sold in aftermarket | Percentage (Value) | TBD | - | - | 3 0% | 0 0% | TBD |
| | | Percentage (Volume) | TBD | - | - | 5 0% | 0 0% | TBD |
| | Number of retail outlets selling Seal of Quality or branded service station products | Number | 0 | - | - | 60 | 0 | -60 |
| Furniture | The number of firms legally verified and/or FSC certified through SENADA's Responsible Timber Purchasing Program | Number | 5 | - | - | 12 | 11 | -1 |
| Garments | Number of SENADA assisted Indonesian garment manufacturing firms classified as <i>full package manufacturers</i> . | Number | TBD | - | - | TBD | TBD | TBD |
| Knowledge Development | Number of lead firms and subcontractor suppliers improving subcontractor / supplier performance management capability | Number | 0 | - | - | 360 | 335 | -25 |
| ICT | # of ICT business software solutions made available in market through public-private sector initiatives | Number | 0 | - | - | 3 | 9 | +6 |
| Business Enabling Environment | Number of regulations for which an advocacy campaign has been developed and implemented with and by industry stakeholders | Number | 0 | - | 1 | 3 | 2 | -1 |
| | Number of regulations ReqMapped | Number | 0 | - | - | 1,000 | 1,000 | 0 |
| Home Furnishings | Average increase in annual export sales of SENADA target group of Home Furnishing (furniture or home accessories) manufacturers using green, sustainable, legally verified and/or certified raw materials | Percentage | \$2,096,185 | \$2,096,185 | - | 12 0% | 0 0% | TBD |
| OP Indicators | Percent change in total effective employment (salaried, contract, casual) by SENADA-assisted firms | Percentage | TBD | TBD | TBD | 3 0% | 0 0% | TBD |
| | EG 6 2 (Private Sector Productivity) - Number of firms receiving USG supported assistance [to improve their management practices] | Number | 0 | 165 | 973 | 1,000 | 924 | -76 |
| | EG 5 2 (Agricultural Sector Productivity) - Number of public-private partnerships formed as a result of USG assistance | Number | 0 | 0 | 9 | 10 | 16 | +6 |

RED – Deliverable Not Achieved / Green – Deliverable Achieved or Exceeded.

* The table above provides a snapshot of all SENADA indicators, baseline data, targets and actual performance against each indicator for SENADA years one and three collected through this quarter. Precise definitions, methodologies for data collection and analysis, and notes on baselines and indicators are detailed in the indicator reference sheets submitted with SENADA's final PMP submitted to USAID in March 2008.

6. ANNEXES

B. SENADA YEAR THREE PROJECT DELIVERABLES

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

| # | Section | Deliverables | Status | Explanatory Note |
|--------------------------|--|---|----------------------|---|
| CORE IVC PROGRAMS | | | | |
| 1. | AUTO PARTS INDUSTRY VALUE CHAIN | | | |
| Q1 | 1.1 | Seal of Quality for at least five product lines developed and launched. | 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. |
| 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. | Partially completed. | Due to change in strategy, a pilot Metal Stamping Edition was published first to test methodology and market response. Pilot directory was published in May 2008 (ISBN number 978-979-18091-0-8). Full industry TSSP Directory with 12 sectors will be published and distributed in early 2009. |
| Q3 | 1.7 | Indonesian Global Sourcing Center (IGSC) business plan finalized.* | Partially completed | SENADA finalized business plan and submitted to primary investors of IGSC in June 2008. Waiting for IGSC internal finalization of the report in July 2009. * <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 | | |
| 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. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|-----------|---------------------------------------|--|-----------|--|
| 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. |
| 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 high-value 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 | 200 IGSC export penetration model publications disseminated to IVC investors. |
| 2. | FURNITURE INDUSTRY VALUE CHAIN | | | |
| Q1 | 2.1 | Promotional materials developed. | Completed | Brochure developed and ready for distribution. Other promotional materials (catalogue, video) will be developed by home furnishings with specific focus for trade shows. |
| Q2 | 2.2 | 80 media and ASMINDO members trained on the critical importance of certification to the future of the Indonesian wood furniture industry. | Completed | 125 media / journalists of national and international media already trained. ASMINDO staff and 135 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 (see. 2.9), a national roundtable on sample issues was postponed indefinitely to concentrate on advocacy activities. Instead of a roundtable, a detailed report named "Analysis Of Policy Constraints On The Furniture Industry – Case Study In East Java And Central Java" was published and disseminated in Bahasa English and Indonesian. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|-----------|--------------------------------------|---|--------------|---|
| 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. |
| 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: 1 national media / 1 international) and Yogyakarta. |
| Q3 | 2.7 | 100 producers/suppliers trained on the importance of VLO-FSC certification and associated implementation processes. | Completed | 165 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. | In progress | SENADA facilitated a public private dialogue between National Custom Office and Asmindo in June 2008 to obtain feedback on the draft JUKLAK regulating the new procedure for importing sample products to Indonesia. Second dialogue in Y3Q4. |
| Q4 | 2.10 | 12 wooden furniture producers get VLO and FSC certification. | In progress | By the end of the Q3, 18 audits had been completed with 11 (7 VLO and 4 COC FSC) certificates issued. |
| Q3 | 2.11 | Institutionalization of Wood Certification Program to ASMINDO, consulting firms and certification bodies for sustainability of the program. | In progress | Stage 1 of institutionalization completed. Stage 2 and 3 in Y3Q4. <i>*Deliverable newly added and not included in final Year 3 Workplan.</i> |
| Q3 | 2.12 | 10 companies complete Sustainability Practices Program. | In progress. | Sustainability Practices Program launched in 7 firms. Should complete program in 10 by Q4. <i>*Deliverable newly added and not included in final Year 3 Workplan.</i> |
| 3. | FOOTWEAR INDUSTRY VALUE CHAIN | | | |
| Q1 | 3.2 | Footwear promotion film produced. | Completed | Ownership and responsibility for films distribution will be APRISINDO's with SENADA assistance. |
| Q1 | 3.3 | Survey of APRISINDO's current operations completed. | Completed | Preliminary survey of APRISINDO and its chapters completed and disseminated to association. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|----------|----------------|---|---------------|--|
| Q1 | 3.4 | Memorandum of understanding (MOU) with APRISINDO signed. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q2 | 3.5 | Business plan for web portal developed. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q2 | 3.6 | Web portal ownership and management structure in place. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q2 | 3.7 | Strategic planning exercises (strategic management retreat for APRISINDO) to identify critical needs completed. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q2 | 3.8 | Roundtable with key APRISINDO officials to outline survey results completed. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q3 | 3.9 | Footwear trade portal launched. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q3 | 3.10 | Implementation plan outlining delineation of responsibility for key activities developed. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q4 | 3.11 | Domestic and international launch promotion strategy developed. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q4 | 3.12 | 30 new trade portal members registered. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q4 | 3.13 | Key activities outlined in plan implemented. | Cancelled | Due to year three budget constraints, deliverable will be cancelled. |
| Q4 | 3.14 | Baseline survey of selected footwear manufacturers completed. | Cancelled | Removed key deliverable. Program shifted to APRISINDO building. |
| Q4 | 3.14 | Follow-up survey of selected footwear manufacturers completed. | Cancelled | Removed key deliverable. Program shifted to APRISINDO building. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|----|--------------------------------------|--|-------------|--|
| 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. |
| Q1 | 4.4 | [Executive Development (EDP)] Upgrading program launched. | Completed | 6 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, Jogya 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 launched in February for 21 garment factories training 193 managers. |
| Q3 | 4.7 | A minimum of two activity [quality improvement] modules developed and launched. | In progress | <i>Lean-Sigma for Garment Industry</i> module will be completed and launched by Neville Clark in Q4. |
| Q3 | 4.8 | 15 additional factories trained in the executive development and / or quality improvement program. [EDP Round II] | In progress | EDP Round II will be completed in Q4. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|-----------|---|--|---------------------|---|
| Q3 | 4.9 | Additional two additional [Executive Development (EDP)] training manuals/modules launched. | Completed | 6 EDP modules launched in February for 21 garment factories training 193 managers. (EDP Round I) Modules were revised in June 2008. |
| 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. | | |
| Q4 | 4.12 | At least 30 firms actively participating in the GPI Alliance. | | |
| 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 | 7 companies currently participating in <i>Sustainable Upgrading Program</i> . Strategy shifted to focus on a smaller group of engaged and committed firms may result in less than 20 firms targeted by end of year. |
| 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) |

