Investir dans les populations rurales

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Évaluation de la stratégie et du programme de pays

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Mesures à prendre: Le Conseil d'administration est invité à examiner l'évaluation de la stratégie et du programme de la République d'Indonésie.

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Nous souhaitons également exprimer notre reconnaissance au Gouvernement indonésien ainsi qu'à nos autres principaux partenaires pour leur appui et leur coopération tout au long de l'évaluation.

Résumé

A. Contexte

1. Le Bureau indépendant de l'évaluation du FIDA (IOE) a procédé à la troisième évaluation de la stratégie et du programme de pays (ESPP) pour la République d'Indonésie, et s'est intéressé à la période allant de 2013 à 2021. Les précédentes ESPP ont été achevées en 2004 et en 2014. La présente ESPP vise principalement à: i) dresser le bilan des résultats et de la performance de la stratégie et du programme financés par le FIDA en Indonésie; ii) tirer des constatations et formuler des recommandations concernant l'orientation future du partenariat entre le FIDA et le Gouvernement indonésien en vue de renforcer l'efficacité des activités de développement et de favoriser la transformation du monde rural.

2. **Portée.** L'ESPP a pour objet d'évaluer les résultats et la performance des stratégies de pays, du portefeuille de projets financés par des prêts et des activités hors prêts depuis 2013, après la conclusion de la dernière évaluation du programme de pays et depuis l'approbation de la stratégie de pays intérimaire 2014-2015 et du programme d'options stratégiques pour le pays (COSOP) de 2016. La présente ESPP porte sur neuf projets de prêt – le Programme d'autonomisation rurale et de développement agricole dans le Sulawesi central (READ), le Programme de développement des villages, le Projet d'amélioration des moyens de subsistance des petits exploitants dans la partie orientale de l'Indonésie (SOLID), le Projet de développement des communautés côtières, le Projet intégré de développement et de gestion participatifs de l'irrigation, l'Initiative de reproduction à plus grande échelle du Programme d'autonomisation rurale et de développement agricole (READSI), le Projet relatif aux marchés et à la productivité agricole des hautes terres (UPLANDS), le Projet intégré de transformation économique des villages (TEKAD) et le Programme de services d'appui à l'entrepreneuriat et à l'emploi des jeunes –, ainsi que sur 14 dons, y compris les dons du Fonds pour l'environnement mondial (FEM), les dons accordés dans le cadre d'opérations financées par des prêts du FIDA, ainsi que les dons spécifiques aux pays et les dons régionaux ou mondiaux.

3. **Contexte du pays.** L'Indonésie, qui compte quelque 270 millions d'habitants répartis en 300 ethnies, est le quatrième pays le plus peuplé du monde. Près de 75 000 villages ruraux s'y trouvent et un tiers de sa population travaille dans l'agriculture. En 2021, la Banque mondiale a fait repasser l'Indonésie dans la catégorie des pays à revenu intermédiaire de la tranche inférieure, en raison de la pandémie de COVID-19, après la brève accession du pays à la tranche supérieure en 2020 (le revenu national brut par habitant s'élevait à 4 050 USD en 2019). L'Indonésie est une démocratie présidentielle dont l'administration décentralisée comprend plusieurs niveaux de pouvoirs locaux élus au niveau des provinces, des districts et des villages. La loi relative aux villages introduite en 2014 définit le cadre réglementaire du transfert des fonds directement aux administrations villageoises.

4. Le taux de pauvreté en Indonésie n'a cessé de diminuer ces 20 dernières années. En 2019, 9% de la population vivait sous le seuil de pauvreté national (contre 23,4% en 1999), et deux tiers d'entre eux résidaient dans les zones rurales. On observe toutefois d'énormes disparités entre les régions; le taux de pauvreté dans la partie orientale de l'Indonésie, par exemple, est beaucoup plus élevé (33%) que la moyenne nationale. En outre, les taux de mortalité maternelle (177 pour 100 000 naissances vivantes en 2019) et de retard de croissance des enfants (30,5% en 2019) sont particulièrement élevés.

5. L'agriculture contribue à hauteur de 13,7% au produit intérieur brut de l'Indonésie. Le secteur se compose essentiellement de petits exploitants (plus de 90%) qui cultivent le plus souvent sur de petites parcelles de moins de 0,8 hectare,

généralement du riz dans les basses terres et des cultures de rente dans les hautes terres. En dépit des améliorations en matière d'irrigation, de fourniture d'intrants et de savoir-faire technique, plusieurs problèmes subsistent, notamment le manque d'accès à des semences de qualité, à des technologies avancées et à des informations de production fiables, ainsi que le mauvais entretien des systèmes d'irrigation et des routes. La mauvaise gestion des terres, la déforestation rapide et les feux de tourbe compromettent également les activités agricoles. En outre, l'accès aux marchés a été limité en raison d'un manque de confiance dans les coopératives.

6. **Action du FIDA en Indonésie.** Depuis le début de ses activités en Indonésie en 1980, le FIDA a approuvé 21 projets, dont un a été annulé. En comptant le financement de contrepartie, le coût total de ces 20 projets s'élève à 2 765 millions d'USD, dont un financement du FIDA de 670 millions d'USD. Les neuf projets d'investissement concernés par cette évaluation ont fait l'objet d'engagements de financement à hauteur de 2,2 milliards d'USD, dont 449 millions d'USD (21%) de prêts du FIDA.

7. Dans le cadre du dernier COSOP, le FIDA poursuit trois objectifs stratégiques en vue de permettre aux petits producteurs: de participer à des marchés agricoles rémunérateurs; d'être plus résilients face aux risques; de bénéficier de services adaptés à leurs besoins de la part des institutions rurales. Le projet de Plan stratégique pour l'Indonésie (2021-2025), élaboré conjointement par les organismes ayant leur siège à Rome en 2020, oriente en outre l'action du FIDA pour les cinq prochaines années.

B. Principales constatations

8. La **pertinence** des stratégies de pays et du portefeuille de projets est jugée plutôt satisfaisante. Le COSOP et le portefeuille de projets correspondent bien aux priorités du Gouvernement et aux besoins des bénéficiaires. Le FIDA contribue à faire face aux défis majeurs, notamment en appuyant à long terme le programme de décentralisation des pouvoirs publics, en ciblant les jeunes et en se penchant sur des questions politiques délicates telles que la protection des tourbières et la réduction de la brume sèche. Le changement d'orientation du portefeuille, qui passe de la production seule aux filières, correspond à l'évolution des priorités gouvernementales et est salué par plusieurs bénéficiaires. Une attention moindre a toutefois été accordée à la réalisation des objectifs de développement durable, insuffisamment mis en œuvre, et à la réduction de la pauvreté. Le FIDA n'a pas encore satisfait aux besoins des autorités en matière d'expertise technique, d'appui à l'élaboration des politiques et de renforcement de sa présence mondiale.

9. Des objectifs de plus haut niveau, conçus à la lettre en fonction des exigences du FIDA, figurent dans les projets mais ne sont pas suffisamment contextualisés, et les moyens d'y parvenir ne sont pas clairs. En outre, des plans ambitieux et de plus en plus complexes ont été élaborés au titre des projets sans tenir suffisamment compte des capacités des organismes d'exécution, ce qui a fréquemment entraîné des remaniements.

10. Le ciblage était plus efficace dans les projets antérieurs. Il passait par un processus de sélection plus rigoureux permettant de cibler les ménages les plus pauvres. L'Indonésie orientale, qui avait pourtant été visée dans le cadre des COSOP, est progressivement sortie du ciblage géographique. En outre, le ciblage des bénéficiaires et des villages les plus pauvres a peu à peu fait place à des considérations pratiques concernant l'état de préparation des districts et leur potentiel de développement. Le FIDA a néanmoins pris en compte la nécessité de cibler les jeunes.

11. La **cohérence** des stratégies de pays et du portefeuille de projets est jugée plutôt satisfaisante. Le FIDA bénéficie d'un avantage comparatif grâce aux activités spécialisées qu'il a précédemment menées dans le domaine du développement

agricole en Indonésie orientale. Il reste que l'accent mis récemment sur les filières et l'élargissement du ciblage géographique risquent de créer des doublons (tout en ouvrant des possibilités de coopération) avec d'autres acteurs du développement. Malgré les solides volontés de coopération, peu de tentatives concrètes ont été faites pour créer des synergies et collaborer avec d'autres acteurs du développement agricole en raison du manque de ressources financières et humaines.

12. La cohérence interne de la stratégie de pays et du portefeuille de projets est insuffisante. Le COSOP de 2016 ne prévoit pas de vision cohérente à long terme permettant de voir comment l'appui du FIDA a évolué au fil du temps et comment le Fonds entend répondre aux besoins futurs du pays en tant que pays à revenu intermédiaire. Cette situation est mise en évidence par le fait que les théories de changement des projets ne se complètent pas assez bien et ne sont pas suffisamment liées aux objectifs généraux. De plus, le manque d'intégration de dons dans les projets est une occasion perdue de créer la plus haute valeur ajoutée possible. Néanmoins, le portefeuille de projets présente une cohérence chronologique, les conceptions et les méthodes relatives aux projets successifs s'appuyant sur les enseignements tirés des projets précédents.

13. La **gestion des connaissances** est jugée plutôt insuffisante. La gestion des connaissances et l'appui consultatif, très appréciés par les autorités de ce pays à revenu intermédiaire, ont été limités en raison du manque de ressources. Le financement de la gestion des connaissances et de la participation à l'élaboration des politiques a diminué de 50% entre 2013 et 2021, et le personnel y a consacré moins de 3% du temps de travail. Des stratégies de gestion des connaissances bien définies font défaut dans tous les projets et, fréquemment, la question de la gestion des connaissances est abordée trop tard et perçue comme secondaire. En outre, les dons accordés dans le cadre d'opérations financées par des prêts n'ont pas été utilisés stratégiquement aux fins du renforcement de la fonction de gestion des connaissances. Le FIDA n'a donc pas exploité au mieux les possibilités en la matière ni rempli pleinement le rôle qu'il était censé remplir en proposant aux pouvoirs publics des modèles innovants de transposition à plus grande échelle.

14. L'**établissement de partenariats** est jugé plutôt satisfaisant. Les cofinancements se sont multipliés au cours de la période d'évaluation, conformément à la volonté affichée par le FIDA de rechercher activement de nouveaux cofinancements dans le cadre de la stratégie de pays intérimaire (2014-2015). Si ces partenariats contribuent à créer de la valeur ajoutée, ils comportent également le risque de réduire la marge d'action du FIDA concernant les projets et impliquent des compromis relatifs aux méthodes de travail et à la cohérence interne, compte tenu de l'ampleur des prêts concernés. Des partenariats précieux ont également été établis avec d'autres acteurs, notamment les autres organismes ayant leur siège à Rome, le secteur privé et les centres de recherche. Néanmoins, peu de résultats ont été obtenus en ce qui concerne la généralisation des pratiques innovantes dans le cadre de partenariats avec des organisations non gouvernementales.

15. La **participation à l'élaboration de politiques au niveau du pays** est jugée plutôt satisfaisante. Le FIDA a participé à l'élaboration de la loi relative aux villages de 2014, grâce à ses projets de développement impulsé par les collectivités. Il existe également plusieurs exemples de participation à l'élaboration des politiques, notamment la réalisation d'études sur les politiques en tant que contribution au Plan national de développement à moyen terme 2020-2024 et l'élaboration de politiques relatives aux tourbières, grâce à des dons. Les possibilités de renforcer la participation à l'élaboration des politiques sont toutefois limitées en raison du manque de ressources en la matière ainsi que des lacunes des systèmes de gestion des connaissances et des systèmes de suivi-évaluation.

16. L'**efficacité** du portefeuille est jugée plutôt satisfaisante. L'autonomisation et l'organisation des collectivités rurales ont donné des résultats mitigés.
Les formations de groupes étaient au cœur des interventions menées dans le cadre des projets, mais étaient considérées par les bénéficiaires comme un moyen de recevoir des services et non pas comme un élément fondamental de l'organisation d'activités collectives telles que les fermes-écoles et le partage des intrants.
En revanche, de meilleurs résultats ont été obtenus dans les groupes dont les objectifs dépassaient l'accès aux ressources, comme les groupes locaux de gestion côtière (dans le cadre du Projet de développement des communautés côtières), les groupes de protection contre les incendies (dans le cadre des dons du FEM) et les associations d'usagers de l'eau (dans le cadre du Projet intégré de développement et de gestion participatifs de l'irrigation). Les projets clôturés ont apporté de précieux enseignements sur la planification participative des villages.
Des facilitateurs villageois rigoureusement sélectionnés et dûment formés ont également contribué efficacement à autonomiser les collectivités rurales et à renforcer les approches participatives afin de susciter la participation des populations. Il n'en reste pas moins que le nombre de consultations avec les administrations villageoises a diminué dans le cadre des projets récents, et que la prise de décision s'est déplacée en amont.

17. L'exécution du portefeuille a permis de diffuser efficacement les technologies et d'accroître les connaissances et les capacités des agriculteurs grâce aux stages pratiques. L'adoption de technologies, favorisée par les fermes-écoles, et l'utilisation d'intrants recommandés ont contribué à augmenter les rendements et à améliorer la gestion des ressources naturelles. Par exemple, dans le cadre du Projet intégré de développement et de gestion participatifs de l'irrigation, les agriculteurs bénéficiant de formations et de kits d'analyse des sols ont acquis une meilleure connaissance des semences, qu'ils utilisent maintenant plus efficacement, et ont réduit de manière significative leur utilisation d'engrais chimiques, entraînant ainsi une augmentation des rendements et une diminution des coûts de production tout en réduisant la pollution des eaux souterraines et la dégradation des sols.

18. Les résultats en matière d'accès au marché et de développement des filières ont été limités. Tous les projets ont rencontré des difficultés en matière de liens avec le marché, et les approches relatives aux filières adoptées jusqu'à présent étaient largement axées sur l'orientation commerciale plutôt qu'axées sur le marché.
Il ressort des entretiens menés dans le cadre de l'ESPP et des résultats du sondage en ligne que ce point est le moins performant du programme.

19. Dans l'ensemble, la portée des projets a été jugée satisfaisante au regard des cibles remaniées, certains projets permettant d'atteindre quasiment toutes les cibles et deux projets ayant permis de dépasser les cibles. Concernant la mesure dans laquelle les services fournis ont répondu aux besoins des bénéficiaires, il ressort des visites de terrain et des entretiens avec les principaux informateurs que les facilitateurs villageois ont efficacement appuyé et encouragé les bénéficiaires, contribuant ainsi à une forte participation de ces derniers à l'exécution du projet.

20. En matière de finance rurale, les agriculteurs ont continué à privilégier les services financiers informels de confiance comme principal moyen d'accès au financement. Les projets ont également eu pour objet de renforcer la résilience financière en encourageant les bénéficiaires à épargner, à mieux planifier leurs finances et à accéder à des prêts en temps voulu. Des groupes d'épargne ont été créés et des formations ont été organisées, mais rien n'indique pour l'instant si l'épargne a permis aux agriculteurs de se constituer un fonds de réserve en cas de choc défavorable ou de gérer plus efficacement leurs liquidités.

21. L'**innovation** est jugée plutôt satisfaisante. Le portefeuille de projets compte une série d'innovations dans le contexte indonésien, mais la documentation y relative et la gestion des connaissances sont limitées et la manière dont sont mis en place les

systèmes d'information de gestion et les systèmes de suivi-évaluation ne favorise pas le processus d'innovation, qui implique des essais et des erreurs. Quoi qu'il en soit, l'évolution du portefeuille de projets, qui est passé d'une approche axée sur la productivité à une approche axée sur l'ensemble de la filière, a été considérée comme unique dans la région. Les fermes-écoles ont permis d'introduire efficacement des techniques et des compétences agricoles innovantes, adoptées ensuite par les agriculteurs. Dans le cadre du Projet pour la gestion durable des écosystèmes de tourbières en Indonésie financé par le FEM, une approche innovante de gestion des tourbières a été introduite en faisant participer les agriculteurs à des systèmes de surveillance et d'alerte incendie en temps réel. Une innovation antérieure portant sur un solide partenariat public-privé a été lancée dans le cadre du READ, et les projets en cours visent notamment à renforcer les liens entre les filières et le marché. Cependant, peu de données probantes existent sur l'établissement de liens durables avec le marché dans le cadre de projets achevés et sur les progrès réalisés dans le cadre de projets en cours.

22. L'**efficience** est jugée plutôt insuffisante. Des retards ont affecté les périodes de démarrage des projets et le début de leur exécution en raison de problèmes persistants liés à la lenteur des processus de passation de marchés et de contrats, au recours à du personnel à temps partiel et à une forte rotation du personnel. Toutefois, le rythme de l'exécution s'est accéléré au cours des dernières années et tous les projets clôturés ont été achevés dans les délais et affichent des taux d'absorption des prêts satisfaisants (en moyenne 96%). Les coûts de gestion des projets et les coûts par bénéficiaire, relativement élevés, restent toutefois raisonnables et conformes aux estimations initiales, compte tenu des coûts de gestion des projets dans le contexte indonésien. L'exécution des projets en cours et le rythme des décaissements sont lents, en raison notamment de la COVID-19 et des difficultés de mise en œuvre du mécanisme d'octroi de dons, et il est peu probable que les décaissements soient achevés au cours de la période contractuelle.

23. L'**impact sur la pauvreté rurale** est jugé plutôt insuffisant. Étant donné les lacunes en matière de conception, d'exécution et d'assurance qualité des études d'impact, il existe peu de données fiables sur les incidences des activités des projets dans les zones rurales. Néanmoins, des éléments d'information ponctuels laissent à penser que l'amélioration des techniques de production et de l'accès au marché a eu une incidence positive sur les revenus des bénéficiaires. En ce qui concerne la constitution d'actifs, si les études d'impact menées dans le cadre du READ, du Projet de développement des communautés côtières et du Projet d'amélioration des moyens de subsistance des petits exploitants dans la partie orientale de l'Indonésie ont fait état d'un accès accru à ceux-ci, il est difficile de savoir si la constitution de ces actifs est imputable aux projets.

24. On ne dispose pas non plus de données probantes concernant les incidences des projets sur le capital humain et social. Même si les résultats qualitatifs indiquent que les fermes-écoles ont eu un effet bénéfique sur la volonté des agriculteurs d'acquérir de nouvelles connaissances, d'adopter des technologies et d'améliorer leurs pratiques agricoles, aucune étude systématique n'a été réalisée pour le confirmer. Dans quelques cas, des groupes ont bénéficié des activités de promotion des projets et ont reçu la visite d'universitaires, contribuant ainsi au renforcement du capital social. Des données en la matière ne sont toutefois pas recueillies systématiquement pour attester de ces effets.

25. Le portefeuille de projets du FIDA a peu influencé les changements institutionnels et les politiques. En ce qui concerne la gestion des ressources naturelles, néanmoins, les projets du FIDA et les dons du FEM ont contribué significativement à l'élaboration de politiques nationales et régionales en matière de gestion des tourbières. Une autre contribution notable à l'élaboration des politiques concerne

l'amélioration de la gouvernance des villages, notamment en ce qui concerne les pratiques participatives et l'utilisation du Fonds villageois.

26. **L'égalité femmes-hommes et l'avancement des femmes** ont été jugés plutôt insuffisants. La performance du programme de pays a été entravée par le manque d'analyse et de stratégies adaptées au contexte. Dans le COSOP 2016, il était précisé que les femmes constituaient un groupe cible spécifique, mais les moyens de favoriser leur avancement n'étaient pas clairement indiqués. Les stratégies d'égalité femmes-hommes élaborées dans les projets n'ont pas été améliorées par la suite et ne tenaient pas suffisamment compte du contexte. Les interventions ont été largement axées sur la réalisation des quotas et des objectifs de participation des femmes, et n'ont pas abordé suffisamment les causes sous-jacentes des inégalités femmes-hommes ni visé suffisamment à réduire la charge de travail des femmes. Alors que les objectifs de participation des femmes ont été atteints dans les projets achevés et sont en bonne voie dans les projets en cours, peu de données factuelles attestent de l'amélioration de l'accès des femmes aux ressources et aux services. Étant donné que les pouvoirs publics n'accordent pas une grande priorité aux défis restants, leur disposition à investir davantage dans l'égalité femmes-hommes et l'avancement des femmes est limitée.

27. **La durabilité** est jugée plutôt satisfaisante. La durabilité des projets clôturés a été assurée principalement grâce à l'exécution de projets de suivi consécutifs: le Programme de développement des villages a évolué à partir du Projet relatif au programme national d'autonomisation des communautés rurales et les activités se sont poursuivies dans le cadre du TEKAD, et le READSI a repris des éléments du READ. Dans tous les projets, le recours à des groupes d'agriculteurs existants pour mener à bien les activités, l'adaptation des projets aux besoins locaux et la mise à profit des initiatives existantes ont contribué à favoriser la durabilité. La viabilité financière et les investissements visant à renforcer l'appropriation au niveau local ont également contribué de façon déterminante à appuyer ou à maintenir les activités des projets. Si les activités et les plans de suivi intégrés ouvraient des perspectives de continuité, leur mise en œuvre a été lente et dépendait des capacités des exécutants des projets. Outre le partenariat réussi avec Mars, peu des liens établis avec les prestataires du secteur privé se sont poursuivis après la clôture des projets.

28. **La reproduction à plus grande échelle** est jugée plutôt satisfaisante. Il existe plusieurs exemples d'activités de transposition à plus grande échelle menées par les pouvoirs publics et dans le cadre d'autres projets du FIDA en dehors de l'Indonésie. Un exemple notable est l'utilisation des approches de développement impulsé par les collectivités en vue de transposer à plus grande échelle la loi relative aux villages et en éclairer l'élaboration. Dans le cadre du Projet relatif au programme national d'autonomisation des communautés rurales, il a été démontré que la planification des ressources financières au niveau des villages pouvait contribuer à répondre efficacement aux besoins des collectivités, et des principes directeurs ont été définis en vue de l'élaboration de la loi relative aux villages de 2014 et du Fonds villageois. Les pouvoirs publics et la Banque mondiale ont également pris en compte l'approche intégrée et proactive du Projet de développement des communautés côtières en matière de conservation marine, notamment grâce à un manuel de réplication détaillé réalisé par le bureau de gestion du projet en 2017. Cependant, en raison de la faiblesse du système de gestion des savoirs et de suivi-évaluation, ces deux exemples constituent les seules réussites significatives de transposition à plus grande échelle documentées.

29. **La gestion de l'environnement et des ressources naturelles et l'adaptation aux changements climatiques** sont jugées satisfaisantes dans leur ensemble. Les projets financés par le FEM ont constitué un appui technique et financier contribuant à la mise en œuvre des politiques et réglementations nationales et régionales en matière de gestion de l'environnement et des ressources naturelles,

en particulier la gestion des tourbières. Les projets ont en outre été très performants en matière de cartographie et de surveillance des tourbières, notamment grâce à un système d'alerte précoce pour les risques d'incendie. Plusieurs activités, notamment la restauration et la préservation des mangroves dans le cadre du Projet de développement des communautés côtières et la plantation durable de palmiers dans le cadre du Projet pour la gestion durable des écosystèmes de tourbières, ont également encouragé les agriculteurs à adopter des approches de conservation qui renforcent leur résilience face aux changements climatiques. Bien que les projets aient permis de mettre en place de nouvelles activités génératrices de revenus, un financement et un appui technique supplémentaires sont nécessaires pour améliorer les résultats en la matière.

30. Plusieurs projets ont encouragé les pratiques agricoles climato-compatibles pour favoriser l'adaptation des agriculteurs aux changements climatiques, notamment le Projet de développement des communautés côtières, le Projet UPLANDS, le Projet intégré de développement et de gestion participatifs de l'irrigation et le READSI. Des activités de sensibilisation et de renforcement des capacités locales en matière de gestion des risques climatiques ont également été menées dans le cadre des projets - par exemple, dans le cadre du Projet de développement des communautés côtières (écotourisme), du Projet UPLANDS (fermes-écoles), ainsi que du Projet intégré de développement et de gestion participatifs de l'irrigation (formation des agents de vulgarisation). Si des progrès ont été réalisés en matière de renforcement de la résilience des collectivités face aux changements climatiques, plusieurs contraintes telles que des goulots d'étranglement, l'insuffisance des capacités institutionnelles et les concessions au secteur privé continuent d'entraver les interventions dans ce domaine.

31. La **performance du FIDA en tant que partenaire** est jugée plutôt satisfaisante. Le FIDA a réussi à renouer une relation de confiance avec les pouvoirs publics, à aligner son portefeuille sur les objectifs du COSOP et à attirer davantage de cofinancement en faveur de projets plus importants. Les projets du FIDA ont été conçus de telle sorte que les fonds ont été décaissés trop rapidement au cours des premières années, en sous-estimant le temps et l'appui nécessaires à la mise en place des unités de gestion de projet. Les missions de supervision et d'appui, qui ont été saluées par le Gouvernement, auraient toutefois pu bénéficier d'un appui plus important en matière de suivi-évaluation. Les ressources des bureaux de pays sont insuffisantes compte tenu de la taille et de la répartition géographique du portefeuille, ce qui entrave aussi les activités hors prêts, comme la gestion des connaissances et la participation à l'élaboration des politiques.

32. La **performance des pouvoirs publics** est jugée plutôt insuffisante. Les pouvoirs publics ont tenu informé le FIDA de leurs attentes et priorités concernant les projets et se sont fortement engagés financièrement dans des projets de prêts. Les dépenses réelles ont toutefois été peu élevées, en conséquence notamment de la COVID-19 et de la mise en place du mécanisme d'octroi de dons. Les projets ont en outre pâti du manque de temps et de ressources, de l'inexpérience du personnel et d'une forte rotation de celui-ci, ainsi que du manque de mesures incitatives visant à donner la priorité aux activités des projets. Les processus de passation de marchés ont souvent pris du retard, et des postes clés sont restés vacants dans plusieurs projets. Au cours de l'exécution des projets, on a constaté une moindre réactivité face aux besoins des bénéficiaires en raison du manque de flexibilité par rapport aux objectifs fixés lors de la conception. La mise en place du système de suivi-évaluation et du système d'information de gestion, ainsi que l'élaboration de sondages clés, ont été lentes et ces outils n'ont pas utilisés pour éclairer les décisions en matière de gestion ou les orientations politiques. Les comités de pilotage n'ont pas non plus été opérationnalisés et la collaboration entre et au sein des ministères a été limitée.

C. Conclusions

33. **Le FIDA a acquis une bonne réputation auprès des pouvoirs publics grâce à l'appui constant qu'il apporte depuis des décennies et à sa volonté de soutenir les objectifs à long terme du pays**, notamment la décentralisation. Conscient que les changements institutionnels et systémiques prennent du temps, le Fonds a assuré un appui solide au cours de ces processus, même dans les cas où l'efficacité de l'exécution s'en trouvait inévitablement compromise. Les facilitateurs villageois et les fermes-écoles sont appréciés sur le terrain. Les agriculteurs ont renforcé leurs connaissances et leurs capacités, ce qui s'est traduit par l'adoption de techniques innovantes et, de ce fait, par une amélioration des rendements selon les agriculteurs eux-mêmes.

34. **Au fil du temps, le ciblage géographique du programme de pays a perdu en cohérence et en précision.** Il est essentiel de veiller à ce que l'accent continue à être mis sur la pauvreté alors que le portefeuille du FIDA délaisse progressivement les régions les plus pauvres de l'Indonésie. Cette tendance risque en outre d'entraver les possibilités de mieux comprendre les contextes locaux. Les domaines thématiques clés, tels que les filières et la promotion des entreprises, l'égalité femmes-hommes, la nutrition, l'environnement et la finance rurale, ne sont pas suffisamment pris en compte au regard du contexte, qui n'est pas propre à l'Indonésie en tant que pays à revenu intermédiaire mais qui diffère énormément à travers le pays. La vision systémique appliquée à la conception des projets a également accentué la complexité de ceux-ci et entravé leur orientation stratégique dans les domaines où le FIDA dispose d'un avantage comparatif. **La cohérence interne et externe du programme de pays est insuffisante, et le dernier COSOP ne prévoyait pas d'orientation stratégique suffisante propre à assurer la cohésion du programme.**

35. **Les problèmes récurrents de mauvaise gestion des projets et de mauvaise coordination entre les ministères ont contribué à retarder l'exécution et à réduire les taux de décaissement initiaux.** D'importantes ressources ont été allouées par le FIDA pour appuyer ce long processus de renforcement des capacités au niveau infranational, en plus de l'appui apporté au processus de décentralisation. Cette situation a entraîné un manque important de ressources aux fins d'autres activités essentielles attendues par le Gouvernement dans le cadre du partenariat, telles que la mise à l'essai de modèles innovants de transposition à plus grande échelle et l'amélioration du profil de l'Indonésie au niveau international.

36. **Malgré la priorité accordée à l'innovation, aucun des partenaires n'a consacré suffisamment de temps et de ressources au développement de systèmes de suivi-évaluation et de gestion des connaissances**, qui sont des instruments essentiels pour la documentation et le partage des innovations et des modèles. Des ressources ont été gaspillées dans des systèmes de suivi-évaluation trop compliqués, aux fonctionnalités limitées et souvent élaborés trop tardivement pour être véritablement utiles. Les pratiques encourageantes en matière de systèmes de suivi dirigés par les agriculteurs issues du Projet de développement des communautés côtières et du partenariat avec Mars n'ont pas encore été pleinement utilisées ni intégrées dans d'autres projets. Les pouvoirs publics n'ont pas suffisamment reconnu la nécessité de renforcer les capacités en matière de suivi-évaluation et de gestion des connaissances. Les bureaux de pays ne disposent pas des ressources nécessaires pour se lancer efficacement dans une stratégie de gestion des connaissances et faciliter le partage des connaissances entre les projets et les partenaires. Si le FIDA a fourni un certain appui en vue d'atteindre les objectifs environnementaux fixés au niveau mondial, davantage aurait pu être réalisé grâce à une stratégie de gestion des connaissances bien ciblée.

D. Recommandations

37. **Recommandation 1. Appliquer au nouveau COSOP une vision stratégique à long terme favorisant une programmation cohérente afin de répondre à l'évolution des besoins du pays en tant que pays à revenu intermédiaire.** La cohérence peut être assurée par un ciblage géographique plus précis, l'interconnexion des projets, un enchaînement judicieux et une meilleure intégration des dons dans le programme. Une plus grande attention doit également être accordée à la cohérence externe et notamment à la manière dont le programme apporte une valeur ajoutée, complète les activités des autres acteurs et évite les doublons. Le programme devrait se concentrer sur quelques domaines stratégiques clés, entièrement alignés sur le Plan national de développement à moyen terme 2020-2024 et dans lesquels l'expertise internationale du FIDA est essentielle afin de favoriser les synergies. La réduction du champ d'application permettra de mieux cibler l'utilisation des ressources, notamment en faveur de l'Indonésie orientale ainsi que du secteur privé et des filières, en mettant l'accent sur la création d'emplois décents et durables au bénéfice des familles pauvres et sur l'élargissement de l'éventail des partenaires privés.

38. **Recommandation 2. Concevoir les projets en tenant compte de la capacité des organismes d'exécution, des besoins des districts ciblés et de la durée des projets.** Les projets devraient être moins complexes et inclure des composantes visant à renforcer les capacités des organismes et des partenaires d'exécution si nécessaire. Il conviendrait d'examiner les moyens de faire participer le personnel des projets à la conception grâce à un financement rétroactif ou à des mécanismes de préparation de projet. La conception des projets doit prévoir le temps et les ressources nécessaires à la mise en place initiale des systèmes de gestion et des systèmes financiers.

39. **Recommandation 3. Renforcer les unités de gestion de projet afin de favoriser une approche programmatique plus intégrée.** Le FIDA et le Gouvernement doivent examiner conjointement les modalités possibles en matière de gestion du programme, y compris en ce qui concerne la création éventuelle d'une seule unité de gestion de projet. Le ministère compétent pourrait gérer celle-ci en y affectant du personnel à temps plein, formé à tous les aspects de la gestion de projet et engagé pour toute la durée du projet. L'unité de gestion de projet devra avoir l'autorité et la responsabilité de la coordination avec les autres directions, les ministères et tous les partenaires financiers.

40. **Recommandation 4. Faire de la gestion des connaissances une priorité, en appliquant une stratégie à l'échelle du programme de pays qui associe les partenaires, favorise la concertation sur les politiques et stimule les capacités techniques reconnues au niveau régional et international.** La gestion des connaissances doit être conçue de manière à améliorer l'échange des enseignements tirés entre les projets et à développer des supports de connaissances en temps opportun qui soient utiles et appropriés à différents publics, y compris en vue de les partager au niveau international. Il convient d'intégrer pleinement la production des connaissances et leur gestion dans l'exécution du programme, grâce à un système de gestion des connaissances suffisamment financé, afin que tout le personnel d'exécution, y compris au niveau local, se charge et assume la responsabilité de cette activité essentielle. Le partage des connaissances doit également être facilité entre les partenaires de développement et les pouvoirs publics en aidant à la création d'un forum politique intersectoriel autour de la question des systèmes alimentaires, en s'appuyant sur la collaboration des organismes ayant leur siège à Rome et leur stratégie, en vue de renforcer la durabilité et la transposition à plus grande échelle.

