

## News Brief



### BEE Business Gathering

The Business Enabling Environment Program held a successful Business Gathering on October 16, 2006. The topic "Foreign Investment: A Friend or Foe" attracted over 30 Acehnese business players and local government officials. IFC's Business Development Officer, Greg Elms, acted as the key speaker and shared his extensive experience and knowledge on investment in Indonesia and abroad. The event addressed important issues such as the urgent need to simplify business licensing, implement investor-friendly investment regulations, and establish special economic zones. The participation of six government officials makes it possible to start an effective public-private dialogue in Aceh.



### Field Facilitators Provide Support to Rural Shrimp Farmers

Six field facilitators for the fisheries program were hired in September and have been deployed in the field in early December. These facilitators will expand the program's capacity to reach farmers by facilitating and organizing farmer groups in the pilot villages for cluster management of the shrimp sector. They were trained in community mobilization, technical assistance in shrimp farming, water/soil quality assessment and supply chain in aquaculture, including hatcheries, middlemen, and processing.

Supported by:



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## PROGRAM OVERVIEW

IFC's Private Enterprise Partnership for Aceh & Nias (IFC-PEPAN) works to promote private sector development and investment in Aceh and Nias, Indonesia. Building on successful IFC programs, PEPAN aims to:

- Develop the local business service sector
- Improve the business and investment environment
- Restore livelihoods in strategic sectors
- Increase access to finance

### Investor Outreach Office: Welcoming the Dawn of the Investment Era.

In response to the need of re-developing Aceh in a more sustainable manner, IFC, the Aceh and Nias Rehabilitation and Reconstruction Agency (BRR), the Aceh Investment Board (BKPM) and the local Chamber of Commerce (Kadinda Aceh) established a joint institution called the Investor Outreach Office (IOO). This institution will support the development of Aceh Province by facilitating investment via a client-service oriented approach with key functions such as information for investors, matchmaking assistance, assistance with regulatory requirements, investor aftercare services and policy advocacy.



*The Investor Outreach Office is strategically located across from the prominent Swiss-Bel Hotel.*

Since its soft launch on November 23, 2006, IOO has provided services to several foreign and domestic investors. IOO's progress to date includes assistance for a memorandum of understanding between a Canadian water engineering consulting firm with two local partners, an approval letter for a Malaysian brick manufacturing company from BKPM, and an exploration license of two local forestry companies. More investors are expected to make contacts after the official launch in March 2007.

### Seaweed Farming in Nias: Opportunity for New Livelihood.

Building on the success of a similar program conducted by PENZA Facility in Makassar, IFC-PEP Aceh & Nias

have launched a seaweed farming program on the island of Nias. The overall objective is to introduce seaweed culture and market linkages to the offshore islands of Aceh and Nias. The pilot program would begin by introducing seaweed culture to fishery-dependent villages as a sustainable alternative livelihood to fisheries. Best practice and linkages throughout the value chain will increase villagers' income, improve full gender participation and ensure long term sustainability.

For the initial process, a baseline survey was conducted in six villages in Nias and islands south of Nias during the last quarter of 2006. Results showed that Nias has a high-quality seawater and coastline community to support the development of seaweed farming.



*Seaweed prototype of Saccul Hijau from Bali being planted in Ladara through the Long Line cultivation method (12/06).*

Since mid November two facilitators also have been deployed to the villages of Afia and Ladara to begin the introduction process. The pilot project will be conducted in Ladara by the end of January with the plantation of 1.3 tons of seaweed, which consist of three selected types of seaweed; *Red Saccol*, *Green Saccol*, and *Maumere*.

### Shrimp Program Conducted Survey in 34 Villages.

During the last quarter of 2006, the IFC PEP Aceh & Nias shrimp program conducted surveys in 34 villages in Banda Aceh, Aceh Besar, Pidie, and Bireun. The aim was to assess areas that are most suitable for the aquaculture intervention program. As a result, farmers in ten villages in Aceh Besar, Bireun, and Banda Aceh were chosen to participate in the pilot program. Analysis was on hygiene, farm design, crop history,

## About Us

The International Finance Corporation (IFC) is a member of the World Bank Group. IFC works to reduce poverty and improve people's lives in emerging economies by enabling and promoting sustainable private sector investment at the frontiers of economic development.

We thank our partners, the Australia Indonesia Partnership for Reconstruction and Development (AIPRD) and the Rehabilitation and Reconstruction Agency (BRR) for Aceh & Nias, for making our programs possible.

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water source, green belt, and community response.



*IFC team assesses the quality of juvenile shrimp (11/06).*

The program will begin during the next growing cycle in March 2007, focusing on management training and shrimp pond preparation. Continuous monitoring of the program and statistical analysis would also be utilized to illustrate the effectiveness of these practices. It is expected that the program will reach 25-40 hectares of ponds this year.

## VISITOR SPOTLIGHT

The Director of Small and Medium Enterprise Department, Laurence Carter and Business Line Leader for Business Enabling Environment Pierre Guislain visited Aceh on January 8-9, 2007 to get a first-hand look at the latest developments in PEP Aceh & Nias. After a project field trip and a tsunami tour, the two held strategic meetings with BRR, local government, World Bank, and the local Chamber of Commerce.

Being asked of their overall impression of Aceh, the two agreed that Aceh is a region rich in potential which can attract investors. "The challenge lies in getting the region back into the global and local market", said Laurence. Further, Pierre explained that an open dialogue between the private sector and the government is crucial in triggering private sector growth. "Getting direct inputs from investors to know what they need is very important. The private sector needs to be more vocal and be more involved in policy dialogues. By having these dialogues, the government can start identifying the needs of private sectors and start formulating business-friendly policies," exclaimed Pierre. With the growth of the private sector, it will be followed by increase in job

opportunities. "In my opinion, jobs are the strongest source of poverty alleviation. Through job creation, the welfare of families in Aceh will start to improve" stressed Laurence.

Moving forward, the two are confident that IFC-PEP Aceh and Nias through the support of the Australian government will be able to make significant contributions to the regions. "I see us playing a key role, not just now but also in the future, as one donor-funded organization in Aceh that really focuses on



*Laurence Carter (left) and Pierre Guislain (Right) during the tsunami tour (01/07).*

how to create wealth and jobs through private sector investments. It's really what we need to continue to enhance and develop," said Pierre.

## Did You Know?

The Province of Nanggroe Aceh Darussalam has 56,363 km<sup>2</sup> of water territory. Currently, the fishery sector contributes to 102.554,9 tons/annually of marine fish and 36.618,9 tons/annually of inland fish. Fish such as tuna, skipjack, shark, sea star, mackerel, flying-fish, shrimp etc can be found the region's lush body of water.

## Up Next



### Fisheries Program

A baseline survey will be conducted in January and February in selected villages. The survey will provide details on fisheries development for the last three years. The result will become a benchmark on current development level and improve technical knowledge. Overall, the survey will enable the project team to measure the impact of the project.



### World Hotel Link

As part of promoting tourism in Aceh, the IFC sponsored [www.aceh-hotels.com](http://www.aceh-hotels.com) e-booking system will be highlighted on the front page of the Lonely Planet website ([www.lonelyplanet.com](http://www.lonelyplanet.com)) This effort is expected to increase traffic and bookings through the site.