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

| # | Section | Deliverables | Status | Explanatory Note |
|----|---------|--|---------------------|---|
| 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. |
| 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 | 9 total have applied to date. (5 home accessories companies and 4 furniture have applied to date. Note: SFC membership no longer a primary SENADA activity, but has been encouraged. |
| 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. | In Progress | 3 trade deals completed to date for over US \$3 million. |
| Q4 | 5.14 | At least one public-private partnership with major international furniture buyer established. | | |
| Q4 | 5.15 | “Sustainable Indonesia” group participation in three international trade shows held in the US eco-pavilions of major trade shows. | | |
| 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. * <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 | 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 |
| 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. | In progress | Due for completion and online in Q4. |
| Q3 | 6.5 | Regulatory Impact Report (RIR) for each IVC summarizing most problematic regulations completed. | Postponed | Due for completion in November/December 2008 |
| Q3 | 6.6 | RegMAP report (stage 1) disseminated and public-private dialogues and associated media coverage carried out. | Postponed | Due for completion in November/December 2008 |
| Q3 | 6.7 | Report on design and recommendations for institutionalization of stage two advocacy program using RegMAP results completed. | Postponed | Completed in December 2007, through STTA by Prof Gary Goodpaster |
| Q3 | 6.8 | Final report reviewing MOI industry promotion measures completed. | Completed | Completed and disseminated to MOI in June 2008 (Q3). |
| 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. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|-----------|--|---|---------------------|---|
| Q3 | 6.11 | Final report and public-private dialogue(s) on the results of the survey conducted. | Postponed | Due to year three budget constraints, deliverable will be postponed until year four, or 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. | | |
| Q4 | 6.14 | Selection of problematic regulations for which a full RIA carried out. | | |
| Q3 | 6.15 | A brief trade competitiveness report for each of the IVCs completed. | Completed | To be further developed, formatted and released next quarter |
| 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. | In Progress | SENADA signed cooperative consulting agreements with 9 lead firms to date. |
| Q4 | 7.3 | Sub-contractor performance management capabilities and programs of 12 lead firms assessed. | In Progress | SENADA completed diagnostic assessments with 9 firms. |
| Q4 | 7.4 | Subcontractor performance management program implemented in 12 lead firms. | In Progress | KPI collected and assessed for 8 lead firms. |
| 8. | INFORMATION AND COMMUNICATIONS TECHNOLOGY (CROSS CUTTING) | | | |
| Q1 | 8.1 | ICT capacities assessment tool developed and conducted in 50 firms. | Partially completed | 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. |
| Q1 | 8.2 | <i>iMULAI</i> successfully mass marketed to millions throughout Indonesia. | Completed | 1600 registered members, over 100 proposals submitted and more than 10,000 visitors to website www."iMULAI".com . Media has been confirmed to reach millions. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|----|---------|---|------------|---|
| 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> |
| 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. 2009. |
| 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. |
| Q3 | 8.13 | Two radio talk shows conducted. | Completed | With iMULAI, completed two talk with Trijaya FM in Nov. 2007. |
| 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> |

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

| # | Section | Deliverables | Status | Explanatory Note |
|------------|---|---|-------------|--|
| Q4 | 8.16 | BEE RegMap Portal launched and functional. | In progress | Shell of website launched at www.cess.or.id . Fully functioning website and information will be available in Q4. * <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. | In progress | <i>Bonastoco</i> launched pilot started in three firms. Pilot will end Q4 and software will be launched commercially. * <i>Deliverable newly added and not included in final Year 3 Workplan.</i> |
| 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. |
| 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 | 22 Roadshow Meetings conducted during Q3 exceeded our annual target of 1,000 individuals. To date we reached over 1,169 potential innovators. |
| Q4 | 9.2 | At least 18 grants successfully approved and funded for a total of approximately \$400,000 USD. | Completed | 20 BIF grants approved to date totaling \$429,288. 4 grants closed to date. \$138,842 disbursed. |
| 10. | COMMUNICATIONS (CROSS CUTTING) | | | |
| Q1 | 10.1 | Key messages developed for all IVCs. | Completed. | Key communication messages finalized for all IVCs. |
| Q1 | 10.2 | Spokespersons and moderators trained for all IVCs. | Postponed | The activity has been postponed indefinitely. |
| Q2 | 10.3 | National media campaign on innovation/competitiveness implemented. | Completed | Launched the “ <i>MULAI</i> ” initiative in Nov 2007. Program was completed in March 2008 generated 35 media citations. |
| Q4 | 10.4 | Press coverage on SENADA’s events generated. | In Progress | 163 media citations generated to date. |
| Q4 | 10.5 | Technical and ongoing project reports published and disseminated. | In Progress | 31 technical reports finalized, disseminated to USAID and downloaded on TAMIS. |

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

| # | Section | Deliverables | Status | Explanatory Note |
|----------|----------------|--|---------------------|---|
| Q4 | 10.6 | 6 journalist workshops conducted. | In Progress | 4 journalist workshops conducted for furniture IVC to date. |
| Q4 | 10.7 | 2 editor roundtables conducted. | Cancelled | Due to change in strategy, journalists are now primary focus rather than editors. |
| Q4 | 10.8 | 48 SME Q&A columns published in Jawa Pos. | Partially Completed | 10 SME Q&A Column published to date. Contract with contract with PeacBromo (Jawa Pos) ended in March 2008. SENADA is considering if it should explore new opportunities with other national newspapers. |
| Q4 | 10.9 | 30 radio talk shows conducted. | In Progress | 8 radio talk shows conducted to date for business licensing program and iMULAI. |
| Q4 | 10.10 | 12 Competitiveness at the Frontier monthly forum published. | In Progress | 8 issues have been published to date. |
| Q4 | 10.11 | 24 activity updates distributed. | In Progress | 10 published to date for Y3. SENADA has published 25 activity updates since project inception. |
| Q4 | 10.12 | 8 success stories distributed. | In Progress | 1 published to date for Y3. SENADA has published 13 success stories since project inception. |
| Q4 | 10.13 | Website run properly and its content updated. | In Progress | New design for website in progress and scheduled to launch the new design in Q4. Current content updated on a weekly basis. |
| 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. SUCCESS STORIES, ACTIVITY UPDATES AND GRANT PROFILES



ACTIVITY UPDATE

SENADA TACKLES CERTIFICATION BOTTLENECK BY BUILDING LOCAL CAPACITY



“This program is really strategic for ASMINDO as an institution, and it’s a new business opportunity. In the long run I want to see more companies get certified as a result of our assistance.”

*— Ambar Tjahyono
Chairman, ASMINDO Pusat*

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

Steadily increasing numbers of wood furniture makers in Indonesia realize that they must obtain internationally recognized green certifications in order to compete internationally. SENADA’s efforts to assist these companies to achieve VLO (verification of legal origin) certification as a first step, and ultimately full FSC (Forest Stewardship Council) certification, have met with an enthusiastic response.

The high level of interest has revealed a serious constraint for local firms: there simply is not enough technical expertise on the certification process to meet demand. Indonesia has too few qualified consultants who can help companies to successfully prepare to be audited, and once a company is ready for audit it may have to wait for the process to begin. When the first two firms that SENADA worked with were prepared to be audited, they had to wait two months for certification bodies to fit them into their schedules.

To overcome these problems, SENADA has formulated a capacity-building program with ASMINDO (the Indonesian Furniture and Handicrafts Industry Association). By training regional ASMINDO staff and representatives from consulting firms on VLO, SENADA is developing legal wood pre-certification consulting services that will fill the gap between demand and supply.

The program launched on 5 April, attended by 15 ASMINDO staff representing the Surabaya, Semarang, and Yogyakarta offices (which also cover Jepara, Solo and Klaten) along with 5 representatives from consulting firms. The full training program will last approximately four months and includes class work on standard operating procedures related to VLO as well as practical fieldwork. It is expected to create a lasting supply of VLO services that Indonesian wood furniture producers can draw on for years to come.

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.

Activity Update #21e – May 2008



USAID
FROM THE AMERICAN PEOPLE



ACTIVITY UPDATE

SENADA MENGATASI KENDALA SERTIFIKASI DENGAN MEMBANGUN KEMAMPUAN LOKAL



“Program ini sungguh strategis bagi ASMINDO sebagai sebuah institusi dan merupakan kesempatan bisnis yang baru. Dalam jangka panjang, saya ingin melihat banyak perusahaan lain yang disertifikasi sebagai hasil dari bantuan kami.”

— Ambar Tjahyono
Ketua Umum, ASMINDO Pusat

Informasi lanjut mengenai SENADA,
kunjungi: <http://www.senada.or.id>.

Para produsen mebel kayu di Indonesia yang jumlahnya kian meningkat menyadari bahwa mereka harus memiliki sertifikasi hijau yang diakui secara internasional untuk bersaing secara global. Upaya SENADA dalam membantu perusahaan mendapatkan sertifikasi VLO (*verification of legal origin*) sebagai langkah pertama dan akhirnya sertifikasi penuh FSC (*Forest Stewardship Council*) ditanggapi penuh semangat.

Tanggapan positif ini sekaligus menyingkap kendala yang dihadapi perusahaan setempat yaitu keahlian teknis yang terbatas mengenai proses sertifikasi. Indonesia memiliki jumlah konsultan berkualifikasi terbatas untuk membantu perusahaan dalam menyiapkan tahapan sertifikasi. Kendala ini ditambah dengan keterbatasan badan sertifikasi kayu dapat menyebabkan perusahaan harus menunggu lama untuk di-*audit*. Ketika dua perusahaan pertama yang bermitra dengan SENADA siap untuk di-*audit*, keduanya harus menunggu dua bulan sebelum badan sertifikasi dapat memasukkan mereka dalam jadwalnya.

Untuk mengatasi masalah tersebut, SENADA bekerjasama dengan ASMINDO (Asosiasi Mebel dan Industri Kerajinan Indonesia) mengembangkan program peningkatan kapasitas tentang VLO. Melalui pelatihan bagi staf ASMINDO dan wakil perusahaan konsultan, SENADA mengembangkan layanan konsultasi pra-sertifikasi kayu legal yang akan mengisi kesenjangan antara kebutuhan dan pasokan.

Program yang diluncurkan pada 5 April ini dihadiri oleh 15 staf ASMINDO Surabaya, Semarang dan Yogyakarta (meliputi Jepara, Solo dan Klaten) ditambah 5 wakil perusahaan konsultan. Pelatihan sertifikasi kayu ini berlangsung empat bulan dan meliputi latihan dalam kelas mengenai standar dan prosedur sertifikasi serta kerja lapangan. Program ini diharapkan dapat menciptakan pasokan layanan VLO yang dapat diandalkan produsen mebel Indonesia di masa depan.

SENADA merupakan sebuah proyek empat tahun yang didanai oleh USAID dengan tujuan meningkatkan pertumbuhan ekonomi dan tenaga kerja Indonesia dengan meningkatkan daya saing industri ringan penyerap tenaga kerja.

Activity Update #21i – Mei 2008



ACTIVITY UPDATE

SENADA STRENGTHENS THE ABILITY OF MANUFACTURERS TO MANAGE SUBCONTRACTORS



“With SENADA assistance, our company is now able to monitor our subcontractors’ performance and provide them with feedback.”

