



Ref. No:

Econ-0082-UN

Date received:

June 23, 2005

Date approved:

1. Proponent Information

1.1. Contact information

Name of project proponent:	International Labour Office
Country of origin:	United Nations Agency
Contact person:	Alan Boulton/ Tauvik Muhamad
Contact information (phone/address):	Jl. M.H. Thamrin Kav. 3, Jakarta 10250
Email:	boulton@ilo.org / tauvik@ilo.org

1.2. Background information

ILO is the UN agency specialized in employment and social issues. In Indonesia the ILO Office in Jakarta supports its constituents (Ministry of Manpower, trade unions and employers' organizations) and other partners through a country programme aimed at the promotion of Decent Work for All. ILO has various project activities in Aceh including employment service centres, vocational training, enterprise development, local economic development strategies and rehabilitation of local roads.

An effective way to rebuild livelihoods and create employment is to use labour-based methods in rural infrastructure development. Participatory local planning, execution and maintenance drawing on local resources and local labour have been tested by ILO and Coordinating Ministry of Economy Affairs (MENKO EKUN) with districts in Nusa Tenggara Timur (NTT) Province.

2. Project Details

2.1. Project name

Creating Jobs: Scaling-up Labour-based Rural Road Rehabilitation in Aceh

2.2. Project synopsis (Brief description of projects; no more than 30 words)

Rehabilitation of 160 kilometers of existing rural roads, 30 small bridges and creation of 250,000 person days of employment, strengthening capacity of 25 small-scale contractors, strengthening capacity of provincial government and 5 district governments (Kabupaten) and promote and integrate participation modalities for rural road selection and prioritization.

2.3. Implementing agency details

ILO works with district and provincial Public Works Offices in Banda Aceh.

Contact person:	Mr. Pisit Tusanasorn
Contact information (phone/address):	ILO Banda Aceh Office, Jl. Ikhlas 9, Lambhue Barat, Keptang, Banda Aceh (0651 483 40 or 473 92)
Email:	pisitsuprane2002@yahoo.com

BRR concept note

2.4. Approvals

2.4.1. Relevant government agency(ies) - if needed

Contact person:	Mr. Muhyan Yunan, Assistant Governor for Economic Development. Governor office, NAD. Director Public Works NAD
Contact information (phone/address):	0811689002
Email:	-

2.4.2. List of outstanding approvals needed:

None

2.4.3. List of approvals received:

ILO Labour based pilot project approved by Provincial Government (through Public Works) as per letter of April 2005. Scaling up proposal approved by BRR as per letter of 25 July 2005.
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2.5. Bottlenecks

Please list the bottlenecks – if any – that the organization is currently facing:

- Limited funds to implement the project

3. Project Sectors

Please insert "X" next to all relevant sub-sectors:

Sector	Sub-sector	
1. General (Public) Services	1. Executive and Legislative Organizations, Financial and Fiscal Affairs, as well as External Affairs	
	2. Foreign Aid	
	3. General Services	
	4. Basic Research and Development of Science and Technology	
	5. Government Debt	
	6. Regional Development	
	7. R & D Government Public Services	
2. Defense	90. Other Government Public Services	
	1. Military defense	
	2. Civil Defense	
	3. Foreign Military Aid	
	4. R & D Defense	
3. Public Order and Safety	90. Other Defense Affairs	
	1. Police Services	
	2. Disaster Relief	
	3. Legal Affairs	
	4. Judicature	
	5. Prisons	
	6. R & D Public Order, Safety and Legal Affairs	
90. Other Legal Affairs, Public Order and Safety		