41. **Recommandation 5. Élaborer un système de suivi-évaluation pratique qui favorise l'innovation et une gestion efficace.** La priorité doit être donnée à l'élaboration d'outils de suivi-évaluation simples, pertinents et ciblés que les

agriculteurs peuvent utiliser eux-mêmes et pouvant être regroupés pour les besoins des projets. Il faut mettre davantage l'accent sur les indicateurs favorisant les pratiques innovantes et moins sur les objectifs et la sensibilisation. Sur la base de ces indicateurs, il convient de mettre au point un moyen plus efficace de faire la démonstration des résultats obtenus grâce aux innovations en vue de leur transposition à plus grande échelle, en utilisant des méthodes qualitatives et quantitatives. Le système d'information de gestion devrait être dissocié du système de suivi-évaluation de l'innovation, les deux étant gérés séparément et le personnel responsable étant distinct.

Agreement at Completion Point

A. Introduction

1. This is the third country strategy and programme evaluation (CSPE) in the Republic of Indonesia conducted by IFAD's Independent Office of Evaluation (IOE). The main objectives of the CSPE were to: (i) assess the results and performance of the IFAD-financed strategy and programme in Indonesia; and (ii) generate findings and recommendations for the future partnership between IFAD and the Government of Indonesia for enhanced development effectiveness and rural transformation. The evaluation particularly takes into account the specific circumstances of lending to a middle-income country (MIC) and the expectations that Government has of such loans.

2. The CSPE covered the period from 2013 to 2021. It assessed the results and performance of IFAD support to Indonesia including: the 2014/2015 Interim Country Strategy, the 2016 Country Strategic Opportunities Programme (COSOP), nine investment projects and a sample of fourteen grants. The CSPE also assessed the performance of the partnership between the Government and IFAD.

3. This agreement at completion point (ACP) contains recommendations based on the evaluation findings and conclusions presented in the CSPE report, as well as proposed follow-up actions as agreed by IFAD and the Government. The ACP is signed by the Government of Indonesia (represented by Assistant of Minister for Macro Economy and International Finance) and IFAD Management (represented by the Associate Vice President of the Programme Management Department). The signed ACP is an integral part of the CSPE report in which the evaluation findings are presented in detail, and will be submitted to the IFAD Executive Board as an annex to the new COSOP for Indonesia. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.

B. Recommendations and proposed follow-up actions.

4. **Recommendation 1. Base the new COSOP on a long-term strategic vision that drives cohesive programming that meets Government's evolving needs as a MIC**. Coherence can be achieved with a sharper geographic focus, interlinking projects and purposeful sequencing as well as integration of grants into the programme. Greater attention also needs to be given to external coherence and particularly on how the programme adds value, complements the work of others and avoids duplication. The programme should concentrate on a few key strategic areas fully aligned with the RPJMN 2020-2024 where IFAD's international expertise is critical in order to unify effort. Narrowing the scope will ensure that resources can be better targeted, for example, on Eastern Indonesia and on private sector/value chains, with special emphasis on generating decent sustainable work for poor families and widening the diversity of private sector partners.

   Proposed follow up. The Government of Indonesia and IFAD agree that the new COSOP, to be designed in 2022 and submitted to IFAD Executive Board in December 2022, should provide a long-term strategic vision for the joint Indonesia-IFAD work. This vision will be developed during the COSOP consultation and design process, in order to bring together the Government's, IFAD's and other relevant partners' visions and priorities, within the framework of the National Mid-Term Development Plan (RPJMN) 2020-2024. During the COSOP design, the Government and IFAD will take into account the evaluation recommendations on sharpening the geographic focus, providing higher priority to Eastern Indonesia, strengthening value chains in partnership with private sector actors for the benefit of rural population and smallholder farmers, and promoting sustainable work for poor rural families.

Furthermore, partnership with other international development partners and co-financiers will be sought.

***Responsible partners**:* IFAD and the Government of Indonesia

***Timeline**:* December 2022

5. **Recommendation 2. Develop project designs suited to the capacity of implementing agencies, the needs of targeted districts, and project duration**. Projects should be less complex and include components to strengthen the capacities of the implementing agencies and implementing partners if necessary. Explore how project staff can be part of the design through use of retroactive financing or project preparation facilities. Project designs should provide sufficient time and resources to set up the management and the financial systems at start up.

   Proposed follow up. IFAD foresees two new projects to be approved in the period 2022-2024 corresponding to IFAD12 cycle, one of them under design and included in the Government pipeline, and the second one on initial discussion stages with line ministries. The Government of Indonesia and IFAD agree to undertake a thorough assessment of the institutional capacities of the implementing agencies for these and future projects, and to incorporate institutional strengthening activities as needed, in response to the findings of the institutional capacities assessment. The Government and IFAD also agree to design more simple projects, bearing in mind, however, that a number of stakeholders are involved in their design and implementation, such as province and district level governments who bring to the discussion their own priorities and expectations.

   Responsible partners: IFAD, BAPPENAS and line ministries in their role of project executing agencies.

   Timeline: 2022 onwards

6. **Recommendation 3. Strengthen Project Management Units to support a more integrated programmatic approach**. IFAD and Government should engage in dialogue over alternative programme management arrangements including the potential for a single programme management unit. The lead ministry could manage this with full-time personnel who are trained in all aspects of project management and committed for the full project duration. This PMU will need to have the authority and responsibility to co-ordinate with other directorates, ministries and all financing partners.

   Proposed follow up. The Government of Indonesia and IFAD agree on the importance of strengthening Project Management Units for greater project effectiveness and impact. However, it does not seem feasible to set-up a single programme management unit to implement all IFAD-supported projects, basically because they are currently implemented by three different ministries (Agriculture, Villages, and Environment and Forestry), that follow different supervision lines and require diverse technical skills; furthermore, in the future IFAD could partner also with other ministries. In this context, and in line with the evaluation recommendation, the Government and IFAD will start a dialogue on the possibility to set-up project service units that could provide support to all projects within the same Ministry, to perform the financial management, procurement and monitoring and evaluation, and Knowledge Management functions; these units would be staffed with full-time specialists for each area.

   Furthermore, following previous discussions on the matter, the Government commits to appoint full-time staff in key managerial and technical positions, such as the Project Manager and component managers for each project and component.

   Responsible partners: IFAD, BAPPENAS and relevant line ministries

   Timeline: 2022 onwards

7. **Recommendation 4. Prioritise knowledge management through a country programme wide strategy, which engages partners, promotes policy dialogue and stimulates regionally and internationally recognized technical capacity**. Design knowledge management for better transfer of lessons learned between projects and develop timely knowledge products that are useful and appropriate for different audiences, including for sharing internationally. Fully integrate knowledge generation and management into programme implementation with an adequately budgeted KM system so that all implementation staff including at the local level assume ownership and responsibility for this key intent. Knowledge sharing also should be facilitated among development partners and government by supporting the creation of an inter-sectoral policy forum related to the food system approach, building on the RBA collaboration and strategy, which can contribute to sustainability and scaling up.

   Proposed follow up. The Government and IFAD agree that high priority should be given to knowledge management, and also agree to jointly develop and implement a knowledge management strategy that should be embedded into IFAD-supported projects and count with specific budget from each of them. This strategy would aim at systematizing the learnings from project implementation, generating knowledge products based on these learnings, disseminating them and informing policy discussions. It will be discussed with other development partners, mainly with those co-financing IFAD-supported projects, the possibility to involve them in this strategy. In alignment with recommendation 3, a full time Knowledge Management officer for IFAD-supported projects will be appointed within the service unit in ministries with more than one project, and within the Project Management Unit of each project in the case of ministries implementing only one project.

   Responsible partners: IFAD and the Government of Indonesia

   Timeline: 2022 onwards

8. **Recommendation 5. Develop a practical M&E system that promotes innovation and enables effective management**. Priority must be given to developing simple, relevant, focused M&E tools for farmers to use themselves that can be aggregated for project purposes. More emphasis should be placed on metrics that encourage innovative practice and less emphasis on targets and outreach. Based on these metrics, develop a more effective means of demonstrating achievements of innovations for scaling-up that includes both qualitative and quantitative methods. Consider splitting MIS from M&E of innovation, which are staffed and managed separately.

   Proposed follow up. The Government and IFAD agree on the necessity to strengthen the project Monitoring & Evaluation systems, in order to support the Government on its accountability duties, generate evidence of projects' impact, serve as project management tools and improve the projects reporting capacity to the Government and to IFAD. IFAD and the executing agencies of ongoing and future projects will prioritize this area in order to strengthen the existing M&E systems and to make them more effective, agile and focused on few key indicators. Furthermore, as discussed under recommendation 3 above on "Strengthen Project Management Units", it will be explored the possibility to set-up service units that could provide M&E services to all projects within the same ministry.

   Responsible partners: IFAD and line ministries

   Timeline: 2022 onwards

Signatures:

For the Government of Indonesia:

Wempi Saputra
Assistant of Minister for Macro Economy
and International Finance
Ministry of Finance

For IFAD:

Donal Brown
Associate Vice President
Programme Management Department

Main Report
Country Strategy and Programme Evaluation
Republic of Indonesia

Contents

Currency equivalent, weights and measures

Currency equivalent

IDR	=	Indonesian Rupiah
US$1.0	**=**	IDR12,189 (2013)
US$1.0	**=**	IDR14,360 (December 2021)

Weights and measures

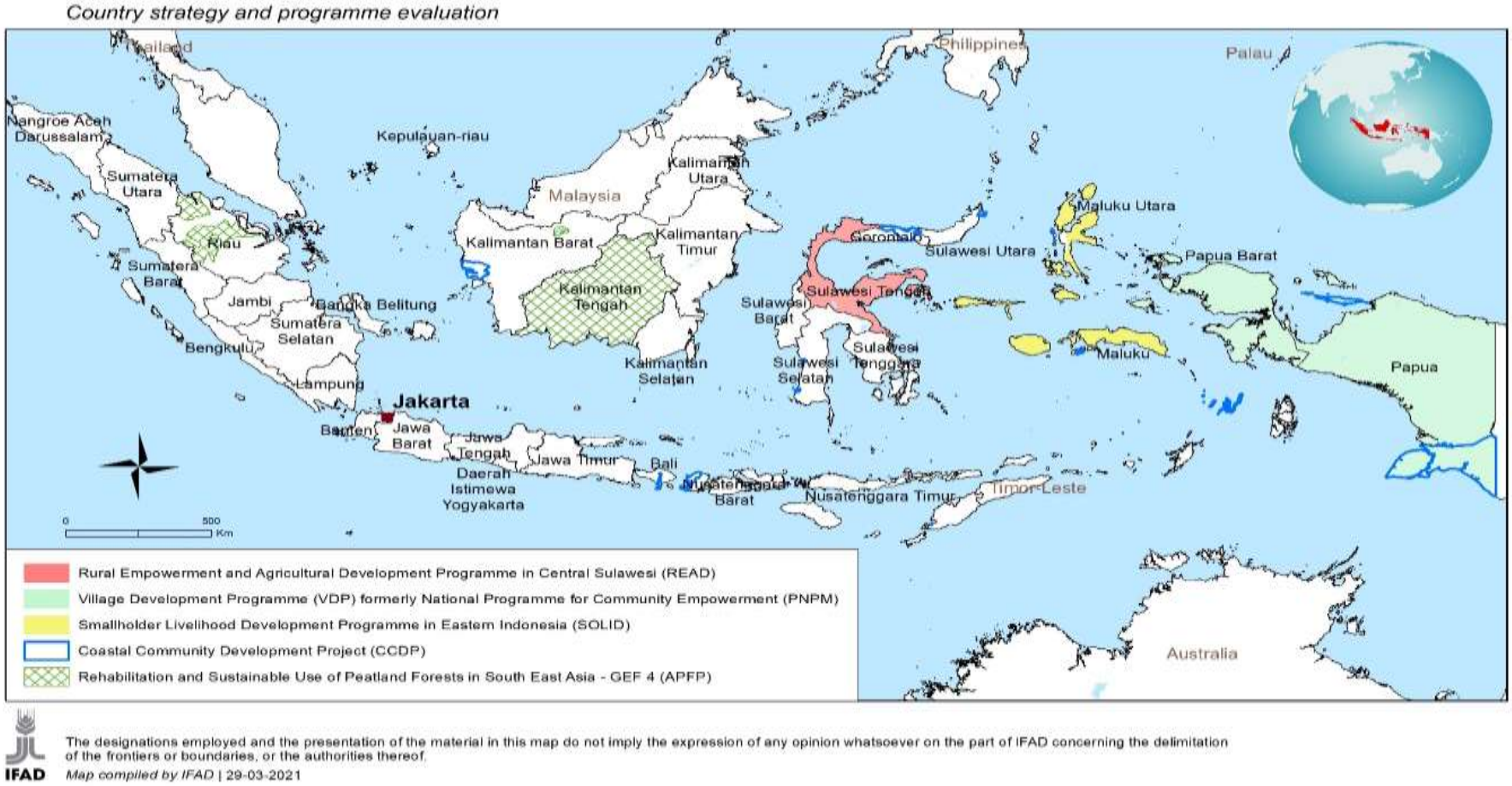
1 kilogram (kg)	=	1000 grams
1 000 kg	=	2.204 lb.
1 quintal	=	100 kg
1 metric ton (MT)	=	1000 kg
1 kilometre (km)	=	0.62 mile
1 metre	=	1.09 yards
1 square metre	=	10.76 square feet
1 acre	=	0.405 hectare
1 hectare (ha)	=	2.47 acres

Abbreviations and acronyms

ACP	Agreement at Completion Point
ADB	Asian Development Bank
AOS	Annual outcome survey
APR	Asia and Pacific Division of IFAD
AS	Adoption Survey (carried out by IPDMIP)
ASEAN	Association of Southeast Asian Nations
BAPPENAS	State Ministry of National Development Planning
BPD	Regional Development Bank (*Bank Pembangunan Daerah*)
CCA	Climate change adaptation
CDD	Community driven development
CCDP	Coastal Community Development Project
COSOP	Country strategic opportunities paper/programme
CPE	Country programme evaluation
CPM	Country programme manager
CSPE	Country strategy and programme evaluation
ENRM	Environment Natural Resource Management
ERR	Economic Rate of Return
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFS	Farmer field school
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEWE	Gender Equality and Women's Empowerment
ha	hectare
HFSLP	Haze Free Sustainable Livelihoods Project
IFAD	International Fund for Agricultural Development
IMPLI	Integrated management of peatland landscape in Indonesia
IOE	Independent Office of Evaluation of IFAD
IPAF	the Indigenous Peoples Assistance Facility
IPDMIP	Integrated Participatory Development and Management of the Irrigation Sector Project
IsDB	Islamic Development Bank
KM	Knowledge Management
M&E	Monitoring and Evaluation

MAHFSA	Measurable Action for Haze-free Sustainable Land Management in Southeast Asia
MIC	Middle Income Country
MIS	Management information system
MoA	Ministry of Agriculture
MoEF	Ministry of Environment and Forestry
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MMAF	Ministry of Marine Affairs and Fisheries
MoV	Ministry of Villages, Underdeveloped Regions and Transmigration
MTR	Mid-term Review
NGO	Non-Governmental Organisation
ODA	official development assistance
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PDR	Project Design Report
PMD	Project Management Department
PMU	Project Management Unit
PNPM Agriculture	National Programme for Community Empowerment in Rural Areas Project
PPE	Project Performance Evaluation
PPIU	Provincial project implementation unit
RBA	United Nations Rome-Based Agencies
READ	Rural Empowerment and Agricultural Development Programme in Central Sulawesi
READSI	Rural Empowerment and Agricultural Development Scaling-Up Initiative
RIMS	Results Impact Management System
SCPP	Sustainable Cocoa Production Programme
SDG	Sustainable Development Goals
SHG	Smallholder Groups
SME	Small and medium enterprises
SMPEI	Sustainable management of peatland ecosystems in Indonesia
SOLID	Smallholder Livelihood Development Project in Eastern Indonesia
SO	Strategic objective
TEKAD	Integrated Village Economic Transformation Project (*Transformasi Ekonomi Kampung Terpadu*
ToC	Theories of Change
TOR	Terms of Reference
UN	United Nations
UPPD	Village committee
UPLANDs	The Development of Integrated Farming Systems in Upland Areas
VDP (ex-PNPM)	Village Development Programme (ex-National Programme for Community Empowerment in Rural Areas Project)
YESS	Youth Entrepreneurship and Employment Support Services Programme

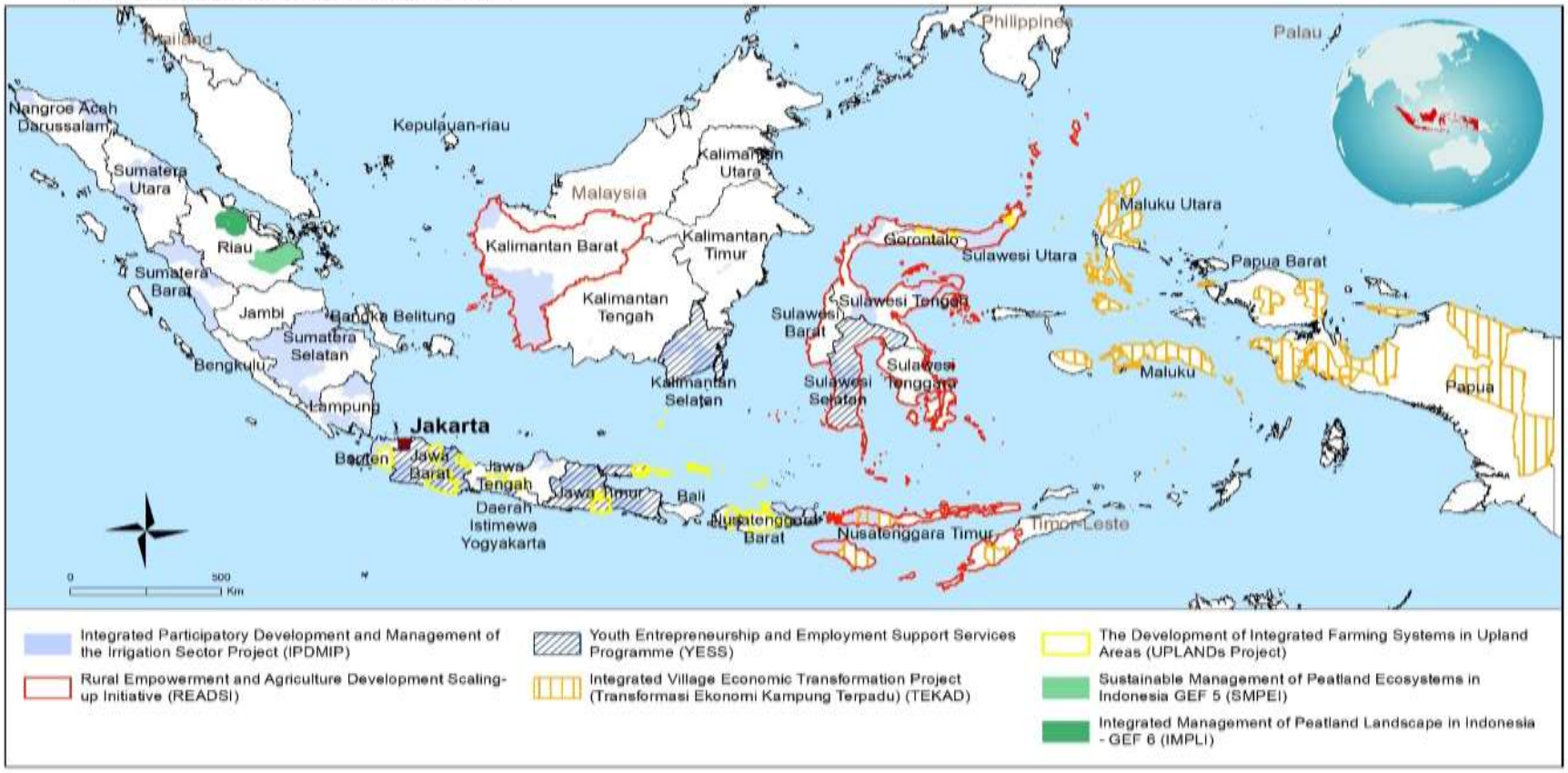
Map of IFAD-funded closed[1] projects in Indonesia



[1] As of March 2021.

Map of IFAD-funded ongoing[2] projects in Indonesia

Country strategy and programme evaluation



IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 25-03-2021

[2] As of March 2021.

Republic of Indonesia
Country Strategy and Programme Evaluation

I. Background

A. Introduction

1. In line with the International Fund for Agricultural Development (IFAD) Evaluation Policy[3] and as approved by the 131st Session of the IFAD Executive Board in 2020, the Independent Office of Evaluation (IOE) has undertaken a country strategy and programme evaluation (CSPE) in the Republic of Indonesia. The evaluation assesses the results and performance of IFAD country strategies, the loan programme and non-lending activities from 2013 to 2021. This is the third country programme evaluation (CPE) of Indonesia and will inform the new country strategic opportunities programme (COSOP 2022).

B. Objectives, methodology and processes

2. **Objectives.** The CSPE objectives are to: (i) assess the results and performance of the IFAD-financed strategy and programme in Indonesia; and (ii) generate findings and recommendations for the future partnership between IFAD and the Government of Indonesia for enhanced development effectiveness and rural transformation. The evaluation particularly takes into account the specific circumstances of lending to a middle-income country and the expectations that Government has of such loans.

3. This CSPE is one of the pilot evaluations to adopt the new evaluation structure designed to provide more strategic focus[4] and rates the performance on the same scale of 1 (lowest) to 6 (highest). The CSPE adopted the following criteria to assess the country strategy and programme: (i) relevance; (ii) coherence; (iii) effectiveness, including environment and natural resources management, and climate change resilience and adaptation, innovation; (iv) efficiency; (v) impact on rural poverty, including the four impact domains (household incomes and net assets; human and social capital and empowerment; food security and agricultural productivity; institutions and policies), and gender equality and women's empowerment (GEWE); (vi) sustainability of benefits, including scaling-up; (vii) performance of partners. Definitions of these criteria are presented in Annex I.

4. **Scope.** The CSPE assesses the results and performance of the activities conducted since 2013, after the conclusion of the last CPE and since the approval of the 2014/2015 Interim Country Strategy and 2016 COSOP. The CSPE covers the full range of IFAD support to Indonesia, including: the country strategies, the lending portfolio, non-lending activities, and the performance of the Government and IFAD.

5. Nine investment projects were assessed and are presented in Table 1. The four closed projects (READ, VDP, SOLID and CCDP) were evaluated against all of the evaluation criteria through a document review supplemented by interviews with past staff and former beneficiaries. Five (IPDMIP, READSI, UPLANDS, TEKAD and YESS) are ongoing projects. Both READSI and IPDMIP have reached mid-term and were evaluated on relevance, coherence, efficiency and effectiveness while YESS, UPLANDs and TEKAD were only evaluated on relevance, coherence and efficiency given their early stages of implementation. (see Annex II).

[3] https://www.ifad.org/en/web/ioe/policy.
[4] IOE is preparing its third edition of the Evaluation Manual (2022). See Annex I for explanation of the new criteria.

Table 1.
Evaluation criteria to be covered for IFAD-supported projects by the present CSPE

Project name	*Project acronym*	*Project status*	*Disbursement level IFAD loan*	*Evaluation criteria reviewed*
IFAD investment financing				
Rural Empowerment and Agricultural Development Programme in Central Sulawesi (READ)	READ	Closed	95%	All criteria Project Completion Report Validation (PCRV) available
Village Development Programme (ex-National Programme for Community Empowerment in Rural Areas Project)	VDP (ex PNPM)	Closed	99%	All criteria Project Performance Evaluation (PPE) available
Smallholder Livelihood Development Project in Eastern Indonesia	SOLID	Closed	97%	All criteria PCRV available
Coastal Community Development Project	CCDP	Closed	83%	All criteria PCRV available
Integrated Participatory Development and Management of the Irrigation Sector Project	IPDMIP	Ongoing (Mid-Term Review 2021)	23%	Relevance Coherence Effectiveness Efficiency
Rural Empowerment and Agriculture Development Scaling-up Initiative	READSI	Ongoing (MTR 2021)	51%	Relevance Coherence Effectiveness Efficiency
Youth Entrepreneurship and Employment Support Services Programme	YESS	Ongoing	24%	Relevance Coherence Efficiency*
Integrated Village Economic Transformation Project	TEKAD	Ongoing	16%	Relevance Coherence Efficiency*
The Development of Integrated Farming Systems in Upland Areas	UPLANDS	Ongoing	13%	Relevance Coherence Efficiency*

Source: Independent office of Evaluation (IOE) elaboration on data from Oracle Business Intelligence (as of 31 December 2021).
[*] *Limited to project start up*

6. The CSPE reviewed 8 in-loan grants for their coherence and contribution to the lending portfolio. It also reviewed 3 country-specific and 3 global/regional IFAD-supported grants in relation to knowledge management (KM), policy engagement and partnership building.

7. The three country-specific grants included: *Sustainable economic development through south-south and triangular cooperation in Indonesia; Sustainable Cocoa Production Programme (SCPP) in Central Sulawesi; and Haze Free Sustainable Livelihoods Project (HFSLP).* The three global and regional grants included: *Medium Term Cooperation Programme with Farmers' Organizations in Asia and the Pacific Region, Phase II; Asia Training Programme for Scaling Up Pro-Poor Value Chains; and Measurable Action for Haze-free Sustainable Land Management in Southeast Asia (MAHFSA).*

8. In addition, the CSPE reviewed two Global Environment Facility (GEF) grant funded projects that were still being implemented - *Sustainable management of peatland ecosystems in Indonesia (SMPEI) and Integrated management of peatland landscape in Indonesia (IMPLI).* They were also chosen because of their key role in the country results framework and their linkage to two IFAD grants on haze pollution also analysed by the CSPE.

Methodology

9. **Theories of Change (ToCs).** The evaluation was theory-based and required the re-construction of programme ToCs. In order to capture the context and guiding principles current at the time, it was necessary to divide the ToCs into three phases covering the eight-year evaluation period. These were based on original logframes and ToCs (Annex V). These ToCs were used to elaborate evaluation questions and enabled the identification of six main thematic areas for the evaluation of effectiveness: (i) Empowerment and organization in rural communities; (ii) Accountable and demand-driven local governance; (iii) Improved access to responsive services;(iv) Small-scale producer production; (v) Access to markets and value chain development; (vi) Resilience to risks (Environment, Natural Resource Management (ENRM) and Climate Change Adaptation (CCA) and rural finance).

10. **Data collection.** The approach was tailored to the contingencies of the COVID-19 situation and used a combination of in-person interactions in country, online interviews and a small-scale online survey for IFAD contracted-personnel as well as Government officials and project staff. The CSPE relied on the following:

- Desk review of relevant COSOP documents, project documents (in particular design, supervision mission reports, commissioned studies and baseline/endline impact studies, mid-term reviews), background and partner studies;
- Self-assessments based on a list of key questions completed by the IFAD country team and project management of all ongoing projects;
- Online interviews with 61 key informants (see Annex VI for full list) using checklists of questions tailored to the particular interview;
- Field visits to 11 districts in nine provinces (West Papua, Maluku, East Nusa Tenggara, North Sulawesi, South Sulawesi, Central Sulawesi, Riau, East Java and West Java[5]) that included discussions with project staff, partnering organisations using the checklist of questions provided;
- Visits to 25 villages to meet with beneficiaries, village government and local level service providers and to observe physical resources financed by the projects using the checklists provided;
- Telephone interviews with beneficiaries conducted from Jakarta and facilitated through personal introductions made by the field team and using the checklist of questions provided;
- Online survey that was sent to more than 240 IFAD and Government personnel, to which 41 IFAD-contracted personnel and 40 Government staff responded.

11. **Field mission.** The field mission was delayed from July to October 2021 (when the COVID-19 situation had improved) to allow the two teams of nationally-based evaluators to travel to project districts and villages, following rigorous COVID-19 protocols. Within each team, one person focused on interactions with project staff, partners and local institutions at district and provincial levels, while the second member focused on visiting villages and interacting with beneficiaries, former beneficiaries and local government officials as well as observations of physical resources provided. They also brokered relationships between a third member of the team (based in Jakarta) and beneficiaries to interact using phones and extend the scope of beneficiary interviews.

[5] West Java was a remote field visit.

12. Field locations were selected using criteria[6] to ensure geographic spread and inclusion of all nine projects and one GEF grant (see the full list of grants in Annex III). The criteria included remoteness and consideration of the extent to which these districts had previously been visited to reach out to less visited locations.

13. The methodology adopted a bottom-up approach which supports IFAD's participatory and CDD principles. The sequencing of the in-depth data collection in the field started with interactions with beneficiaries that revealed both the context and their experiences of the projects and privileged these over normative project discourse. Beneficiary insights together with field observations were than shared with district level project staff through feedback from the field in collaborative reflection workshops on strengths and weaknesses undertaken at the end of each location stay. Evaluation team members based outside of Indonesia met virtually with the national mission team almost daily to share feedback from the field. They then included these field realities into their key informant interviews conducted remotely.

14. **Data availability and limitations.** Monitoring and Evaluation (M&E) data were weak across projects, although CCDP provided more detailed and useful data. This made it challenging for the CSPE team to make assessments. Candid interviews based on confidentiality provided useful insights into the validity of data and extended the scope of enquiry beyond what was reported. Triangulation through interactions with beneficiaries enabled the interpretation of the reported data.

15. **Impact assessments**. Of the four completed projects only READ, SOLID and CCDP have had ex-post impact assessments that compare development indicators of beneficiaries with those not involved in the projects (comparison group). However, impact studies were poorly designed, implemented and analysis and conclusions were weak. Impact data availability is outlined in Table 2. A detailed analysis of the issues with impact studies is provided in Annex VII and VIII.

Table 2.
Availability of Impact Data

Project	*Baseline survey*	*Mid-term review*	*Before and after*	*Control group*	*Comments*
READ	X	X	X	X	2015 PCR, 2014 impact survey, with control group, and some use of baseline survey, 2013 outcome survey, 2011 mid-term review (MTR) report
VDP (ex PNPM)					Limited M&E data available. 2019 PCR, 2012 PNPM Rural impact evaluation, 2012 PNPM Agriculture MTR.
SOLID	X	X		X	2019 PCR, 2018 Impact Study, 2016 Results Impact Management System (RIMS) data, 2014 MTR. PCRV refers to AOS that compare results to a control group.
CCDP	X	X	X	X	RIMS data, 2019 Impact Study by Results and Impact Assessment Division of IFAD (RIA), 2017 AOS with inclusion of non-project villages, 2015 MTR, 2013 baseline survey.
IPDMIP	X	X			Baseline survey, 2021 Mid-line study, 2021 Technology adoption study, 2021 MTR AM.
READSI	X	X			2020 baseline survey. MTR completed 2021 but report unavailable
YESS	X				2020 baseline survey.
TEKAD					Data not yet available
UPLANDS					Data not yet available

Source: IFAD Documentation.

[6] Criteria of field locations selection: i) presence of at least two IFAD projects; ii) number of supervision mission; iii) Remoteness; iv) Regulations concerning movement restriction due to COVID-19; v) For GEF districts, districts closer to the capital city are preferred due to time constraint.

16. **Reporting and dissemination**. The advanced draft report, after peer review within IOE, was shared with IFAD divisions, the Government and the Project Management Units (PMUs). Their comments were taken into account in finalizing the report, presented to national and IFAD stakeholders in a virtual national workshop in April 2022, to discuss the main findings and recommendations. The final report will be posted on IFAD's public website, websites maintained by the United Nations (UN) Evaluation Group, the Evaluation Cooperation Group, the Organisation for Economic Co-operation and Development Development Assistance Committee Evaluation Networks, as well as other relevant websites.

17. **Agreement at Completion Point (ACP)**. According to the IFAD Evaluation Policy, CSPEs conclude with an ACP, that presents the main findings and recommendations contained in the evaluation report that the Government and IFAD's Programme Management Department (PMD) agree to adopt and implement within a specific timeline. IOE's responsibility is to facilitate the process leading to the ACP preparation and signature. After the Government and IFAD-PMD agreed on the main follow-up actions, the ACP was shared with IOE for review and comments and thereafter signed by the Ministry of Finance (MoF) and the IFAD's Associate Vice President for Programmes. The ACP has been included in the final published report and presented as an Annex in the COSOP document when this is discussed with the Executive Board of IFAD.