— Isak Latief of the footwear manufacturing firm Basama Soga

Poor subcontractor management can be costly for manufacturing firms. When subcontractors fail to deliver quality products on time at a competitive price, the manufacturer will in turn have difficulty producing goods for the next link in the value chain. But monitoring and improving subcontractor performance is a sophisticated task that requires attention to diverse components of the subcontracting process.

SENADA addressed this issue by strengthening the ability of firms to oversee the subcontracting process and improve subcontractors’ technical compliance. From September 2007 to May 2008, SENADA experts worked with nine lead firms and 355 subcontractors in the home furnishings, footwear, and garments sectors, supplying technical assistance in firm offices and on the factory floors. A total of 5,535 employees work in these firms.

The TA enhanced lead firms’ capacity to assess subcontractors, develop cooperative consulting agreements, create and operate an effective internal team to monitor subcontractor performance, complete a subcontractor performance improvement plan, install and utilize a prototype subcontractor management application, and generate key performance indicators.

The assistance produced immediate impact, with lead firms evaluating and providing feedback to their subcontractors on order shipment compliance, delivery time, defect rate, and types of defect. The firms Basama Soga and Golfer, for example, each identified their four subcontractors with the worst defect rates, which ranged as high as 95 percent, and provided feedback on the types of defects identified. In the longer run, the lead firms will be able to link the receipt of goods to their inventory and sales data, enabling them to better plan their orders of goods from subcontractors.

The TA was also instrumental to the process of fine-tuning the prototype subcontractor performance software application. Several of the lead firms have met with the application developer to provide feedback for its finalization.

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ACTIVITY UPDATE

SENADA MEMPERKUAT KEMAMPUAN PERUSAHAAN MANUFAKTUR UNTUK MENGELOLA SUBKONTRAKTOR



“Dengan bantuan SENADA, perusahaan kami sekarang mampu memantau kinerja para subkontraktor kami dan memberikan umpan balik kepada mereka.”

— Isak Latief dari perusahaan produsen alas kaki Basama Soga

Untuk mengetahui lebih lanjut tentang SENADA, kunjungi situs kami di <http://www.senada.or.id>.

Pengelolaan subkontraktor yang kurang baik dapat menimbulkan biaya yang sangat besar bagi perusahaan manufaktur. Apabila subkontraktor tidak dapat memberikan produk yang berkualitas secara tepat waktu dengan harga bersaing, maka perusahaan manufaktur yang bersangkutan akan menghadapi kesulitan dalam memproduksi barang pada mata rantai berikutnya dalam rantai nilai. Akan tetapi, upaya untuk memantau dan meningkatkan kinerja subkontraktor merupakan sebuah tugas rumit yang memerlukan perhatian terhadap berbagai komponen dalam proses subkontrak.

SENADA mengatasi masalah tersebut dengan memperkuat kemampuan perusahaan untuk mengawasi proses subkontrak dan meningkatkan kepatuhan teknis para subkontraktor. Mulai bulan September 2007 hingga Mei 2008, para ahli dari SENADA bekerja sama dengan sembilan perusahaan dan 355 subkontraktor yang bergerak dalam sektor perabotan rumah, alas kaki, dan garmen, dengan memberikan bantuan teknis di kantor perusahaan-perusahaan tersebut dan di pabrik-pabriknya. Jumlah karyawan yang bekerja pada perusahaan-perusahaan tersebut mencapai 5.535 orang.

Bantuan teknis ini telah meningkatkan kemampuan perusahaan-perusahaan tersebut dalam melakukan penilaian atas subkontraktor, membuat perjanjian kerjasama konsultasi, membuat dan mengoperasikan tim internal yang efektif untuk memantau kinerja subkontraktor, menyelesaikan rencana peningkatan kinerja subkontraktor, memasang dan menggunakan sebuah prototipe aplikasi pengelolaan subkontraktor, dan membuat indikator kinerja utama.

Bantuan tersebut menimbulkan dampak yang nyata. Perusahaan-perusahaan ini telah melakukan evaluasi dan memberikan umpan balik kepada para subkontraktornya tentang kesesuaian pengiriman pesanan, waktu penyerahan, tingkat kerusakan, dan jenis kerusakan. Basama Soga dan Golfer, misalnya, mengidentifikasi empat subkontraktor dengan tingkat kerusakan terburuk, dengan kisaran hingga 95 persen, dan memberikan umpan balik tentang berbagai jenis kerusakan yang teridentifikasi. Dalam jangka waktu yang lebih panjang, perusahaan-perusahaan ini akan dapat mengaitkan penerimaan barang dengan data inventaris serta penjualan mereka, sehingga mereka dapat merencanakan pemesanan barang dari para subkontraktor secara lebih baik.

Bantuan teknis tersebut juga mendukung proses penyempurnaan prototipe aplikasi peranti lunak kinerja subkontraktor. Sebagian dari perusahaan tersebut di atas telah bertemu dengan sebuah pengembang aplikasi kinerja subkontraktor untuk memberikan umpan balik untuk menyempurnakan aplikasi tersebut.

SENADA adalah proyek yang didanai oleh USAID dengan jangka waktu pelaksanaan selama empat tahun dan bertujuan untuk meningkatkan pertumbuhan ekonomi dan lapangan kerja di Indonesia dengan meningkatkan daya saing industri manufaktur ringan yang bersifat padat karya.



ACTIVITY UPDATE

SENADA PRESENTATION ENERGIZES AUDIENCE TO ADVOCATE PORT REFORM STRATEGIES



“If the regulations allow it, this [new legislation] will translate into lower investment costs and improved efficiencies.”

— *Nasdion Agoes*
Secretary General, Association of Indonesian Industrial Ports

Indonesia took an important step toward reforming its port system in April 2008 with the passage of a new Shipping Law that revises the original law of 1992. The new law ends the state-sector monopoly on ports and opens the door for new participation by the private sector, which ideally will enhance competition, exert downward pressure on prices, and drive overall improvement in port services.

Yet much remains to be done to reform parallel regulations, to address inconsistencies with other regulations such as the Negative Investment List (DNI), and to develop supporting regulations and planning documents.

These upcoming challenges were the focus of a joint SENADA-World Bank stakeholder roundtable on 29 April that featured a presentation by David Ray, Deputy Project Director of SENADA, in which he outlined Indonesia’s current port performance compared to other ports in the region, examined potential roadblocks to competition, and highlighted areas where further debate and analysis are essential.

Approximately 50 people attended the roundtable at World Bank facilities, including businesspeople and entrepreneurs; representatives of associations, national and local government, and the donor community; and legal experts. The questions raised by Ray prompted lively discussion by the audience, with illuminating input provided by the Director of Ports and Dredging at the Ministry of Transport, Bapak Kholik Kiron.

Participants took advantage of the opportunity to request that the Ministry of Transport obtain input from stakeholders as the Ministry draws up implementing regulations for the new law over the next year. Ray noted that SENADA will continue to promote dialogue on port reform and will focus further research and analysis on areas requiring regulatory reform.

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ACTIVITY UPDATE

PRESENTASI SENADA MENDORONG PESERTA UNTUK ADVOKASI STRATEGI REFORMASI PELABUHAN



“Jika peraturan yang ada mendukung, maka [undang-undang] ini akan memungkinkan penurunan biaya investasi dan peningkatan efisiensi.”

— *Nasdion Agoes*
Sekretaris Jenderal, Asosiasi Pelabuhan Industri Indonesia

Untuk mengetahui lebih lanjut tentang SENADA, kunjungi situs kami di <http://www.senada.or.id>.

Indonesia mengambil langkah penting menuju pembaruan sistem pelabuhannya pada April 2008 dengan dikeluarkannya Undang-Undang Pelayaran baru yang memperbaiki undang-undang terdahulu pada tahun 1992. Undang-undang baru ini mengakhiri monopoli pelabuhan oleh sektor pemerintah dan membuka pintu bagi kesertaan dari sektor swasta. Kesertaan ini idealnya akan meningkatkan daya saing, menekan harga dan mendorong perbaikan layanan pelabuhan secara menyeluruh.

Namun masih banyak yang perlu dilakukan untuk memperbaiki peraturan-peraturan terkait, mengatasi ketidak-konsistenan dengan peraturan lain seperti Daftar Negatif Investasi (DNI), dan untuk membuat peraturan dan dokumen perencanaan pendukung lainnya.

Tantangan-tantangan ini merupakan fokus dari diskusi antar pemangku kepentingan yang diselenggarakan oleh SENADA dan Bank Dunia pada tanggal 29 April, yang menentang presentasi dari David Ray, Deputy Direktur SENADA, dimana beliau memaparkan kinerja pelabuhan Indonesia saat ini dibanding pelabuhan di negara lain, menelaah tantangan potensial dalam bersaing, dan menggarisbawahi berbagai area yang membutuhkan diskusi serta analisa lebih lanjut.

Sekitar 50 peserta mengikuti diskusi ini di kantor Bank Dunia, termasuk pebisnis dan pengusaha; perwakilan asosiasi, pemerintah pusat dan daerah, komunitas donor dan para pakar hukum. Pertanyaan-pertanyaan yang diajukan oleh David Ray mengundang diskusi yang cukup hidup, dengan masukan dari Direktur Pelabuhan dan Pengerukan, Departemen Perhubungan, Bapak Kholik Kiron.

Peserta memanfaatkan kesempatan ini untuk meminta pihak Departemen Perhubungan agar menampung masukan dari para pemangku kepentingan dalam merancang peraturan untuk undang-undang baru ini selama satu tahun ke depan. David Ray menekankan bahwa SENADA akan terus mendukung adanya dialog tentang reformasi pelabuhan dan akan memfokuskan diri pada penelitian dan analisa lebih lanjut terhadap area-area yang membutuhkan adanya reformasi peraturan.

SENADA adalah proyek empat tahun yang dibiayai oleh USAID dan bertujuan untuk meningkatkan pertumbuhan ekonomi dan lapangan kerja di Indonesia dengan meningkatkan daya saing dari industri-industri manufaktur ringan utama yang padat karya.