BRR concept note

4. Economic Affairs	1. Trade, Business Development, Cooperatives and Small and Medium Scale Businesses	X
	2. Labor	X
	3. Agriculture, Forestry, Fisheries, and Maritime	
	4. Irrigation	
	5. Fuel and Energy	
	7. Industry and Construction	X
	8. Transportation	X
	9. R & D Economic Affairs	
	10. R & D Economic Affairs	
	90. Other Economic Affairs	
5. Environmental Protection	1. Waste Management	
	2. Waste Water Management	
	3. Pollution Abatement	
	4. Conservation of Natural Resources	
	5. Spatial Planning and Agrarian Affairs	
	6. R & D Environmental Protection	
6. Housing and Community Amenities	90. Other Environmental Protection Affairs	
	1. Housing Development	
	2. Community Development	
	3. Water Supply	
	4. Street Lighting	
	5. R & D Housing and Community Amenities	
7. Health	90. Other Housing and Community Amenities	
	1. Medical Products, Appliances and Equipment	
	2. Individual Health Services	
	3. Public Health Services	
	4. Family Planning	
	5. R & D Health Affairs	
8. Tourism and Culture	90. Other Health Affairs	
	1. Development of Tourism and Culture	
	2. Youth and Sports	
	3. Publishing and Broadcasting Services	
	4. R & D Tourism and Culture	
9. Religion	90. Other Tourism and Culture Affairs	
	1. Advancement of Religious Life	
	2. Harmony in Religious Life	
	3. R & D Religious Affairs	
10. Education	90. Other Religious Affairs Services	
	1. Pre-primary Education	
	2. Primary Education	
	3. Secondary Education	
	4. Non-formal and Informal Education	
	5. Government Official Education	
	6. Tertiary Education	
	7. Subsidiary Services to Education	
	8. Religious Education	
	9. R & D Education	
90. Other Education Affairs		
11. Social Protection	1. Sickness and Disability Protection and Services	
	2. Old Age Protection and Services	
	3. Protection and Social Services to Family of Heroes, Veterans and Freedom Fighters	

BRR concept note

	4. Protection and Social Services to Children and Family	
	5. Empowerment of Women	
	6. Information and Social Guidance	
	7. Housing Assistance	
	8. Social Security and Assistance	
	9. R & D Social Protection	

4. Project Location

The project will contribute to the rehabilitation of existing rural roads in Aceh, strengthen the capacity of local government, small-scale contractors and communities and generate employment and income in 5 districts. The districts will be selected in consultation with the provincial Public Works Office.

5. Project Descriptions and Outputs

5.1. *Project description*

The project will up-scale and extend ongoing ILO work to rehabilitate existing rural roads in Aceh Besar and extend activities to 4 more districts.

With limited funds, ILO is currently implementing a pilot project in Aceh Besar to demonstrate the use of labour-based methods in the rehabilitation of existing rural roads which were damaged or destroyed by the tsunami. This involves the use of small-contractors supervised by local government units. Under this project, 5 local contractors have been trained during the rehabilitation of 3 rural roads (total length 5 kilometers). The approach has been successful with very positive responses from Government, contractors and local communities. There is now a need to scale-up activities to include more road works and train more contractors.

The project will respond to the main issues identified through recently completed assessments of the rural infrastructure and construction sectors in Aceh and meet some of the intermediate and long term needs of the local people in terms of provision of infrastructure to enable socio-economic recovery and rebuilding livelihoods.

From a local economic recovery point of view, the infrastructure reconstruction works will also help generate business opportunities for local enterprises. The mobilization of small-scale contractors will contribute to the revival of the local economy. Further, a great number of job seekers, in particular those who lost their livelihood during the disaster, can be absorbed during the reconstruction period. When infrastructure has been reconstructed, there will be increased capacity in the construction sector to more effectively participate in the region's future development programs.

The key to this proposed approach is a well planned capacity building process, integrated within the reconstruction programs, where all actors and stakeholders are adequately involved and benefit from the program in such a way that they can better implement programs with improved planning and implementation management, and a better use of local resources, while fulfilling the local community needs. This proposed project will implement such an approach.

The project will apply labour-intensive technology to the rehabilitation of existing rural roads in the disaster area. It will therefore provide direct and immediate livelihood and employment opportunities for local communities and workers.

The existing road sector has been selected because a well functioning local transport system providing access to key services is a pre-requisite for most other development activities. Transport cuts across most sectors. The sector was also one of the largest impacted by the disaster, in value terms, after housing. Lastly, it is one for which there is extensive international experience with labour-based methods. These have already been adapted to Indonesian conditions by the ILO ASIST-AP Program and the Coordinating Ministry for Economic Affairs (MENKO EKUIN) under ILO's regular program in Indonesia.

The project will also look into more detail into the rehabilitation tasks that will be required in the 5 proposed districts (Kabupaten) to restore the transport system. Road maps and road inventories will be prepared to assess the extent of the road network, classification, damage inflicted, rehabilitation needs and priorities. Most Kabupaten roads in Aceh are or were black-top roads, while village roads are often gravel roads. Inventories need to be made on the ground of the technical characteristics of the rehabilitation tasks required for roads and bridges. These can then be used to identify suitable techniques and any complementary light equipment that might be required. For example, while most of the international experience with labour-based road works has been with earth and gravel surfaced roads, there have been significant recent advances with more durable bitumen. Similar design innovations can be found with low cost bridges, especially those suitable for community level structures.