Key points

- The CSPE assesses the performance of IFAD's activities since 2013, after the conclusion of the previous CPE, and since the approval of the 2014/2015 Interim Country Strategy and the COSOP 2016.
- This CSPE adopts the new evaluation structure designed to provide more strategic focus. It covers the full range of IFAD support to Indonesia, including: the country strategies, the lending portfolio (nine projects), non-lending activities (KM, policy engagement, partnership building, IFAD grants and GEF grants), and the performance of the Government and IFAD.
- Tailored to the COVID-19 situation, data were collected from: a documentation review; self-assessments by the IFAD country team and project management; online key informant interviews; field visits to nine provinces, 11 districts and 25 villages; telephone interviews with beneficiaries; and an online survey to IFAD-contracted personnel and Government staff.
- The evaluation adopted a bottom-up approach, starting with interactions with beneficiaries and field observation and progressing to district level interactions. Informal conversation techniques were used to encourage open dialogue. The almost daily debrief between the international and field teams, enabled the international team to enrich interviews with key informants with this perspective from the field.

II. Country context and IFAD's strategy and operations for the CSPE period

A. Country context[7]

18. **Geography and demography.** The Republic of Indonesia comprises more than 17,000 islands (~6000 inhabited) and a population of 270 million (4th most populous country) with 300 ethnicities. The population is majority Islam (87 per cent). It has nearly 75,000 rural villages and 32 per cent of the population are engaged in agriculture.

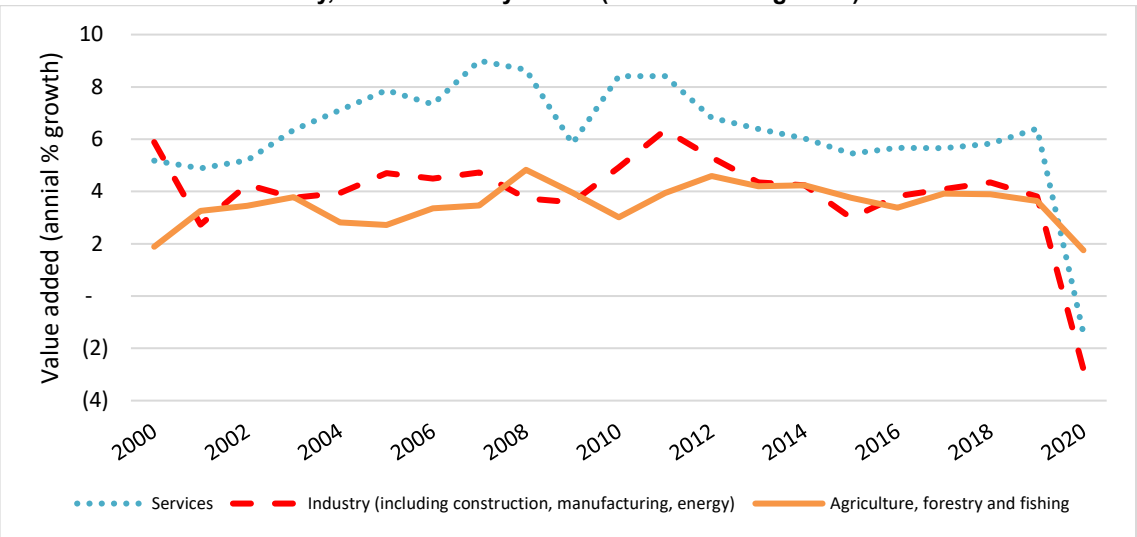
19. **Politics.** Indonesia is a presidential democracy with a decentralised administration comprising several levels of elected local government at sub-national level including village governments. This entails devolved provision of basic public services with concomitant downward and horizontal accountability. Since the 2014 Village Law further provision has been made to channel funds directly to village governments. This decentralization of responsibility is still in relative infancy and local government capacity is considered weak.

20. **Regional integration and cooperation.** Indonesia is the largest economy in Southeast Asia, a founding member of Association of Southeast Asian Nations (ASEAN), signatory to the Regional Comprehensive Economic Partnership (November 2020) which established the largest free trade zone and is a member of G20.

21. **Economic development**. Following the reformasi (1999), Indonesia has become the seventh largest world economy (in terms of purchasing power parity) with annual growth of Gross Domestic Product (GDP) ranging from 4 to 6 per cent between 2000 to 2019. Indonesia was classified as a lower middle-income country (MIC) in 2010 and an upper MIC in 2020 with an estimated GDP PPP per capita of US$ 11,400.[8] However, during this evaluation, the World Bank returned Indonesia to low middle-income status due to negative economic growth that contracted Indonesia's GDP by 2.1 per cent in 2020[9] during the COVID-19 pandemic. Agriculture contributes to 13.7[10] GDP. The main sources of economic growth have come from the services sector (see Figure 1). The main drivers have been rapid growth with key trading partners, particularly China, high prices of key commodities and significant growth in domestic private consumption by a burgeoning middle class with a Gross National Income per capita of US$4,050[11] in 2019 (notably prior to the COVID-19 pandemic).

[7] A detailed country context is presented in the Republic of Indonesia CSPE Approach paper that can be accessed at: https://www.ifad.org/en/web/ioe/-/indonesia-country-strategy-and-programme-evaluation.
[8] World Bank data, 2020.
[9] Statistics Indonesia reported Indonesia's economy had bounced back by 3.7 per cent in 2021.
[10] World Bank data, 2020.
[11] World Bank data, 2020.

Figure 1
Performance of the economy, value added by sector (annual rate of growth)



Source: World Bank data, 2020.

22. **Government expenditure on agriculture.** Government continues to prioritise agriculture with expenditure on agriculture as a proportion of total expenditure marginally increasing from 2.8 per cent in 2007 to 3.3 per cent in 2016 (par with 3.25 per cent in Southeastern Asia in 2017).[12]

23. **Agriculture.** Indonesia exports palm oil, rubber, copra, cocoa and coffee. Smallholders dominate the agriculture sector (over 90 per cent) and typically cultivate small plots less than 0.8 hectare (ha) with those in lowlands predominately growing rice and those in the uplands other cash crops. Although farming families typically have multiple income earning sources, they nevertheless depend on farming as their main source of income. Despite improvements in irrigation, input supply and technical know-how, many farmers still lack access to quality seeds, improved technologies and reliable production information while irrigation systems and access roads are often poorly maintained. Farming is also at risk due to poor land management, rapid deforestation and peat fires. The biggest challenge is access to markets exacerbated by vestigial distrust of co-operatives. Almost half of micro, small and medium enterprises (SME) operate in the agriculture sector and this is a vibrant expanding sector.

24. Indonesia is the second leading producer of fish and aquatic plants in the world behind China and fishing sector contributes to 2.65 per cent of GDP.[13] However, the fish sector faces serious challenges including over-fishing and poor enforcement of legal guidelines, lack of mechanization, poor access to refrigerated storage and transport and poor market linkage. Fishing families, like farming families are often poor. Marine resources are vulnerable to pollution and effects of climate change, especially coral reef degradation.

25. **Government Institutions.** The main government institutions responsible for rural and agricultural development are the Ministry of Agriculture (MoA), Ministry of Marine Affairs and Fisheries (MMAF), Ministry of Villages, Underdeveloped Regions and Transmigration (MoV), Ministry of Home Affairs (MoHA), the State Ministry of National Development Planning (BAPPENAS), Ministry of Public Works (MoPWH) and Ministry of Environment and Forestry (MoEF). The BAPPENAS plays an important role co-ordinating across ministries and providing oversight of their activities. The MoF is the official representative of the Government to IFIs.

[12] FAO Statistics.
[13] BPS Statistics Indonesia, 2020.

26. **Poverty**. Indonesia has more than halved poverty at national poverty lines since 1999 (23.4 per cent) to 2019 (9 per cent). However, this still equates to 24 million poor people (two-thirds of whom live in rural areas) and income inequality has risen concomitantly (Gini Index 38.2 in 2019 vs 28.6 in 2000).[14] Twenty per cent of farming families live below the national poverty line. There are huge regional differences with the poverty rate much higher in Eastern Indonesia (33 per cent) than for example in Kalimantan (9 per cent). The Human Development Index is a high 0.718, however rates of maternal mortality[15] and stunting in children under five[16] are particularly high. Indonesia is highly vulnerable to natural hazards and frequently experiences earthquakes, volcanic eruptions and tsunamis as well as typhoons, floods and landslides. This vulnerability constantly erodes gains in poverty reduction efforts.

27. **Food security.** Since 2013, food security has improved. For decades, Government has prioritized rice production with the intent to be self-sufficient. As a result of significant market-price support, area expansion, distribution of inputs (including subsidized fertilizer) and improved production and harvesting, mostly aimed at smallholder farmers (responsible for 90 per cent of production), the goal of self-sufficiency was achieved in 2016 but remains vulnerable. While food sufficiency has become less of a concern, diet diversity remains problematic and is characterized by low protein intake, low consumption of fruit and vegetables and increasing substitution with snack foods resulting in serious micro-nutrient deficiencies.[17]

28. **Gender and Youth.** While progress has been made with gender equality through legal reform and development program as evidenced by high levels of girls education and increasing employment opportunities, some issues persist particularly for rural women such as wide-scale engagement in unwaged farming activities. There are few women elected to village governments and in leadership positions in other village organizations. Nearly 17 per cent of the population are aged 15-24 years and one in five young people are unemployed. With a growing disenchantment with farming as an occupation, many youths migrate to urban centers or abroad for work.

29. **International Development Assistance.** The Government leads the coordination of international assistance. Overseas development assistance (ODA) commitments for Indonesia totalled US$3.3 billion in 2018, of which US$228 million (seven per cent) was earmarked for rural and agricultural development. However, ODA commitments vary considerably each year showing a changeable development context. Nevertheless, net ODA received as a proportion of Indonesia's Gross National Income has been consistently below one per cent since 2001. Remittance inflows have remained around one per cent of GDP, although they have steadily increased from US$1 billion in 2000 to US$ 12 billion in 2019.

30. **The United Nations Partnership for Development Framework 2016-2020** identified the need to support Indonesia in agricultural development and agro-processing (including crops, horticulture, estate crops, livestock and fisheries), industrial investment and promotion, and small and medium scale enterprise development. This has since been replaced by the United Nations Sustainable Development Cooperation Framework 2021-2025. Since the COVID-19 pandemic in Indonesia in 2020, development partners have reprioritized their programmes to varying degrees to support the COVID-19 response and recovery measures.

B. IFAD's strategy and operations for the CSPE period

31. Since IFAD operations in Indonesia began in 1980, it has approved 21 projects, of which one was cancelled.[18] The remaining 20 projects have had a total cost of

[14] World Bank data, 2020.
[15] 177 per 100,000 live births (2019).
[16] 30.5% (2019) with 35% in rural and 27% in urban areas.
[17] WFP & SMERU Research Institute. *Strategic Review of Food Security in Indonesia 2019-2020.* (2020).
[18] The East Kalimantan Local Communities Empowerment Programme approved in 2002, then cancelled in 2006.

US$2,765 million, of which IFAD has financed US$670 million, as detailed in Table 3. The total estimated cost of the nine investment projects approved between 2004 and 2020 covered in the CSPE amounts to US$2,188 million, of which US$449 million is financed by IFAD. The remaining funds come from the Government (US$880 million), co-financing (US$793 million) and beneficiaries (US$65 million).

Table 3
Snapshot of IFAD operations in Indonesia since 1980

First IFAD-funded project	1980
Number of approved loans	21
Ongoing projects	5
Total amount of IFAD lending	US$670 million
Counterpart funding	US$1,044 million
Beneficiary contributions	US$74 million
Co-financing amount (local)	US$8 million
Co-financing amount (international)	US$970 million
Total portfolio cost	US$2,765 million
Lending terms	Highly Concessional (6), Intermediate Terms (8), Ordinary Terms since 2012 (6)
Main co-financiers	World Bank, ADB, Islamic Development Bank (IsDB)
COSOPs	2016, 2014 (Interim country strategy), 2009, 1998
Country Office (current)	Country Director, Programme Officer, Country Programme Officer, Country Programme Analyst, Country Programme Assistant, Environment and Climate Programme Officer, Driver
Country Directors / Programme Managers	Ivan Ramiro Cossio Cortez (Jul 2019 - present) and Ronald Hartman (2011-2019) based in Jakarta, Youqiong Wang, Rossella Bartoloni, Mattia Prayer-Galletti, Philip Young
Main government partners	BAPPENAS, MoA, MoF, MoV, MMAF, MoPWH, MoEF

Source: Oracle Business Intelligence. Financial values exclude the cancelled project, East Kalimantan Local Communities Empowerment Programme.

32. During the evaluation period, IFAD approved/supervised 30 grants, of which 22 were funded by IFAD and 8 by various partners. Of the 22 IFAD-funded grants, eight were in-loan, three were country-specific and 11 were global/regional. The other eight grants were funded by the GEF, the European Union (EU), the Financing Facility for Remittances, the Indigenous Peoples Assistance Facility (IPAF) and the Adaptation for Smallholder Agriculture Programme 2 (managed through IFAD). Financing amounts vary from US$38,320 through a micro IPAF grant to roughly US$8 million from the EU, totalling US$22.4 million.

33. **Historical country strategies and evaluations**. IFAD developed its first strategy for Indonesia in 1988 and its first COSOP in 1998. Performance was assessed in the first CPE conducted in 2003/2004. The ensuing COSOP (2008-2013) aimed to empower poor rural women and men to achieve enhanced food security, increased incomes and poverty reduction. **The 2014 CPE**, covering the period 2004-2012, found the 2008 COSOP strong on goals and expectations, but weak on implementation arrangements and risk mitigation. The loan portfolio showed good results in social mobilization and gender equality and women's empowerment, and enhancement of social infrastructure. However, results in on-farm and off-farm development and agriculture productivity enhancements were limited and value addition, included in design, received inadequate attention during implementation. Project designs were complex with a diffused focus. The later projects covered vast

geographical areas where population density and sub-national capacity for delivery were low, resulting in resources being spread too thinly.

34. The 2014 CPE found the IFAD country programme management wanting for most of the period, impeded by the lack of country presence. The assignment of a new country programme manager (CPM) in 2011, re-energised the partnership with Government, which was highly valued by both sides. The CPE found that both IFAD and the Government needed to better define the role IFAD should play, particularly in the context of Indonesia's MIC status. Results related to policy dialogue, KM and partnership-building were found to be generally weak, partly due to the limited resources.

35. The 2014 CPE offered five recommendations: (i) make small farmers 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.

36. IFAD and the Government subsequently agreed upon an **Interim Country Strategy 2014/2015** until the subsequent COSOP could be aligned with the Government's five-year medium-term national development plan 2015-2019. IFAD's focus during the interim period was to enhance the performance of the existing portfolio and assist the Government with policy formulation, KM and partnership building to improve the situation of the smallholder farmer. The COSOP 2016 refers to a significant reorientation of the country programme during this interim period with a focus on developing innovative approaches and assisting the Government in mainstreaming successful models into national programmes. Cross-cutting themes were gender mainstreaming, environmental sustainability and CCA. An IFAD country office was opened in Jakarta in 2016.

37. The **2016 COSOP** initially covered the period from 2016 to 2019, but was later extended to 2022. It builds on the interim strategy, as shown in Table 4, which outlines the main characteristics of the two strategies. The COSOP's goal is to support inclusive rural transformation to enable rural people to reduce poverty and achieve sustainable livelihoods (Annex X). Given the middle-income status of the country and IFAD's relatively limited resources yet valuable experience and expertise, the strategy supports the Government and other partners in piloting innovative approaches in agricultural and rural development that can be replicated and scaled up and inform policy. Similar to the interim strategy, significant emphasis is placed on the role of KM, partnership building and policy engagement as well as on the use of grants. In addition, the COSOP refers to the development of a programmatic approach to South-South and Triangular Cooperation (SSTC) in the country. Cross cutting themes were limited to gender equality and inclusion.

Table 4
Main features of the Interim Country Strategy 2014 and COSOP 2016

	Interim Country Strategy 2014/2015	*COSOP 2016*
Strategic Objectives	1. Strengthened institutions and capacity of smallholder producers in the agriculture and fisheries sectors; 2. Enhanced productivity and marketing of the produce of smallholder producers; 3. Increased capacity of Government to put in place a regulatory and policy environment to support the smallholder producers.	1. Smallholder producers participate in remunerative agricultural markets 2. Smallholder producers and their families are more resilient to risks 3. Rural institutions deliver responsive services that meet the needs of smallholder producers
Comparative advantage	Partnerships between smallholders and the private sector. Less focus on IFAD's loan financing and more on its KM and advisory services	Piloting innovative approaches that can be replicated and scaled up and can inform policy. Being a more engaged development partner.

	Interim Country Strategy 2014/2015	*COSOP 2016*
Geographic priority	Areas with a high incidence of rural poverty in eastern Indonesia and exceptionally elsewhere with high numbers of rural poor (lending portfolio) Nationwide (non-lending portfolio)	Focus on eastern Indonesia where poverty incidence is highest, while being open to interventions in disadvantaged areas nationally
Main target groups	(i) smallholder farmers (women and men) (ii) smallholder fisheries producers (iii) women and women-headed households (iv) marginal communities and ethnic minorities (v) youth (in 2016 COSOP only)	
Main partners	MoF, BAPPENAS, MoA, MMAF, MoHA Private sector State owned and commercial banks Producers' organizations, agriculture and fishery cooperatives World Bank, AsDB, other UN agencies, Australian Aid, the Netherlands, Deutsche Gesellschaft fur Internationale Zusammenarbeit - GIZ, GEF	MoF, BAPPENAS, MoA, MMAF, MoHA, MoEF, MoV Private sector (local and national) Indonesia Financial Services Authority, financial sector partners Social organizations (of producers and indigenous peoples), NGOs ADB, GEF, Asian Infrastructure Investment Bank, IsDB, Australia, Germany, Japan, the Netherlands and New Zealand. Rome Based Agencies (RBA) collaboration a priority
Policy dialogue	(i) Strengthening smallholder organizations and encouraging their growth and development; (ii) Securing land tenure and access to land (iii) Promoting sustainable use of agriculture, forest and fisheries resources; (iv) Enhancing access of the poor to improved agriculture inputs, technologies and services; (v) Encouraging access of a range of financial services to the agriculture and fisheries sector; (vi) Facilitating public private sector partnerships	(i) Strengthening and empowering smallholder organizations (ii) Supporting rural transformation, and securing tenure and access to land (iii) Promoting sustainable use and management of natural resources (iv) Enhancing smallholders' access to improved agricultural inputs, technologies and services (including financial services) (v) Facilitating public-private-producer partnerships
Country presence	Field level presence with a country-based CPM	Increase in-country human resources through structured secondment and internship programmes

Source: Interim Country Strategy 2014/2015 and COSOP 2016.

38. **The UN Rome-Based Agencies (RBAs) Joint Country Strategic Plan (2021-2025) for Indonesia** endorsed by Government in July 2021 also provides direction to IFAD's work over the next five years.[19] This is in line with the ongoing UN Reform and, in particular, with the new UN Sustainable Development Cooperation Framework 2021-2025. The vision is that by 2030, "*The RBAs jointly design and implement a strategic plan in support of Government commitments and programmes for improved human development, economic and climate and disaster resilience through promotion of sustainable food systems that deliver economic opportunities for all and provide affordable diversified food that meets newly stimulated and increasing consumer demands for nutritious and healthy diets for all.*"[20] The first pilot project was designed with a focus on Nusa Tenggara Timur (NTT) and launched during the CSPE team's field visit to NTT.

[19] In 2019 Senior Management of the three RBAs decided to pilot the RBA joint planning and programming in Colombia, Indonesia and Niger. This is within the context of the ongoing reform of the United Nations Development System, the Memorandum of Understanding between FAO, IFAD and WFP signed in June 2018, and the ongoing commitments and recommendations requested by their respective Governing Bodies.

[20] A food system is considered the collection of all food value chains, the markets through which they connect and the wider societal and natural environments in which they operate.

Key points

- Indonesia is the largest economy in Southeast Asia, with a population of 270 million of which 32 per cent are engaged in agriculture. Agriculture contributes 13.7 per cent of GDP and farming remains the main source of income in farming families.
- After only one year of being classed an upper MIC, the World Bank downgraded Indonesia to low middle-income status in 2021 due to negative economic growth from the COVID-19 pandemic.
- Poverty rates have fallen over the last two decades, but 24 million people remain poor of which two-thirds live in rural areas and there are huge regional variations with higher rates in Eastern Indonesia. Income inequality is rising. Food sufficiency has improved over the evaluation period but dietary diversity remains a concern.
- Decentralization is in its infancy and local government capacity is considered weak.
- IFAD has operated in Indonesia since 1980 lending US$670 million dollars through 21 projects. The nine investment projects in this evaluation received funding commitments of US$2.2 billion, of which IFAD loans comprised US$449 million (21 per cent).
- IFAD's non-lending activities over the evaluation period comprised 29 grants, of which 22 were funded by IFAD and seven by other financiers, including three by the GEF.
- Under the COSOP 2016, IFAD has focused on three SOs whereby smallholder producers: participate in remunerative agricultural markets; are more resilient to risks; have their needs met by rural institutions delivering responsive services.
- The 2020 draft of the RBAs Joint Country Strategic Plan (2021-2025) for Indonesia provides direction to IFAD's work in the country over the next five years.

III. Performance and rural poverty impact of the Country Strategy and Programme

A. Relevance

Relevance of IFAD's country strategy and programme to national priorities and corporate strategies

(i) Meeting Government of Indonesia priorities

39. **From 2014, IFAD's COSOP strategic objectives (SO) aligned well with the policies and strategies of the Government**. Though initially out of synch, the timing of IFAD's COSOPs were adjusted to coincide with the five-year planning periods of the Government's long-term development plan *Rencana Pembangunan Jangka Panjang Nasional* (2005-2025). The Rencana Pembangunan Jangka Panjang Nasional is divided into four five-year plans that emphasize **sustainable food and agricultural production**. The COSOPs fully reflect national priorities reflected in Indonesia's Poverty Reduction Strategy (2011-2025) which focuses on sustainable livelihoods for smallholder farmers, as well as the Master Plan for Acceleration and Expansion of Indonesia's Economic Development's (2011-2025) four SOs (pro-growth pro-jobs, pro-poor and pro-green/sustainability) and emphasis on collaboration with the private sector.

40. **Both COSOPs focused on the Government's core concerns, namely sustainable food and agricultural production.** The COSOP (2016-2019) has three SOs that differ from those of the Interim COSOP (2014-2015) only in their further emphasis on the economic development and resilience of smallholder producers. The first (SO1: *smallholder producers participate in remunerative agricultural markets)* contributes to the continuing Government intention to improve production cost efficiencies; reduce food imports and increase food production; encourage value addition in agriculture and fisheries; and modernise agriculture, especially irrigated agriculture. Increasingly, Government is emphasising the importance of effective participation of smallholders in value chains with reference to recent Presidential directives that urge interventions to encourage farmers to change their mindsets from *farming as a livelihood to farming as a business*. The second (SO2: *smallholder producers and their families are more resilient to risks)* supports the Government's most recent medium-term development plan *Rencana Pembangunan Jangka Menengah Nasional* (RPJMN) (2020-2024) which specifically emphasises climate change, resilience to natural disasters and building economic resilience. Since the COVID-19 pandemic, the Government has further emphasised the need to focus on building resilience among poor families. The third (SO3: *rural institutions deliver responsive services that meet the needs of smallholder producers)* is highly relevant to the Government's intention to modernise and to promote online information and trading platforms.

41. **The diversity of the COSOPs' portfolios makes it challenging to determine their combined relevance to national priorities.** The COSOPs include projects with wide geographic and sectoral (agriculture production, fisheries, markets, youth, local governance) focuses and have consequently involved different Ministries. In each case, the relevance to the Ministerial priorities is high and IFAD's intervention is responsive to these but it is more difficult to determine how they respond to overall national priorities. Therefore, relevance to the different Ministerial priorities are addressed below.

42. **The shift in emphasis from production only to value chains over the CSPE period reflects the changing focus of the successive RPJMN.** With the exception of READ and VDP, all other projects and grants were designed in the second and third RPJMN periods. The second RPJMN (2010-2014) identified national agricultural priorities as achieving self-sufficiency in production of core commodities (rice, sugar, soybean, maize and beef) to ensure food security;

promoting diet diversity (promotion of consumption of animal-based protein, fruit and vegetables), competitiveness in agriculture production and value chain processing and improved income for farmers. These priorities are reflected in SOLID and CCDP, which took a value chain perspective. While the third RPJMN (2015-2019) prioritised infrastructure development and social assistance programmes related to education and health. It also highlighted the agricultural priorities to increase rice production to move towards self-sufficiency and develop higher-value cropping to improve rural livelihoods. Both these plans included provision of subsidies for inputs.

43. **All the projects align well with the Government's farmer-specific laws**. The laws promote opportunities for de-centralized farmer-led and market-driven extension[21]. These required extensive strengthening of public extension services, providing an entry point for interventions through adoption of a whole system approach targeting smallholder farming families which emphasised individual and collective empowerment. IFAD primarily worked through public services to support use of non-formal education, enhanced access to rural finance and high quality inputs including improved technology. In addition, the MoPHW strategic plan for water resources (*Rencana Strategis Pekerjaan Umum* 2015-2019, expands on the third RPJMN), supports participatory irrigation and the promotion of water user associations, providing an entry point for IPDMIP and UPLANDS.

44. **Through CCDP, the country programme addressed the Government's under-supported[22] priorities of coastal protection and marine economy.** Indonesia has the second longest coastline of any country in the world and an estimated third of the worlds' mangrove swamps. With Government's pledge to reduce carbon dioxide emissions drastically by 2030, the conservation of mangroves has become an urgent priority in addition to their importance as preserving ecosystems and providing coastal defence. Although CCDP was designed before the third RPJMN 2015-2019, it aligned with the planned focus on marine-based economy as a key priority, and the MMAF strategic plan 2015-2019[23]. This aimed to improve the management of marine resources, competitiveness and sustainability of fisheries and aquaculture-based businesses by empowering coastal communities, supporting CCA and disaster mitigation, expanding infrastructure and developing market linkages.

45. **IFAD embraced peatlands protection and haze reduction, challenges which others were reluctant to engage in due to political sensitivities.** The catastrophic peatland fires of 2015 that destroyed 2.6 million hectares resulted in an estimated cost of US$15 billion and generated toxic haze that affected the health and livelihoods of millions in South-East Asia, which caused diplomatic tensions in the region. This provided impetus for the Government to prioritise protection and restoration of peatlands and the establishment of the Peatlands Restoration Agency[24]. The President of Indonesia highlighted his continued commitment to protect these critical carbon sinks at the November 2021 COP 26

[21] Recognising 93 per cent of Indonesian farmers are smallholders cultivating on average about 0.6 hectares, Law no 16/2006 Agriculture, Fishery and Forestry Extension System was promulgated to emphasise farmer empowerment and non-formal education to develop agri-business and the subsequent Law 19/2013 Protection and Empowerment of Farmers aimed to improve farmers access to land, finance and markets, to strengthen farmer organisations.
[22] Despite its potential, the sector contributed only 3.5 per cent to GDP (2014) and receives limited investment including from ODA.
[23] Additionally, MMAF's Strategic Plans for 2010–2014 and 2015–2019, echoed the Master Plan for Acceleration and Expansion of Indonesia's Economic Development mantra of '*pro-poor, pro- job, pro-growth and pro-sustainability'* and its "*Susinisasi* Programme" directed 80 per cent of its resources to community development.
[24] This built on existing peatland regulations (2014) that were later enhanced (2016) as well as the National Peatland Strategy (2011) which together support the Government's commitment to fulfil obligations under the Convention on Biological Diversity (Aichi targets), UN Convention to Combat Desertification (Land Degradation targets) and UN Climate Change or UNFCCC (Emission Reduction targets).

meeting. The GEF projects - GEF 4 APFP, GEF 5 SMPEI and GEF6 IMPLI - are highly relevant to the Government's efforts to meet these commitments.[25]

46. **Since Indonesia's *reformasi* (1998-1999), IFAD has consistently supported the Government's decentralisation agenda** articulated first in Law No22/1999. This ambitious law devolved central government power and responsibilities to district level in order to promote better/locally responsive government services. IFAD has contributed to support key principles underpinning this law including community participation and empowerment, equity and justice and recognition of the potential and diversity of regions. READ, SOLID and CCDP were specifically designed to encourage community participation as was PNPM Rural[26], the forerunner of VDP and later TEKAD.

47. **In support of decentralisation, IFAD has even embraced challenges such as the on-granting mechanism**. As early as 2004, the national policy on transfer of funds from the central government to the local governments was changed (KMK 35/2004) requiring a re-design of READ in 2006 to accommodate the concept of on-granting rather than on-lending to the district governments. READ was the first project to engage directly with districts. Despite initial difficulties, IFAD has continued supporting the on-granting mechanism as a means of implementing Government's decentralization agenda. Furthermore, implementation support from the ICO has allowed IFAD projects to operate well using the on-granting mechanism, although it still requires continuous attention.

48. **IFAD's programme has not fully met the Government's need for technical expertise and support for greater global presence[27] as a MIC.** The 2010-2014 RPJMN noted that while loans should demonstrably align with national development priorities, they should not be viewed in terms of funds provision but "*as a means for exchanging information and experience."* The MP3IE echoes the value given to technical assistance noting that the Government should reduce reliance on loans. Government has turned down offers of external financing alone. All Government informants interviewed in the CSPE noted IFAD's technical experience and policy advice as the most valued aspect of IFAD partnership. In particular, the Government wants IFAD to apply its global technical expertise to developing and adapting innovations that can be scaled up. Yet, Government officials also noted that this core need has not been adequately realised.

49. **Government particularly values IFAD for '*working directly with people'* and its knowledge of field realities to provide 'ground truthing' for making appropriate policy decisions**. Its international technical experience is regarded as essential to bolster technocrats' ability to convince politicians of needed policy changes. Many key informants from Government referred to IFAD's key role in sharing global best practices and its support to test, customise and scale-up in the Indonesian context. To meet these needs the COSOP 2016 noted a '*sharper focus on policy and knowledge'*. This required the development of innovative models and programmatic approaches that in turn implied strategic use of both its loans and grants to facilitate innovations and to scale up partnerships. However, as discussed under Coherence, resource limitations and weak systems for generating evidence

[25] The regional APFP was formulated prior to the 2015 fires to support implementation of the ASEAN Peatland Management Initiative adopted in 2003 and the ASEAN Peatland Management Strategy (2006-2020) endorsed by the ten ASEAN Governments in 2006.

[26] IFAD originally co-financed with World Bank but later solely financed PNPM Agriculture in E Indonesia. PNPM Rural was regarded as the Government's flagship poverty reduction and community empowerment project.

[27] Government of Indonesia has announced its strong commitment to achieving the SDGs and has identified the need for international support to achieve these. The fourth RPJMN (2020-24) specifically addresses the SDGs and all 23 UN agencies in Indonesia have committed to building Government capacity to accelerate achievement with these. Indonesia currently ranks 97 out of 165 countries on the SDG index and under-performs on several of the SDGs related to IFAD interventions (e.g., SDG 1 (poverty) SDG 2 (zero hunger), SDG 10 (reduced inequalities), SDG 14 life on land and to a lesser extent SDG 9 (industry, innovation and infrastructure (in terms of village infrastructure and innovation)). BAPPENAS has prioritised these and other under-performing SDGs for external technical and financial assistance making IFAD loans particularly relevant among the UN Agencies.

on innovations have resulted in shortfalls in these expectations and impedes country-level policy engagement.

50. **IFAD supports the Government's challenging 'whole government' approach even when this slows down progress.** The Government recognises that its development work is often conducted in silos and values IFAD projects that require cross-Ministerial collaboration as well as the facilitating support provided by the IFAD country office (ICO). IPDMIP is regarded as a complex, but important demonstration of how collaboration can be forged across three agencies. Continuing to meet these challenges, projects such as TEKAD and YESS require extensive cross-Ministerial collaboration in their design and are framed as a relevant contribution of IFAD financing.

(ii) Meeting IFAD Corporate priorities

51. **The crosscutting corporate requirements of IFAD were not always regarded as relevant to achieving project objectives or to the specific context of Indonesia.** The READ re-design removed the natural resource management and land tenure aspects of the design as these were considered to have marginal contribution to the overall objectives. Across projects, Government counterparts complained of the *'many demands that IFAD makes'* referring to the cross-cutting mainstreaming areas of gender, climate change, youth and nutrition.

52. **Despite nutrition being declared a national priority and a poorly performing Sustainable Development Goals (SDG), IFAD projects are addressing food shortage rather than poor diet.**[28] Nutrition remains one of Indonesia's biggest SDG challenges and is regarded as a national priority. It is also a priority for IFAD, but projects are limited in addressing this issue. Despite the Government's call to action on stunting and improved nutrition29, this has not been a priority request for projects to address. Interviews revealed that IFAD's global interest to support nutrition-sensitive programmes were often viewed by Government as a distraction at implementation level. The COSOP 2016 includes a limited situation analysis and reference to supporting smallholders' nutrition security towards SO1 and ensuring that value chain development would accommodate nutrition objectives. SOLID received grant funding from Canadian and German governments to design Nutrition-Sensitive Value Chain projects for smallholders in Maluku. However, apart from a brief reference in the COSOP, learning from this does not seem to have been taken up by other projects. IPDMIP, READSI and UPLANDS have been classified by IFAD's Environment, Climate, Gender and Social Inclusion Division (ECG) as 'nutrition sensitive' but interviews suggest that the basis of this classification is unclear. None of the projects have undertaken a comprehensive situation analysis to identify causal pathways which might have been appropriate for IFAD project interventions. Nor have they built local level partnerships, e.g., with *posyandu* (health clinics for mothers and children under-5, elderly or youth), schools or village-based human development workers, recently mobilised, to maximise its contribution to improved nutrition outcomes.