ACTIVITY UPDATE

SENADA SUPPORTS FIRST-OF-ITS-KIND DIRECTORY TO GUIDE AUTO PARTS MANUFACTURERS



“This directory provides unbiased empirical information on training within the automotive industry along with information that may improve users’ ability to utilize the content.”

— Syarif Hidayat, Director of Land Transport Equipment and Aerospace Affaire Industries, Ministry of Industry

Markets operate with greater efficiency when actors have access to complete information. This is a driving principle behind Business Development Services (BDS), and the impetus for SENADA’s initiative to create a comprehensive, self-sustaining BDS directory for Indonesia’s auto parts industry.

A significant milestone in this effort was achieved on 7 May with the official launch of the pilot BDS directory, *Technical Training Service Provider Directory, Metal Stamping Edition*. This directory, the first of its kind in Indonesia, provides detailed information and analysis of key metal stamping technical service providers throughout the country. Parts manufacturers can utilize the directory to make strategic decisions on how to devote resources for training and upgrading.

The directory, published by Wahana Pengembangan Usaha with technical and financial support from SENADA, provides standardized information on available services, including companies, contact information, training programs and materials, instructors, timelines, costs, and related information that will increase downstream technology transfer.

The directory also includes a rating system, based on inspection and quantification of service provider experience, training materials, etc., to help users assess the quality of the services listed.

Fourteen advertisements were secured for the pilot edition, a promising indicator that the full-scale directory will achieve long-term sustainability. The complete directory currently in the planning stages will contain information on six other automotive component groups in addition to metal stamping.

The directory is now on sale to manufacturers and is being promoted through trade fairs, distributors, and automotive associations such as ASBEKINDO, the Indonesian Service Station Association.

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ACTIVITY UPDATE

SENADA DUKUNG PEMBUATAN DIREKTORI UNIK UNTUK MEMBANTU PRODUSEN KOMPONEN OTOMOTIF



“Direktori ini menyajikan informasi empiris yang berimbang tentang pelatihan di industri otomotif beserta informasi yang dapat memudahkan penggunaan buku ini.”

— Syarif Hidayat,

*Direktur Industri Alat Transportasi Darat & Kedirgantaraan,
Departemen Perindustrian*

Pasar akan beroperasi dengan efisien apabila pebisnis mendapatkan akses informasi yang lengkap. Hal inilah yang mendorong jasa pengembangan usaha, atau *Business Development Services* (BDS), dan SENADA untuk berinisiatif membuat direktori BDS yang komprehensif untuk industri komponen otomotif Indonesia.

Tanggal 7 Mei merupakan momentum penting dalam upaya ini dengan diluncurkannya direktori BDS perdana berjudul *Technical Training Service Provider Directory, Metal Stamping Edition*. Direktori pertama di Indonesia ini menyajikan analisa tentang *metal stamping* dan informasi terperinci mengenai penyedia jasa teknis di seluruh Indonesia. Para produsen komponen otomotif dapat menggunakan direktori ini untuk mengambil keputusan strategis tentang pelatihan dan peningkatan tenaga kerja.

Direktori tersebut, diterbitkan oleh Wahana Pengembangan Usaha dengan bantuan teknis dan finansial dari SENADA, menyediakan informasi standar mengenai berbagai jasa yang tersedia, termasuk nama perusahaan, rincian kontak, program dan materi pelatihan, instruktur, lamanya pelatihan, harga dan informasi terkait yang menunjang transfer teknologi.

Direktori ini juga menyediakan sistem pemeringkatan, berdasarkan inspeksi dan quantifikasi pengalaman, materi pelatihan, dan sebagainya, dari penyedia jasa untuk membantu pengguna memilah kualitas penyedia jasa tersebut.

Empat belas pemasang iklan telah memastikan partisipasinya dalam edisi perdana. Hal ini adalah sebuah indikator menjanjikan bahwa versi edisi lengkap akan mendapat dukungan pasar pada jangka panjang. Direktori yang lengkap tersebut kini sedang dalam tahap perencanaan dan akan berisikan informasi mengenai enam kelompok komponen otomotif di samping *metal stamping*.

Pada saat ini, direktori TTSP akan dijual kepada para produsen dan dipromosikan melalui berbagai pameran dagang, distributor dan asosiasi otomotif seperti ASBEKINDO (Asosiasi Bengkel Kendaraan Indonesia).

SENADA adalah proyek yang didanai oleh USAID dengan jangka waktu pelaksanaan selama empat tahun dan bertujuan untuk meningkatkan pertumbuhan ekonomi dan lapangan kerja di Indonesia dengan meningkatkan daya saing industri manufaktur ringan yang bersifat padat karya.

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ACTIVITY UPDATE

SENADA IDENTIFIES BUSINESS SOFTWARE GAP AND CATALYZES DESIGN OF NEW APPLICATION



“This project is helping us to penetrate the SME market faster and more effectively. SENADA has enabled us to follow best practices in the development of custom software.”

*— Pak Gani
Managing Director, InforSys*

Sound management of subcontractors is crucial to manufacturers’ ability to produce quality goods in a timely fashion. SENADA has addressed this need by working directly with companies to increase their sophistication in evaluating, selecting, and providing feedback to subcontractors.

While providing this support, SENADA also identified that virtually no tools were on the market designed specifically and cheaply enough to help small and medium manufacturers manage subcontractors efficiently. Being able to access a properly designed application is vital, as subcontractor management cannot be treated as a separate business function. The data related to subcontractor performance must be integrated with other business transaction tools that track accounting and ERP (enterprise resource planning) functions such as purchase orders, GRNs (Goods Received Notes), invoices, etc.

Given this need, SENADA solicited a local software company to develop a commercial SME subcontractor management application that can be used across a variety of light industrial sectors. The software was developed with and pilot-tested on three SENADA partner footwear manufacturers to ensure that the new tool is market driven and available to SMEs after the conclusion of SENADA.

SENADA selected the local firm InforSys to modify their flagship product, Bonastoco (a modular ERP system) to include subcontractor performance management capability. The prototype software created was introduced in May and is now being beta-tested by the three lead firms, with nine more firms being recruited for this activity. The effort has met with enthusiastic response from manufacturing companies. Once testing is completed, the low-cost application will be marketed widely to Indonesia’s light manufacturing industries throughout Indonesia.

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ACTIVITY UPDATE

SENADA IDENTIFIKASI KEBUTUHAN AKAN PERANTI LUNAK BISNIS DAN DUKUNG PERANCANGAN APLIKASI BARU



“Proyek ini telah membantu kami untuk memasuki pasar UKM secara lebih cepat dan lebih efektif. SENADA telah memungkinkan kami menerapkan praktek terbaik dalam mengembangkan peranti lunak sesuai kebutuhan.”

— Pak Gani
Direktur Utama, InforSys

Manajemen subkontraktor yang baik sangatlah penting dalam mendukung produsen menghasilkan produk berkualitas sesuai jadwal yang telah ditentukan. SENADA berusaha memenuhi kebutuhan ini melalui kerja sama langsung dengan beberapa perusahaan dalam meningkatkan kemampuan mereka untuk menilai, memilih dan membenarkan masukan bagi para subkontraktornya.

Pada saat yang sama, SENADA juga telah mengidentifikasi bahwa dapat dikatakan tidak ada perangkat di pasaran dengan harga terjangkau yang dirancang khusus untuk membantu produsen kecil dan menengah (UKM) mengelola para subkontraktornya secara efisien. Manajemen subkontraktor tidaklah dapat diperlakukan sebagai suatu fungsi bisnis terpisah. Karena itu, akses produsen ke suatu aplikasi yang terancang dengan baik amatlah penting. Data tentang kinerja subkontraktor pun harus terintegrasi dengan perangkat transaksi bisnis lain yang dapat mengawasi jalannya proses fungsi akuntansi dan ERP (*enterprise resource planning*—perencanaan sumber daya perusahaan) seperti surat order pembelian, tanda terima, tagihan, dan sebagainya.

Menilik kebutuhan ini, SENADA meminta sebuah perusahaan peranti lunak Indonesia untuk mengembangkan aplikasi komersial manajemen subkontraktor bagi UKM. Aplikasi diharapkan akan dapat digunakan di berbagai sektor industri manufaktur ringan. Peranti lunak telah dikembangkan dan diujicoba oleh tiga mitra produsen sepatu SENADA guna memastikan bahwa perangkat baru ini benar-benar sesuai dengan kebutuhan pasar dan tersedia bagi UKM setelah masa proyek SENADA berakhir.

SENADA memilih perusahaan lokal InforSys untuk memodifikasi produk utamanya, Bonastoco (sebuah sistem ERP modular) dan menambahkan fungsi manajemen kinerja subkontraktor. Prototipe peranti lunak ini telah diselesaikan pada bulan Mei dan kini tengah dilakukan *beta-testing* oleh tiga perusahaan. Secara keseluruhan, sembilan perusahaan telah direkrut untuk kegiatan ini. Upaya tersebut mendapatkan tanggapan antusias dari para produsen. Setelah pengujian selesai, aplikasi dengan harga terjangkau ini akan dipasarkan secara luas kepada para produsen industri manufaktur ringan Indonesia.

SENADA adalah proyek empat tahun yang dibiayai oleh USAID dan bertujuan untuk meningkatkan pertumbuhan ekonomi dan lapangan kerja di Indonesia dengan meningkatkan daya saing dari industri-industri manufaktur ringan utama yang padat karya.

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GRANTEE PROFILE

SERVITAMA'S CONSULTING SERVICE SHOWS COMPANIES HOW TO SOLVE PROBLEMS, IMPROVE QUALITY AND RAISE PRODUCTIVITY



Following Servitama's field coaching, a technician executes a machine change-over with greater efficiency.

The vision of the Indonesian firm Servitama Consulting is to provide world-class consulting services with a local touch, helping its clients to achieve profitable services and holistic business solutions.

