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Investing in rural people

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Republic of Indonesia

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For: Review

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General comments

1. The Independent Office of Evaluation of IFAD (IOE) undertook a country programme evaluation (CPE) for Indonesia covering the period 2004 to 2012. The agreement at completion point (ACP) for the CPE was signed on 20 February 2014. As per established practice, the ACP has been attached as an appendix to the new Indonesia country strategic opportunities programme (COSOP) for 2015-2019.

2. The first Indonesia COSOP covered the period 2009-2013. IFAD then developed an interim country strategy for Indonesia for the period 2014-2015. This enabled IFAD to respond swiftly to the conclusions and recommendation of the CPE, and to fully align its next COSOP with the Government of Indonesia's five-year Medium-Term National Development Plan for 2015-2019.

3. The new COSOP acknowledges the significant reorientation of the country programme that began with the interim country strategy. All the areas of relative weakness identified by the CPE – agricultural productivity and market access, innovation and scaling up, and non-lending activities (policy dialogue, knowledge management and partnership-building) – received increased attention.

4. The CPE indicated that the previous COSOP lacked prioritization of objectives and was overly ambitious. IOE feels that this could also be said of the current COSOP as it proposes a very broad range of issues and themes to be addressed by the country programme, with the risk of spreading efforts and resources too thinly.

5. The CPE made five recommendations: (i) make small famers the principal beneficiary of the IFAD programme; (ii) channel funding and technical support to core agriculture; (iii) build strategic partnerships on core agriculture; (iv) strengthen IFAD country programme management; and (v) enhance the Government's role in IFAD-supported activities. The extent to which the CPE recommendations have been taken into account in formulating the new COSOP is discussed below.

Specific comments

6. In line with the first CPE recommendation, the new COSOP for Indonesia puts small-scale producers in the foreground. This is reflected in the three strategic objectives and the proposed themes of innovation, policy dialogue and knowledge management. An increasing role will be given to value chains to facilitate market access, technology and advisory services, by linking small producers and their organizations more effectively with private and public actors. Scaling up of innovations piloted in IFAD-funded projects is considered an integral part of IFAD's new strategic partnership approach in Indonesia. The advocacy capacity of national indigenous peoples and famers' organizations will be supported by grants to strengthen their voice in policy and knowledge exchange forums. Furthermore, IFAD will explore how to support the Government's South-South cooperation initiatives relating to agriculture through a strategic, programmatic approach to South-South and triangular cooperation. In sum, the CPE recommendation has been adequately addressed in the new COSOP.

7. Agriculture receives adequate focus in the new COSOP, as proposed by the second CPE recommendation. To achieve the first strategic objective, the country programme will support rice production – in which IFAD has a comparative advantage – but will also promote high-value crops and marine products, by supporting access of smallholder farmers to agricultural technology and services, and promoting value chain linkages. Target groups will be smallholder farmers and

fisheries producers, marginal communities and ethnic minorities in selected geographic areas, and youth. In geographic terms, the IFAD programme will maintain its focus on Eastern Indonesia where poverty is highest, but through a strengthened partnership with the Government, positive project experiences will be scaled up to the national level. The second strategic objective of the new COSOP addresses resilience to risks. An important component of this will involve helping smallholder farmers reduce their vulnerability to environmental change and climate variability. However, as mentioned above, the COSOP is ambitious in trying to address a large number of challenges related to agricultural development.

8. As recommended by the CPE's third recommendation, the COSOP indicates that the IFAD country programme will strengthen partnerships with the Government, the private sector, social organizations representing famers' and indigenous peoples' interests, NGOs and development partners to support project implementation, policy dialogue and scaling up. As per current practice, a key file appended to the COSOP presents the strengths and weaknesses of country programme stakeholders and outlines opportunities for partnerships within the areas of IFAD's focus. Overall, the recommendation is adequately addressed.

9. In line with the CPE's fourth recommendation, the COSOP proposes to reorganize and expand the IFAD country team, to open an IFAD Country Office and to base the country programme manager in Indonesia. This will further improve supervision and implementation support, and the coordination and engagement of policy dialogue, knowledge management and partnership-building. Furthermore, a key component of the third strategic objective of the COSOP relates to strengthening the capacities and accountability of local institutions to deliver responsive services. This may help deliver results in the decentralized context of country engagement by tapping high-quality local resources. Thus, the CPE recommendation has been addressed.

10. The fifth CPE recommendation was for IFAD to develop focused, strategic relationships with the main technical counterparts of the Government to enhance the Government's role in IFAD-supported activities. This is not explicitly considered in the COSOP. Nonetheless, the country strategy will include IFAD support for the creation and expansion of business-oriented producers' organizations capable of providing cost-effective services to members. These organizations will be assisted in advocacy for smallholder-related policies. IFAD will strengthen the capacities of local institutions to deliver services that are responsive to the needs of the poor, including through partnerships with the private sector. However, it is not clear from the COSOP and attached project concept notes how government capacity at the district level will be strengthened. Also, the COSOP does not describe how project monitoring and evaluation could be strengthened. These issues may need special attention during project design and in planning non-lending activities.

Final remarks

11. In general IOE finds the new Indonesia COSOP to be a sound document and appreciates the concrete efforts made by both Management and the Government to follow up on the 2013 CPE recommendations.