(iii) Meeting Beneficiary needs

53. **A high level of consultation with rural poor to ensure that interventions responded to their priorities is reported by projects, but opportunities for consultation seem to be diminishing**. From the CSPE survey, 80 per cent of IFAD and project staff agreed or strongly agreed that project designs involved meeting poor rural people to ensure interventions responded to their priorities. Beneficiaries interviewed from READ and SOLID felt they had been consulted regarding their priorities and others suggested that these had been more 'bottom up' than subsequent projects. In contrast none of the farmers interviewed for the

[28] WFP Strategic Review of Food Security in Indonesia 2019-2020; Global Food Security Index (2019) ranks Indonesia 102 out of 113 countries in terms of diet diversity.
[29] This was responded to by development of the National Strategy to Accelerate Stunting Prevention (2017).

CSPE from the ongoing IPDMIP had been consulted. As a result, the IPDMIP design did not capture that their main problems were tertiary irrigation and storage and that they are unconvinced of the need for the project's focus on primary and secondary systems. In response to the MTR, IPDMIP is being restructured to include tertiary canals. Key informant interviews suggest that standard budget and time allocations for design fail to provide sufficient opportunity for consultation in ambitious projects such as IPDMIP, which covers 74 districts (as compared to READ with only five).

54. **Beneficiaries appreciate the shift in support from production to entrepreneurism.** Pre-pandemic projects fall into three distinct categories with READ, SOLID and CCDP emphasising self-help group formation and modest improvements in income-generation; READSI, VDP and IPDMIP moving to a more market-oriented perspective; and YESS, TEKAD and UPLANDS further promoting village-based enterprises and entrepreneurism. Farmers interviewed stated they were accustomed to joining groups in order to access free or subsidised inputs and equipment which often also required them to be present at other project events much of which they felt was irrelevant (e.g., *'we know more than the facilitators'; 'we don't get the information/advice we need'*). Both READSI and IPDMIP beneficiaries in Java noted a welcome shift from production-oriented training and input provision to assisting them to participate actively in remunerative value chains. As stated by farmers, *'Finally, this project is helping with what we really need-access to good seeds so our produce attracts buyers'; 'we wasted harvests when not linked to the markets.'* Current YESS beneficiaries interviewed shared that the training and support received was highly relevant to the way they were now viewing their employment futures.

Quality of design

55. **Higher-level objectives in designs are dictated by IFAD corporate requirements and formulation, but the route to achieving these is not clear.** The COSOP 2016 has the goal of rural transformation but provides only three corporate core indicators to assess achievement (income, food security and decreased malnutrition) none of which capture the intention of a rural transformative design. At project level, higher objectives are not contextualised and simply repeat IFAD global objectives. Food security, resilience and nutrition are explicit project objectives however, the pathways for achieving them are either not detailed or based on questionable assumptions. The strategy is also not adequately communicated through the log frames of earlier projects that had unclear outcomes and outputs as well as targets rather than relevant quantitative and qualitative indicators. More recent project log frames are essentially Management Information System (MIS) documents that lack sufficiently detailed indicators to communicate the theory of change of these complex designs. This may have contributed to project staff not always being clear about the project designs.

56. **Early project designs appropriately emphasised community and group empowerment and were typical at the time for communities of marginalised farming families.** SOLID and the re-designed READ both strongly emphasized community empowerment and participatory processes, intending to build self-help groups and enhance livelihoods in recognition that farmers in poor and remote areas lacked confidence and technical know-how. The participatory approach also intended to enhance sustainability of benefits. However, such project designs tended to view empowerment simplistically as an end in itself rather than a means to an end. Targeting the 'active poor' and potential enterprise groups while using participatory processes to define community priorities, the CCDP design combined a balanced mix of empowering and commercial approaches based on identified needs and careful facilitation.

57. **Subsequent designs increasingly attempted to address challenges faced by smallholder producers through a systems lens.** The current portfolio promotes business development for farmer and agri-service/market groups. While theoretically relevant for rural transformation objectives, this design focus risks exclusion of many poor farming families and does not adequately address the Government-endorsed UN SDG mandate to '*leave no one behind'.* It also moves design away from the core of participatory development, which builds farmers' confidence and capacity to identify their own demands and links to service provision, to one of trying to address all the elements of the system.

58. **Current co-funded project designs are complicated and risk dilution of IFAD's core principles**. IFAD corporate co-financing ratio targets place pressure on the Indonesia programme to co-finance with other International Financing Institutions (IFIs). The Government also values the increased financing. However, the co-financing mechanism adopted may overly complicate projects as evidenced in IPDMIP and UPLANDS. The synchronization required by design between the IFAD and ADB activities is difficult to achieve and compromises have been made on IFAD's participatory and more bottom-up approaches. Thus, IFAD's comparative advantage in promoting participatory and empowering approaches is further at risk within co-financing arrangements with other banks that have significantly different approaches and principles. Since these are the aspects which Government values, this is a design concern.

59. **Project designs do not sufficiently take into account the capacity of the implementing agencies.** Despite the long-term partnership with the MoA, successive evaluations continue to point to weak capacity within the Ministry and yet project designs do not adequately address this issue. As discussed under Effectiveness, the sequencing of project activities and the poor understanding of the need to establish simple but appropriate indicators from the outset of projects are major design flaws. MoA has a generally weak understanding of value chain support and interviews suggest that in many cases staff do not feel they should have a role in this and continue to see their priority only in terms of production.

60. **Project designs had moved away from investment in infrastructure towards capacity building but this has reverted in newer designs despite COSOP intentions to focus on innovation and knowledge transfer.** In the re-design of READ, there was a decision to shift away from financing of infrastructure to capacity building and systems enhancement. This shift faced criticism and resistance from local governments that preferred the visibility and inherent accountability provided by external finance being used for infrastructure. VDP particularly struggled to gain traction with local districts and villages because it did not support funding of infrastructure, except though village governments' own village funds. The farmer contribution model of READSI and arguably the limited menu model of UPLANDS appears to enhance the chances of better infrastructure decisions and local ownership to contribute to improved operation and maintenance. TEKAD promotes the use of village funds for any village infrastructure development devolving these decisions to village governments. IPDMIP on the other hand is dominated by the ADB-funded infrastructure component with IFAD components focused on improving agricultural production and increasing yields.

Adjustments to design

61. **Complex project designs have frequently needed re-design so they are more manageable.** Details of the redesign of projects throughout the CSPE period are presented in Box 1. While increasingly recognising a need for a systems approach, the designs have become less focused as a consequence. With the tendency to manage, operate and finance different components separately, silos of activities within projects have been created which fail to reach the potential of the systems approach.

Box 1
Examples of projects redesigned

- READ was designed to emphasise community empowerment and participatory planning (CDD) in response to the Government's decentralisation agenda. It was redesigned at MTR to limit its scope and to only support agriculturally related infrastructure development and more modest livelihoods improvements rather than enterprise development. The PCR concluded that such a reduced focus led to it being more manageable.
- SOLID was designed as an integrated project addressing gender equity and empowerment, food security, agriculture productivity, and value chain engagement as well as NRM, community infrastructure, forestry and fisheries. Its MTR (2014) recommended simplifying the design, particularly in recognition of its post-conflict context. The MTR specifically noted the issue of complex design leading to implementation in silos.
- IPDMIP was designed primarily to rehabilitate irrigation systems and develop water user associations, had 12 other project-scale initiatives which were highlighted as risks to achieving the main focus. For example, the design included the modernisation of the rice seed system, but supervision mission (Nov 2019) downscaled this to 'include only a year-long study on the rice seed system in Indonesia including a roadmap on how to modernise it'. The Value Chain Fund was also dropped. The recent MTR confirms agreement on extension of the project in order to make up days lost to COVID 19 pandemic and a re-design to include rehabilitation of tertiary canals and prioritise Information and Communications Technology (ICT) development for extension.
- Despite frequent supervision missions, MTRs and other external evaluations cautioning against over complex designs, the latest project designs of TEKAD and YESS are complicated resulting in slow implementation.

Source: IFAD project documents.

62. **Redesign of earlier projects enabling the delivery of funding at the lowest levels of governance (especially village level) improved effectiveness.** The READ MTR re-design required direct provision of financial resources to self-help groups as did the SOLID MTR based on expectations of better participatory demand-driven spending decisions. Wherever funds have gone directly to village institutions or farmer groups this has created some degree of ownership through control and better, though not always, spending decisions. This is an appreciated element of design of IFAD projects.

Design of the targeting strategy

63. **Since 2008, IFAD country strategies identified a geographic focus on Eastern Indonesia,** which has the highest rural poverty rates and lowest human development index (HDI). The 2008 COSOP clearly prioritised Eastern Indonesia for community development and local institution building. Consequently, SOLID focused on the neglected and post-conflict provinces of Maluku and North Maluku. National Programme for Community Empowerment in Rural Areas Project (PNPM Agriculture), VDP and TEKAD[30] include Papua and West Papua, the two provinces identified as having the highest rural poverty rates and lowest HDI in Indonesia and lack services, economic opportunities and connectivity. While also including West Kalimantan, READSI also operates in Eastern Indonesia notably in NTT where MoA had replicated READ using its own resources in 2015. This spread to other provinces was justified based on MoA's desire to test the replicability of the approach to other areas.

64. **The geographic targeting of Eastern Indonesia has been gradually diluted in the ongoing portfolio**, apart from TEKAD and some limited activities within other projects. Recent COSOPs[31] included the caveat that investments also would

[30]TEKAD focuses on the five "Eastern Provinces" (Papua, West Papua, Maluku, North Maluku and NTT) which are the poorest in the country.
[31] The 2016 COSOP erroneously included a supposed sixth recommendation from the 2013 CPE to "broaden the geographic focus." However, there is no such recommendation in the 2013 CPE.

be considered where there are high numbers of rural poor people. IPDMIP targets Western and Central Indonesia. The justification notes that although statistically Eastern Indonesia has higher poverty rates, there are large numbers of poor in Java and Sumatra which have higher population densities than Eastern Indonesia and where water resource demands are high for agricultural and domestic use. UPLANDS focuses primarily on Java, in sub-districts with poverty rates slightly above the national average. YESS operates in West and East Java, South Kalimantan and South Sulawesi as determined by the Government based on project related criteria (e.g., agricultural and market growth potential, youth migration, the presence of *Pusat Layanan Usaha Terpadu*, government-led integrated business services center for SMEs, and of agriculture Technical Vocational Education and Training (TVET) institutions). With the geographic focus of IPDMIP, UPLANDS and YESS, considerably less than a third of ongoing financing targets Eastern Indonesia.

65. **Earlier projects compared to recent ones involved more rigorous selection processes to ensure targeting of the poorest households within most disadvantaged villages**. These early projects pre-date Government's accelerated efforts to classify districts, villages and households according to different indexes.[32] READ devised a targeting criterion based on remoteness, access to services and potential land use to identify 150 'most disadvantaged villages'. READ further targeted households using the livelihoods framework and participatory wealth ranking. SOLID selected districts based on a range of criteria as well as a gender-sensitive poverty and livelihood analysis focused on participatory wealth ranking. CCDP was commended for its comprehensive screening mechanism, regarded as valid and transparent (e.g., active removal of people not meeting eligibility criteria). As outlined in Box 2, the ongoing projects IPDMIP, UPLANDS and YESS target districts more based on the location of project activities and rely on the districts to identify target groups based on farmers groups or graduates which may not adequately include women, youth or the poor farmers.

Box 2
Targeting in ongoing projects

- IPDMIP, despite planning to undertake a scoping study to identify those most at risk of exclusion, targets all farmers served by a particular irrigation facility. Irrigation schemes for rehabilitation were determined primarily through the MoPWH and validated at district level. It uses the MOA registered farmer groups that do not adequately include women, youth or poor farmers.
- The UPLANDS target area is determined primarily by topography and response to district proposals potentially risking any intention to concentrate funds to poorer districts, villages and households.
- YESS design indicates that it targets poor youth, however most components privilege agriculture college and vocational training school graduates and already promising entrepreneurs. Only the apprenticeship programme (part of component 1) explicitly offers employment prospects for the poor and near poor. The targeting strategy has been seriously challenged, but to meet targets it has been recommended by the July 2021 supervision mission to "define broader targeting criteria for the first batch of trainings, while refining the targeting strategy for the following batches."

Source: IFAD project documents.

66. **Targeting of the poorest beneficiaries and villages has increasingly given way to practical considerations of district readiness and potential for development.** A trade-off in support of decentralisation has been that districts are responsible for selection of beneficiary villages. Whilst most adopt the national indexes they are not required to and local government concerns for equality and opportunities to demonstrate success may eclipse rigorous selection of only the poorest. Districts with better capacity are often more able to make the case for

[32] The unified database, now referred to as the *data terpadu kesejahteraan sosial* (DTKS) classifies all households using a welfare index informed by proxy-means test data and is meant to be used by all Ministries for poverty targeting.

financing. Even early on, districts participating in READ had to demonstrate readiness and agreement of the new regulations for managing external loan funds. More recent designs emphasise provision of support to existing and emergent entrepreneurial groups, households or individuals with the implicit but not always explicit assumption that strengthening their position in the market will create jobs for those less educated and entrepreneurial. Without clear measurement of the extent to which these assumptions are valid, the relevance of the projects to reduction in numbers living below the poverty line is questionable.

67. **IFAD has responded to the MoA's Agriculture Census (2013) which showed an alarming halving of the percentage of young persons (under 35 years) involved in agriculture over the previous twenty years[33] by purposely identifying youth as a specific target group.** Young workers (age 15-24) in Indonesia are six times more likely to be unemployed than adults and youth unemployment in Indonesia is comparatively high among other Asia Pacific countries.[34] COVID-19 pandemic has further highlighted both the challenge and opportunities for young people to engage in gainful employment[35] especially in agriculture. Many young domestic and international migrants were required to return home during the pandemic as informal waged labour in construction, transportation, domestic and hospitality sectors were closed. Higher education institutions also closed and forced young people to return home with many ending their studies. The mass return to rural areas has led to young people re-assessing their options for employment especially with the recognition that agriculture fared better during the pandemic than other sectors. Familiarity with online platforms has also fuelled interest in how these can be adapted to support agriculture in service provision and marketing. YESS is the only project in the IFAD portfolio to specifically focus on youth and with this unforeseen post-COVID situation creating even higher levels of rural youth unemployment has become arguably more relevant. VDP, TEKAD and UPLANDS were designed to include youth but the means to tailor service specifically for this segment are not well elaborated.

68. **Summary. The relevance of IFAD's country strategy and programme is rated moderately satisfactory (4).** The strategies developed for IFAD COSOPs and portfolio of projects are all relevant to the Government and beneficiary priorities. IFAD has taken on relevant challenges that other donors and financing institutions have eschewed. These include its enduring support for decentralisation as well as new challenges such as working with youth and politically sensitive issues of peatland conservation. However, increasingly complex project designs risk dilution of the key priorities for Government, which are to develop and demonstrate scalable innovative models and meeting the SDGs. Also of concern, is the diminishing focus on poverty targets. Given this emphasis, there is insufficient attention to capacity building. Also of concern, is the diminishing focus on poverty targets and inadequate support for Government's nutrition priorities especially concerning improved diets.

B. Coherence

External coherence

69. **IFAD actively filled gaps where other development organizations were absent. While the focus of more recent projects reduces its niche-focus, where it had undisputed and demonstrable comparative advantage, it risks more duplication.** IFAD had a strong focus on agricultural development for Eastern Indonesia, an exclusive focus on smallholders and small-scale fishers and a comparative advantage developing and testing innovations for these underserved

[33] Approximately 26% in 1993 compared with approximately 13% in 2013.
[34] TNP2K Internal workshop May 6th, 2013.
[35] Law No40/2009 on youth promotes youth entrepreneurship and encourages local governments to allocate budgets to training, coaching youth including helping them to access finance. The 2016-2019 National Youth Action Plan prioritizes youth empowerment, employment and entrepreneurship.

areas and beneficiaries. Since adopting a value chain, business development and less geographically focused approach, it now operates in a system with many more players including other development organisations, INGOs and the private sector.

70. **There was little evidence of attempts to create synergies by working in alliance with agricultural development programmes** supported by other funding agencies rather than formal partnership arrangements. It was noticeable in interviews that there was little reference to the range of agricultural development programmes undertaken by the MoA that potentially could benefit from experience-sharing and complementarities or what other development agencies were supporting. Even less reference was made to research and development activities of private sector or small independent research entities (e.g., Kopernik). The Interim COSOP (2014-15) prepared an analysis of potential complementary partnerships, but little seems to have been done with this. READSI has included provision for support for donor co-ordination platform on agricultural policy that has not materialised. However, interviewees indicated that there was a need for regular platforms for sharing experience, plans and working out complementarities in agricultural development. Without extensive knowledge of the work of various actors in the sectors, potential synergies are missed such as providing innovation for others to take to scale or taking to scale innovations developed by small-scale actors.

71. **Good use of GEF grant projects enabled IFAD to contribute to improved dialogue among the ASEAN member states on sustainable management of peatlands and the reduction of haze pollution in South East Asia**. IFAD worked on the regional and politically sensitive issue of haze pollution and agreed to design and supervise the GEF-4 APFP regional grant project (2009-2014). Although complicated to put together, the project demonstrated the significance of integrated management of peatlands through four pilot countries in Indonesia, Malaysia, the Philippines and Vietnam. Moreover, it created the foundations for a regional ASEAN platform that brought countries together to collaborate on tackling haze pollution. In 2013, APFP and the EU-funded Sustainable Management of Peatland Forests in Southeast Asia project, provided an opportunity for Environment Ministers of the 10 ASEAN Member States, including Indonesia, to approve the establishment of an ASEAN Programme for Sustainable Management on Peatland Ecosystems (2014-2020) to support the implementation of the ASEAN Peatland Management Strategy 2006-2020. The current MAHFSA grant, implemented by the ASEAN Secretariat, includes an ambitious financing plan to contribute to the ASEAN Haze-Free Roadmap expected to benefit 50 million people across the region. However, the scope of the grant objectives and activities requires significant resources, which IFAD has yet to provide.

Internal coherence

72. **The COSOP 2016 does not provide a strategic vision that gives coherence to the country programme.** The stated SOs intend to assist small-scale producers to participate in remunerative food markets, become more resilient to risks and support rural institutions to provide more responsive services for small-scale producers. This is misleading as much of the portfolio is not connected to the food market per se but focus on cash crops (e.g., cacao, nutmeg, copra) and business development involving a range of value-added products including pharmaceuticals, crafts, and home products. Equal emphasis also is placed on resilience and responsive services that are limited in scope in the project designs. COSOP 2016 does not provide a long-term vision based on how IFAD's support has evolved over time and the direction it intends to take to support the Government's aspirations in the future as a MIC. Without a purpose more tailored to the Government's needs, the portfolio is little more than a collection of projects rather

than a coherent country programme with clearly defined synergies and complementarities.

73. **Consequently, the project ToCs do not readily fit together or clearly collectively contribute to an overarching one**. Projects use different indicators to measure similar intended results and there is a lack of coherence between them and COSOP results frameworks. This is challenging to aggregate indicators and to compare the results of different approaches and strategies, which is critical considering the role IFAD is expected to fulfil by the Government.

74. **Too many objectives dilute efforts to increase internal coherence**. Concern was expressed that the many demands for integration of crosscutting issues such as nutrition sensitivity, CCA and GEWE dilutes and confuses the focus of programmes and can result in a lack of coherence. For example, rather than integrating nutrition awareness into the support provided to farming households in READSI a separate homestead gardening component was created which was not coherent with the main project interventions. Furthermore, budgets to support crosscutting issues have been reduced and was reported as amounting to a mere US$30,000 this year.

75. **Nevertheless, common approaches were apparent in the earlier projects and successive ones build on lessons learned.** The common approaches were: (i) a shared way to working with the poorest beneficiaries in remote/difficult to reach areas; (ii) working through beneficiary groups, cooperatives and federations; (iii) facilitation of access to integrated packages of support[36]; and (iv) an emphasis on empowerment through facilitation efforts. The value chain lens gathers momentum from the design of SOLID onwards. There is a clear chronological coherence with successive projects building on the lessons learned from previous ones. This is supported by the CSPE online survey results where 83 per cent of consultants and 100 per cent of Government respondents felt that project designs built on lessons from past projects.

76. **Little co-ordination and sharing takes place among projects even in instances of geographic proximity.** Field interviews found that even when the same district office managed two IFAD projects they were managed as distinct entities. This extended to the management within one project too, with IPDMIP managed by district agriculture and public works offices with little co-ordination. Even farmers interviewed noted that IPDMIP felt like *'two projects'*. Supervision missions often emphasise the need to share materials and build on experience already accumulated in other projects but this does not happen spontaneously without such reminders. YESS is experiencing lack of co-ordination between the district agriculture offices and the provincial Agricultural Training centres where the Provincial Project Implementation Unit (PPIUs) are situated as well as criticism from beneficiaries and staff that components which should be sequential are happening in parallel. TEKAD too seems to be suffering from poorly sequenced activities. This situation was partly justified by senior staff as a need to 'catch up' on time lost due to COVID.

77. **Where projects are promoting the production of high value crops the connection to overarching objectives such as the reduction of chronic child malnutrition and improved food security is difficult to rationalise.** Increased incomes cannot be assumed to translate into better family nutrition nor improved food security. This has led some projects to include what appear to be add-on elements in attempts to achieve these objectives. As noted above READSI's homestead gardening component does not relate to its focus on production of high value produce such as cacao (Sulawesi) or pigs (NTT). In Indonesia, increased disposable income is more often than not linked to poor nutrition for example

[36] Following the livelihoods framework which identifies the mutual contribution of the five types of capital - social and political, human, financial, physical and natural.

increased snacking, purchase of packaged convenience foods and baby milk substitutes and consumption of high fat diets.[37] Interventions were not designed to address this challenge.

78. **The country strategies intended the use of a mix of grants to support objectives and focus more on KM and policy development, however with mixed success**. Eight out of the nine loan programmes covered by this evaluation included in-loan grants to strengthen the capacity of Ministries for KM and policy development. However, their level of effectiveness has been relatively low (see below). Three country-specific grants were used to support key areas in the country strategies, namely Sustainable Economic Development through South-South and Triangular Co-operation in Indonesia (SSTC), cocoa production and sustainable livelihoods in peatland areas, but ultimately their contribution to the country programme was less than expected. Inevitably, the country team had less control on the regional grants. MAHFSA and Smart-Tree Invest have been used relatively successfully in supporting CCA and mitigation outcomes. The majority of regional grants that involve work in/with Indonesia have not created links with the country programme.

79. **The GEF grants have contributed to COSOP objectives, but have not added optimal value because of their limited engagement with IFAD projects.** The sequential GEF grants have built and learnt from one another since 2009 and have been successful in themselves**.** As a block they have demonstrated significant sequential coherence. The GEF-4-funded APFP (2009-2014) contributed to the interim country strategy's efforts to improve environmental sustainability. The GEF-5 SMPEI (2017-2021) and GEF-6 IMPLI (2020-2025) contribute to the attainment of SO2 on resilience in the COSOP 2016 through support to integrated and sustainable peatland management at community, district, provincial and national levels. Although addressing peatland challenges, the locations selected were not in existing IFAD project areas. IFAD has a presence in Papua, which has over 3.5 million hectares of peatland, but did not locate the GEF grants here.

Knowledge management

80. **KM and advisory support are key demands from Government as a MIC but are under-resourced.** The country strategies noted the key significance of KM [38]*.* This CSPE established that financing for KM and policy engagement reduced by 50 per cent between 2013 and 2021. Staff time and attention to these represented less than 3 per cent of time allocated. Positions for KM consultants and KM focal points remain vacant or are filled too late in the project cycle. Indicators for KM are reduced to numbers of knowledge products and little attention is paid to the strategic and timely use of KM products nor to the selection of appropriate channels for dissemination. The main problem is that KM is addressed too late and is seen as add-on rather than the driving force it should be. Even where KM products proliferate (e.g. CCDP) there has been no evaluation of their user interface, usability or influence. The development of KM products is typically out-sourced to communications firms resulting in high quality publications, videos and other communications materials but less attention is given to ensuring clear technical audience-centred messages.

81. **None of the projects have well defined KM strategies**. CCDP made efforts towards fulfilling its role as an innovation leader and produced over 150 knowledge products many of which received widespread media coverage. Even though it did not have a KM plan, it emphasised KM from the start and had a dedicated PPIU for KM in the Badung Learning Centre which was tasked with stimulating learning between other PPIUs. Drawing on this experience READSI planned to have a strong

[37] https://www.worldbank.org/en/news/feature/2015/04/23/the-double-burden-of-malnutrition-in-indonesia
[38] "KM constitutes the pivotal link between investments on the ground and scaling up (and) will be a major driver of IFAD's new operating model in Indonesia and of IFAD's role as a source of expertise for promoting inclusive rural transformation."

KM and evidence base and earmarked US$1 million through an in-loan grant to support this, including facilitating a donor co-ordination platform on agriculture. However, SOLID and READSI have produced little more than *'stories from the field'* posted on websites. TEKAD has ambitious plans to support the East Indonesia Gateway comprising website and apps to promote village innovations and YESS plans to give *Pusat Layanan Usaha Terpadu/*Integrated Business Services Center a pivotal role in KM sharing across PPIUs and to connect youth facilitators in real time through tablets. Both initiatives will be limited in effectiveness because of their late start-up. The country-specific grants have a clear focus on KM but their scope is small.

82. **The in-loan grants have been used in an ad hoc manner rather than strategically contributing to an enhanced KM function**. The eight in-loan grants have gone to the implementing ministries for different project loans or BAPPENAS, neither of which has been able to strengthen capacities to foster a KM system that documents and shares lessons from the field to inform policy work. More focus has been placed on using the grants for policy analysis and papers. Although this policy work is a step in the right direction, there are unclear linkages, and hence benefit, to the loan projects.

83. **Due to weak KM, IFAD has not fulfilled its potential to become a leader in innovation primarily.** Following recommendation of the 2013 CPE, IFAD stated its intention to re-orient the country programme to concentrate on innovative approaches in all its projects with a view to providing Government with models for scale up. Some success has been achieved (see Innovation section) in this regard but the way MIS and M&E systems are set up does not support developing innovations, which requires trial and error. The lack of coherence in intention to innovate and the enabling environment to do so is one of many reasons why innovation has not been valued as intended.

Partnership building

84. **Co-financing arrangements have accelerated over the evaluation period suggesting a recognition of the importance of strategic partnerships that add value – at least financially**. Building on experience with co-financing with the World Bank, IFAD stated its intention to actively search for new co-financing partners in the Interim Country strategy (2014-15) to enhance agricultural growth and productivity in critical areas such as irrigation and noted that new partnerships with, for example, the MoPWH would advance these aspirations.

85. **Co-financing comes with a risk of diluting IFAD's influence on projects.** The interim country strategy (2014-15) noted that co-financing arrangements should not be at the expense of IFAD's ability to influence design, location selection or policy. As the much smaller partner to World Bank in PNPM, IFAD had very little influence. Examples of this concern are found in PCRs.[39] Having extricated itself from co-financing the larger PNPM, IFAD was able to develop PNPM Agriculture, which supported IFAD's goal to provide block grants for village level agricultural development and enhance the role of village facilitators and village level planning. This led to Government recognition of IFAD's comparative advantage and the opportunity to utilize CDD experience from VDP with the new MoV, thus contributing to the 2014 Village Law. The result is the design of TEKAD that suggests Government's appreciation of IFAD's technical capacities.

86. **The co-financing with ADB on IPDMIP led to compromises on working in 74 districts over 16 provinces and reduced the scope for promoting internal coherence among IFAD projects.** Several interviewees pointed to the difference in approach describing IFAD as a development organisation that provides relatively small loans and ADB and IsDB as banks interested in providing large-

[39] For example, "*Pre-MTR READ had become a de-facto World Bank PNPM project, with considerable expenditure on community infrastructure but little or none on agriculture and enterprise related investments"* (READ PCR p19 para 27).

scale loans. IFAD has limited capacities to manage additional large projects and were it to co-finance with another institution like ADB it could only be done if the co-financing partner took on the management role (as intended for the pipeline Horticultural Project). Such an arrangement needs to be justified in light of IFAD's comparative advantages and the extent to which it can still achieve its objectives as a small partner.[40]

87. **Enhanced partnership with Rome-based Agencies has made important first steps, but is yet to yield the benefits envisaged.** There are three factors which make collaboration especially important in the Indonesian context: (i) the importance the Government places on the advisory role of the RBAs within a MIC; (ii) all RBAs are highly regarded by the Government in terms of their technical expertise; and (iii) all RBAs have small country offices and there are obvious advantages of combining advisory efforts. The anticipated impact of collaboration is to support Government in food security and nutrition, especially in its efforts to respond to the mandates of the 2030 Agenda. This provided the impetus for the RBAs to formulate a Joint Country Strategy for the first time. The Joint Country Strategy provided a unifying approach centring on food systems that has resulted in improved messaging and communications according to the *Joint evaluation of collaboration among the Rome-based agencies of the United Nations*. However, the potential has not been realised in terms of mobilising joint funding nor any obvious enhancement in policy engagement or knowledge sharing. Whilst the theoretical advantages of providing a unified voice are clear, all RBAs face the same problem of small, overstretched country offices and transaction costs are currently too high to make these partnerships work optimally. COVID-19 and new staffing in all the agencies have also slowed down progress. Nevertheless, as the CSPE period concluded, interviews from the field indicated that the joint project planned for NTT that utilises READSI funds has started.

88. **IFAD proactively responded to the move by Government towards greater engagement with the private sector.** This was first made explicit in the interim country strategy (2014-2015) where intentions were made to support public-private partnerships noting in particular the Cocoa Sustainability Partnership and the Partnership for Indonesia Sustainable Agriculture. With the increased receptiveness of Government towards the private sector, IFAD also saw a window of opportunity to facilitate the direct interaction between private sector and smallholder farmers. Partnerships with the private sector have increasingly become central to project strategies. In early projects (SOLID, CCDP), these were viewed primarily as market linkages that reduce transaction costs, share risks and improve reliability in sourcing products and services. The later projects have focused on added advantages such as cost sharing (training and sharing expertise). The partnership with MARS fostered in READ and subsequently READSI (and with planned linkages to UPLANDS) has demonstrated the usefulness of leveraging private sector support, including in anticipation of absorption of cacao farmers into its value chain. YESS has already identified over 200 business-development service providers with whom to partner. Despite high-level directives to engage with the private sector, MoA and MoV both prefer to promote public institutions[41] to promote business.

89. **Successful partnerships have been forged with research agencies.** UPLANDS plans to partner with Grameen Intel Social Business to roll out digital soil testing and notes that it has leveraged US$24,000 from the private sector in seed technology development. Interviews suggested that much more could be done as there are burgeoning start-ups across Indonesia developing new products and services linked to the agricultural sector. The partnership with World Agroforestry

[40] FAO often plays the role of innovator for IFAD roll out in other countries, but there are two issues in Indonesia; (i) FAO is very small in Indonesia, and (ii) Government rules prevent UN agencies financing each other in any way.

[41] Kelompok Usaha Bersama/Joint Venture Group (KUBE), Badan Layanan Umum Daerah/Regional Public Service Agency and Badan Usaha Milik Desa/Village-owned Enterprises (BUMDes).

Centre (ICRAF) through the regional grant Smart Tree-Invest (2014-2017) was successful in implementing the first ever research project in remote Buol district in Central Sulawesi and managed to create a conducive enabling environment for participatory agroforestry schemes. Presently, IFAD is planning to link READSI with the IFAD-funded regional grant Sustainable Farming in Tropical Asia Landscapes implemented by ICRAF and co-financed by MARS.[42] ICRAF values IFAD for its flexible approach, focus on the poor and the potential scope for scaling-up their innovations.

90. **IFAD supported the Government's encouragement of the banking sector to increase lending to the agriculture sector.** Different models of formal banking (state-owned commercial banks) Bank Negara Indonesia and Bank Rakyat Indonesia (BRI) as well as Bank Pembangunan Daerah (BPD) (provincial development banks) have been experimented. The experience of these banks shows that value chain based financial linkages are a promising avenue to explore to reduce the risks and costs of agricultural lending. Nevertheless, supervision missions constantly point to the slow progress with formalising partnerships at local level with banks ultimately reducing the potential of these components of projects. Bank Mandiri has shown interest in YESS and field interviews suggest that its own orientation to providing banking to youth as well as opportunities provided by the project to promote their services has been more successful than trying to partner with banks whose own policies are not coherent with the aims of the project.