When Servitama (whose clients include private and state-owned companies as well as government agencies) was awarded a grant from SENADA's Business Innovation Fund, the company used the funds to develop and pilot a market driven, results-oriented training and technical consulting service for SMEs that is typically only available to large, wealthy companies.

The SENADA grant, entitled "Increasing SMEs' Competitiveness through Problem-Solving Capabilities Improvement," provided Servitama with Rp 224,100,000 from November 2007 to April 2008. The grant was designed to create an advanced management consulting service suited to the needs of Indonesian SMEs.

The service will help tackle loss of competitiveness by smaller firms, who increasingly find that their products are higher priced, relative to product quality, than products made by their competitors in places such as China and Vietnam.

In order to regain their competitiveness, Indonesian SMEs must learn to think critically about their production processes from start to finish, identifying problems and developing solutions.

The newly developed service uses a combination of classroom training and field coaching to assist SMEs to analyze and upgrade their operating processes. Before hitting the market, the service was pilot-tested with five firms:

- PT Cipta Kreasi Muda, which manufactures mirrors for automobiles and motorcycles
- PT Nusantara Buana Sakti, a producer of LPG tubes
- PT Mutichem Indojasa Artaprima, an automobile pedal brake manufacturer
- PT Tepat Guna Utama, which manufactures cartons
- PT Meta Presindo Utama, a stamping plant and plastic manufacturer. ▶▶

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



USAID
FROM THE AMERICAN PEOPLE



*In only three months,
one firm cut its reject
rate in half, dropping it
from 19.6 percent to 9.8
percent.*

(continued from other side)

After three months of technical support, all five 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.

As one General Manager participating in the training sessions observed, "This is what we need – a practical coaching developed specifically for small firms that helps us develop our mindset and creativity in exploring day-to-day problem-solving needed to improve productivity and quality."

The training that Servitama offered each company included three 8-hour workshops supplemented with day-long site visits once a week for three months. The curriculum introduced "5S" concepts (sort, set in order, shine, standardize, sustain), a set of rules designed for lean manufacturing; and *kaizen* (a Japanese term for continuous improvement).

The goal of the consulting is not only to show companies how to apply problem-solving strategies to current problems in order to produce immediate results, but to leave them better prepared to apply problem-solving techniques in the future as well.

Servitama's consulting service is fully operational and is currently taking new clients. For more information contact their Management and Organization Development Service Division at servitama@dnet.net.id.

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.

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

BIF Grantee Profile 001e - June 2008



GRANTEE PROFILE

JASA KONSULTASI SERVITAMA MENGAJARKAN KEPADA PERUSAHAAN CARA MENYELESAIKAN MASALAH, MEMPERBAIKI KUALITAS, DAN MENINGKATKAN PRODUKTIVITAS



Setelah pelatihan oleh Servitama di lapangan, seorang teknisi dapat memindahkan operasi dari satu mesin ke mesin lain dengan lebih efisien

Perusahaan Servitama Consulting memberikan jasa konsultasi kelas dunia dengan sentuhan lokal guna membantu para kliennya menyediakan layanan yang menguntungkan serta solusi bisnis yang lengkap.

Ketika Servitama—yang memiliki jajaran klien begitu beragam, mulai dari perusahaan swasta hingga BUMN—menerima hibah Dana Inovasi Bisnis SENADA, perusahaan ini kemudian memanfaatkannya untuk mengembangkan dan menguji coba suatu produk jasa pelatihan dan konsultasi teknis yang sesuai dengan tuntutan pasar (*market-driven*) dan berorientasi pada hasil. Layanan yang biasanya hanya tersedia bagi perusahaan besar ini sedianya akan ditawarkan kepada perusahaan kecil dan menengah (UKM).

Dengan judul “*Meningkatkan Daya Saing UKM melalui Peningkatan Kemampuan Pemecahan Masalah*”, SENADA memberikan hibah kepada Servitama sejumlah Rp 224.100.000 mulai dari bulan November 2007 hingga April 2008. Hibah tersebut dirancang untuk mengembangkan jasa konsultasi manajemen tingkat lanjut yang sesuai dengan kebutuhan UKM di Indonesia.

Layanan tersebut akan membantu para UKM mengatasi lemahnya daya saing mereka. UKM di Indonesia merasakan bahwa produk mereka—dengan tingkat kualitas yang relatif sama—semakin lama semakin lebih mahal ketimbang produk-produk yang dihasilkan oleh para pesaing mereka dari negara lain seperti China dan Vietnam.

Guna memulihkan kembali daya saing mereka, UKM di Indonesia harus belajar untuk berpikir kritis mengenai proses produksi mereka mulai dari awal sampai akhir, mengidentifikasi masalah, serta untuk mengembangkan solusi.

Jasa yang baru saja dikembangkan dengan mengkombinasikan pelatihan di kelas dan lapangan guna membantu UKM menganalisa dan menyempurnakan proses operasi mereka. Sebelum diterapkan di pasar, jasa tersebut diujicoba dengan lima perusahaan, yaitu:

- PT Cipta Kreasi Muda, yang memproduksi kaca cermin untuk mobil dan motor
- PT Nusantara Buana Sakti, produsen tabung LPG
- PT Mutichem Indojasa Artaprima, produsen pedal rem mobil
- PT Tepat Guna Utama, yang memproduksi karton
- PT Meta Presindo Utama, pabrik *stamping* dan produsen plastik. ►►

Untuk mengetahui lebih lanjut tentang SENADA, kunjungi situs kami di <http://www.senada.or.id>.



USAID
DARI RAKYAT AMERIKA



PROGRAM DAYA SAING INDONESIA

Hanya dalam waktu tiga bulan, salah satu perusahaan menurunkan tingkat produk apkran sebesar 50% turun dari 19,6 persen menjadi 9,8 persen.

(lanjutan)

Setelah mendapatkan dukungan teknis selama tiga bulan, kelima perusahaan tersebut menunjukkan perbaikan yang nyata dalam proses produksi mereka setelah mendapatkan pelatihan dari Servitama, yang mencakup sesi tukar pendapat (*brainstorming*) yang melibatkan puluhan manajer dan lebih dari 750 staf lini untuk mempelajari cara mengembangkan solusi inovatif guna mengatasi tantangan yang mereka hadapi. Sebagai contoh, satu perusahaan berhasil mengurangi waktu perpindahan pengoperasian dari satu mesin ke mesin lainnya menjadi 55 menit dari rata-rata 61 menit. Perusahaan lainnya dapat mengurangi tingkat produk apkran sampai 50%, dari 19,6 persen menjadi 9,8 persen.

Seperti yang disampaikan oleh seorang Manajer Umum yang mengikuti sesi pelatihan tersebut, "Inilah yang kami butuhkan – sebuah pelatihan praktis yang dikembangkan secara khusus untuk perusahaan kecil, guna membantu kami mengembangkan cara berpikir dan kreativitas kami dalam mengeksplorasi solusi pemecahan masalah sehari-hari untuk meningkatkan produktivitas dan kualitas."

Pelatihan yang ditawarkan oleh Servitama kepada masing-masing perusahaan mencakup tiga lokakarya yang masing-masing diselenggarakan dalam delapan jam ditambah dengan kunjungan lapangan sehari penuh sekali seminggu selama tiga bulan. Kurikulum yang diterapkan memperkenalkan konsep "5S" (*sort, set in order, shine, standardize, sustain*), serangkaian aturan yang dirancang untuk *lean manufacturing* (produksi yang efisien dengan menekan pemborosan); dan *kaizen* (istilah dalam bahasa Jepang yang berarti perbaikan terus-menerus).

Tujuan dari konsultasi tersebut bukan hanya untuk mengajarkan perusahaan cara menerapkan strategi pemecahan masalah terhadap masalah yang dihadapi saat ini guna mendapatkan hasil dengan segera, akan tetapi juga untuk melengkapi mereka dengan teknik-teknik pemecahan masalah di masa depan. Jasa konsultasi Servitama sudah berjalan penuh dan saat ini sedang menerima klien-klien baru. Untuk informasi lebih lanjut, Anda dapat menghubungi Divisi Manajemen dan Pengembangan Organisasi mereka di servitama@dnnet.net.id.

Dana Inovasi Bisnis (*Business Innovation Fund - BIF*) adalah sebuah prakarsa yang diluncurkan pada bulan Juni 2007 oleh SENADA. BIF menawarkan hibah jangka pendek ber dampak besar untuk pengembangan produk inovatif bagi rantai nilai yang menjadi fokus SENADA. Rincian program ini dapat dilihat di www.senada.or.id/innovation.

SENADA adalah proyek yang didanai oleh USAID dengan jangka waktu pelaksanaan selama empat tahun dan bertujuan untuk meningkatkan pertumbuhan ekonomi dan lapangan kerja di Indonesia dengan meningkatkan daya saing industri manufaktur ringan yang bersifat padat karya. 🌸

Untuk mengetahui lebih lanjut tentang SENADA, kunjungi situs kami di <http://www.senada.or.id>.

BIF Grantee Profile 001i - June 2008



GRANTEE PROFILE

IATO PROVIDES AUTO INDUSTRY WITH ITS FIRST COMPREHENSIVE BAHASA INDONESIA ENGINEERING STANDARDS E-LIBRARY



IATO, US-AID and Ministry of Industry (MOI) senior staff at the official public launching of the IATO e-library on 2 April, 2008.

The Indonesian Automotive Engineers Association (IATO) is a non-profit organization of more than 400 automotive engineers. Its mission is to develop science and technology related to automotive and power systems, components, parts and equipment, with a view to creating sustainable transportation and prosperity.

With a grant award from SENADA's Business Innovation Fund, IATO acted on its mission by launching the first Indonesian language automotive component engineering standards e-library.

The grant, titled "E-Library for Automotive Standards," provided Rp. 201,850,000 for six months, from November 2007 to April 2008. IATO used the funds to develop an e-library for use by all stakeholders in the auto parts industry as well as the general public.