Training and capacity building will be an integral and essential component of the project. Whatever mode of implementation and supervision is used, training in the required skills and management procedures is necessary to guarantee the security of benefits and improve product quality. Training and capacity building will be a main component of the project. The ILO has extensive international experience in the relevant fields and in Indonesia has developed training manuals (in Bahasa Indonesia) for: (1) participatory planning and identification of infrastructure priorities using an Integrated Rural Accessibility Planning (IRAP) approach; (2) labour-based work technologies; (3) small-scale contracting and community contract; and (4) rural infrastructure maintenance management. For (3) and (4), separate training manuals are available for government administrators and contractors. The existing guidelines and training materials are currently being adapted for use in Aceh.

The rehabilitation of the entire damaged road network in Aceh would require a large number of skilled engineers, technicians, and small-scale contractors. Currently, this skilled manpower is in short supply in Aceh and a fast track training programme is needed to establish this capacity. The project will contribute to this effort by building-up local capacity for implementing the required works.

The project will also complement the USAID approved reconstruction of the main Meulaboh-Banda Aceh road and other major road works as it will concentrate on the rehabilitation of existing rural road networks and therefore contribute to the improvement of the overall transport network in Aceh.

5.2. List of key project outputs

Deliverables timeline

No.	Outputs	2005	2006	2007	2008	2009
1.	1,000 trainees trained in basic concrete and masonry works and debris removal supervision.	15 organizations with 1000 trainees				
2.	25 small contractors trained on labour based technology	10 small contractors	15 small contractors			
3.	52 engineers, 23 technicians, 75 supervisors trained on labour based technology	30 engineers and 8 technicians, 30 supervisors trained	24 engineers, 15 technicians, and 45 supervisors			
4.	160 km of existing rural road rehabilitated and associated structures	20 km	60 km	80 km	Can be continued	Can be continued

6. Impact assessment

Please describe project impact on the following (may be not applicable, depending on project):

- 6.1. *Economic multiplier: please specify numbers of local workers employed, how many farmers/fishermen are affected, capital created, etc.*

This project will create 250,000 person days employment with a daily wage of USD 3.5 per person per day. Target for direct employment is 2,000 workers, with at least 30 per cent female participation. In addition, staff at training providers and small contractors will be affected in terms of upgrading of skills, increased workload/earnings.

- 6.2. *Sustainability assessment: please specify ownership transfer, funding, and human resource plans for ongoing maintenance of the relevant outputs of the project.*

Basic premise is community involvement in planning (using 'Integrated Rural Accessibility Planning' tool) and rehabilitation of rural roads and maintenance after the completion of the rehabilitation. Communities select roads and identify maintenance budgets. Training and on-the-job training in road maintenance is included.

- 6.3. *Supply chain/resource impact:*

No major supplies or procurement under this project other than road building materials typically sourced in or close to the sites. Supplies for minor masonry and cement works (culverts and drainage) will preferably be done through local suppliers.

- 6.4. *Environmental assessment: please specify mitigation plan and risks to environment*

In the execution of road works, specific guidelines are used in terms of minimizing environmental impact. In principle no new roads are foreseen, only rehabilitation of existing rural roads which follow the existing alignment.

BRR concept note

- 6.5. *Social impact assessment: please specify mitigation plan and risks to social environment (culture, religion, gender, etc.)*

Project will benefit local communities by meeting infrastructure needs and providing livelihood opportunities for local women and men.

- 6.6. *Magnitude of impact: please specify number of people that will be directly impacted from this project*

Direct impacts will be to local communities in 5 Districts as well as local small contractors and workers directly employed in rural and village road rehabilitation.

7. Cost and funding

7.1. Budget estimate

7.1.1.

Total budget estimate	Amount	Currency
	6,000,000	US\$

7.1.2. Budget by kabupaten/kota

Not available

7.2. Funding plan

Put an X to note whether this is on-budget or off-budget projects: On-budget Off-budget

Donor name	Committed/pledged amount	Disbursed (Received) amount	Currency	Type of Fund (Loan/Grant)
UNDP (ERTR)	565,180	565,180	US\$	Grant to ILO
Other (requested)	6,000,000	-----	US\$	Requested

8. Local Community Support

8.1. Local Community Involvement

No.	Steps on local community involvement	Done/not done	Description (explanation of activity performed or planned)
1.	Community-wide meeting to discuss projects and have minutes of meeting from this	Not done	Not applicable. Selection of participants in courses is decided by the sending organisations from their own staff. Selection of rural and village roads for rehabilitation done by district government with involvement of local communities.

