Indonesian Green Entrepreneurship Program  
Technical workshop at Sari Pan Pacific Hotel Jakarta, 26/11/12

Report

Subject: IGEP Technical Workshop  
Date: 26/11/12  
Venue: Sari Pan Pacific Hotel Jakarta

1. Agenda

- The meeting was the first technical workshop for the Indonesian Green Entrepreneurship Program with a purpose to socialize the program to ILO constituents and relevant stakeholders particularly Ministries that are implementing entrepreneurship programs in Indonesia. In addition, the workshop was used as a forum to collect inputs and feedbacks from the participants in order to adapt the green entrepreneurship modules.

- The agenda is shown as follows:
  1. Introduction to green jobs
  2. Introduction to IGEP
  3. Entrepreneurship Programs in Indonesia
  4. Funding for Green Programs
  5. Discussion in adapting the training modules

2. Meeting Proceeding

- Prior to the technical workshop, the ILO had recruited 6 sector specific experts and 2 entrepreneurship consultants that are working as a team in adapting the GBO modules into an Indonesian context. The consultants/experts are:
  1. Mr. Ary Suhandhi – Ecotourism
  2. Mr. Imam Baihaqi – Creative Industry
  3. Mr. Kholil – Food Security (agriculture, forestry and fishery)
  4. Mr. Alfa Narendra– Transportation
  5. Mr. Ridho Hantoro– Energy
  7. Ms. Janti Gunawan – Technical consultant
  8. Ms. Rini Wahyu Harriyani – SIYB consultant

- The meeting began with the opening speech by Mr. Peter van Rooij from the ILO Jakarta office thanking all the participants for allocating their time to attend the meeting and highlighting the importance of the IGEP where it would assist the Indonesian Government’s effort to reduce green house gas and decrease the number of unemployment.

- Following the opening session, Mr. Muce Mochtar from ILO gave a presentation on Green Jobs. Explanation was given on the definition and history of green jobs as well as brief information of the Green jobs in Asia project and how entrepreneurship training for the development of green tourism products was implemented under this project. The participants was also briefed on the objective of the preliminary phase of the IGEP where ILO together with the Bank of Indonesia is in the process in developing a green entrepreneurship training module for Indonesia which consisted of 1 trainer’s module and 6 training modules in specific sectors namely, energy, transportation, ecotourism, waste management, creative industry and food security. Once the modules are prepared a training of trainers and training of entrepreneurs would be undertaken. This preliminary phase also aims to establish a green entrepreneurship forum.
• The detail information of the IGEP was presented by Ms Janti Gunawan, she started by explaining that the ILO would need the valuable inputs provided by the participants in order for the team to prepare the module into an Indonesian context. She also requested the participants could share their experience on the entrepreneurship program they are familiar with in Indonesia. In her presentation, information on the various ILO modules on entrepreneurship was explained to the participants including GYB, SYB, KAB, Get Ahead and GBO. Furthermore she explained that in Indonesia the current entrepreneurship programs has not yet been fully coordinated and a green entrepreneurship program does not exist. We also can see that most of the entrepreneurship programs in Indonesia do not have a coaching component. We need to identify how newly entrepreneurs can have access to finance, technology, market and other resources. The steps that will be taken by IGEP are through the development of a training and trainers module, prepare trainers and then conduct the training of green entrepreneurs. All these activities are close coordinated with the Bank of Indonesia and ILO constituents.

• Ms. Rini Wahyu Hariyani provided information and shared her experience as a SIYB master trainer in Indonesia. In addition, she also informed the different stages of when the ILO entrepreneurship modules are utilized.

1. GYB is given to participants that wants to start a business but still uncertain what business to pursue. The output is a business idea.
2. SYB is given to participants that already has a business idea but does not know how to start. The output is a business plan.
3. IYB and EYB are given to participants that already have a business and would like to improve it. The output is a simple and comprehensive management system.

As for the IGEP program, the plan is to merge the Green business module that has been implemented in China with SYB and we would have start your green business (SYGB) module in 6 different sectors in Indonesia. The module must explain in detail all the actions that need to be taken step by step and also it has to be presented in a simple manner.

• Mr. Yufrizal from the Bank of Indonesia presented the Central Bank’s entrepreneurship program starting. Mr. Yufirizal also highlighted that in Indonesia Bank are still unlikely to fund start-up businesses, in particular businesses under two years of operation. The central Banks entrepreneurship program objective are to:

1. Create new entrepreneurs through training and coaching
2. Create future customers for the banking industry
3. As a follow-up to entrepreneurship courses in universities
4. Participate in the effort to reduce unemployment and providing employment opportunity

Bank of Indonesia currently is implementing the entrepreneurship program in 7 locations, however, the programs has yet to be aligned with one another in terms of target group, theme and training. At the moment the Jakarta and Makassar BoI offices are the ones that have a green entrepreneurship program. The bank currently has a close collaboration with 4 universities in Indonesia to implement their entrepreneurship program. However there are still some constraints when working with university students, among others are:

- Difficult to determine time for training
- Difficult for students to understand financial management, particularly non-economic majors

The central bank is prepared considers that green business is not a very attractive sector since majority of the people do not see the business opportunity. Nonetheless, BoI is prepared to pilot the SYGB module especially for trainings in Jakarta and Makassar.