It 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 and 5,000 pages of information. IATO made an in-kind contribution to the grant activities by providing UN Economic Commission for Europe (ECE) and International Standards Organization standards.

At the official launching, Ir. Hasiholan Sidabutar, the General Chairman of IATO, described the value of the library to business, stating, "Through the e-Library, IATO has successfully amassed the product information that small and medium enterprises need to know to comply with international standards." ▶▶

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



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“Without the vital information provided by IATO’s e-library, we would not be able to access information on the necessary international standards for QSEAL.”

*— Adirizal Nizar,
President SOI*

(continued from other side)

Why is IATO’s e-library important to the industry? First, although information on international standards is publically available through the primary international standards-setting bodies, it is very expensive.

These costs are prohibitive to all but the largest component manufacturers and limit the extent to which standards are understood and implemented by the smaller second and third tier manufacturers in the industry.

Secondly, IATO’s broad membership — which includes small component manufacturers and technical engineers from many of Indonesia’s top universities and testing houses — gives it a unique opportunity to promote a culture of awareness about the importance of international engineering standards at all levels of the industry. As standardization is understood and starts to occur, competitiveness improves.

The industry is already putting the e-library to good use. Soon after launch, IATO reported that its e-library was serving as a critical knowledge resource for the Society of Automotive Indonesia’s (SOI) QSEAL national automotive component seal of quality certification program.

Pak Adirizal Nizar, President of SOI explained that, “The goal of QSEAL is to establish minimal product and process standards for Indonesia’s top produced components. Without the vital information provided by IATO’s e-library, we would not be able to access information on the necessary international standards for QSEAL.”

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. ❁

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

BIF Grantee Profile 002e - June 2008



GRANTEE PROFILE

IATO MENYEDIAKAN PERPUSTAKAAN ELEKTRONIK KOMPREHENSIF PERTAMA DALAM BAHASA INDONESIA MENGENAI STANDAR-STANDAR TEKNIK BAGI INDUSTRI OTOMOTIF



Staf senior IATO, USAID dan Departemen Perindustrian pada peluncuran umum perpustakaan elektronik IATO pada tanggal 2 April 2008.

Indonesian Automotive Engineers Association (IATO) adalah organisasi nirlaba yang terdiri atas lebih dari 400 teknisi otomotif. IATO memiliki misi untuk mengembangkan ilmu pengetahuan dan teknologi yang terkait dengan sistem daya, komponen, suku cadang, dan perengkapan otomotif, dengan harapan untuk menciptakan transportasi yang berkesinambungan dan kesejahteraan. Melalui hibah Dana Inovasi Bisnis SENADA, IATO berupaya merealisasikan misinya ini dengan meluncurkan perpustakaan elektronik berbahasa Indonesia pertama mengenai standar teknis komponen otomotif.

Dengan judul “Perpustakaan Elektronik untuk Standar Otomotif”, hibah tersebut menyediakan dana sebesar Rp201.850.000 untuk enam bulan, mulai dari bulan November 2007 hingga April 2008. IATO memanfaatkan dana tersebut untuk mengembangkan perpustakaan elektronik yang dapat digunakan oleh semua pemangku kepentingan dalam industri suku cadang kendaraan serta masyarakat umum.

Perpustakaan tersebut berisikan literatur mengenai standar yang ditetapkan oleh beragam badan sertifikasi internasional, termasuk JIS (*Japanese Industrial Standards*), JASO (*Japanese Automotive Standards Organization*), dan SAE (*Society of Automotive Engineers*). Bahan-bahan dalam perpustakaan tersebut mencerminkan adanya kebutuhan akan adanya standar industri sekaligus menegaskan tujuan teknis dari masing-masing standar otomotif yang diakui ini. Standar-standar ini merupakan informasi penting bagi para produsen otomotif yang ingin tetap berdaya saing.

Perpustakaan tersebut terdapat dalam situs Internet resmi IATO dan dapat diakses di www.iato-indonesia.com/elibrary. Perpustakaan tersebut telah menyediakan sekitar 200 dokumen dan 5.000 halaman informasi. IATO memberikan kontribusi dalam bentuk natura untuk kegiatan hibah tersebut dengan menyediakan standar-standar yang ditetapkan Komisi Ekonomi PBB untuk Eropa (ECE) dan Organisasi Standar Internasional.

Pada peluncuran resminya, Ir. Hasilolan Sidabutar, Ketua Umum IATO, menegaskan nilai dari perpustakaan tersebut bagi dunia usaha, dengan mengatakan, “Melalui perpustakaan elektronik ini, IATO telah berhasil mengumpulkan berbagai informasi produk yang perlu diketahui oleh usaha-usaha kecil dan menengah apabila ingin memenuhi standar-standar internasional.” ►►

Untuk mengetahui lebih lanjut tentang SENADA, kunjungi situs kami di <http://www.senada.or.id>.



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(lanjutan)

“Tanpa informasi penting yang disediakan dalam perpustakaan elektronik IATO, kami tidak akan dapat mengakses informasi tentang standar-standar internasional yang diperlukan untuk QSEAL.”

***-- Adirizal Nizar,
Ketua SOI***

Mengapa perpustakaan elektronik IATO penting bagi industri suku cadang otomotif Indonesia? Pertama, meskipun informasi tentang berbagai standar internasional tersedia secara umum melalui badan-badan standar internasional terkemuka, biaya yang harus dikeluarkan guna mendapatkannya sangatlah besar. Biaya tersebut hanya dapat ditanggung oleh perusahaan-perusahaan manufaktur besar dan, karena itu, membatasi pemahaman serta penerapan standar tersebut oleh produsen kelas dua dan kelas tiga yang lebih kecil di dalam industri.

Kedua, keanggotaan IATO yang luas—mencakup produsen-produsen komponen kecil dan insinyur-insinyur teknik dari banyak universitas terkemuka di Indonesia dan lembaga-lembaga pengujian—memberikan peluang yang unik bagi IATO untuk mempromosikan budaya pemahaman terhadap pentingnya standar teknik internasional di semua tingkatan dalam industri. Seiring dengan pemahaman tentang standarisasi dan penerapannya, daya saing pun akan mulai meningkat.

Saat ini pun industri suku cadang otomotif pun telah memanfaatkan perpustakaan elektronik tersebut. Segera setelah peluncurannya, IATO melaporkan bahwa perpustakaan tersebut menjadi acuan pengetahuan yang penting dalam program sertifikasi segel kualitas untuk suku cadang otomotif nasional QSEAL milik Masyarakat Otomotif Indonesia (*Society of Automotive Indonesia -SOI*).

Adirizal Nizar, Ketua SOI, menjelaskan bahwa, “Tujuan dari QSEAL adalah menerapkan standar minimal produk dan proses untuk suku cadang otomotif yang paling jamak diproduksi oleh Indonesia. Tanpa informasi penting yang disediakan dalam perpustakaan elektronik IATO, kami tidak akan dapat mengakses informasi tentang standar-standar internasional yang diperlukan untuk QSEAL.”

Dana Inovasi Bisnis (*Business Innovation Fund - BIF*) adalah sebuah prakarsa yang diluncurkan pada bulan Juni 2007 oleh SENADA. BIF menawarkan hibah jangka pendek ber dampak besar untuk pengembangan produk inovatif bagi rantai nilai yang menjadi fokus SENADA. Rincian program ini dapat dilihat di www.senada.or.id/innovation.

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BIF Grantee Profile 002I, June 2008



GRANTEE PROFILE

DIPONOGORO UNIVERSITY TURNS ITS RESEARCH INTO PRACTICAL PROCEDURES TO HELP SMALL AND MEDIUM BRAKE DRUM PRODUCERS



Experts from industry and government ask critical question and review standard operating procedure manuals at UNDIP's March 2008 event introducing the new procedures to SME brake drum producers.

Diponegoro University (UNDIP) is one of Indonesia's premier state universities. Its Research Institute is at the forefront of research and development activities in science and technology that will contribute to Indonesia's future. These characteristics helped it to win a grant from SENADA's Business Innovation Fund to develop new production opportunities for Indonesian SMEs that manufacture heavy duty brake drums for trucks and buses.

The SENADA grant was entitled "The Preparation of Standard Operating Procedures, Quality Control and Certification for Brake Drums." It provided UNDIP's Research Institute with Rp 161,500,000 from November 2007 to April 2008. The grant was designed specifically to help iron-casting SMEs improve and standardize their production processes to help them restore lost competitiveness in a once-productive component industry.

Indonesian SMEs were strong producers of heavy-duty brake drums in the 1990s until a combination of the economic crisis and increased costs of iron inputs reduced market demand. As demand fell and stronger firms stopped producing brake drums in 2000, smaller SMEs started producing brake drum products of low and inconsistent quality, to the point where consumer trust was lost and orders were no longer being placed.

The grant capitalized on six years of research already completed by the Research Institute, which had invented a new 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. ►►

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The grant provided the resources needed to turn the research into a set of Standard Operating Procedures that SMEs can use to guarantee improved and consistent quality when mass manufacturing brake drums.

(continued from other side)

SOPs are important to competitiveness because they provide SMEs a detailed plan of the processes and phases through which the product is produced from the management of raw materials and manufacturing process to quality control, packaging and delivery.

To market this SOP throughout the industry, UNDIP held a workshop on 17–18 March 2008 on iron casting that was attended by SMEs, government and other auto industry stakeholders. The workshop introduced the composite formula and how to follow the standard operating procedures in order to use it.

The head of the Transportation Business Owners Association, Klaten Chapter, was among the workshop attendees. According to him, “We believe this SOP will definitely improve the quality of brake drums produced by iron-casting SMEs, while we still get the benefit of relatively low prices compared to imported and OEM [original equipment manufacturer] products.”

SMEs confirmed that this was an exciting opportunity to restore a once competitive industry. With improved quality, domestic producers can restore their market share and effectively compete with cheap, imported parts. Driven by this success, UNDIP is examining the possibilities for follow-up, privately funded activities to test the new composite in the field, working with the iron casting industry and the transportation industry.