BRR concept note

2.	Solicited input from women/children and marginalized/disadvantaged groups (e.g. handicapped, etc.)	Done	Specific efforts were made to enrol women in the courses to open up new job opportunities.
3.	Solicited input from and gained approval of local government officials (e.g. kepala desa, camat)	Done	Joint decisions on training objectives and modalities with district governments and Public Works officials (project is located in Public Works). Many government officials take part in training. Selection of infrastructure needs done by local government priorities.
4.	Plan to post information in a high-visibility public place listing amount of investment, beneficiaries, timeline for development and whom to call in your organization in case of any concerns	Not done	Should be reinforced, is now dependent on partner government agencies. ILO publishes bi-weekly program update and distributes this widely. Project outlines on ILO website (and soon on BRR site).

8.2. *References for local community involvement*

Please provide 2-3 contact persons & details of local community representatives (1 government official, 1-2 civic/community leader(s))

Contact person	Role with respect to project	Contact details (phone number)
Aceh Besar District Public Works Official	Government counterpart	Mr. Muhtar Jaffar (w) 0651 92 141 (hp) 0813 600 2939
Pekan Bada community	Project Site	

9. Monitoring Process

9.1. *Anti-corruption mechanisms*

Please describe any anti-corruption mechanisms that your organization has (or planned to have) installed for the following:

Selection of participants: Participants are selected by the partner organisations with entry-questionnaire to validate eligibility.
Training cost: For each training a detailed budget is agreed with provider, based on standard and public rates. Contracting subject to the ILO's internal rules on procurement.

Funds are made available to small contractors in two tranches. The first one to allow procurement of materials and tools and to fund initial expenses. Second tranche upon delivery of training and rehabilitation works against satisfactory progress report.

9.2. Project progress monitoring process

Financial reporting/auditing:
 ILO Jakarta operates complete financial and accounting system, providing financial reports as required. Programme management unit in Banda Aceh oversees application of ILO financial rules and regulations, subject to internal and external audit procedures. Payments to partners can be subject to ad-hoc audits.

9.2.1. Please describe monitoring arrangement (methods) for the project:

The project has developed daily planning and achievement reports as well as weekly and monthly progress report formats for monitoring and controlling of the works.

9.2.2. Milestones for projects deliverables

Milestone	Timing
1,000 trainees trained on concrete and debris removal supervision	31 December 2005
25 small contractors	31 December 2006
54 Engineers, 23 Technicians, and 75 Supervisors trained on labour-based equipment support	31 December 2006
160 km existing rural roads rehabilitated	31 December 2007



ILO PROJECT PROPOSAL

CREATING JOBS: SCALING UP LABOUR-BASED RURAL ROADS REHABILITATION IN ACEH

Main features of Project include:

- rehabilitation of 150 km of rural roads which were destroyed or damaged by the tsunami (including rehabilitation of small bridges and structures such as drainage ditches and retaining walls)
- work through 25 local contractors and local and provincial government bodies (including provincial Ministry of Public Works)
- use of labour-based approaches which will create short-term employment opportunities in local communities (estimate is 250,000 person days over 2 years)
- participatory methods of decision-making whereby local communities identify and plan rural infrastructure development priorities.

Special value of Project lies in its capacity to achieve several important objectives with immediate and longer term benefits in the rebuilding of Aceh:

- restore local roads (and thereby contribute to rebuilding infrastructure for socio-economic development in Aceh)
- provide livelihood and employment opportunities for local communities and workers
- help to develop or enhance performance of local construction industry, especially small-scale contractors, through training and technical guidance
- strengthen the capacity of local governments in reconstruction efforts (planning and supervision).

Background to the Project includes:

- ILO work in Aceh since the tsunami which has emphasized maximising job and livelihood opportunities for local people in recovery and reconstruction activities. This work has been conducted in conjunction with local government Manpower Offices and has included:
 - Establishment of Employment Service Centres
 - Vocational Training
 - Enterprise Development training and support activities.
- The ILO's Aceh work has included rural infrastructure redevelopment demonstration projects (e.g. rehabilitation of local roads in Banda Aceh) and training of supervisors and engineers in Cash for Work schemes. The labour-based rural infrastructure work follows ILO work in Indonesia over the past 4 years with the Coordinating Ministry of Economic Affairs and a Network of Universities and uses ILO models applied in other parts of Asia, Africa, etc.

Key points to note about the Project:

- implementing approach has already been piloted in Aceh since February 2005 with Ministry of Public Works and local government;
- the work involves rehabilitation of **existing** roads damaged or destroyed by the tsunami;
- no other agency is concentrating on rebuilding rural roads;
- approach based on community involvement in identifying priorities and in construction process;
- maximum livelihood and employment opportunities for local communities (the training and use of local contractors and local workers).