91. **Partnerships with NGOs have not been used to expand innovative practices.** Promoted as a promising opportunity in the interim country strategy (2014-15) as organisers of groups, especially women's groups the intention was to encourage local government to collaborate with NGOs by demonstrating the advantage of this approach. Additionally, Swisscontact was contracted to implement the SCPP grant and the Center for International Forestry Research to implement the HFSLP grant in the GEF funded SMPEI. Little has been achieved in partnering with NGOs to expand IFAD's source of promising and innovative agricultural practices.

Country-level policy engagement

92. **The intention to influence policy in favour of IFADs target groups has been supported primarily through investment projects.** IFAD influenced the 2014 Village Law through its CDD projects as elaborated under Partnerships (para. 85) and under Scaling Up (para. 192). IFAD projects have also supported the implementation of decentralization through the utilization of the on-granting mechanism as mentioned under Relevance (para. 47). Other ad hoc examples of policy engagement through closed projects are outlined in Box 3. **Small IFAD grant funding has also contributed to policy development.** IFAD has been able to contribute to the Peatland policy and management issues since 2009 through APFP, SMPEI and IMPLI with much greater influence than could be expected by their financial contribution.[43] This is elaborated under ENRM (para. 197).

Box 3
Examples of project policy influence

- CCDP, which prioritised policy engagement, claimed it had generated interest from local policy makers in its participatory market-driven approach and noted that subsequent national policy formulations recognised the importance of combining sustainable marine and coastal management with economic livelihood development. As the only project working in this sector at the time, this attribution is probably well-founded but lacks rigour.

[42] So they can support each other in the promotion of agroforestry, the sharing of data and policy engagement.
[43] The IFAD grant for SMPEI was $0.495 million, the GEF grant was $4.76 million out of a project total of $26.51 million and for IMPLI the GEF is $4.9 million and IFAD grant $0.75 million out of a project total of $27.26 million.

- SOLID made no claims to having influenced policy although it may have raised awareness of pro-poor programming and with the benefit of hindsight provided further evidence of the effectiveness of village facilitators, which ultimately became central to MoHA and MoV policies for village development.
- READ had a US$ 500,000 grant to build MoA capacity in policy analysis administered through its Centre for International Cooperation. Although the PCR describes dissemination events there is no evidence of the usefulness or engagement around the seven policy studies produced.

93. **Key informant interviews indicate use of policy studies in preparation of midterm national strategies**. BAPPENAS interviews indicated that IFAD's experience and expertise is valued when developing the five-year RPJMN, especially as it is the only organisation that exclusively focuses on smallholders. Direct grant support to BAPPENAS for policy development is appropriate given the pivotal role it plays in policy development, but can risk a disconnect from implementing agencies. BAPPENAS staff are frequently moved to different units and promoted to advisory roles in ministries. This makes it difficult for IFAD to cultivate long-term relationships with the working ministries and power holders that support policy dialogue.

94. **Policy engagement together with Rome-based Agencies has potential.** As noted above, this partnership is in its infancy and efforts to collaborate have been limited. Nevertheless, Government staff interviewed noted that the combined efforts in policy engagement are not only welcomed, but have the potential to be significant in promoting the Food Systems Approach and addressing, through partnership with FAO and WFP, Government's concern for its poor SDG rating for nutrition .

95. **There are insufficient dedicated funds for policy engagement and weak M&E and KM systems undermine potential for wider policy engagement.** Despite emphasis given[44], the intention is not well resourced and does not have adequate systems to support it. There is no programme-wide strategy for policy engagement and no coherence in the selection of issues for policy engagement. The weak M&E and KM systems have not generated the evidence needed for robust policy engagement. There is no systematic way of tracking achievements in policy engagement.

96. **Summary. The coherence of IFAD's country strategy and programme is rated moderately satisfactory (4), KM is rated unsatisfactory (3), Partnership is rated satisfactory (4), and policy engagement is rated moderately satisfactory (4).** The overall rating reflects the strong coherence demonstrated by older projects within the portfolio, which shared consistent approaches and operated within contexts with few other development actors. It also acknowledges the strong intention to work collaboratively, but recognises it currently lacks sufficient allocation of financial and human resources to be realized. Given that IFAD's portfolio has moved from its former niche focus to situations with multiple and diverse players (and more potential for synergy but also competition and duplication) as well as more complex project designs, the lack of resources (needed to better understand and contribute within specific operational contexts) is a risk to achieving coherence objectives going forward. The KM rating reflects under-resourcing and inadequate M&E needed for innovation and policy engagement. The partnership rating notes that efforts were made to forge new partnerships with co-financing agencies but limited in terms of partners supporting

[44] E.g. The interim country strategy (2014-15) placed considerable emphasis on building IFAD's capabilities to engage actively in policy dialogue including intentions to: (i) provide grants to support specific policy issues within the context of its projects; (ii) create a pool of resources; (iii) partner with representation institutions of smallholder farmers and fishers to identify relevant policy issues and assist them in developing effective policy advocacy strategies.

business development support to farmers. Proactive policy engagement while valued by Government is constrained by lack of resources.

C. Effectiveness

97. The CSPE assessment of effectiveness includes READ, SOLID, CCDP, and VDP and the two projects (READSI and IPDMIP) which have reached MTR. In this analysis, only those results that are most attributable to project interventions are considered. The primary focus is on the extent to which the projects achieved their intended results, outputs and short-term outcomes and their combined contribution to the COSOP. IFAD generally takes a relatively narrow view of results requiring them to be quantified summaries of outputs and focuses on directly attributable metrics such as numbers of beneficiaries trained, numbers connected to services, numbers receiving inputs, etc. However, the CSPE re-constructed ToCs to underpin this evaluation that extends the identification of non quantifiable outcomes such as increased knowledge, confidence and improved systems resulting from interventions. The CSPE notes that such immediate outcomes are achievable and within the control of the project (barring unanticipated external factors) and should be assessed in term of effectiveness.

98. **The narrow focus of collecting data against targets has led to undervaluing the effectiveness of many interventions**. The main metric used by projects to gauge effectiveness is the number of households receiving project services (Table 5). Not only is this too narrow an assessment lens but some interventions have no indicators at all. Reporting only against targets means there has been no assessment of quality or appropriateness of interventions nor unpacked effectiveness outcomes, some of which are complex e.g. empowerment. Only CCDP provided more detailed evidence of effectiveness.[45] VDP had particularly weak M&E that was not customised to the needs to demonstrate effectiveness of what was in effect a pilot (or bridging) project. Even through limited qualitative interviews the CSPE was able to establish what farmers considered effective interventions in terms of increased knowledge and confidence.

99. **Defining the components of effectiveness**. The three COSOP phases reflect evolving and different theoretical and contextual foundations. Therefore, the CSPE pulled out common intentions that all phases (and the three ToCs) have as a basis for assessing effectiveness. These are: (i) Empowerment and organisation in rural communities, (ii) Accountable and demand-driven local governance, (iii) Improved access to responsive services, (iv) Small-scale producer production, (v) Access to markets and value chain development, and (vi) Resilience to risks (ENRM and CCA and savings/insurance)

(i) Empowerment and organisation in rural communities

100. **The assumption that group formation results in empowerment and collective action to improve production, productivity and voice has not held.** This was reinforced by the MoA regulation (2013) to register all farmers eligible for inputs in groups. Groups fulfilling a function for the common good have been effectively supported.

101. **Groups were key for project interventions but not always valued by beneficiaries beyond a means to receiving inputs.** READ[46], which explicitly drew on PIDRA[47], claimed to establish approximately 1,087 commodity[48] based

[45] CCDP had defined results chain and detailed indicators beyond target participation (e.g. enterprise groups continue to operate profitably, village plans reflect people's priorities, etc.) and further developed useful 'SMART' activity indicators such as '*coastal management plans in place', 'food safety and halal certificates issued', 'partnership arrangements between producers and private sector documented'.* Furthermore, CCDP consistently used AOS unlike other projects.
[46] READ design noted the intention to support '*new forms of community organizations for the poor*'.
[47] The village development association[47] model developed in Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (PIDRA) (2001-2009) provided an important experience for subsequent projects.
[48] Rice/maize, cacao, copra with special women's groups focussing on vegetable production.

groups but without PIDRA's level of intensive facilitation support they became redundant. SOLID supported self-help groups with a target of 3,300 (revised at MTR to 2,240) and achievement of 2,192 (98 per cent) at endline. The projects have recorded numbers of groups formed rather than their utility. For example, in READSI, farmers interviewed did not value the group per se except as a means to register for official assistance. Similarly, members of READSI's women homestead gardening groups said they joined to access individual inputs (seeds, equipment) and not for benefits of working as a group (collective income generation, savings) and groups have simply ceased functioning following a single income generating activity (IGA) training. Only in CCDP where division of labour in fishery activities was already highly gendered did women see value in the focus support to women's groups involved in fish processing. Farmers did not consider groups to be fundamental for organising Farmer field school (FFS) sessions and suggested that extension and advice were better directed to farming households with common interests[49]. Sharing of productive assets (especially high-cost technology, e.g., tractors) is neither a cultural practice nor demanded by farmers. For example, READSI group members prefer that each individual member gets the same package of resources, avoiding disputes over use and maintenance. The only collective activity mentioned by farmers was cultivation of demonstration plots.

102. **Forming groups to enhance collective voice was also ineffective**. SOLID established one federation per village each representing 10 smallholder groups (SHGs) for farmers to collectively interact with buyers and serve as '*sustainable business units'*. This initiative was widely regarded as unsuccessful either because farmers engaged in the three commodities focused on post-MTR (coconut, cacao and nutmeg) continued to make their own SHG connections with buyers[50] or, particularly in light of poor experience with discredited co-operatives in the past, prefer to forge their own trusted relationships. By MTR, the SOLID federation approach was reduced to only supporting its potential to manage operation and maintenance functions for shared infrastructure. UPLANDS is asking potato and shallot groups to form associations, but until now those interviewed are not clear about the value of them.

103. **Groups formed for a purpose beyond access to project or government resources are valued.** Among these groups supported by IFAD are working groups tasked with protection or maintenance roles rather than productive roles and are valued for their common good, e.g. community based coastal management groups, the fire protection groups (GEF grants) and the Water Users Associations (WUA) (IPDMIP). IPDMIP has an objective to **revitalise and register WUAs** in addition to working with farmer groups. These water groups have existed in some form for generations and primarily focused on water distribution and dealing with maintenance, conflicts and identifying timing of planting in synch with fertilizer supplies. With IPDMIP's intervention, they are now seen as more effective units that can receive information and advice and anticipate that their more formalised relationship with district irrigation offices may enable more collaboration in the future. However, WUA members shared that there had been no opportunity to influence the decisions on what construction was needed nor the timing of this construction that in some cases interfered with production.

104. **Careful selection and capacity building of facilitators has been effective in contributing to empowerment aims and providing effective demonstration**

[49] Farming is mostly a family/household-based activity or extended family, particularly in Eastern Indonesia. Echoing others, one farmer noted '(we) *learn together and work individually'*. The farming household approach which READSI documentation increasingly acknowledges, referring to household methodologies as well as the MARS model of working with farming households. The design of TEKAD notes an intention to adopt a household approach for engagement, especially in Papua. YESS does not allude to formation of groups as a means for organisation and empowerment.

[50] Farmers organisations already existed at village and district level where there was perceived value, making formation of new organisations redundant.

of this approach to Government. IFAD has persistently promoted the need for village facilitators and use of participatory techniques to engage people. READ contracted the services of an NGO to provide village facilitators to mobilise and help form groups and provide capacity building to enable them to plan and manage resources. SOLID was regarded as a model for community empowerment as it started slowly, providing incremental support for self-help groups at a pace commensurate with the capacity of the groups[51]. Like READ both SOLID and CCDP also contracted NGOs to provide facilitation services. The demonstration of the efficacy of village facilitation has led to the Government mobilising its own funds to support village facilitators (P3MD) to support the Village Law. However, replication of the facilitation approach is not easy as noted by the VDP re-design document, supervision missions, and PPE[52]. In the absence of good facilitation VDP became, in effect, little more than a cash transfer programme.

(ii) Accountable and demand driven local governance

105. **Poor articulation and tracking of indicators for enhanced participatory village governance**. Despite the key intention of promoting CDD (including participatory village governance and enhanced downwards accountability), none of the projects tracked this well. Perception studies, if actually done, reduced assessment of effectiveness to questions related to the extent to which priorities for village investment matched personal choice.

106. **All the closed projects adopted the model of participatory village planning but with mixed results.** This model had been developed through IFAD's involvement in PNPM and PIDRA[53]. Projects[54] designed before the enactment of the Village Law worked with existing village structures, such as BPD and LPM (community empowerment body), used the village committee (UPPD) model adopted in PNPM, or created *ad hoc* groups for village planning. At MTR, READ switched direct funding from UPPDs[55] (because they failed to be inclusive) to village groups, and continued direct capacity building of BPDs and LPMs to encourage more participatory village decision-making and improve village to sub-district/district linkage. CCDP built on the PNPM participatory village planning model working first with former PNPM villages, an incremental approach that was effective. In contrast, VDP was designed to test provisions of the Village Law 2014 whereby investment funds were provided through Government's Village Funds. The PPE found that average allocations for agriculture-related activities were 8.65 per cent and fell short of the 20 per cent target. Ninety-eight per cent of Village Fund records were rated 'poor' and training by government-employed P3MD facilitators for village heads was weak (PCR). While the PCR[56] noted 31 per cent of village plans were prepared with community participation, the data is unreliable and facilitators indicated that lack of resources had prevented them from assisting the *musrenbang*s. The PPE noted the challenges of supporting local governance change in Papua and West Papua and the short project duration. However, it concluded that VDP did not achieve its governance objectives with: (i) village funds rarely used for productive economic activities, (ii) weak facilitation, and (iii) weak attempts to harmonise the project with local governance changes.

107. **Experience from sustained IFAD support to participatory village planning has demonstrated that this together with concomitant control of financial**

[51] Including developing a system for assessing and categorising group capacity.
[52] States ' *the key to successful facilitation outcomes is hiring locally, training thoroughly, and providing a robust district-level support structure for facilitators, including promotion pathways for high performing and talented facilitators*' (para 40). PPE noted '*that the understanding of what facilitation entails was found to be weak among the facilitators interviewed'* with most seeing their role as mobiliser or village contact person.
[53] Participatory village planning in Indonesia initially drew on the principles of the traditional practice of *gotong royong* or collaborative working for the good of the community.
[54] READ, SOLID and CCDP.
[55] READSI's continuing use of UPPDs is unclear given the more recent reinstatement of village level musrenbangs (annual village deliberations).
[56] Para 63, figure for 2018.

resources can work. Actualising Government's decentralisation to villages has been a long process with many iterations and confusing directives and systems that IFAD nevertheless consistently supported demonstrating that the principles enshrined in the Village Law are achievable with sufficient facilitation, time and capacity building support. This demonstration also highlights the challenges of the approach being used where high levels of subsidy have become the norm, especially in the semi-autonomous regions of Aceh and Papua, and where customary governance still operates as in Maluku, Papua.

108. **Decision making in ongoing projects has shifted upstream and away from villages.** While on-granting supports the devolution of responsibility for budgeting and spending to districts, village governments have been consulted less. Farmers and villagers interviewed (READSI and IPDMIP) perceived that projects were managed by districts rather than by villages. The selection of irrigation schemes in IPDMIP were made by central Government without involving district or village governments and are much criticized by both village government officials and farmers. UPLANDS, although not covered in this evaluation of effectiveness, was also criticized by farmers as having decided interventions 'from the top'. Districts were asked to make proposals but these had not included village decision-making bodies. The only current project to be supporting village level participatory planning, budgeting and accountability is TEKAD.

(iii) Small-scale producer production

109. **The FFS approach is effective in increasing the knowledge and capacity of farmers.** The increased productivity noted in the IPDMIP Adoption Study is largely due to the use of enhanced farming technology transferred to farmers through improved extension services using the FFS modality. The enhanced technology included use of superior seeds, the *jarwo* planting system, fertilizers, agricultural equipment and machinery as well as control of plant pests and diseases. Field extension workers supported by district agriculture extension centres delivered over 6,000 FFS and 245 equipment demonstrations benefitting 166,882 farming households when accounting for farmer-to-farmer sharing. Non-IPDMIP farmers in the adoption study stated they did not adopt certain practices due to the lack of understanding of the technologies. Whereas the constraints for IPDMIP target farmers to apply the new technologies and practices are either a lack of funds or availability of new tools and equipment. Although evidence from other projects was limited, the field interviewees generally benefited from FFS and increased their yields particularly by using improved seeds.

110. **Good adoption rates of recommended inputs contributed to increased productivity and improved NRM.** At midterm, IPDMIP is reporting over 50 per cent of beneficiaries adopting recommended fertilizer rates and improved seed. According to the midline survey data, farmers benefitting from IPDMIP trainings and soil testing kits have reduced the use of chemical fertilizers significantly. This reduction decreases production costs and increases net profit while decreasing the groundwater pollution and soil degradation. According to the adoption study, IPDMIP beneficiaries also noted a better understanding and use of improved seed varieties compared to the non-IPDMIP farmers in the same areas, which contributes to increased productivity and reduced production costs.

111. **FFS-promoted technologies adopted by farmers/fishers appear to have increased yields.** Reported increased production may not be representative due to the lack of reliable data; in particular, measurements have not been taken from the same plots on an annual basis. Nonetheless, there are examples of beneficiaries reporting doubled production due to adopting some project interventions. Interviews with beneficiaries suggest that farmers near demonstration plots replicated aspects in their own fields. READ established and strengthened on or above target 1,076 beneficiary groups on maize, cacao, copra, vegetable/homestead and non- farm activities. This training contributed to

increasing production notably of cacao and copra in excess of 167 per cent over yields from non-beneficiary farms. SOLID operationalised and trained 2,192 SHGs which was 98 per cent of target. Through training, the SHGs increased yields over the baseline by 58 per cent for rice, 71 per cent for maize and cacao, 59 per cent for vegetables, 47 per cent for peanuts, 55 per cent for copra and 68 per cent for nutmeg. Uptake levels were seen as a measure of success of the training activities conducted by CCDP, with about 50 per cent of project beneficiaries reported as having adopted new technologies and approaches relating to aquaculture, processing, marketing, organizational management and compliance with product quality and traceability standards. An increase in the order of 80 per cent was described for capture-fishing groups, 450 per cent for freshwater aquaculture groups, 71 per cent for processing groups and 42 per cent for marketing groups. Capture fishery improvements came from enhanced fishing technologies and equipment upgrades. Pond aqua-culturists attributed the large productivity increases to the improved water management practices, seed quality and culture techniques promoted, along with equipment provision.

112. **Improved infrastructure was designed to support production, however the timing of the rehabilitation did not always align with cropping seasons.** Ministry of Public Works is implementing the infrastructure for IPDMIP with little coordination with MoA and no consultation with WUAs. As a result, there are numerous examples where rehabilitation commences at rice planting time and so the primary and secondary canals are emptied and there is no water available at the critical time. Beneficiaries also requested their priority need is for tertiary canals, but IPDMIP is not rehabilitating these. If IPDMIP is extended, it is planned to allocate some of the unspent funds on rehabilitating the tertiary canals, which should address this issue.

Access to markets and value chain development

113. **All the projects faced challenges in establishing market linkages, and often were designed with over-ambitious expectations of adopting a value-chain approach**. Value chain approaches adopted to date have been largely promoting market orientation rather than being market-led. This has resulted in looking for markets for products rather than undertaking a thorough study of the market, see examples in Box 4. CSPE interviews and the online survey[57] indicated that this is the least effective aspect of the programme.

Box 4
How projects have not been market-led

- SOLID was the first project to refer to enhancing smallholder participation in value chains. The federation approach failed and the project was challenged to look for markets for individual SHGs that did not already have their own traditional buyers. This meant finding markets for value added products often through trade fairs or promotional events at provincial or national levels and did not adopt a market-led orientation. Products anecdotally having some success include virgin coconut oil, kayuput oil and coconut fibre. The MTR recommended dropping the ambitious value chain driven strategy and more modestly adopting an approach to empower SHG through savings and loans for food production with a view to selling primarily through local markets.
- VDP adopted the approach whereby existing produce was either bulked or processed for sale with facilitators taking their own initiatives to broker market links or promote products through trade shows. This *ad hoc* approach and the short project duration meant that few new sustainable market linkages were actually established**,** although there was some evidence that existing market linkages had been strengthened (e.g., for sea cucumbers). IPDMIP has facilitated ad hoc market linkages, for example, one

[57] The CSPE online survey indicated that only half of respondents felt even slightly that effective relationships had been made between private sector and small holders, with 25 per cent disagreeing with this statement.

group interviewed described how their rice has been packaged to meet demand for souvenirs (*oleh oleh*) but that these remained largely unsold.

- READSI commissioned three university-led value chain studies but these fell short of expectations as they failed to map value chain stakeholders, production flows or market channels. Quick value chain analyses were subsequently recommended to be carried out by village facilitators on the ten most common produce and were intended to identify potential partnerships with private sector, including networking with Partnership for Indonesia Sustainable Agriculture. The ongoing partnership with MARS intended to improve business training to farmers and collaboration is expected to include building e-training platforms.

114. **Despite the intention of closed projects to improve physical storage and access to markets, effectiveness was not measured**. READ provided physical access to markets through the rehabilitation of farm access roads. The Supervision report (2013) noted infrastructure improvements such as this as *'substantial'* (including 705 km rehabilitated farm access roads) and resulting in improved access to markets and reduced travel times but provided no evidence to support this (e.g., reduced travel times, reduced transportation costs, reduced in-transit damage). Following MTR, only infrastructure with a direct relationship to enhancing agricultural production and marketing was sanctioned. SOLID built access roads (69km; 21 per cent of target) and did not provide evidence to justify enhanced access to market. VDP also resulted in the building of access roads (1568 km) as well as 24 physical markets, but these will have been financed by the village governments through use of *dana desa* rather than directly by the project and their utility also was not measured. Other infrastructure aimed at assisting marketing such as storage facilities (to enable sale of produce when market prices were at their best or to assist with bulking) and agri-processing facilities were not systematically recorded.

115. **Enterprise groups were formed but evidence is lacking on how their capacity was built or how many are still operational.** Capacity building and resource provision for developing products for markets, like empowerment activities was undertaken through groups. Only CCDP recorded the number of actual enterprise groups established (1,609 functioning at project completion). This was 89 per cent, exceeding the target of 60 per cent (512). However, CSPE field interactions revealed that SOLID claimed to have established 220 enterprise groups with less than 10 per cent still operating in some form or other. The expectation in VDP that Village Funds would be used to support enterprise market linkages was not met and village governments preferred to make traditional 'handouts' (seeds, fertilizer, etc.). Only READ actually recorded providing training in marketing to staff (150 village facilitators). Beneficiary training in market related activities (agro-processing, income generation and value chain) reached 26,907 beneficiaries (80 per cent target) in SOLID, 575 beneficiaries (three times the target) in VDP and by MTR 1,107 in IPDMIP and was not recorded for READ. Evidence of enhanced participation in value chains is meagre. CCDP reported connecting 235 third-party buyers[58] (an average of 19 per district) with enterprise groups, of which 84 were validated by MoUs. The CSPE established that these agreements were skewed in favour of buyers and none are now functioning. VDP claimed seven buyer-farmer group partnerships were established but these were not further explained. The annual outcome survey (AOS) (2017) reported that 77 per cent of beneficiaries who had improved market access attributed this to the project intervention. CCDP reported to enable wider market access that 147 halal certificates and 357 food safety certificates were issued to producers. While IPDMIP focuses on reducing the costs of production and post-harvest losses for the main irrigated rice crop, it nevertheless supports a value chain approach for *palawija* (second crop) such as

[58] Third party buyers were those which maintained regular purchasing and comprised supermarkets, souvenir shops and processing companies.

maize, chillies, banana and vegetables. However, supervision reports note slow performance due to a weak understanding of value chains, delays in recruiting value chain officers and producing suitable training materials, although recent progress has been made.[59]

116. **Farmers prefer existing trusted buyer networks rather than new project-brokered market arrangements**. Interviews with farmers suggest they prefer working with their existing networks of buyers with whom they have built trusted relationships over time and often include extended family. Based on this trust, there is pricing transparency and often price guarantees within these traditional networks. Timely input loans and flexible repayment conditions are appreciated, while bank financing is still perceived as risky, complicated and less flexible. This suggests that farmers have already established their own presence in value chains that they perceive as secure and reliable. CCDP recognised that risk averse producers needed to be convinced to adopt a new approach and actively introduced beneficiaries to their commodities' greater potential through market awareness visits and identifying a few high value products to focus on. Good business training and coaching coupled with study tours and promotional events have been effective.

(iv) Improved access to responsive services

117. **Projects have supported improved access to services, but evidence of improved responsiveness to beneficiaries' priorities is limited.** Table 5 presents the data on the number of households receiving services and number of village facilitators and extension workers trained. Overall, these outreach numbers are positive in terms of revised targets. However, the IPDMIP adoption study and field level interviews provide the only evidence regarding the improved responsiveness of services. There are examples in IPDMIP where the beneficiaries requested training in priority topics for their FFS or different types of equipment. The extension workers have responded negatively that they can only have the planned FFS training or a certain piece of equipment.

Table 5
Number of Households receiving services

Project	*Number of Households*			*Outreach achieved against revised target*	*Number of village facilitators/extension workers trained*	
	Target at design	*Revised target*	*Final/latest outreach* [a]		*Target at design*	*Achievement against target*
READ	48 500	10 000	20 125	201%	150	100%
VDP (ex-PNPM)	14 000	-	10 000	71%	224	100%
SOLID	49 500	33 600	26 907	80%	-	-
CCDP	19 800	-	18 925	96%	-	-
IPDMIP	900 000	-	302 778+	34%	10 000	13%
READSI	67 400	-	81 437+	121%	-	-

[a] latest figures of ongoing projects (IPDMIP, READSI) are cumulative number of 2020.
Source: CSPE Team elaboration based on project documents and logical framework (as of November 2021).

118. **The capacity of service providers has been strengthened to respond more effectively to the needs of beneficiaries.** To date IPDMIP has mobilised 388 new field staff and provided them and another 1,572 PPL (the new staff and PPL are defined as field agricultural extension workers) with annual refresher trainings.

[59] More recently, the Market Access Resource Compendium has been developed to provide a clear common understanding of value chains with a separate Market Access Handbook intended for extension officers and designed to explain value chains in farmer-friendly language. Cascade training using a new Value Chain Mentors Handbook is designed to focus on strengthening smallholder engagement with 'modern market opportunities' in particular fostering an enhanced understanding of urban consumers. It is too early for the CSPE to comment on the effectiveness of this approach.

The trainings are intended to equip field extension workers with both technical and extension skills to deliver the planned technical support programme to farmers. In carrying out their duties, field staff have the same role as PPLs, namely as agents of change at the village level as well as facilitators in implementing all IPDMIP activities. The results of the adoption study indicate that 97.4 per cent of the farmers stated that in the last two years there have been positive changes in the performance of extension workers and field staff working in IPDMIP villages and non-IPDMIP villages. Based on the field visit and key informant interview, it is likely that the project has contributed to these results.

119. **Village Facilitators provide effective support to beneficiaries through motivation and being neutral during project implementation.** Both SOLID and READ assigned facilitators outside of the extension system to assist beneficiaries. As external third parties providing advice, beneficiaries perceived them as "neutral" by beneficiaries and motivating. During implementation, the participation of beneficiaries was high, but activities subsided when the projects closed and facilitators stopped working. IPDMIP, READSI, and TEKAD continue to engage facilitators as a means to motivate and support groups. As the facilitators are more available to the beneficiaries than field extension workers, they are asked technical questions which they are not trained to answer but they attempt to help by using the internet.

120. **The use of e-technology to support service providers has potential to provide real-time information to farmers.** IPDMIP delivered ICT equipment to 12 provincial units and 72 district units and gave staff trainings in their use. The *Kostratani* system is now up and running, including the *Agriculture War Room* setup in MoA and the 571 sub-district agricultural centres supported by IPDMIP. This allows real-time data sharing and communication within the wide network of agriculture extension centres. This potentially will be more responsive to the needs of farmers and give them real-time data on market prices. However, at the time of CSPE fieldwork neither extension workers, facilitators nor farmers could access the system.

121. **Despite support given to financial service providers this has not yet resulted in additional access to credit for beneficiaries.** Improving financial access is a stated aim in design reports of the five ongoing projects, but how to achieve this is not elaborated. Field interview informants did not indicate access to finance as a major issue. Farmers explained that the most used formal credit is the Government subsidized "Kredit Usaha Rakyat" (KUR – Credit for Peoples' Business) to micro-, SME accessed through private banks and local government-owned banks. However, farmers mostly used trusted informal financial services. In 2021, IPDMIP held a workshop with senior representatives from Bank Negara Indonesia, BRI and Bank Mandiri that focused on possible partnerships. By 2021, IPDMIP had five (63 per cent of target) financial service providers supported in delivering outreach strategies, financial products and services to rural areas. UPLANDS includes a representative of the financial services provider in the project introduction. IPDMIP beneficiaries have found that applying for loans from middle-men is easier as a result improving their yield by using good seeds. READ and SOLID established saving and credit groups that were useful during the project but eventually they all become non-operational. Based on field interviews, beneficiaries did not find that access to finance had improved due to project interventions.

(vi) Resilience to risks (rural finance, ENRM and CCA)

122. **Evidence that financial management skills training has helped farmers manage risk better is limited.** Project designs have recognised that farmers/fishers are vulnerable to risks especially related to high incidence of natural disasters and the exigencies of markets and market prices. In response they outlined means to build financial resilience by encouraging beneficiaries to accumulate savings, improve financial planning and access to timely loans (but not

to insurance products). For example, READ trained 1,076 groups in book keeping; SOLID 14,347 (85 per cent of target) women to participate in savings schemes; CCDP encouraged all enterprise groups to make savings (974 groups/60 per cent of total groups had saving at the end of the project). The more recent projects have developed financial literacy packages for farmers. For example, at the time of the CSPE, READSI has trained 4,457 (7 per cent of target) farmers, IPDMIP has developed training materials (including booklets and video tutorials), trained 30 master trainers and 250 PPLs who in turn have trained 1,080 lead farmers. IPDMIP has recently further developed an advanced module for Financial Literacy and Education. While training has been conducted, there is no data to indicate whether savings have provided a buffer in times of stress or that farmers manage their cash flows more effectively between seasons.

123. **Support to communities to conserve their environment and develop livelihood resilience showed better results when working with one Ministry.** CSPE interviews of SMPEI beneficiaries suggest that there is good awareness of the need to preserve peatland to ensure future livelihoods. Previously farmers used fires to clear areas for farming and, with others, including private companies were largely responsible for the haze. They shared that they are now enthusiastic guardians and want to prevent further encroachment by palm oil plantations. Farmers want more information on how to grow appropriate crops like pineapples. However, MoA was not included in the SMPEI design and MoEF does not have an extension team able to advise on good agricultural practice. Whereas in READSI, working with only MoA, cocoa doctors were recognised by farmers as providing useful demonstration of rehabilitation of cacao trees in phased ways which enable farmers to continue to benefit from their land while waiting for new stock to grow. Farmers have been shown how to inter-crop whilst the cacao trees are maturing. READSI also provided vegetable seeds to support improved food security recognising the risks cacao farmers take when they have to replace aging trees. CCDP worked in MMAF taking a commercial approach to conserving mangroves and the coastline by forming and strengthening 180 resource management groups and making community level ecotourism investments. Many of the conservation groups existed before CCDP, but had been further supported by the project.

Innovation

124. The 2020 Global Innovation Index places Indonesia 85th out of 131 countries, the lowest among ASEAN countries.[60] To date, the Indonesian economy has been based largely on natural resources and efficiency of the economic structure. The Government 2045 vision is based on the experience of other countries that an inclusive innovation-based economy promotes economic growth and reduces poverty. Therefore, vision 2045 is for Indonesia to become a developed country with high income by harnessing an 'innovation ecosystem'. The vison states, "the efforts to achieve this vision must be built on a foundation of knowledge and innovation." **IFAD's portfolio features several innovations in the Indonesian context, the nature of innovations tended to be dependent on the capacity of the provinces and the local context.** There were also, a number of missed opportunities to be innovative. Several successful innovations have led to scaling up into new projects, for example, from VDP to TEKAD.

125. **IFAD's projects during the review period evolved from focusing on increasing productivity to improving the entire farm systems value chain approach resulting in a range of innovations.** READ integrated community empowerment and agricultural productivity activities into one complete package of support. SOLID took this further by using a participatory approach, placing farmers and community at the centre of the project and development of a strategy of moving beyond production improvements towards a market linkage approach.

[60] https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2020/id.pdf.

UPLANDS and IPDMIP field informants noted the shift from production to a full value chain approach was unique to the region. This ranged from local seedling development, best farming practices, post-harvest support and agri-business market linkages. YESS respondents also noted a 'complete package' approach, identifying and training the youth, providing them with capital and access to markets, using relevant market research as unique to the region.