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BIF Grantee Profile 003e, June 2008



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GRANTEE PROFILE

UNIVERSITAS DIPONEGORO MENGUBAH HASIL PENELITIANNYA MENJADI PROSEDUR PRAKTIS UNTUK MEMBANTU PRODUSEN TEROMOL REM KECIL DAN MENENGAH



Para pakar industri dan pemerintah mengajukan pertanyaan penting dan mengkaji buku pedoman prosedur operasi standar di acara UNDIP pada bulan Maret 2008 yang memperkenalkan prosedur-prosedur baru kepada UKM-UKM produsen teromol rem skala kecil dan menengah..

Universitas Diponegoro (UNDIP) adalah salah satu universitas negeri terkemuka di Indonesia. Institut penelitiannya merupakan salah satu ujung tombak kegiatan penelitian dan pengembangan iptek yang akan berkontribusi untuk masa depan Indonesia. Karakteristik tersebut membantu UNDIP memenangkan hibah dari Dana Inovasi Bisnis SENADA untuk mengembangkan peluang-peluang produksi baru bagi UKM-UKM Indonesia yang memproduksi teromol rem truk dan bus untuk penggunaan berat (*heavy-duty*).

Hibah SENADA tersebut diberi judul "Penyusunan Prosedur Operasi Standar, Pengendalian Mutu dan Sertifikasi untuk Teromol Rem." Hibah tersebut memberikan kepada Institut Penelitian UNDIP dana sebesar Rp.161.500.000 untuk bulan November 2007 sampai dengan bulan April 2008. Hibah tersebut secara khusus dirancang untuk membantu peningkatan kualitas hasil tuangan besi UKM-UKM dan standarisasi proses produksi mereka guna membantu mengembalikan daya saing yang telah hilang dari industri komponen yang sebelumnya produktif.

UKM-UKM Indonesia merupakan produsen ternama untuk teromol rem untuk penggunaan berat (*heavy-duty*) pada tahun 1990-an sampai akhirnya krisis ekonomi dan meningkatnya harga besi menyebabkan permintaan pasar menurun. Seiring dengan turunnya permintaan dan banyak perusahaan-perusahaan besar yang berhenti memproduksi teromol rem pada tahun 2000, UKM-UKM yang lebih kecil mulai memproduksi teromol rem berkualitas rendah dan mutu tidak konsisten sampai pada titik yang menyebabkan hilangnya kepercayaan konsumen sehingga tidak ada lagi pesanan.

Hibah tersebut memanfaatkan penelitian selama enam tahun yang telah diselesaikan oleh Institut Penelitian. Penelitian ini berhasil menemukan bahan komposit baru yang meningkatkan kapasitas daya regang dan daya tahan teromol rem hingga 17-20 persen. Hibah tersebut memberikan sumber daya yang diperlukan UNDIP untuk mengambil langkah selanjutnya dan mengubah hasil penelitiannya menjadi serangkaian Prosedur Operasi Standar (SOP) yang dapat digunakan oleh UKM-UKM guna menjamin kualitas yang semakin baik dan konsisten ketika memproduksi teromol rem secara massal.

Institut Penelitian menghasilkan Buku Pedoman SOP setebal 90 halaman beserta Buku Pedoman Bengkel (*Workshop*) setebal 34 ➤

Untuk mengetahui lebih lanjut tentang SENADA, kunjungi situs kami di <http://www.senada.or.id>.



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produksi teromol rem.***

(lanjutan)

halaman yang menjelaskan tentang spesifikasi teknis dan Buku Pedoman Pengendalian Mutu setebal 24 halaman.

SOP merupakan hal yang penting dalam hal daya saing karena dapat memberikan rencana terperinci kepada UKM tentang proses dan tahap produksi suatu produk, mulai dari pengelolaan bahan baku dan proses produksi sampai pengendalian mutu, pengemasan dan pengiriman.

Untuk mensosialisasikan SOP tersebut ke kalangan industri, UNDIP mengadakan lokakarya pada tanggal 17–18 Maret 2008 tentang tuangan besi yang dihadiri oleh UKM-UKM, pemerintah, dan para pemangku kepentingan lainnya di bidang industri otomotif.

Lokakarya tersebut memperkenalkan formula komposit dan cara pelaksanaan prosedur operasi standar dalam menggunakannya.

Kepala Asosiasi Pemilik Usaha Transportasi untuk wilayah Klaten juga hadir dalam lokakarya tersebut. Menurutnya, “Kami yakin bahwa SOP ini akan meningkatkan kualitas teromol rem yang diproduksi oleh UKM-UKM dengan teknik tuangan besi, sementara kami juga mendapatkan manfaat dalam bentuk harga yang relatif rendah dibandingkan dengan produk impor dan OEM (*original equipment manufacturer*).”

UKM-UKM mengkonfirmasi bahwa hal tersebut merupakan peluang yang menarik untuk mengembalikan industri yang dahulu memiliki daya saing yang kuat. Dengan meningkatnya mutu produk, para produsen domestik dapat kembali merebut pangsa pasarnya dan bersaing secara efektif dengan komponen impor yang murah. Didorong oleh keberhasilan tersebut, UNDIP sedang mengkaji kemungkinan untuk mengadakan kegiatan-kegiatan lanjutan yang didanai sendiri guna menguji bahan komposit baru tersebut di lapangan, bekerja sama dengan industri tuangan besi dan industri transportasi.

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SENADA adalah proyek yang didanai oleh USAID dengan jangka waktu pelaksanaan selama empat tahun dan bertujuan untuk meningkatkan pertumbuhan ekonomi dan lapangan kerja di Indonesia dengan meningkatkan daya saing industri manufaktur ringan yang bersifat padat karya. 🌸

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BIF Grantee Profile 003i, June 2008

D. STTA UTILIZATION

| SENADA STTA UTILIZATION (APRIL – JUNE 2008) | | | |
|---|---------------------------------|--------------------|---|
| Name | Start / End Date of Performance | # of Days Utilized | Objective of STTA |
| Dionisius A Narjoko | Continues to June 08 | 40 | Identified, analyzed and provided recommendations on industry promotion measures that have a potentially negative impact upon IVC development. |
| Carol Walker | Continues to 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 Apr – 21 Aug 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 Apr 08 – 16 Apr 09 | 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. |
| Kurniawan M Harta | 21 – 25 Apr 08 | 5 | Improved the RegMap website visual quality by providing a design and branding guidance and provide expert assistance on quality assurance of the website. |
| Eddy Junarsin | 21 Apr – 30 May 08 | 25 | Helped determine a clear, practical and realistic business plan of a sustainable home furnishing international design center. The business plan represented a strong consensus among founding stakeholders in the design center and must be realistic in terms of the resources and capacities of these stakeholders. The business plan included a roadmap of actions required to implement the strategy within an agreed upon timeframe, which covered the realistic design center's market, governance and organization structure, legal status, exact offered services/ products, investment, internship terms and financial plan. |
| 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 |

| SENADA STTA UTILIZATION (APRIL – JUNE 2008) | | | |
|---|---------------------------------|--------------------|---|
| Name | Start / End Date of Performance | # of Days Utilized | Objective of STTA |
| | | | markets. |
| Sunaryo | 30 Apr – 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 Norbethe 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 is one result expected. The other was to develop on site understanding of the practical application in the garment industry in view of improvement efforts that followed up with a marketable lean sigma training module implemented to garment industry. |
| Rheza Sutedia | 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. |

| SENADA STTA UTILIZATION (APRIL – JUNE 2008) | | | |
|--|--|---------------------------|---|
| Name | Start / End Date of Performance | # of Days Utilized | Objective of STTA |
| 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. |

E. MEDIA CITATIONS FOR THIS QUARTER

MEDIA CITATION (April to June 2008)

| NO | DATE | MEDIA | TITLE | TYPE OF MEDIA |
|---|-------------|------------------|--|-----------------------------|
| BDS Directory: Technical Training Service Provider Directory, Metal Stamping Edition – Media Review, Bandung, 2 April 2008 | | | | |
| 1 | 3 Apr | Bisnis Indonesia | Photo caption: Automotive workshop | National business newspaper |
| 2 | 3 Apr | Kompas | 2008, Motorcycle Sales Goes Through the Roof | National general newspaper |
| 3 | 3 Apr | Gala Media | West Java is the Most Ready | Regional general newspaper |
| Shipping Law World Bank Roundtable – Business Enabling Environment, Jakarta, 29 April 2008 | | | | |
| 1 | 2 May | Bisnis Indonesia | Restriction on Foreign Investors Could Hamper Investments in Seaports | National business newspaper |
| 2 | 5 May | Bisnis Indonesia | Examining the Loopholes in Shipping Law | National business newspaper |
| QSEAL Launching and Press Conference, Jakarta, 7 May 2008 | | | | |
| 1 | 7 May | Detik.com | Watch for Counterfeit Components | Online media |
| 2 | 7 May | Detik.com | Minister of Industry Wants Open Sale of Krakatau Steel | Online media |
| 3 | 7 May | Detik.com | Minister of Industry Confident Automotive Sales Secure Despite Fuel Price Hike | Online media |
| 4 | 7 May | Kompas.com | Locally Produced Automotive Spare-parts Certificated | Online media |
| 5 | 7 May | Okezone.com | QSEAL Guarantees Motor Vehicle Component Quality | Online media |
| 6 | 7 May | Otomotif.net | Launching of QSEAL Certification Program | Online media |