• Mr. Gustami from the Ministry of Environment explained the ministry’s program to support green business in Indonesia. Some of their program includes rewards for environmental friendly companies, exemption of import duty when importing environmental friendly technology/equipment and tax holiday. The ministry also provides financial incentives such as grants, easy access to bank credits, soft loan, CDM and payment for ecosystem services. Some of the investment on environment that could be funded includes 3R equipment, pollution control
devices, waste management equipment, environment laboratory equipment, environmental friendly certification, and environmental friendly raw material. The environment ministry has an objective on transforming brown business into green business.

- Mr. Rathoyo Rasdan from the Ministry of Youth and Sports (MoYS) explained the Ministry’s program on entrepreneurship for youth, they have also started an awareness program for entrepreneurship by providing rewards to the best entrepreneur and last year’s winner was an entrepreneur that had started a green business. The Ministry is also working closely with UNESCO on a program called Switch Your Business into Green. According to a recent survey, entrepreneurship is the top ranking type of employment which attracts university students. The main reason why entrepreneurship is considered popular in Indonesia is because there are many success stories and aside from this is due to the campaigns that are done to motivate the youth. Efforts that are done by the Ministry to develop a green culture for the youth is through values, attitude and behaviour.

- Mr. Ary Suhandi from Indecon, explained that there is a shift in the tourist behaviour nowadays when selecting a tourism destination. More tourist are now more environmentally friendly conscious and are interested to know more about the local culture and also want their vacation benefits the local community. The ecotourism market in Indonesia is growing with a high demand not only from International tourist but also from local tourists. Business in the tourism sector is regulated under law number 10 year 2010, which has indentified six type of businesses, namely, tourism attraction management, accommodation, travel agency, tour guides, transportation and food and beverages. The tourism trend is now includes the local community to be more involved in tourism activities as this would provide employment opportunities and generate local ownership.

- During the discussion the participants were requested to provide information on the entrepreneurship program they are familiar with by explaining the name of the program, beneficiaries, location, experience and education level, type of modules/tools used, income and challenges. References would be beneficial for the training participants. These references would include information on access to finance, business permits, supplier and vendor information. University entrepreneurship programs are targeting university students and university graduates through business incubators, seed capital is also provided between 500 – 1000 USD. The source of funding varies the largest resource of funding is from the Ministry of cooperatives and SME with a total funding of USD 100,000. The modules they use consist of training, coaching and they are assisted with marketing of the product and business permits. Other universities have entrepreneurship programs that involve local communities which target high school dropouts and graduates. The challenges they face is in terms of funding, however they are closely collaborating with the private sector through their CSR program. Some other universities also highlighted that the success rate of their entrepreneurship program is only 30%. The modules they most of the universities used are developed by the Ministry of National Education.

- Inputs from the floor include:
  - Involve the private sector for funding
  - Module must have self evaluation
  - Information of access to finance
  - Information on business permits
  - What business is suitable for me
  - Sector information (value chain)
  - Involvement and commitment of government is important for program success
  - Government to provide guarantee to financial institutions for start-up capital
  - Financial institutions also provide coaching to newly developed businesses.
o Explain the definition of green business in all training manuals
o Examples of green business in each sector
o Within the business plan must stress on following aspects such as vendor must adapt green practices, empowerment of local community
o Define the difference between micro, small and medium businesses and explain on the amount of capital that is required of each business. (this information will taken from the exiting government regulation)
o Need to focus on micro business that only require seed funding of USD 500
o Motivation to become entrepreneur
o Green business in providing service
o References to green technology

• After the workshop was closed, the team of experts and consultant had an internal meeting to agree on the outline of the training modules and also to determine the information required for each chapter also taking into consideration all the inputs received during the workshop. ILO has already compiled case studies but it is also encouraged if the experts can provide case studies based on their experience. Changing people mindset to convince them that green products are not expensive needs to be included in the introduction. Information on how to change existing products to become greener products also needs to be included. Coaching is a very important aspect. Access to finance is always an issue but there are always solutions, normally local community would already have funding available from their savings.
• Currently the experts are reviewing all ILO Entrepreneurship training modules and will provide all the information required based the agreed outline

3. Outcome of Meeting:
• The participants of the meeting supported the preparation of the SYGB modules
• It is hoped that the first training of trainers meeting will be held on 17 December 2012
• Coordination of the green entrepreneurship program has to be at least done by the Ministry of coordinating economic affairs or with BAPPENAS.
• Draft of SYGB training and trainers module ready by 10 December 2012.

4. Follow-Up:
• ILO will discuss in further detail the preparation of the ToT with the Bank of Indonesia including criteria of participants
• ILO will share the workshop report with the team of experts
• Outline of the training modules to be shared with ROAP to seek feedback

5. Attachments:
• SYGB training module outline