126. **Farmers adopted innovative techniques and skills from FFSs.** READ maintained a tight focus on a few key food and income crops addressing them with a comprehensive, well-resourced package of support covering improved genetics, farm mechanization, affordable and accessible working capital, and quality technical support. FFSs and demonstration plots run by agriculture extension workers became an everyday reality in SOLID villages. SOLID introduced new farm technologies through demonstration plots such as agricultural machinery and equipment for cultivation of food crops, horticulture and estate crops. FFS have continued to be used by the on-going projects to successfully increase production.

127. **Training farmers to monitor the peatlands has resulted in reduction of incidents of haze.** GEF5/SMPEI have introduced an innovative approach for the triangulation of real-time early warning, remote sensing data, and field level ground-truthing with trained farmers that serves as real-time monitoring. This has the potential to be an agile system. The approach is innovative because it engages farmers in fire monitoring and warning systems, as yet uncommon in Indonesia, However, it is yet to be fully realized, as the data collection process on the ground is still ambiguous. Yet, field observations have shown that training farmers to monitor peatlands using information from triangulated sources have yielded results, particularly in reduction of incidents of haze.

128. **Despite an early innovation of a strong private-public partnership initiated in READ, there is little evidence on sustained market linkages to farmers.** The partnership READ facilitated with MARS Chocolate provided a model of farmer technical services that complemented the existing government extension system, with the potential of making the service delivery model more sustainable. Field interviews indicate that IFAD acted as a connector between MARS and the government; prior to that, there was prejudice against partnering with the private sector. IFAD successfully brought together the private sector and government in a trust-based relationship. This partnership has been strengthened and widened in READSI. VDP forged direct, informal marketing linkages with supermarkets which was a first in Papua. SOLID introduced community, agriculture production and market linkage activities despite being set in a fractured village environment in Maluku. CCDP initiated corporate social responsibility programmes linking community groups with large private sector companies. The current projects have stated objectives of developing market linkages in value chains, but to-date there has been little evidence of success. UPLANDS is designed to focus on public-private partnerships along the value chain through the Badan Layanan Umum Daerah, the regional public service agency, but to date it has not reported on practical progress.

129. **Successful introduction of beneficiaries contributing to the purchase of equipment that meet their priority needs.** READSI has introduced successfully the innovation of a 30 per cent contribution scheme to its target farmers for procuring agricultural equipment. Traditionally, farmers did not pay for any kind of assistance coming from the government or development projects. Records show that farmers do provide 30 per cent financial contribution of the total price of equipment they requested. UPLANDS also included a provision for farmers to provide 20 per cent financial contribution. Field interviews have shown that farmers show interest in contributing if they receive the goods on time and if the goods are in line with their priority needs as seen in the Effectiveness section.

130. **Outsourcing of services at village level, which is not common in Indonesia, has been a successful innovation.** READ out-sourced key services and supply

contracts including the contracting of NGO Equator for village facilitation services and Assessment Institute for Agricultural Technology in supplying improved rice/maize seed to the farmers group. READSI has continued with the out-sourcing of key services for village facilitation and input supply. UPLANDS is adopting the use of facilitators but has contracted them as individuals.

131. **Only one project developed innovative project management techniques to achieve positive results.** CCDP initiated a performance incentive system, rewarding high-achieving district PMUs based on progress made on key performance indicators with additional fund allocations. This resulted in all PMUs attaining satisfactory or excelling levels of performance by the last year of project implementation. CCDP developed a comprehensive MIS that provided accessible, real-time management information related to project implementation, with inputs to the system contributed by project staff, government officers and consultants hired on the project and thousands of internal and external stakeholders reported to have accessed this information.

132. **Summary.** The **Effectiveness of IFAD's country strategy and programme is rated as moderately satisfactory (4).** Despite the paucity of data, the projects provided the services they planned. Interviews with beneficiaries indicated that people could recall the projects, describe the services provided and identified some benefits of participation. FFS and provision of facilitators provided valued opportunities to increase beneficiaries' active participation and capacity building. However, IFAD has been slow to recognise that group formation as a means to empowerment has become increasingly questionable and irrelevant and has been slow to introduce new and more appropriate ways of engaging beneficiaries such as through farming households. Less progress has been made in enabling effective market linkages for farmers and fishers as well as connecting them to useful financial services. Progress has been made with participatory village governance especially given that such systemic change requires substantial time and commitment. However, building on these gains risks dilution within newer projects as key project decision-making has been largely removed from village governments remit. **Innovation is also rated moderately satisfactory (4)** since many of the projects made a conscious effort in their design and implementation to promote innovations aligned with stakeholders' needs or challenges that they faced. KM and documentation of innovations to ensure scaling up is limited from what is observed in the field.

D. Efficiency

Project timeliness, disbursement and implementation pace

133. **Overall, project start-up times are relatively short compared to the Asia and the Pacific Division (APR) regional averages and target, despite long effectiveness lags in READ and IPDMIP.** The average time in the CSPE portfolio from approval to first disbursement has been shorter than the APR average of 16.8 months over the same period (2004 to 2021) as indicated in Table 6. Moreover, the average lag from approval to first disbursement in the ongoing projects (8.4 months) is notably shorter than the current APR average (12.5 months) and the APR target of 12 months. The average effectiveness lag of the CSPE portfolio of 9.7 months is longer than the APR average (6.9 months) due to long lags in READ and IPDMIP. The initial design of READ was less detailed due to the tight deadlines imposed by IFAD. After Board approval, it took 48 months to enter into force because the Government changed its policy for on-lending to local governments. READ was subsequently redesigned to comply with this change and to provide more detail. IPDMIP took 14 months to enter into force due to ADB financing taking

longer to finalise and complications of working with several implementing ministries.

Table 6
Time in months between IFAD Executive Board approval and first disbursement

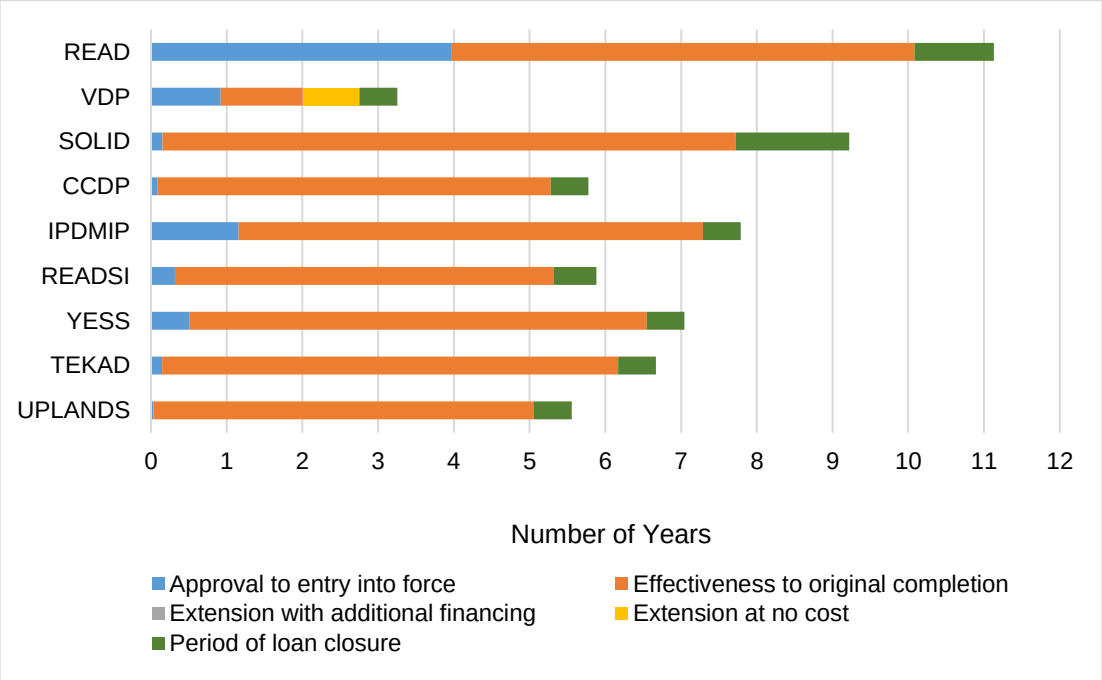
	Approval to effectiveness	*Effectiveness to 1st disbursement*	*Approval to 1st disbursement*
Indonesia portfolio average	**9.7**	**4.7**	**14.3**
APR regional average*	**6.9**	**9.9**	**16.8**

* Average for projects approved between 2004 and 2021.
Source: Analysis of data from Oracle Business Intelligence. Detailed table in Annex VIII

134. **The CSPE portfolio mainly consists of projects with medium duration of five to six years within which the closed projects were completed, although both READ and SOLID took over a year to close.** The closed projects READ, SOLID and CCDP were implemented within the expected timescales, from 5.2 years (CCDP) to 7.6 years (SOLID), without requiring extensions as indicated in Figure 2. However, both READ and SOLID took over one year to close due to initially slow disbursement rates and allow for full loan disbursement. VDP is the exception among the projects lasting just under two years due to its pilot nature, use of the remaining funds left over from PNPM-Agriculture and both Government and IFAD regulations.[61] To date, it is also the only project with an extension to the completion date. IFAD approved the no cost extension because of the short duration of implementation and the 11-month delay at the beginning.

135. **In contrast, it is doubtful that all the ongoing projects will complete within the expected timescales.** IPDMIP, READSI, YESS, UPLANDS and TEKAD were designed to last from five to six years, but significant implementation delays caused by various factors in addition to the COVID-19 pandemic make it less likely that this will be achieved (see paras. 139 to 145).

Figure 2
Project timelines in years (approval to closing)



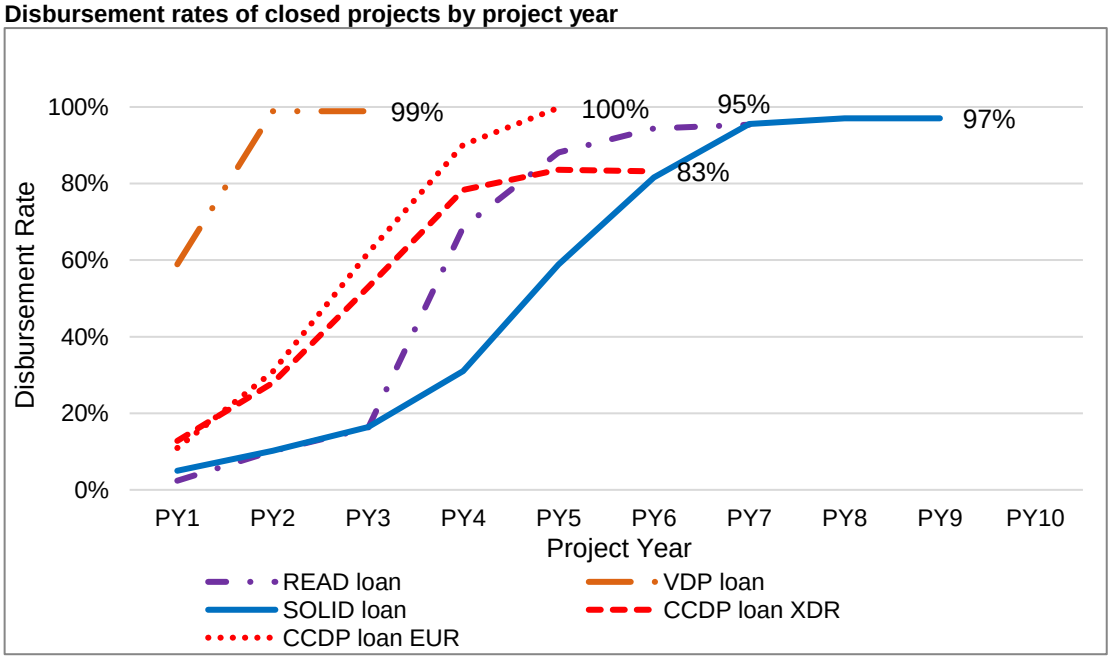
Source: Operational Results Management System (ORMS) & Oracle Business Intelligence

136. **Disbursement rates were low for seven out of the nine projects during the early years**. Figures 3 and 4 show that all the projects except CCDP and VDP had

[61] Government regulation means project implementation cannot extend past the beginning of loan repayment; IFAD rule means that project extensions are only allowed for up to two years.

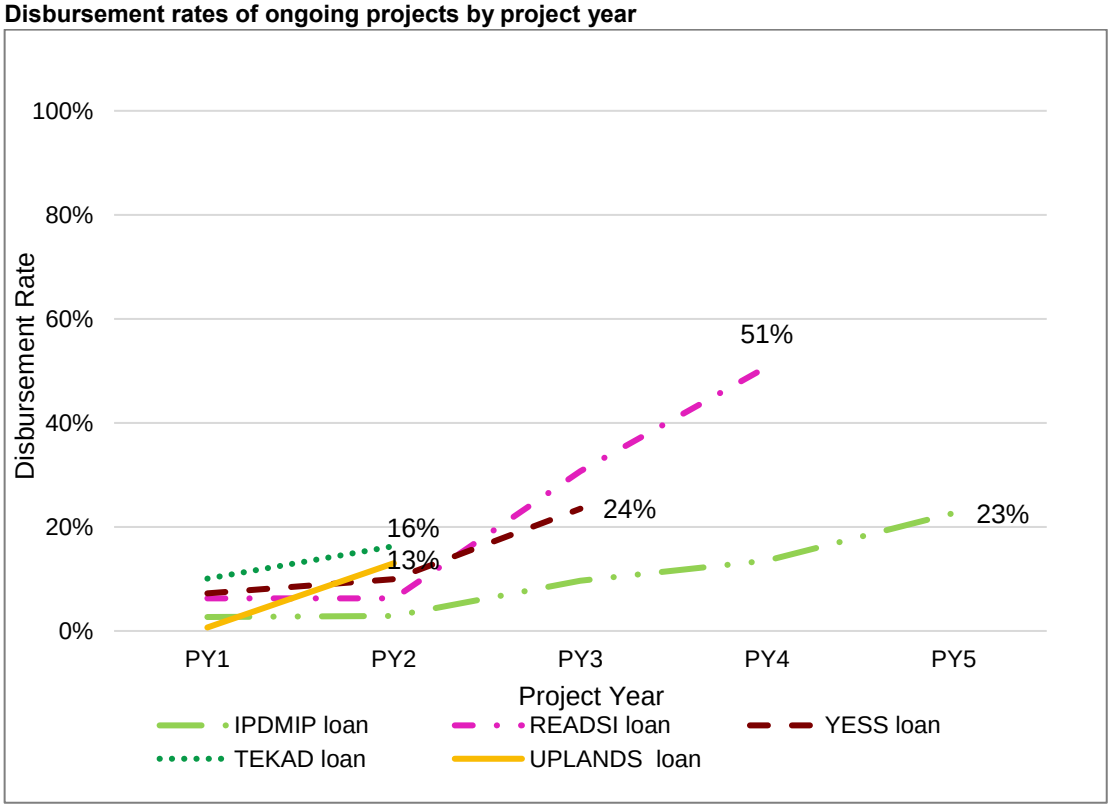
low disbursement rates in year 1 and year 2, averaging 4.9 per cent and 9.8 per cent, respectively. This was due to: (i) in country processes that had to be completed prior to accessing IFAD funds; (ii) slow allocation of full-time staff to all of the positions in the PIU at all administrative levels; and (iii) slow procurement of consultants and inputs. In addition, IPDMIP, READSI and UPLANDS used the new on-granting mechanism, which took time to implement, see Box 5. Although the mechanism is now working better, there have still been instances of some districts not being reimbursed the agreed funds or very late reimbursements that paused or stopped project activities. Due to an additional step in the on-granting mechanism within the MoPWH that implements IPDMIP, there continue to be delays of up to six months compared to UPLANDS where the reimbursement period is down to three weeks. At the end of year 2, the disbursement rates were only 13 per cent in UPLANDS and 16 per cent in TEKAD and 10 per cent in YESS due to the reasons mentioned above plus the challenges stemming from COVID 19.

Figure 3
Disbursement rates of closed projects by project year



Source: Oracle Business Intelligence (as of 01 December 2021)

Figure 4
Disbursement rates of ongoing projects by project year



Source: Oracle Business Intelligence (as of 31 December 2021)

Box 5
On-granting mechanism to transfer funds from national to sub-national level.

DAK (*Dana Alokasi Khusus*) is a fiscal transfer scheme to move government funds from the State National Budget to sub-national level that operates well. In 2018, Government of Indonesia introduced a similar fiscal transfer scheme known as *Penerus Hibahan/*On-granting mechanism, as a key part of the decentralisation policy for loan projects and applied it immediately to IPDMIP, READSI and UPLANDS. This mechanism entails local government committing to pre-finance activities, which will later be reimbursed by MoF given sufficient proof and verification of activities have been provided. The verification process involves multi-layered steps from district, to provincial level, with proof and verification details later forwarded to the PMU/MoA at the national level. During the initial implementation of the on-granting mechanism, the three projects were struggling due to inadequate resources and capacity at subnational level. This was eventually addressed by additional training and hiring dedicated on-granting specialists in provincial and district governments. The MoF also has strengthened their capacity for faster reimbursements.

137. **The MTR process was pivotal in improving disbursement rates in READ and SOLID.** As explained in the Relevance section, the MTRs of READ and SOLID simplified and narrowed the focus of the earlier project designs, making project implementation more manageable. As a result, project disbursement rates increased and the loans fully disbursed by the completion dates. In notable contrast, the faster disbursement rates throughout the lifetime of CCDP were the result of good project management, see Box 6 below.

Box 6
Case Study of efficient project management delivering effective outcomes

Enthusiastic MMAF staff managed set-up activities for CCDP taking under five months from approval to first disbursement. MMAF engaged a full-time Programme Coordinator for the duration of CCDP who established high standards of project management involving staff performance assessments; a transparent simple M&E system using mobile apps and ongoing results communication on the CCDP website; incentivizing 12 District PMUs through allocation of additional funds on the basis of performance; close monitoring of output delivery schedules; and attracted and retained a high calibre of consultants based on paying realistic rates. The PMU established ownership and awareness of targets and timeframes with all partners and beneficiaries. It took a phased approach to implementation from starting with a few to eventually a larger number of project villages. It also used direct fund allocation to communities and local level procurement.

138. **Overall, the final disbursement rate for all the closed projects was 96 per cent, thus realising a satisfactory rate of absorption of loan funds.** Although the final disbursement rate of the IFAD loan in CCDP was low at 83 per cent, the evaluation acknowledges that the project largely achieved the expected outcomes and impact. In addition, CCDP fully disbursed 100 per cent of the other loan through IFAD from the Spanish Food Security Co-financing Facility Trust Fund.

139. **The COVID-19 pandemic is constraining the timely implementation of all five ongoing projects.** With project support to use the on-granting mechanism, the disbursement rates in IPDMIP and READSI improved in year 3 only to stall again due to the challenges of operating in a COVID-19 environment. Annual disbursement figures for IPDMIP clearly show a slowing down in 2020 and 2021 particularly by District Project Implementation Units due to COVID-19. The Government has introduced a number of measures to address the COVID-19 pandemic that affected all ongoing projects. These include: (i) funds being diverted away from project activities and in particular from the on-granting mechanism to fighting the pandemic; (ii) travel restrictions that constrain movement to and within the project areas and necessitates use of personnel from each locality; (iii) ongoing social distancing that reduces the number of personnel allowed at training sessions and meetings than originally planned; and (iv) office lockdowns.

140. **IPDMIP continues to suffer from low disbursement rates and is classified as a potential problem project.** Other factors slowing down implementation include a lack of commitment and collaboration between implementing ministries and different degrees of commitment to allocate regional budgets.

141. **Delays in procurement in ongoing and closed projects have also contributed to lower rates of disbursement.** Delays stem from slow initiation of the procurement process, low capacity of the procurement staff and lack of procurement monitoring and support at all levels. The slow contracting of NGOs to take responsibility as village facilitators negatively influenced implementation of READ and READSI. Implementation of IPDMIP was delayed as the procurement process to get the regional management consultants took 24 months to launch and more than 18 months to complete.

142. **Use of part time staff, frequent changes in project personnel and poor ownership by Ministries have also delayed start-up and implementation.** Project management issues are a recurring theme across the portfolio, particularly early on in both IPDMIP and SMPEI. In general, lack of ownership by some Ministries has resulted in weak and understaffed PMUs. Frequently the senior staff particularly during start up are part time and have departmental duties that constrain their inputs to the project. The Government also has a policy of changing staff regularly, which adversely affects continuity and institutional memory within the projects. To address constraints with availability of staff, the Government contracts consultants to undertake project management activities, but their procurement can be delayed as was the case in IPDMIP and SMPEI.

Project management costs

143. **Project management cost ratios of closed projects are relatively high compared to the amount of 15 per cent suggested by FMD and the APR average at approval of 9 per cent, but they are mainly in line with their own design estimates that reflect the costly nature of managing projects in Indonesia.** Project management cost ratios at completion ranged from 17 per cent in CCDP to 22.5 per cent in VDP, see Table 8. As mentioned above, the project management of CCDP was considered exemplary by partners and key informants interviewed. The cost ratio of 17 per cent is therefore reasonable given the performance of the project as well as the scattered geographic coverage and the decentralised set-up of PMUs at central, provincial and district level. The latter two points are also relevant for the other projects in the country. In IPDMIP, the CSPE national team have been unable to visit all the 74 districts due to internal management regulations. Nevertheless, as explained above, there were and continue to be inefficiencies in project management that add unnecessary costs. The CSPE revealed sometimes excessive travel plans for questionable events and field trips. The PPE of VDP also points out that administration costs might be higher than the 22.5 per cent that VDP incurred with incremental administration costs being absorbed by other funds available to village governments.

144. **Inappropriate selection of service providers to undertake activities reduces effectiveness.** MoA have commissioned universities and other academic institutions to undertake value chain studies but they frequently lack practical experience to know how to link to the market. As a result, there is little evidence of how these reports are used practically by the projects that commission them. These studies do not appear to give value for money in their content and use.

Economic efficiency

145. **Cost–benefit analyses of closed projects show positive economic returns close to design estimates when available, but there are some inconsistencies in the data.** SOLID is the exception to the rule, with a markedly higher economic rate of return (ERR) at completion of 41 per cent, but this high

value is questionable given the reliability of the impact results (mentioned below). The ERRs at completion were mainly achieved by: READ increasing the yields of cacao and rice; SOLID increasing cropping areas and productivity; and CCDP increasing the productivity of fishing, aquaculture, processing and marketing groups. VDP had the lowest ERR ranging from 12 to 19 per cent. However, the calculation was made on the assumption that all the project groups received the "requisite support", while the PPE found that most of the groups received one-off trainings or inputs. The ERR data for VDP is questionable and it is not clear how attributable project interventions were particularly for longer growing crops like cacao in less than two years of implementation. Although READ did not calculate the ERR at design it did not have a major implication because of the change of focus at MTR from rural infrastructure to promoting commercial agriculture. This change was justified as cacao and rice gave an ERR of 41 and 35 per cent respectively. The assumptions made by CCDP and models developed are based on the data from interviews with beneficiaries during completion mission, the M&E system, RIMS, AOS, national census and international sources on Indonesia. READ and SOLID used reasonable assumptions but had less reliable data available.

146. **The ERRs for IPDMIP and READSI at design are achievable based on reasonable assumptions.** Assumptions made by IPDMIP are reasonable except that all water users in a scheme will have equal access to water and therefore increase production the same. In addition, if the project was delayed by two years or more this would affect results adversely. Field interviews confirmed that the irrigation has not yet resulted in equal access to water and is unlikely to unless IPDMIP intervene on tertiary canals and speed up implementation. The farm models were based on rice and usually with irrigation schemes consideration is also given to high value crops. The IPDMIP MTR showed increased yields of rice due to new production inputs and techniques without improved irrigation suggesting that the design ERR may be achieved. The READSI ERRs are achievable as inputs and outputs in the models are based on actual figures achieved by READ and lower than the final ERR reported.

147. **The three newest projects at design have more ambitious ERRs and the assumptions are questionable as to whether these can be achieved on a large scale.** The assumptions are based on a limited number of farm/produce models which if technologies, improved disease control and post-harvest storage introduced by the projects are adopted by the beneficiaries then the ERRs would be achieved. TEKAD ERR is theoretical as villages are not selected at design and there are assumptions regarding the number of households per village and that a certain number will take up the options calculated. Beneficiaries of TEKAD and UPLANDS will find access to markets from remote locations challenging particularly for more perishable crops which has not been taken into account. YESS developed 17 economic models that depend on the beneficiaries accessing finance and new financial tools. These issues highlight that if the design ERRs are to be achieved then the three projects need to facilitate sustainable market linkages and access to finance which to date have been the least successful aspect of projects implemented in Indonesia.

Table 7
ERR at design and completion

Project	*ERR at design (%)*	*ERR at completion (%)*
READ	N/A	27
VDP (ex-PNPM)	17-18	12-19
SOLID	15	41
CCDP	20.3	18.4
IPDMIP	17	N/A

READSI	19	N/A
YESS	32.7	N/A
TEKAD	29	N/A
UPLANDS	26.4	N/A

Source: Project design and completion reports
N/A: Not available yet because projects are ongoing and have not reached completion/closing

Cost per beneficiary

148. **Project costs per beneficiary are relatively high both at design and at completion relative to the APR average, once again reflecting the high costs involved with decentralised arrangements, dispersed project areas and logistical constraints.** As a rough indication only, the average cost per beneficiary in the CSPE portfolio was US$397 at design and US$408 at completion versus the APR average over the same period of US$250, see Table 8. A case in point is CCDP. It had the highest cost per beneficiary at design (US$545) and completion (US$593) and yet implementation has been found by the evaluation to be efficient with noteworthy outcomes and impact (see Effectiveness and Impact). Another important factor to bear in mind regarding CCDP was that expected and actual outreach were modest compared to the rest of the portfolio, at only 20,000 beneficiary households.

Table 8
Project management costs and projects costs per beneficiary[62]

Project	*Project management cost ratio (% of project total)*		*Project cost per beneficiary (US$ per beneficiary)* [a]		
	Design	Completion	Design	Interim	Completion
READ	22%	19.3%	130	n/a	293
VDP	15.6%	22.5%	341 [b]	n/a	297
SOLID	24.5%	5.16% [c]	274 [d]	n/a	450
CCDP	17.9%	17.3%	545 [e]	n/a	593
IPDMIP	21.1%	-	213	13 [f]	-
READSI	25.1%	-	164	19 [g]	-
YESS	12.8%	-	228	3 231	-

[62] Notes on Table 8:
[a] Beneficiaries in this table refers to all household members, except for YESS which refers to number of youth.
[b] Numbers of beneficiaries in VDP design/completion are calculated by multiplying direct outreach to households by 4.4 members per household (assumption according to the project design report). According to Indonesia Statistics Agency, average number of household members in Papua and West Papua is 4.4 (source: https://www.bps.go.id/indicator/12/148/1/rata-rata-banyaknya-anggota-rumah-tangga.html).
[c] Unreliable due to scant and contradictory information on actual component costs at project completion
[d] Numbers of beneficiaries in SOLID design are calculated by multiplying direct outreach to households by 4.8 members per household (assumption used in the project completion report).
[e] Numbers of beneficiaries in CCDP design are calculated by multiplying direct outreach to households by 4 members per household (assumption according to the project completion report).
[f] IPDMIP interim figure refers only to IFAD Loan. Data on expenditure on Irrigation component (financed by ADB) has yet to be made available. Numbers of beneficiaries in IPDMIP interim are calculated by multiplying direct outreach to households by 4.4 members per household (assumption used in the project design report).
[g] Numbers of beneficiaries in READSI interim are calculated by multiplying direct outreach to households by 5 members per household (assumption according to the project design report).
[h] Numbers of beneficiaries in UPLANDS design/are calculated by multiplying design direct outreach to households by 3.9 members per household. According to Indonesia Statistics Agency, average number of household members in Indonesia is 3.9 (source: https://www.bps.go.id/indicator/12/148/1/rata-rata-banyaknya-anggota-rumah-tangga.html).
[i] Average excluding SOLID due to unreliable data.
[j] Oracle Business Intelligence, thematic dashboard on Project Management, retrieved July 2021.
[k] Cost per beneficiary of projects in APR which were completed from 2014-2019 and evaluated by IOE.

TEKAD	2.05%	-	378	-	-
UPLANDS	16.1%	-	1 296 [h]	-	-
Indonesia average	17.5%	19.7% [i]	397	1 088	408
APR average	9%[j]	-	-	-	250 [k]

Sources: Project design and completion reports, PCRVs/PPE, MTR Aide Memoire 2021 for IPDMIP, and latest supervision mission reports for other ongoing projects READSI, YESS, TEKAD, UPLANDS, Oracle Business Intelligence and ARRI Database for APR Average of cost per beneficiary.

149. **Summary. The efficiency of IFAD's country strategy and programme is moderately unsatisfactory (3).** The rating recognises that the efficiency of the CSPE portfolio was enhanced by relatively short project start-up times except for READ, projects completing without extensions except for VDP and almost full absorption of loan funds by the closed projects. Project management costs and costs per beneficiary have been relatively high yet in line with design estimates that take into account the costs of managing and implementing interventions in the Indonesian context. However, there are continuing issues with project management, particularly procurement, that lead to significant delays, adversely affecting effectiveness and impact. This results in slow disbursement rates, which have been exacerbated by COVID-19 constraints, and the way the on-granting mechanism was introduced in full force without the requisite local capacities in place. It is therefore unlikely that any of the five ongoing projects will be completed within the planned timeframe.

E. Rural poverty impact

150. This section examines the extent to which an intervention/country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. It includes: changes in incomes and assets; changes in social/human capital; changes in household food security and nutrition and changes in institution and policies. It is supposed to assess the extent to which changes have been transformational. Although transformational change is primarily intended for beneficiaries, the strong emphasis on innovation and developing new models to achieve this transformational change within the IFAD programme based on Government demands suggests that impact should be defined more widely and should prioritise institutional and policy change.

151. This section draws on the three impact studies implemented for three of the four closed projects and commented on in PCRs/PCRVs as well as limited triangulation from CSPE field visits. VDP had no impact study. The evidence of impact is not only extremely limited but the validity of findings are questionable given weak design, execution and quality assurance of impact studies. PCRVs have also resulted in downgrading ratings based on poor evidence provision. There was a lack of technical guidance included in the Term of References (apart from sample size required), different companies were used to conduct the baseline and end lines and most contracted companies were engineering and construction specialists.

152. There are fundamental issues with the impact data generated by projects that are detailed in Annex VII. In brief these include: (i) lack of any impact data for VDP, (ii) inadequate care in sampling and matching comparators; (iii) inadequate consideration of seasonality in data comparisons;(iv) inadequate statistical analysis and computation techniques; (v) lack of good quality qualitative data for interpretative purposes and no analysis of other contributing factors. Therefore, the CSPE does not wish to endorse the claims of impact made by such studies and its conclusions are primarily indicative based on triangulation with limited interviews conducted.

Household Income and assets

153. **Across the three closed projects where impact studies were conducted household incomes increased over the project life.** The monthly household income among READ households compared to non-READ households was reported to have has increased by 76 per cent, CCDP by 68 per cent and SOLID by 81 per cent (compared to baseline) and seven per cent (compared to non-SOLID). However, the correlation between project inputs and household income is not explicit. It is well documented that farming over the evaluation period was dominated by farmers over 45 years old and studies indicate that such families with working age children often have multiple sources of income, including remittances. In order to understand the contribution, the projects made to household income, only that income generated through agriculture/fisheries and sale of agricultural products is relevant and should have been collected. Indications are that yields have increased as a result of better seeds, farming practices and irrigation. Fish catches increased due to improved practices and better equipment. Without clarity on the sale prices and costs of production, assumptions cannot be made as to the contribution the increases made to household income. Furthermore, as noted in effectiveness, official yield data is reported from demonstration plots and cannot be extrapolated to ordinary beneficiaries.

154. **Field interviews did find evidence of beneficiaries' self-reporting increased incomes.** Several farmers shared that better production techniques and improved market access had directly impacted their income. Given this information was provided with minimal sponsor-bias; given the time lapse since the end of the project; and the lack of expectation of continuing benefits, these anecdotes carry some weight. Field interviews for SOLID indicated that some groups had increased incomes from value-added interventions. For example, in West Seram farmers talked about the importance of re-packaging kayuput oil for end consumers rather than selling in bulk as they had done previously; increased incomes from the production of peanut butter, virgin coconut oil and maize for animal feed but no actual monetary figures were put to these improvements. Former READ beneficiaries indicated that the most significant change was the new access roads (approximately 2.2 km in total over three roads) which continues to enable all-season access for large trucks and motorbikes and helped farmers to carry more cacao to the drying facilities in less time than before when they had to use animal transport. There is no metric included in the impact studies that relate to time savings which often have opportunity cost implications.

155. **The CCDP real-time productivity record books managed by fishing and processing groups provided evidence of increasing trends in catch sizes, processing activities and associated profits.** Primarily of use for the groups themselves, the metrics recorded are considered highly valid because there was no associated benefit to misreporting. This data has no before project or 'control' comparisons but the overall trends indicated incremental income improvements. This data set is a model for how impact data could be collected in other projects and is intrinsically useful for beneficiaries themselves but better means to collate and analyse this real-time data would have elevated its usefulness as an impact assessment tool.