MEDIA CITATION (April to June 2008)

| NO | DATE | MEDIA | TITLE | TYPE OF MEDIA |
|---|-------------|--------------------------|--|-----------------------------|
| 7 | 7 May | Inilah.com | QSEAL to Eliminate Counterfeit Components | Online media |
| 8 | 7 May | Inilah.com | Fahmi Refuses Unclear Divestment in Krakatau Steel | Online media |
| 9 | 7 May | Banjarmasin Post Online | Locally Produced Automotive Spare-parts Certificated | Online media |
| 10 | 8 May | Bisnis Indonesia | Imported Components to Flood the Market | National business newspaper |
| 11 | 8 May | Bisnis Indonesia | Photo Caption :The Quality Seal Certification | National business newspaper |
| 12 | 8 May | Kontan | Import Duty Extension Proposed | National general newspaper |
| 13 | 8 May | Koran Jakarta | National Quality Seal for Automotive Components Launched | National general newspaper |
| 14 | 8 May | Neraca | Finally, Local Automotive Components Obtain Quality Seal | National business newspaper |
| 15 | 8 May | Neraca | Photo Caption : The Quality Seal | National business newspaper |
| 16 | 8 May | Varioriders.com | Quality of Local Automotive Components Finally Sealed | Online media |
| 17 | 9 May | Majalah Pengusaha Online | Government Launches QSEAL | Online media |
| 18 | 16 May | Pikiran Rakyat | Three Organizations Launch Q-Seal | National general newspaper |
| Indotextiles.com Media Gathering, Jakarta, 3 June 2008 | | | | |
| 1 | 3 June | Antara News | Domestic Textile Demand Decreased by 27 Percent | National news agency |

MEDIA CITATION (April to June 2008)

| NO | DATE | MEDIA | TITLE | TYPE OF MEDIA |
|--|-------------|--------------------|---|------------------------------|
| 2 | 3 June | Detik Finance | US and Japan Textile Import Demand Diminishes | Online media |
| 3 | 3 June | KapanLagi.com | Domestic Textile Demand Decreased By 27 Percent | Online media |
| 4 | 3 June | Okezone.com | Vietnam and Cambodia Enter the Garment Bisnis of ASEAN | Online media |
| 5 | 3 June | Seputar Indonesia | Domestic Textile Consumption Drops by 56 Percent | National general newspaper |
| 6 | 3 June | Tempo Interaktif | Textile Export to the US and Japan Dwindles | Online media |
| 7 | 4 June | The Jakarta Post | RI's Textile Exports to US, Japan, Drop | National general newspaper |
| 8 | 4 June | Investor Daily | In spite of Dwindling US and Japan, National Textile Export Grows 5.3 Percent | National financial newspaper |
| 9 | 4 June | Bisnis Indonesia | The Fall of the Textile Industry Will Continue | National financial newspaper |
| 10 | 4 June | Suara Karya Online | Textile Export to US and Japan Goes Down | Online media |
| International Media Briefing – Wood Certification, Jakarta, 4 June 2008 | | | | |
| 1 | 5 June | The Jakarta Post | Wood Certification Ups Market Access | National English newspaper |
| 2 | 5 June | Metro TV | Footage: Brief Interview with Steve Smith, SENADA's Project Director | National television network |

F. SENADA BIF USAID SUMMARY

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 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 | 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 / High Education Institute | Autoparts | Semarang | 1-Nov-07 | 30-Apr-08 | 161,500,000 | \$17,944 | Break Drum Standardization | 22-Oct-07 |
| 4 | LSK-K3 (ICCOSH) (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) | Garment / Textile Industry Virtual Business Forum | Business Association | Garment | Jakarta | 21-Jan-08 | 21-Jul-08 | 122,643,415 | \$13,627 | Virtual Business Forum | 4-Jan-08 |
| 6 | Sigma Training Centre | Advance Motorcycle CBT Training Center | Private Company | 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 (June 2008)

| No | Grantee / Contractor | Activity Title | Type | Target | Location | Start | Finish | Amount (IDR) | Amount (USD) | Purpose | Date approved by USAID |
|----|--|--|----------------------|------------------------------|------------|-----------|-----------|--------------|--------------|---|------------------------|
| 7 | ASPILOW | 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 | Center for Furniture Design and Development | Launch of Furniture and Processed Woods Professional Certification Institute | Business Association | Furniture | Semarang | 25-Feb-08 | 25-Aug-08 | 169,300,000 | \$18,811 | Formalization and activation of industry's Certification Institute. | 8-Feb-08 |
| 9 | Quantum Design Engineering | ISO9000 Compliance Software | Private Company | Various Industries | Jakarta | 25-Feb-08 | 25-Aug-08 | 180,100,000 | \$20,011 | Software Development, Prototyping and Field Testing. | 8-Feb-08 |
| 10 | Mangrove Action Plan Indonesia | Building Bamboo Pressure Treatment Facility | NGO | Furniture & 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 |
| 11 | PT. Dycode Cominfotech Development (iMULAI) | Port Management Portal (PORTMAP) | Private Company | 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 (June 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 | 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 / High Education Institute | 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 | Footwear & Autoparts 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 | 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 Industry | Bandung | 1-Sep-08 | 1-Mar-09 | 224,587,500 | \$24,954 | Strengthening of Manual and CAD/CAM Pattern Making Practice for Footwear Industry | 7-May-08 |

SENADA BUSINESS INNOVATION FUND --- USAID GRANT SUMMARY (June 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 | 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 How to Supply Legally Verifiable Wood. | 7-May-08 |
| 18 | Diponegoro University (UNDIP) | Chitosan Anti-Bacterial Agent for Garment Fabrics | University / High Education Institute | Garment | Semarang | 1-Aug-08 | 1-Feb-09 | 220,150,000 | \$24,461 | To develop Chitosan based anti-bacterial fabric as new potential niche, high value market for Indonesian garment / textiles. | TBA |
| 19 | Langlangbuana University (UNLA) | Mendong Waste Production Technology for Fancy Paper | University / High Education Institute | 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 byproducts for production of "fancy" high-end market craft paper. | TBA |
| 20 | Vocational Education Development Center (VEDC) | Furniture Wood Dryer Oven Powered by Wood Waste | University / High Education Institute | 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. | TBA |

| 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. |
| 4 | LSK-K3 (ICCOSH) (CLOSED) | Certification of Competencies on Occupational Safety & Health | ICCOSH will launch a nationwide Operational Safety and Health (OSH) certification program for Indonesian companies to ensure basic workplace health and safety standards are in place. With OSH certification, firms will reduce accidents and disasters, increase efficiency and profitability due to reduction in poor performance of workers, and reduce regulatory burdens related to government OSH Certification. | 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. |

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

| No | Grantee / Contractor | Activity Title | Summary Description | Summary / Results Expected |
|----|--|--|--|---|
| 5 | Indonesian Textile Association (API) | Garment / Textile Industry Virtual Business Forum | This innovative website will combine e-commerce and virtual business forum features to greatly enhance information exchange across Indonesia's garment and textile industries. SMEs will be able to access critical industry and trade information, including industry performance data and trends, select research on best practices, critical information on buyers / trade opportunities, and select information (for buyers) on local textile / garment firms and their product lines. | API focuses on the assistance to the members and other national textile stakeholders by aim at developing and increasing national textile industry and trade. For that purpose, API has worked together with all textile stakeholders, such as government, textile businessmen, textile machine producers, designer associations, university and academy, press, analysts and textile experts, NGOs, etc. The website will consist of (a) information on Indonesian textile industry and trade; (b) the actual data on the Indonesian textile industry and trade; (c) research and development for developing national textile industry and trade; and (d) other basic information. All of the need easily, quickly, and up to date means of communication. |
| 6 | Sigma Training Centre | Advance Motorcycle CBT Training Center | STC will launch a hands on competency-based (CBT) education, training and certification program for motorcycle workshop mechanics in automotive transmission (CVT) and fuel injection (FI) maintenance. This training center will be the first of its kind in Indonesia and will lead to great improvement in the quality of mechanic services provided to millions of Indonesian's motorcycle owners in E. Java. | With development and application of CBT method directly can deliver effective impact for human resource development, especially for motors cycle mechanics competency and automotive vocational school teachers. This activity indirectly can also improve awareness of formal education providers to start focused and develop education system with competency base approach. Hence we can produce graduates which are ready to work. If this can be realized, in result can reduce educated unemployed. |
| 7 | ASPILOW | 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. | This roll machine for tractor tire production process, as their calculation, will improve production capacity, efficiency, and reducing cost production. Hence the SME's at Ningas center can get bigger order demanded within the current market. And at the same time they can improve their revenue and/or offering better price to their customers. This machine will also improve the products quality and the stability of the quality as well. And this is the strength point that can offers to branded customers. |
| 8 | 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. |

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

| No | Grantee / Contractor | Activity Title | Summary Description | Summary / Results Expected |
|----|--|---|--|--|
| 9 | Quantum Design Engineering | 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. | 100 sets of copyrighted software packages in CD ROM, developed internally and field tested in several SME manufacturers. SMEs become aware of importance of complying with ISO Quality Management System and getting access in learning basic documentation and preparing pre-audit themselves. |
| 10 | Mangrove Action Plan Indonesia | 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. | Bamboo is one of main raw material for furniture and home accessories industries. Unfortunately the supply of this materials is less than the demand. This actually related to the quality of the bamboo itself. By good clump management will resulting good quality harvested bamboo. And by this pressure treatment will produce good quality of bamboo in a sorter time in term of treatment process time needed at current technology applied for this process. |
| 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. |

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

| No | Grantee / Contractor | Activity Title | Summary Description | Summary / Results Expected |
|----|---|---|---|---|
| 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. |
| 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 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 developed, tested and launched through initial public launching to the market. |

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

| No | Grantee / Contractor | Activity Title | Summary Description | Summary / Results Expected |
|----|--------------------------------------|--|--|---|
| 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. Thus, a combination of training in manual pattern combined with the 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. |
| 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 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. This training service will educate community forest farmers in how to provide FSC and VLO certifiable sustainable wood inputs and document chain of custody. These skills (and the products they produce) are critical to the future of the sustainable and / or green furniture industry. | 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. |

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

| No | Grantee / Contractor | Activity Title | Summary Description | Summary / Results Expected |
|----|---|---|--|--|
| 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 Cibeureum 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. |
| 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. |

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