156. **All three projects where impact studies were carried out claimed increased access to assets without attribution**. For example, access to electricity is a pre-requisite for accumulation of electrical goods but the READ impact study shows that non-READ households had less electrical goods and failed to note that electrification was less in these villages. Taking all those villages yet to access electricity out of the sample would have shown that there was no difference in electrical goods ownership. Similarly, mobile phone ownership in a country that has the highest mobile phone penetration figures in the world and with access to extremely cheap phones is circumscribed only by absence of mobile network

connectivity. It would have been informative if the studies had identified assets that were provided by the project (e.g., agricultural equipment, processing equipment, etc.). Ownership of pest sprayers, hoes, sickles, water pumps, tillers among READ and SOLID beneficiaries may reflect handouts and use of rotating funds rather than transformational change accruing from better livelihoods. Similarly, there is an increase in fridge ownership by CCDP beneficiaries when baseline and end line are compared. It is not clear if they were provided with fridges or if incomes increased to buy them. A further factor overlooked is households' increasing access to opportunities to purchase goods on credit. Without any understanding of the remoteness of the control villages it is hard to confirm whether increases in these assets are due to project or whether intervention villages were more accessible by sales representatives and more likely to use the goods bought on credit.

Human and social capital[63]

157. **Data for assessing impact on human capital is very weak and challenges making conclusions about impact.** Empowerment has been claimed but the only evidence provided derives from assumptions from effectiveness measures of inputs like provision of training/extension, and self-reported perception studies. Thus, ratings have been recorded as satisfactory but have been based on the assumption that access to information and advice is *de facto* '*building capacities of poor women and men'.*

158. **Farmers felt that FFS had more impact on knowledge acquisition than previous extension approaches.** Field interviews suggest that FFS had an impact on willingness to accept new knowledge, adopt technologies and improved production practices more than previous means to impart knowledge. Many farmers interviewed in the course of this CSPE cited acquisition of new knowledge which was valued and also liked that they themselves tested out the ideas on jointly managed demonstration plots so that '*we can prove for ourselves it works'.* There was no systematic study done to confirm this correlation.

159. **Claims of enhanced access to children's education are weak.** The READ impact study noted that READ households borrowed less for education costs. Considering READ households had access to rotating savings and credit associations with clear project-provided restrictions on use, this data cannot be trusted. Any borrowing from the project Rotating savings and credit association for education purposes will inevitably be under-reported. Furthermore, there is no data to indicate if the supply-side school provision changed during this period. If comparators were poorly matched, it is possible that non-READ communities had higher transport costs for school. READ operated during a period when school-based stipends were provided and considering the way these were managed before the issue of social assistance cards, students from the direct catchment area would have more likely benefited. SOLID measured its impact on improved access to education by comparing education expenditure between SOLID and non-SOLID households. The sample number is small (155 SOLID respondents and 54 non-SOLID respondents) and the education expense difference was only IDR 29,000 higher for SOLID yet it was reported as '*very good achievement'*. CCDP did not assess its impact on education.

160. **There is no compelling evidence that either bonding or bridging social capital was built by projects**. Social bonds within communities are already strong and where people perceive comparative advantage, they work as groups. Interviews with past CCDP staff indicate that the only enterprise and fishing groups continuing beyond the project were those that were formed before and were

[63] The impact on human capital should assess the attitude, knowledge and behaviour changes directly attributable to the project and improved access to social benefits, such as health and education accruing from participation in the project but no data of this kind was available.

therefore based on people's own motivation and interest to work collaboratively. Those NRM groups that actually continued beyond the CCDP project also were formed earlier by the MMAF as 'neighbourhood watch' groups tasked with monitoring illegal practice such as use of explosives and illegal nets. These groups assumed status in the community and were already undertaking a valued role. The VDP PPE pointed out that sometimes people had no knowledge they were actually assigned to a group. However, the VDP PPE also established that some groups (e.g., sea cucumber cultivation groups) had benefitted from VDP promotional efforts and had enjoyed national recognition and been visited by academics thereby building bridging social capital. Similar stories were shared from other projects but there is no systematic data collected or tracer studies to document these impacts.

161. **There is little evidence that increased social capital enabled increased voice.** Perception study data suggested that beneficiaries got '*what they wanted',* but there is no evidence that this was due to being better able to voice these demands. There is a strong social norm to be grateful for anything given even if it does not meet priorities. Furthermore, in more recent projects (e.g., UPLANDS), where farmers have tried to voice their needs through extension officers, they have been blocked at district level as '*not being available*'.

Household food security and nutrition

162. **Claims of impact on malnutrition are weak** and are not put in context of wider Government priorities and trends. Food insecurity has been better managed over the period under review including the gradual national roll out of targeted social assistance through provision of subsidised rice *Beras Miskin* (RASKIN) and later *Beras untuk Keluarga Sejahtera* (RASTRA) making traditional measures of 'hungry months' invalid in most parts of Indonesia. Validity of the data is seasonally influenced, and since SOLID and CCDP primarily compared baseline and end line data, any comments on the project's contribution to food security are invalid. More recently, the Government and others have commissioned studies to examine the validity of local nutrition statistics and have found serious errors in measurement and recording of data. Both READ and SOLID relied on such secondary data[64] with the latter claiming a reduction in stunting from 61 to six per cent between 2012 and 2018 as the result of the project. Only CCDP Impact study carried out primary data collection through a limited sample of height/weight measurements and concluded without any evidence that the project had contributed to increased fish consumption and purchase of more nutritious food. Given the tenuous link between increased income and diet diversity in the Indonesian context, unless diet diversity is measured no conclusions can be made.

163. **Mistaken assumptions have been made around the logic of delivery of inputs leading to food security and nutrition.** Statements of intent are reiterated in PCRs as having taken place but without sufficient evidence to back these claims. SOLID noted that 90 per cent of participants of SHGs reported productivity increases but provided no evidence of the extent of these nor what survey respondents felt they were actually answering in this question. It recorded yield four times those recorded by non-SOLID households in crops such as peanuts, maize and vegetables but the productivity measurement itself is questionable, as it reported yield increase per household instead of per land size. SOLID PCR also made statements such as *'despite having to buy, SOLID beneficiary members have a high purchasing power to buy fish as a result of increased income'* without furnishing any evidence. Recording of enhanced rice consumption as an indicator of improved nutrition was inherently flawed in Eastern

[64] READ failed to notice that underweight figures showed vastly different spread across the three levels of malnutrition compared with national data. The SOLID impact assessment claimed a reduction in stunting but failed to recognise the paucity of the secondary data, the contribution of other nutrition programmes and the project was operating in a post-conflict area.

Indonesia where staples such as sago, cassava, sweet potato and taro are traditional and, in some cases, more nutritious than rice.

Institutions and policies

164. **There is very little documented on changes within institutions or policy dialogue and influence**. Given that the modernization and upgrading of institutions and the development of contemporary policy based on field and global experience is the most important value that Government gives to IFAD's loans, this is a serious weakness. Key elements of institutional change have no metrics by which to establish achievement included in the log frames or M&E frameworks. Impact is often described only in terms of policy studies produced. Under the READ programme the grant-supported Center for International Cooperation within MoA conducted six studies and four of them were completed. CCDP produced a large number of policy briefs and circumstantial evidence from interviews suggest that these continue to influence the successive COREMAP programmes. In terms of NRM, IFAD projects and GEF grants have made a significant contribution to national policy as elaborated under ENRM and CCA (para. 197).

165. **IFAD has had some influence on the mindsets and policy-making of the Government.** The CSPE notes that some changes at this level have taken long periods of time and the consolidated efforts of successive projects endorsed and promoted them. It is important therefore to recognize that limiting assessment to individual project timelines undervalues some of the important impacts IFAD has achieved. As noted in the Relevance section, IFAD had been persistent in its support for Government's decentralisation agenda and much learning from PNPM, PIDRA and VDP for example has influenced its policy. Interviews concur that many elements of the Village Law 2014 draw on the important pilots implemented within these and other IFAD projects. Other examples of mindset and practice changes attributed to IFAD projects highlighted in CSPE interviews include: (i) the value of combining livelihoods with coastal management; (ii) improved livelihood practices in peatlands; (iii) active and participatory FFS; and (iv) highlighting the potential for investment of Eastern Indonesia.

166. **Summary. Rural impact is rated moderately unsatisfactory (3)**. The programme fails to provide credible evidence for rural impact. Farmers themselves noted increased incomes and knowledge but there is no indication that asset accumulation, access to school education, improved nutrition or enhancement of social capital accrue from programme interventions. While improvements to village governance and particularly participatory practices as well as policy provide an enabling environment for rural transformation, these are means to ends not ends in themselves.

F. Gender equality and women's empowerment

167. **Government of Indonesia's lack of emphasis on GEWE is a constraint to achieving GEWE outcomes.** While the Government's RPJMN (2015-2019) identifies gender as a cross cutting theme, interviews suggest that there is little demand for IFAD to promote GEWE beyond ensuring women's participation. A commonly shared view is that Indonesian women are already relatively empowered because they: (i) have high levels of education; (ii) participate in high numbers in the workplace and political space; (iii) typically control day-to-day household finances; (iv) are key participants in agriculture production and marketing; (v) have equal rights in law[65] and access to land and inheritance[66]; and (vii) are able to take loans from banks themselves.

[65] Especially after the implementation of the Marriage law.
[66] Especially in Java, although different customary laws continue to differentiate inheritance and land ownership between men and women.

168. The Ministry of Women Empowerment and Child Protection has not taken a lead in understanding and addressing the root causes of gender inequality. Although PNPM (2007-14) to which IFAD contributed, was a significant first in promoting gender affirmative action and contributed to the promotion of women in decision-making, entrepreneurship and leadership, Government programmes generally address gender issues through quotas which risk being only symbolic. With decentralisation, local governments can and do introduce local regulations and reinforce local traditions that can constrain the achievement of GEWE objectives. Interviews indicated that rising conservatism in some areas, for example, may become an increasing challenge.

169. **COSOP 2016 makes women an intentional target group but it is weak in explaining pathways to empowerment.** The frequently used phrase '*gender sensitive approaches'* is not unpacked nor is the COSOP's assertion that past project interventions were transformative. It makes the assumption that '*women-headed households'* are marginalised and vulnerable while some contemporary studies[67] have pointed out that these households have relatively high savings and food security. Given that 20 per cent[68] of farming households across Indonesia are female-headed and many more are functionally female-headed due to high levels of male rural-urban migration for work, strategies focusing on provision of separate interventions rather than supporting empowerment of these women per se are not appropriate.

170. **Project gender strategies were not improved after design as planned, lacked contextual understanding, and centred around meeting targets for women's participation rather than empowerment**. Project designs note that fully articulated strategies were to be developed in year 1, but interviews indicated that this did not happen. The gender strategies do not show sufficient appreciation of the Indonesian context nor do they adequately take into account regional or cultural differences.[69] There were no formative studies commissioned to provide a deeper understanding of prevailing issues. This lack of context specificity in gender strategies has limited the country programme's performance towards GEWE. Appendix 4 in READSI Project Design Report (PDR) does put forward contextualised technical measures, but little is incorporated into the main design. Although the gender strategies in ongoing projects (IPDMIP and READSI) put more attention on promoting women's empowerment rather than just participation, they did not attempt to address the underlying causes of gender inequality. TEKAD's intention to adopt a household approach in Papua is more promising. Given the time and resource intense nature of the household approach, a similar intention in READSI (from 2020 supervision mission) comes too late.

171. **Implementing staff largely view GEWE in terms of the fulfilment of quotas.** Interviews with project staff confirm that gender mainstreaming is understood in terms of women's participation. Although quotas can be effective up to a point, they can also privilege numbers over the usefulness and quality of women's participation. Field interviews found that women sometimes attend trainings and meetings or open bank accounts due to pressure from project staff rather than because they see a benefit. This can hence add to women's burden. Too much focus on quotas has inhibited prioritising those situations where real value can result from women's participation.[70] It also ignores the agency of women who choose not to participate (and therefore demonstrate a high level of

[67] e.g. MAMPU Baseline Study, 2014; People's Perspectives of Poverty, 2015, EDG in collaboration with TNP2K (notes that predictors of poverty are (i) insecure livelihoods, (ii) minority status and (iii) temporary/floating residence and includes those in caring roles but does not identify women headed households as de facto poorest)
[68] FAO Country Factsheet on small family farms, 2019.
[69] For example, Aceh, Maluku and Papua have particular characteristics which constrain women's work and there are many other differences circumscribed by adat (customary) tradition and social norms across the country.
[70] For example, a supervision mission for CCDP noted clearly differentiated gender roles in fisheries and women's participation quotas did not take full cognisance of this. There was a need for clearer metrics reflecting better definition of the roles of women including hidden conservation activities undertaken by women (CCDP Gender Report 2015).

empowerment). The low participation of women in WUA executives (12-14 per cent) and in construction groups (15 per cent) in IPDMIP (MTR 2012) may partly reflect a choice not to participate.

172. **Women's participation targets were met in the closed projects and are partially achieved in the ongoing projects that have reached mid-term.** The basis for selecting targets is not explained in any project design and arbitrarily switch between 30 and 50 per cent. When available, monitoring data suggest that irrespective of the target size these targets were largely achieved by early projects (SOLID, CCDP). SOLID also demonstrated success in meeting its 30 per cent target of women in leadership positions in farmer and federation groups. The rate of women's participation varied greatly in different CCDP interventions depending on whether they were relevant to existing divisions of labour[71] but targets were largely met. In READSI, women currently make up only 34 per cent compared to the target of 50 per cent but represent close to 50 percent in groups formed around produce where women are traditionally prominent (vegetables, fruit, livestock). Although improving, women's rate of participation in IPDMIP (23 per cent) is still shy of the target (30 per cent). Supervision advice to increase women-only farmer groups would help to reach the target but would not address the root of the problem. Field interviews and observations also suggest that there has been double-counting of women beneficiaries and that participant lists can be manipulated.

173. **Evidence that indicates women's improved access to resources and services is limited**. When data is gathered by projects demonstrating access to services such as extension, training and financial services, it is reduced to numbers only and not critically examined. IPDMIP baseline study shows no difference in access to agricultural extension services between men and women. The SOLID PCR and impact study assert that, '*SOLID has facilitated major advances in gender relations to the point where a person's gender now has greatly reduced impact on the community, farming and business relations that a person may engage,'* but does not provide evidence of the project's contribution. The VDP PCR reported that women's groups were, '*very dynamic and among the groups that carried out activities such as marketing… (and) …food processing'*, but the PPE did not find any supporting evidence.Although the YESS project design identified that fewer young women (about 1 in 5) had aspirations to be entrepreneurs than young men, field interviews suggest that the project has not understood the reasons behind this nor tackled the barriers they face.[72]

174. Furthermore, some interviewees question the assumption that forming women's groups and providing them with inputs, technical training and some assistance with market linkages inevitably results in income generation. Field interviews with former women beneficiaries confirmed that, the intervention was on the project's terms, they have '*gone along with it'* in the hope it might create some benefits but ultimately it has '*just taken up our time'*. Even CCDP, often cited as being the most successful project, received similar criticism.

175. **Women's groups in early projects built on the tradition of *arisan* saving schemes and, with increased support in bookkeeping and tracking savings, may have contributed to economic empowerment.** These groups have been supported to open bank accounts but there is no data to indicate the significance of

[71] For example, women made of 80 per cent in processing groups versus 6 per cent in fishing groups (CCDP PCR 2018).

[72] Interviews with young male and female beneficiaries indicated that young women were less confident in training and felt that they were less able to prove worthy of investments than their male counterparts. They felt their enterprise proposals were less substantial, they were less able to demonstrate previous track record and less able to identify assets to support their financial status. Field interviews also found that the application for the competitive funds was perceived to promote production over agro-processing which was felt to favour traditional male roles. This helps to explain why only 17 per cent of potential beneficiaries identified were women (2020 supervision report).

this nor the active use of the bank accounts except as a conduit to receive project funds (for example, seed money in READ). The CCDP Impact study showed no effect on women's control over household savings, which was considered high at 60 per cent. No empowerment outcome should be deduced from women's group savings that were mandated by the project. VDP was supposed to report on women's savings and access to credit but there was no data available. Better indicators of empowerment related to how loans and savings are used by women, (for productive purposes rather than to service debt or fulfil social obligations) have not been collected by any project.

176. **Changes in women's voice and influence have not been well measured and field visits suggest that the general lack of a context-specific approach inhibited progress**. Like women's economic empowerment, measurements of increased voice and influence use numbers of women in leadership positions and different groups and weak perception questions around decision-making in surveys. The numbers do not reflect the actual level of agency that women have. For example, the PCR for CCDP states that women's influence was strengthened, but this is only supported by women constituting 33 per cent of the village working group members and project priorities reflecting the priorities of women respondents (2017 AOS).READ's impact study reported that women's participation in *musrenbang* (annual village planning meetings) is 'quite evident' but this statement is not backed up. It also noted that women played a similar role in household decision-making (including those related to planning and investing in farming) as their husbands but found no difference among the comparison households. SOLID's impact study also noted that men and women generally made household decisions together before the project and had the same '*authority to make decisions'* in federations and business concerns.

177. **The country programme pays minimal attention to reducing women's workloads yet it is a highly relevant issue in rural Indonesia.** Projects insufficiently take into account increased/changed workload/burden that participation in projects may cause and risk reinforcing women's traditional roles (cheap, reliable labour). None of the projects have undertaken studies to look into the triple burden women face (productive, reproductive and community roles) with a view to assessing the impact of the project on these. READ somewhat simplistically stated that given the number of reported hours per day spent on agricultural activities was similar for men and women, there was '*no need to improve the working hours of women'* and also stated that hours devoted to childcare by women were equivalent to the hours men spend looking for extra work outside their farming activities. There is a strong norm across Indonesia for women with children under-two not to work in the fields to reduce their work burden. Yet, these women have been expected to participate in homestead gardening activities that may theoretically have potential, but are actually adding to their burden that traditional social norms try to prevent. Projects are not using the corporate recommended Women's empowerment in agriculture indicators related to workload: (i) allocation of time to productive and domestic tasks and (ii) satisfaction with the available time for leisure activities.

178. **There is insufficient project evidence to support claims that forming women homestead garden groups to improved nutrition outcomes.** . Before nutrition become a mainstreaming theme in IFAD projects, READ design aimed to create a positive impact on women, particularly in terms of improved household nutrition and food security. A major component on homestead vegetable gardening led to the formation of 282 women's groups and the provision of inputs and training. Although, the PCR reports that women's participation resulted in improved family nutrition and food security and household income, this is not supported by

project evidence. Frequent mention is made of links between women's empowerment and nutrition outcomes in other projects that do not have specific components on this.[73]

179. **There was no evidence that any project except YESS examined the roles of boys and men when designing interventions aimed at inclusion**. This is a weakness given the situation which prevails in much of Indonesia where men/boys often have less education and are often significantly underemployed in rural areas. It is also worthwhile considering that since women have assumed control over household finance for many generations, financial literacy training may actually need to be directed to men and boys. The virtues of the family approach to financial literacy promoted under IPDMIP (noted in the 2021 MTR) imply a means to enhance inclusion of women when such an approach actually has the advantage of including men (and other members of the household).

180. **Weak capacities among implementing staff and contractors limited the understanding, promotion and impact assessment of GEWE**. Projects made an effort to meet gender quotas among implementing staff articulated in design, but there was little follow up in terms of recording achievements, analysis of trends and review of missed targets. Despite the requirement for gender training for all project staff, evidence shows that this does not always happen and that competence levels can remain quite low. Conclusions made in impact surveys were weak and reinforced widely held assumptions that there is nothing to fix in terms of gender in Indonesia. Both local gender specialists and companies undertaking these surveys were neither pro-active nor able to use gender analytical lenses adequately. More details are provided in the Annex IX on Gender Analysis.

181. **Summary. The rating for GEWE is moderately unsatisfactory (3).** This rating reflects the fact that real efforts have been made to fulfill quotas among beneficiaries and staff and that ongoing projects are making more of an effort to empower women. The evaluation also recognizes that there is little will to put much effort into GEWE because the Government does not regard the remaining challenges as high priorities. However, country programme performance has been limited due to the lack of context specific studies and strategies and too much focus on women's participation rather than empowerment. Inadequate attention has been given to reducing women's workloads and to addressing the underlying causes of gender inequality in more recent projects. Lastly, issues with data reliability and evidence generation call into question some of the results achieved.

G. Sustainability and scaling-up

182. **The sequential project approach and continued support in districts with national coverage has bolstered the sustainability of closed projects.** Successful implementation of projects has led to their evolution into follow up IFAD projects. As discussed earlier VDP evolved from PNPM and activities continued in TEKAD. READ's integrated approach, particularly engaging the local government's Regional Regulation (PERDA) has ensured the continuation of programme and budget support available under each technical agency. These elements of READ were adopted by READSI.

183. **Farmer groups, particularly existing ones, play an important role in sustaining project activities.** For example, community groups in READ continue to manage and grow their revolving funds as their working capital. READ established groups based on a decree letter, so they are authorised to receive support from technical agencies. For example, cocoa groups will receive regular support from Estate Crop (*Dinas Perkebunan)*. Groups took ownership of READ activities and were committed to continue them. They then continued with support

[73] For example, and typical of other projects, CCDP MTR 2015 noted that women´s empowerment is key to improve household nutrition (para 80), but it remains an assumption and is not supported by any evidence. Moreover, the CCDP PCR notes that the project missed opportunities to increase nutritional impact.

from READSI. The groups that existed prior to CCDP that were then supported have continued to operate after project completion. However, groups created specifically for CCDP activities ceased to function after completion. This is typical of all the projects.

184. **Financial sustainability and funding remain a key factor to support or continue project activities.** There are no positive examples among the closed projects of groups remaining financially sustainable. In SOLID, the capacity of existing SHGs to evolve and grow depended on their continuing access to loans. It would appear the majority of the savings are gone and therefore the groups have ceased to function.

185. **In-built Operations and maintenance (O&M) plans provided an opportunity to ensure sustainability, but uptake has been slow and depended on the local context.** IFAD designs indicate the need for O&M plans in relation to infrastructure and farm machinery. The plan needs to include a budget, funding sources and define roles and responsibility. These are found in both completed and ongoing projects; however, field observations show that successful implementation depended on the capacity of project implementers, particularly the local government, consultants and individual groups. The READ PCRV stated that READ did not adequately ensure that beneficiaries committed to good O&M practices. In IPDMIP, the O&M plans from co-financed components were utilized only when the project had support from full time consultants who adapted it in their IFAD-funded activities, for example in East Java.

186. **Availability of well-trained extension workers contributed to sustainable interventions.** Field respondents across multiple projects, note that the sustainability of the improved extension services depended on whether the Government, at central and local levels, can continue to employ the newly recruited and trained extension workers after project completion. For example, in IPDMIP, the supervision report of May 2020 notes that, "a critical policy output of the Project at both the central and local level will therefore be to establish robust evidence of the benefits and costs of effective demand-driven public extension service and demonstrate the business case for increased public investment in extension services".

187. **Partnership with the private sector has contributed to mixed results in terms of sustainability among closed projects.** The partnership that READ facilitated with MARS Chocolate at the Cocoa Development Centres to train "Cocoa doctors" has continued. MARS continues to support cocoa doctors with ongoing training at their "Cocoa Academy" at Makassar for beneficiaries of READSI. MARs have continued this partnership in promoting organic fertilizer in READSI as well. CCDP signed MOUs with 84 different partners in private and public sectors. Unfortunately, none of these partnerships currently exist because the agreement was one-sided as explained earlier. This example highlights the importance of negotiating fair contracts for the sustainability of private sector partnerships.

188. **While all projects have exit strategies, those that are adapted to local needs and build on existing initiatives have proven more sustainable.** The CCDP exit strategy aimed to sustain investments and promote replication by promoting empowerment-related activities to other Directorates both within their Ministry and with the MoV and linking corporate social responsibility programmes with large private sector companies. In addition, the local agency, Dinas KP Makassar replicated the CCDP model to non-project locations using its own budget and several tourism agencies offered funding and technical support for promotion of ecotourism. For the ongoing projects - UPLANDS in West Java and IPDMIP in East Java - project specific consultants formulated exit strategies by mapping the project activities with potential 'owners' to take over at completion. These range from existing government projects to private sector supported initiatives. READSI

was designed with a clear exit strategy supported by most of the stakeholders, indicating that sustainability is being worked on during implementation. The exit strategy is based on: (i) the partnerships with MARS and Mondelez for the private extension services and integration of smallholders in their supply chain; (ii) partnerships with the financial sector, which still need to be formalised; and (iii) exploring the possibility of formalising or absorbing farmer groups into farmer organisations or cooperatives.

189. **Where the priorities of the beneficiaries do not coincide with the design, the sustainability of project activities may be limited.** Among ongoing projects, the activities that are designed and implemented based on the needs of the various provinces and local governments, often do not coincide with priorities of the farmers. This is a challenge for post project local ownership in cases like IPDMIP and UPLANDS.

190. The CSPE assesses the **likely sustainability of benefits as moderately satisfactory (4).** The main successes of sustainability have been through follow up IFAD projects. Sustainability has depended on project funding that was invested in building local ownership through consultants who expanded the projects' exit strategies. There are some examples of local governments continuing to fund activities post project and indicative plans to utilize skills learned for future projects. Besides the successful partnership with MARS, few linkages were established with private sector off-takers that continued after project closure.

Scaling-up

191. **Government has used community-driven approaches to scale up and inform village law.** The community-driven development approach initiated in READ, used in the series of PNPM projects and continued through VDP has informed the village law. The 2014 Village Law drew extensively on experiences from IFAD-supported PNPM Rural and the IFAD-only financed PNPM Agriculture, adopting its CDD approach, in particular the local facilitator model. VDP was specifically designed to test out the application of CDD principles in the use of village funds (*dana desa*) which were allocated directly to village governments following enactment of the Village Law. PNPM has demonstrated how financial resources planned at village level can meet the most pressing needs to improve livelihoods particularly with regard to access to basic social and access infrastructure. PNPM Rural provided the guiding principles that led the design of the 2014 Village Law and of the Village Fund[74] and has been scaled up by Government nationally. At the local level, the village government allocated funding to continue support to infrastructure and activities related to ecotourism in the mangrove areas initiated by CCDP. Other areas (e.g., East Maluku) identified ecotourism emerging as a strong activity and adopted the approaches of CCDP.

192. **Government and the World Bank scaled up CCDP's integrated and proactive approach to marine conservation.** CCDP began active development of a Replication Plan to extend successful elements to at least 12 additional districts. Technical support was provided by the project management office with funds from the Japan Fund for Poverty Reduction, managed by the ADB. This piloting effort provided valuable lessons on how to support replication after project completion. Based on Berau findings and project research, in 2017 the project management office produced a large Replication Manual (Buku Manual Replikasi CCDP-IFAD) with chapters related to coastal community development, implementation mechanisms, business support/marketing, management and funding. CCDP's Exit Strategy was comprehensive and focused on multiple dimensions of sustainability as described above. These activities were adapted by

[74] National Team for the Acceleration of Poverty Reduction, Integrating Community-Driven Development Principles into Policy: From PNPM to the Village Law, Office of the Vice-President of the Republic of Indonesia, June 2015.

the World Bank and MMAF in the investment being made in coral reefs and mangrove management working with coastal communities.

193. **IFAD supported Governments in other countries to scale up the approaches initiated by CCDP.** IFAD Fisheries Specialist facilitated the loan project in the fisheries sector in Kenya to adapt the KM system designed and used by CCDP. The value addition technology of CCDP and the community resources-based management was adopted by the IFAD-funded projects FishCORAL in the Philippines and by ProPESCA in Mozambique. The IFAD-funded post-tsunami community sustainable livelihood Project implemented in Tamil Nadu, India, adapted the commercial approaches taken by CCDP.

194. **IPDMIP has distributed funds to better off provinces to the disadvantage of more remote and needy ones, which constrains plans for scaling up**. Field observations showed that in IPDMIP, provinces such as East Java due to their proximity with the central office in Jakarta, were able to lobby for additional funds to hire full-time consultants and technical experts to solely focus on project implementation including planning for scaling up. This was not possible in more remote locations, like North Sulawesi, where IPDMIP is implemented by part-time government personnel with additional responsibilities.

195. **Summary. Overall, the CSPE rates Scaling up as moderately satisfactory (4).** There are successes with scaling up including uptake by government, another financing agency and follow-up projects by IFAD in other countries. However, as a programmatic approach (supported by a robust KM and M&E system as elaborated under Coherence) has not been adopted, there are only two significant successes of scaling up documented.

Environmental and natural resources management and adaptation to climate change

196. **A succession of GEF grants and regional grants have supported regional and national policies and regulations related to NRM.** As seen in earlier sections in Coherence and Effectiveness, GEF-funded activities have been successful in achieving their project outcomes and developing environment and climate-friendly policies with cooperation from local and central governments. Significant achievements have been made in 2017-2021 through the implementation of project activities with both IFAD-GEF and government co-financing, including 12 government regulations and sub-regulations for the sustainable use of peatland ecosystems and an additional 10 sub-regulations and/or technical guidance in relation to peatland management. A National Plan for Protection and Management of Peatland Ecosystems for the period 2020-2049 was developed. The project also supports the national strategy in peatland management for 30 years (2015-2045). IFAD's direct influence on national policy is evident here. In terms of mapping and monitoring peatland areas, the project seems to have performed beyond expectation. The MoEF established national monitoring tools aside from mapping peatland areas but also as early warning system for fire risks. Real-time data in concession and non-concession areas could be monitored from central level. At the community level, the project worked to restore dry peatland areas, replanting and revegetating, revitalization, identifying alternative livelihood sources to improve income and diversification.

197. **Beneficiaries are adopting conservation methods when livelihoods improve as well.** In CCDP, the potential to increase beneficiaries' incomes, their access to finance, and support for mangrove rehabilitation and preservation, contributed to increase their adaptation and resilience to climate change impacts. CCDP also undertook other environmental activities such as mangrove replanting, establishment and surveillance of sea protection areas and rubbish clean up. CCDP introduced innovative income-generating activities to sustain environmental

protection. According to the CCDP impact assessment report[75], the health of marine resources has improved. The Project also maintained a strong stance for environmentally sustainable aquaculture. In addition, 45 community level ecotourism investments have been made thereby protecting local resources.

198. **In SMPEI, conservation methods were adopted, and alternative livelihoods introduced, but additional funding and technical support, is required to help farmers move from their traditional practices towards climate smart approaches.** About 40 per cent of the palm oil plantation area is actually farmed by smallholders contributing to climate change. Palm oil is the most lucrative product for farmers. Therefore SMPEI, focused on finding more sustainable ways of growing palm oil by not drying up peatland and retaining appropriate hydrologic levels. Other sources of income such as honey are being introduced through CIFOR. However, this is not performing as planned as the whole approach of CIFOR is seen as problematic, due to lack of expertise and understanding of what IFAD wanted.

199. **Project interventions have supported beneficiaries to adapt to climate to some extent.** While the CCDP design addressed ENRM (Box 7) it did not address climate change directly. Community awareness of climate change and related environmental issues were however, raised through ecotourism activities, which were often coupled with environmental education. The PCR noted that production of seaweed and coral transplantation supported by CCDP would lead to carbon sequestration and thus contribute to climate change mitigation. UPLANDS farmers interviewed in the CSPE indicated they could manage the natural resources better now they have the land and water resources that enable more flexible planting schedules. While IPDMIP was designed to rehabilitate the irrigation schemes to facilitate greater resilience against drought, the rehabilitation in synch with agricultural seasons has yet to be tested.

Box 7
Measures designed and implemented for communities to manage resources sustainably.

CCDP was designed to improve coastal resource management. CCDP implemented a wide-range of measures for sustainable NRM including: the establishment of community-based resource management groups; replacing destructive and unsustainable fishing practices with sustainable technologies; litter clean-up and collection and processing of waste products; mangrove restoration; establishment of coastal marine resource management areas of which 20 were ratified by local ordinances during the project implementation period and a further 13 were expected to be ratified by project-end; the instituting of marine conservation areas, including no-take or no-fishing zones, as well as mangrove planting/rehabilitation areas.

200. **Support for improved farming methods and access to reliable water sources have improved farmers' adaptation to climate change.** UPLANDS has used FFS to pass on climate smart and soil and water conservation techniques. Field observations have shown that farmers have started to adopt these techniques, switching to organic fertilizers, using broad beds and furrows and proper irrigation techniques. In IPDMIP, the training of the extension officers included building the capacity of farmers using the FFS methodology on topics related to intensification of farming systems through more reliable access to water. The rehabilitation of irrigation schemes provides farmers with dry season cropping opportunities as well as diversification opportunities into high value crops. This has prompted the inclusion of new topics related to consideration of water constraints and climate change. FFS in READSI has been actively promoting the use of organic fertilizer to reduce the use of inorganic fertilizer that increases soil acidity and pollutes the environment. However, farmers interviewed in the CSPE indicated that they have not adopted this practice because of the extra effort required to make

[75]https://www.ifad.org/documents/38714170/41248489/IN_CCDP_IA+report.pdf/0663268b-3f06-bee7-970a-9312ee70da93?t=1565272824000.

compost and the fact that subsidized chemical fertilizers are readily available. This suggests that training packages have not yet adequately influenced existing practices.

201. **Institutional bottlenecks and capacities, as well as private sector concessions continue to constrain the climate change interventions**. In SMPEI, despite the successes in putting regulations in place implementation continues to be a challenge. Farmers tend to view private and public sector in a negative light, given that large companies profit from loss of biodiversity due to their focus on palm oil. The farmers and local NGOs continue to adapt best practices and hold companies and local governments accountable. However, there is a long way to go before best practices to preserve the environment and combat climate change are universally adopted in the provinces. The promotion of alternative livelihoods through FFS have been delayed due to the challenges of establishing multi-stakeholder forums at field level.

202. **Innovations helped combat climate change impacts.** As discussed earlier in the innovation section, the comprehensive approach taken by SMPEI of monitoring peatlands to combat the destruction caused by forest fires haze, and peatland CO2 emissions is considered a major boost to protecting the environment and combatting climate change by the local officials and field respondents. Forecasting fires have helped to reduce their incident and the resulting damage to property and incomes, and it is part of the training process of farmers in Riau.

203. **CSPE rates Environment and Climate Change as satisfactory (5).** This is because several completed projects, despite not explicitly stating in their objectives, contributed to protecting the Environment and Natural resources. In addition, completed and ongoing projects with specific focus on ENRM and Climate Change have been successful in building awareness, changing behaviours, and utilizing data to reduce climate risks and shocks including building resilience.

204. **Summary.** The CSPE assesses the **likely sustainability of the IFAD country strategy and programme moderately satisfactory (4),** contributing to this overall assessment are **scaling-up which is rated as moderately satisfactory (4)** and **environment and natural resources management and adaptation to climate change is considered satisfactory (5).**

Key Points

- IFAD has been prepared to work in challenging and remote areas with high levels of poverty like Eastern Indonesia. Despite the COSOP focus on Eastern Indonesia, it now only receives one-third of IFAD funds which risks diluting direct support to poverty reduction interventions.
- The COSOP lacks strategic direction and clearly articulated synergies between projects and therefore does not provide a coherent programme focus. Project designs do not: (i) share the same development language or metrics; (ii) adequately explain causal pathways; (iii) demonstrate complementarity; (iv) benefit from co-location.
- While co-financing has increased in line with corporate targets, this is with risk of dilution of IFAD's pro-poor priorities and opportunities to fully meet Government's demand for innovation. Size of financial contribution should not dictate the nature of the relationship and IFAD needs to preserve its identity and comparative advantages with Government.
- IFAD's significance for Government in innovation is not fulfilled because of weak M&E, insufficient resources to ensure transfer of learning and proactive engagement in policy dialogue and limited use of in loan grants to support these endeavours strategically.
- The lack of success with brokering sustainable market linkages, at least in part are due to weak analysis of market opportunities ahead of providing advice to farmers. A more market-driven approach rather than reactive is needed. This includes a better understanding of existing markets and finding means to ensure that these operate

more favourably for farmers rather than exclusive focus trying to broker new relationships.

- Managing financial risk for farmers has not been adequately addressed and, like market analysis, needs to examine the existing trusted mechanisms in order to establish how these can be strengthened and a review of innovative options for provision of seasonal insurance.
- IFAD's role in bolstering partnerships with the private sector helped ensure sustainability, for instance, the partnership that READ facilitated with MARS Chocolate at the Cocoa Development Centres to train "Cocoa doctors" has continued beyond the life of project.
- Field observations showed that there was little cross-project learning or sharing of knowledge from projects even when they are implemented from the same province, this affects scalability.
- Gender strategies are completed late and without sufficient contextualised understanding of regional and traditional differences in gender dynamics. They remain separate to everyday implementation and are poorly understood at local level.

IV. Performance of partners

A. IFAD

205. **IFAD has successfully re-engaged with Government by actively seeking to meet its needs, increasing country presence and maintaining consistent personnel.** Prior to 2011, IFAD had been disengaged with Government of Indonesia. During the period 2011-2013, IFAD reconnected and started to rebuild trust and credibility with the Government by listening to understand how they viewed IFAD and how they wanted to reposition the relationship. Valuable data collected from the field during the implementation of READ contributed to reframing the partnership with Government. The next step involved realigning the portfolio as reflected in the COSOP 2016. In response, the Government increasingly invited IFAD to provide input into policy. BAPPENAS requested assistance in preparing the medium-term development plan but, at the time, IFAD lacked the technical and financial resources. The Government also requested greater local presence. In 2016, IFAD established the country office in Jakarta and started focusing more on non-lending activities. IFAD has progressed from minimal communications with Government to having positive partnerships with several ministries in addition to MoA. Maintaining key staff in position for a long period greatly facilitated the development of strong relations, trust and mutual understanding.

206. **IFAD supported ambitious designs with ensuing implementation delays remediated at MTR to facilitate positive outcomes in the final years.** This is explained in the Efficiency section. In addition, the design of SOLID disregarded lessons learned from previous projects on the importance of food security to complement value chains in a post conflict context. The PDR for UPLANDS included an expectation that beneficiary farmers would be in a position to contribute 20 per cent of capital cost of infrastructure and equipment. During implementation this caused significant delays and an alternative approach had to be found.

207. **Projects have been designed to disburse funds quickly during early years without adequate time and support given to PMUs to set up.** All of the projects have been designed to be established and disbursing funds during at least the first two years of implementation. This is a major issue as the Government requires completion of projects within a maximum of six years. Delays in two out of six year leads to a more rapid implementation and disbursement of funds in the remaining time. Three of the current projects (IPDMIP, READSI and UPLANDS) were designed to disburse funds using the on-granting mechanism without allocating adequate time and resources to build capacity at district and village levels to implement the processes efficiently.

208. **Over time, IFAD has funded the design and implementation of larger value projects with the support of more co-financing.** A stated intent of IFAD is to fund larger value projects to contribute to better efficiency. Both the average size of IFAD financing and total financing per project have increased over time. Average IFAD financing and total financing for the four closed projects were US$26 million and US$35 million respectively, increasing for the five ongoing projects to US$57 million and US$367 million respectively. The increase in IFAD financing is also in line with the general increase in APR of average IFAD financing per project from US$35 million in 2018 to US$48 million in 2021.[76]

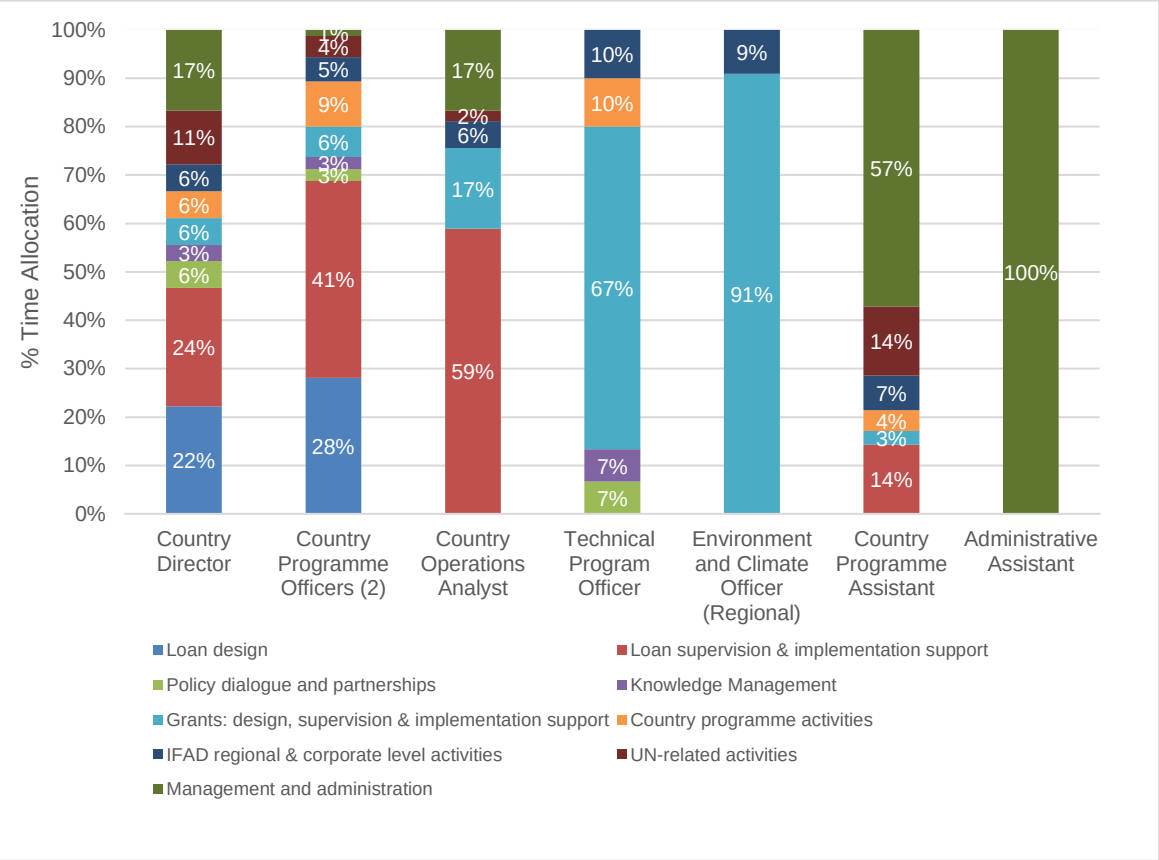
Supervision and implementation support

209. **The ICO are managing a large portfolio with limited resources over a vast geographical area with diverse cultures and lack adequate resources for non-lending activities**. There were only three staff (one based in Jakarta)

[76] APR portfolio stocktake, 2021.

supporting the Indonesia portfolio in 2013, increasing to six in 2016 with four being in Jakarta. From 2019 to 2021 there were eight, then seven[77] staff based in Jakarta and two in Rome. However, some of the staff have duties outside of the Indonesia portfolio. From Figure 5 it is noted that loan activities (design, supervision implementation support and MTR) occupy over 69 per cent of the time for the two Programme Officers and 59 per cent for the Analyst and 46 per cent of the time of the Country Director. All projects had at least one mission per year of implementation with most having nearly two on average. The small team managed four projects per year in 2013-14, dropping to three per year 2015-18, two in 2019 and five projects per year 2020-21 coinciding with the highest percentage of funds allocated to support missions. The highest number of missions was eight in 2013 and seven in 2016 and 2017. This highlights how the country team has had a large portfolio of active loan projects to manage, that span the length and breadth of the country, in addition to their responsibility for non-lending activities.

Figure 5
Time allocation for IFAD country staff in Indonesia



Source: Data provided by IFAD Indonesia Country Office as estimates by each staff member.

210. **IFAD's supervision and implementation support missions of loan projects are valued by Government.** Project implementers consider IFAD's support satisfactory and useful. The establishment of the country office was beneficial to engage more closely with projects and to address issues immediately. An important aspect of support in SOLID was keeping the same experts who designed the project through to the MTR and completion. During 2020 and part of 2021, supervision missions were carried out remotely due to COVID-19 restrictions. This limited the ground-truthing required during supervision field visits.

211. **Despite recognizing M&E as a weakness since 2013, IFAD has not provided adequate support to the Government.** The COSOP 2016 and the 11th

[77] Following the resignation of the Environment and Climate Officer.

Replenishment Report emphasize the need to collect reliable data to inform policy with evidence and to scale up activities. M&E and KM are weaknesses in all projects except CCDP. Unfortunately, IFAD missed the opportunity to support Government to build capacity and develop strong M&E systems during project start-up. While only indicative of IFAD's support, M&E specialists have been scarce in mission teams.[78] Moreover, no M&E Specialists have been engaged in the missions of IPDMIP and YESS. In contrast, half of READSI and UPLANDS missions as of July 2021 included an M&E specialist. The CSPE notes that the ICO has recently engaged an M&E Consultant to work full-time on supporting this key area.

212. **IFAD has not made sufficient resources available to promote the potential of the grants allocated, with the exception of GEF grants.** The inclusion of grants in loan projects has the potential to generate good results by contributing to policy formulation. However, the limited monitoring and reporting of grant activities by IFAD supervision teams, reducing the potential impact of grants. In contrast, the Technical Programme Officer (in Rome) and the former Environment and Climate Officer spent 67 percent and 91 per cent of their time, respectively, on grants including GEF and IFAD regional grants. These GEF grants have made some significant contributions to policy development and practical innovations.

213. **Summary. IFAD performance is rated moderately satisfactory (4).** IFAD has developed a good relationship with Government over time by actively seeking to meet its needs, stronger country presence and valued supervision and support missions. IFAD has been successful in attracting co-financing to fund larger projects but they have become more complex for Government to implement. IFAD’s emphasis on early disbursements overlooks the more immediate need of supporting the set-up and orientation of PMUs. IFAD resources are not sufficient to support such a large portfolio spread over a wide geographic area.

B. Performance of Government

214. **There are tensions between Government policies and IFAD project objectives.** Government has consistently emphasised the need for input subsidies which can counter approaches that promote business development and empowerment of smallholders. Where inputs are usually expected to be free or heavily subsidised, it has made it difficult for IFAD projects to require beneficiary contributions or encourage farmer participation without handouts. Government’s prioritisation of achieving food security means less attention has been given to re-energising cash crop production such as rubber, cocoa and coffee or supporting new cash crop initiatives. In READSI, for example, rice farming was promoted alongside cocoa to fit with the Government policy, but a more focused approach only on cocoa may have been more beneficial to farmers. The Government support for oil palm production is also often in tension with the intentions to preserve peatlands. Similarly, IFAD supports Government in its strong decentralisation agenda but this means that implementation progress suffers from weak subnational capacity and delays in approval and transfer of funds to local bodies.

215. **Government has demonstrated financial commitment to IFAD loan projects but actual expenditure has been limited.** For the nine projects included in the CSPE, Government has committed US$1.65 billion (38 per cent) out of the overall value of US$4.35 billion, which is a significant indication of their commitment to the portfolio. The Government allocated between 13.8 per cent of their funds for READ and up to 79.9 percent for TEKAD in the design. However, the actual expenditure by the Government on the four closed projects was 63 per cent of what was committed (see Annex VIII). For IPDMIP and READSI at MTR stage, actual Government expenditure to-date is only 0.3 per cent and two per cent of their commitment. Consequently, IPDMIP is considered a problem project. UPLANDS is

[78] An M&E specialist was present on 3 out of 13 missions for SOLID, 1 out of 9 missions for READ, 1 out of 18 missions for VDP, 1 out of 8 mission for CCDP.

also designated a potential problem project. The lack of provision of funds by Government is also a concern for TEKAD, which has been constrained by the slow implementation of the 2020 Annual Work Programme and Budget. As discussed under Efficiency, the introduction of on-granting and the recent budget reallocation to address the COVID-19 crisis has delayed the contribution from Government to the projects.

216. **Government has demonstrated its desire to design and make projects address their priority needs.**The Government rejected the first design for UPLANDS and decided to use an innovative approach by inviting districts to present their projects for funding. Districts were then selected using criteria assessing their readiness to implement. The result was 14 districts with 14 entirely different sub-projects to design and implement, but through willing and committed district governments. This is an example of Government informing a funding agency like IFAD of how they want their priority activities to be implemented. However, see Relevance, where concerns are raised regarding targeting poorer areas with this approach.

Project Management

217. **The implementing ministry does not always allocate adequate time and resources to set-up and manage the projects.** CCDP is the only project that performed well from the start because MMAF appointed a strong and competent full-time manager and team from design to completion. The MoA changed its approach from allocating full time staff to a project to having them integrated as part of the government structure, starting with SOLID. The MoA does not include in the performance appraisal of staff their ability to manage projects efficiently. Ministry staff appointed to project positions also have other, competing roles and responsibilities. As such, they rarely dedicate more than 50 percent of their time and often less than 25 percent to project implementation. There are many examples where staff were not recruited on schedule to the project management teams and not on a full-time basis. MoEF are having similar issues with SMPEI as the project is in the final year and still does not have a Procurement Officer and the Project Management Coordinator was only recruited in the second semester of 2021. Government staff rotate regularly which constrains institutional memory. Frequently, consultants are recruited to train and build capacity at all levels but their procurement could take up to two years as with IPDMIP. Staff also have been assigned to PMUs who lack experience in managing investment projects and learn on the job.

218. **Projects are less responsive to the needs of the beneficiaries during implementation than planned in the design.** While projects were designed to be flexible and responsive to the needs of the beneficiaries, there are examples in IPDMIP and READSI where the needs of the beneficiaries are not responded to during implementation. For ease and simplicity of management the READSI national PIU through to subnational impose a menu of options that may not include the priority needs of the beneficiaries. The district team responds to directions from above rather than listening to the needs of the beneficiaries and feeding these up the chain. IPDMIP farmers appreciate the FFS but they had different priorities in East Java where they require training in rat eradication but extension is not flexible and can only train what is planned in the curriculum. There are examples where the water storage is inadequate yet IPDMIP have rehabilitated the primary and secondary canals but this does not improve the water supply to the farmers.

219. **Government has not operationalised Steering Committees as foreseen in the design.** In all the designs, Steering Committees have been included, however, according to interviews they never meet and function as planned except in CCDP. Coordination between and within Ministries and between the different levels of government particularly during the set-up period has generally been inadequate.

Steering Committees are meant to oversee this coordinating role that is particularly important in the complex projects like IPDMIP involving four agencies that implement inter-dependent and complementary components.

220. **Government processes have contributed to delayed implementation and disbursement.** The implementing ministries have to apply for their fund allocation during the first fiscal year that includes a portion of the IFAD loans. If the project starts at the wrong part of the financial year this can delay funds reaching it and their ability to recruit staff and the procurement of consultants and resources. VDP had lengthy delays in obtaining "no objections" from IFAD due to poor quality of bidding documents lacking conformity with Government procurement regulations, or errors in computing evaluation scoring. In 2015/16, there was a major reform in the financial system of the Government where all processes and systems went online including tendering. This is now a fast process although delays still occur when PMUs do not prepare the documents required for procurement correctly or on time.

221. **Implementing Ministries do not collect and make adequate use of relevant data from their projects.** The Project Management team are not using data collected to inform decision making or to feed into policy making. Evidence is therefore lacking to demonstrate good use of the funds that have had a positive impact on beneficiaries. As the data is not being used there is little interest in whether the data being collected is appropriate or measuring progress. Generally, M&E, the MIS and surveys tends to be weak except for CCDP. Resources are put into collecting quantitative data that are not analysed and fed back to the field. The ongoing projects have not adapted the strong M&E system and MIS developed by CCDP and are struggling to establish reliable data collection systems.

222. **MoA is a key partner and strong in agricultural production but limited in its capacity to implement activities and create the enabling environment for farming as a business.** IFAD's natural partner has always been assumed to be the MoA and loan requests have traditionally been generated here. Many interviewees pointed to limitations inherent in working only with MoA that has less expertise, capacity and interest in value chains, business development and rural finance than other potential Government partners. MoA maintains its default expertise of supporting production through traditional input provision and extension services, privileging these in implementation over the components to build market linkages. IFAD is working with the MoA to increase their capability in understanding value chains and working with the private sector. For example, IFAD facilitated the ongoing relationship between MoA and MARS through READ and READSI. Newer project designs (UPLANDS, YESS, and TEKAD) have also purposely included other Government ministries to broaden expertise and resources in value chain development.

223. **Collaboration across ministries and even between departments in the same ministry is limited and there is no official platform for cooperation and sharing across agricultural development programmes**. Collaboration across ministries is regarded as challenging by Government and project implementers. The evaluation for example did not find a strong motivation and intention in the MoA to explore these possible synergies. The silo approach of ministries and even departments within ministries does not provide an enabling environment to bring constellations of government project partners together. BAPPENAS confirmed in interviews that they can play a bigger role and recognised their own shortcoming stemming from managing grants and loans separately. Several interviewees urged IFAD to more actively facilitate the engagement of agriculture/business and financial sector stakeholders at provincial level with the support of heads of districts (*Bupatis*).

224. **Summary. Government performance is rated moderately unsatisfactory (3).** The Government has been a close partner of IFAD and has provided active and significant support in the design and implementation of its projects, not least through high financial commitments. It has taken a strong stance in a couple of projects (VDP and UPLANDS) showing leadership and clear Government priorities. These strengths are offset by several weaknesses. Actual expenditure by the Government has been low, worsened by the COVID-19 pandemic, but also affected by the large-scale introduction of the on-granting mechanism. As the projects have become larger and more complex the programme management has become weaker, with delayed procurement, and Steering Committees do not operate as planned. The M&E, MIS and key surveys have been developed slowly and are not used to inform management decisions or policy. MoA has not provided the needed support to implement farming as a business and facilitate a conducive enabling environment. Implementation modalities have led to ongoing projects being less responsive to beneficiary needs than planned in design.

Key points

- IFAD and the Government have forged a closer and trusting partnership, supported by IFAD's stronger country presence, staff in key positions for long periods of time and valued supervision and implementation support. IFAD has developed good working relationships with seven Government ministries in addition to its longstanding partnership with MoA.
- IFAD project designs have often been ambitious but the MTR of projects have refocused and simplified projects, leading to positive outcomes by completion.
- Given relatively complex project designs and the known capacity levels of implementing ministries, too much focus has been placed on disbursing funds quickly without sufficient support given to set up activities.
- IFAD has enabled the design and implementation of larger value projects, supported by more co-financing. However, ICO now manages a large portfolio with limited resources over a vast geographical area. At the same time, decreasing resources and budget for non-lending activities have limited IFAD's work in these strategic areas.
- IFAD has not provided timely and adequate support to developing strong M&E systems from project start-up.
- The Government has been a close partner of IFAD, providing support and leadership in the design and implementation of its projects. It has shown strong motivation for rural and agricultural development through high financial commitments.
- Actual expenditure has been low, worsened by the need to redirect funds to the COVID19 response, but also as a result of the large-scale introduction of the new on-granting mechanism.
- Oversight and coordination are limited through project Steering Committees and the lack of collaboration across and within ministries constrains implementation. The lack of an official platform for cooperation and sharing in the sector constrains learning.
- The quality of project management, procurement and M&E are serious bottlenecks to the pace of implementation and ultimately to achieving expected outcomes and impact.
- MoA is a key partner and strong in production and extension but it has less understanding and experience in implementing and facilitating value chain development, business development and inclusive rural finance than other potential Government partners.

V. Overall achievement of IFAD's Country Strategy and Programme

225. CSPE assessed IFAD's country strategy and programme in Indonesia as **moderately satisfactory (4).** Table 9 provides the rating for the IFAD's country strategy and programme in Indonesia.

226. **Strengths of IFAD's Country Strategy and Programme in Indonesia during the period covered by the CSPE include**:

a. A high level of perseverance and commitment to Government's decentralisation agenda evident even from before the CSPE period;

b. New partnerships with different ministries and government departments to complement and mobilise wider expertise to enable smallholder farmers to become more business-oriented;

c. Facilitating cross-ministry collaboration; concentration in remote and challenging locations especially in Eastern Indonesia where poverty remains high and where few other programmes operated;

d. Progress with NRM and CCA especially through good use of GEF grants;

e. Promising RBA collaboration and increased co-financing arrangements including with new partners, adopting new approaches and covering wider geographic spread; and

f. Increasing responsiveness to farmers' needs and diverse contexts; promising steps towards greater use of e-technology particularly for local level service providers and farmers to access information, advice, extension and markets; some progress with widening the scope for collaboration with the private sector.

227. **Weaknesses of IFAD's Country Strategy and Programme in Indonesia during the period covered by the CSPE include:**

a. Poor measurement and documentation of evidence of achievements across the board which is especially concerning given the emphasis on testing innovations for scale up that is at the heart of Government's expectations of IFAD;

b. Inadequate resources to fulfill its mandate to promote innovation using appropriate and impactful KM approaches;

c. Delayed start-up of projects resulting in inefficiency;

d. Increasingly complex project designs which are difficult to manageable and exacerbated by the lack of effective linkages and collaboration with other development programmes and stakeholders;

e. Weak understanding and internalisation of GEWE needs appropriate for the Indonesian context; questionable assumptions in project designs which need to be better researched and challenged; and

f. Insufficient understanding of what is needed to ensure sustainability of benefits and empower smallholder farmers to grow independently.

Table 9
Ratings of IFAD CSPE in Indonesia

Evaluation Criteria	*Rating*
Relevance	4
Coherence	4
• KM	3

• Partnership development • Policy dialogue	4 4
Effectiveness	4
• Innovation	4
Efficiency	3
Rural Poverty Impact	3
Sustainability	4
• Scaling-up • Environment and Natural resources management and CCA	5 4
GEWE	3
Overall Achievement	4
Partner performance	
IFAD	4
Government	3

VI. Conclusions and recommendations

A. Conclusions

228. **IFAD holds a highly respected position with Government forged through consistent and unobtrusive support over decades for the agricultural sector and smallholder farmers in particular.** IFAD is seen as a reliable partner that has been prepared to support Government's long-term objectives such as its decentralisation agenda, even when doing so has contributed to slowing down progress in particular projects. IFAD recognises Government's intentions and works to help test out new policies and practices defined by the Government when others have preferred to circumvent or challenge. It recognises that change takes time and provides dependable support for processes of change within government systems rather than creating parallel means of working. It has encouraged more joined-up government ways of operating by trying to facilitate different ministries and departments to work together within the IFAD portfolio.

229. **Crucially, farmers themselves have highlighted certain aspects of the country programme from which they have benefitted**. At the field level, projects have continued to provide support to, and through, village facilitators and FFS. Farmers report that they have benefitted from increased knowledge and capacity from their interactions with readily available facilitators and FFS. FFSs have also led to farmers' adoption of innovative techniques and, critically, to farmer-self-reported increased yields. Projects with a specific focus on ENRM and climate have built awareness, changed behaviours, and used local data to reduce climate risks and shocks. At the village level, IFAD has demonstrated that participatory village planning with concomitant control of financial resources can support participatory development.

230. **Over time, the country programme has become less focused and coherent with scattered geographic targeting.** This includes dilution of its poverty focus with IFAD's shift away from geographic targeting of the poorest areas of Indonesia without elaborating how poor unskilled rural men, women and youth can participate effectively in value chain and agri-business. Project designs have adopted a systems lens that lead to increased complexity and a loss of strategic focus on priorities and interventions where IFAD has a comparative advantage. While individual projects may be relevant, both internal and external coherence are lacking across the country programme that weakens the potential for achieving combined impact. The current country strategy does not provide sufficient direction for project designs to ensure internal and external coherence.

231. **Wider geographic spread has reduced opportunities for in-depth understanding of local contexts.** IFAD has undertaken limited assessments of the contemporary context in Indonesia that inhibits the design and implementation of a contextually relevant programme. Key thematic areas, such as value chains and business development, gender, nutrition, environment and rural finance, are insufficiently understood in context. The context and changing trends for each of these are not only specific to Indonesia as a MIC but differ immensely across the country. Districts across Indonesia have different priorities and local governments respond to these differently even within provinces or similar agro-ecological zones. The resources for studies and missions to inform project design and implementation are too limited to provide enough depth to develop responsive interventions, further exacerbated by the thin geographic spread.

232. **While progress has been made in supporting decentralisation, there have been trade-offs, especially in terms of efficiency.** The lack of trialling approaches like the on-granting mechanism before large-scale roll-out is constraining country programme performance and effectiveness. Delayed implementation and low disbursement rates are due to continuing problems of weak project management, poor coordination within and between ministries at

national and subnational levels, and inadequate support from the lead ministry. Considerable IFAD resources have been channeled to support this long process of decentralisation and capacity building at subnational level.

233. **Concentration of resources to support systemic change has left significant resource gaps in other areas where the Government has expectations from the partnership**. Government has not gained optimally from IFAD's global technical know-how and applied local rural transformation experience as innovations and models have not been well-documented and shared. Both partners have committed limited attention, time and resources to the development of useful M&E and wasted resources on systems that were too complicated, limited utility and/or developed too late to be useful. The farmer-led monitoring systems developed by CCDP and MARS provide an example of a promising practice which reduces the project's data collection burden and makes measurement useful for farmers themselves. However, the potential to aggregate these and use them as the main source of outcome data has yet to be fully realised nor the sharing of the model with other projects. Despite the priority given to innovation, the Government has not committed full-time expertise or recognised sufficiently the need to build the capacity for M&E or KM. The ICO has insufficient resources to give the time required to engage in a KM strategy and facilitate exchange with projects and partners to realise these expectations.

234. **Lacking a KM strategy, IFAD has had mixed results in supporting the Government's priority on raising its profile internationally.** For example, the Government has highlighted concern for its poor SDG rating for nutrition. The IFAD programme has done little to support this concern for example by not including nutritional indigenous crops / neglected and underused species within value chains. IFAD has provided some support to meet global environmental targets, but could have achieved more with evidence-based and targeted KM.

235. **Consequently, IFAD has yet to fully realise the role expected by the Government of Indonesia as a middle-income country.** IFAD corporate imposes a 'one-size fits all' approach that does not at times take into account the nuanced needs of a MIC. Indonesia is diverse, has its own funds and special expectations of IFAD financing. It looks to IFAD for: global technical know-how and experience; generating learning and influencing policy; opportunities to trial alternative models of rural and agricultural development; and increasing its visibility internationally. Effectiveness and impact are assessed using IFAD global metrics and do not adequately assess the value of IFAD loans to the Government. There are no means currently adopted to assess and compare alternative models or approaches with a view to accelerate iterative adaptation and develop models for scaling up.

B. Recommendations

236. **Recommendation 1. Base the new COSOP on a long-term strategic vision that drives cohesive programming that meets Government's evolving needs as a MIC.** Coherence can be achieved with a sharper geographic focus, interlinking projects and purposeful sequencing as well as integration of grants into the programme. Greater attention also needs to be given to external coherence and particularly on how the programme adds value, complements the work of others and avoids duplication. The programme should concentrate on a few key strategic areas fully aligned with the RPJMN 2020-2024 where IFAD's international expertise is critical in order to unify effort. Narrowing the scope will ensure that resources can be better targeted, for example, on Eastern Indonesia and on private sector/value chains, with special emphasis on generating decent sustainable work for poor families and widening the diversity of private sector partners.

237. **Recommendation 2. Develop project designs suited to the capacity of implementing agencies, the needs of targeted districts, and project**

duration. Projects should be less complex and include components to strengthen the capacities of the implementing agencies and implementing partners if necessary. Explore how project staff can be part of the design through use of retroactive financing or project preparation facilities. Project designs should provide sufficient time and resources to set up the management and the financial systems at start up.

238. **Recommendation 3. Strengthen Project Management Units to support a more integrated programmatic approach.** IFAD and Government should engage in dialogue over alternative programme management arrangements including the potential for a single programme management unit. The lead ministry could manage this with full-time personnel who are trained in all aspects of project management and committed for the full project duration. This PMU will need to have the authority and responsibility to co-ordinate with other directorates, ministries and all financing partners.

239. **Recommendation 4. Prioritise knowledge management through a country programme wide strategy, which engages partners, promotes policy dialogue and stimulates regionally and internationally recognized technical capacity.** Design knowledge management for better transfer of lessons learned between projects and develop timely knowledge products that are useful and appropriate for different audiences, including for sharing internationally. Fully integrate knowledge generation and management into programme implementation with an adequately budgeted KM system so that all implementation staff including at the local level assume ownership and responsibility for this key intent. Knowledge sharing also should be facilitated among development partners and government by supporting the creation of an inter-sectoral policy forum related to the food system approach, building on the RBA collaboration and strategy, which can contribute to sustainability and scaling up.

240. **Recommendation 5. Develop a practical M&E system that promotes innovation and enables effective management.** Priority must be given to developing simple, relevant, focused M&E tools for farmers to use themselves that can be aggregated for project purposes. More emphasis should be placed on metrics that encourage innovative practice and less emphasis on targets and outreach. Based on these metrics, develop a more effective means of demonstrating achievements of innovations for scaling-up that includes both qualitative and quantitative methods. Consider splitting MIS from M&E of innovation, which are staffed and managed separately.

Definition of the evaluation criteria used by IOE

Evaluation criteria	Ratings
Relevance **The extent to which: (i) the objectives of the intervention/ strategy are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies; (ii) the design of the interventions / strategy*, the targeting strategies adopted are consistent with the objectives; and (iii) the intervention / strategy has been (re-) adapted to address changes in the context.** *Evaluations will analyse the strategy pursued whether explicit (written) or implicit.	YES
Coherence **This comprises two notions (internal and external coherence). Internal coherence is the synergy of the intervention/country strategy with other IFAD-supported interventions in a country, sector or institution. The external coherence is the consistency of the intervention/strategy with other actors' interventions in the same context.** Non-lending activities are specific domains to assess coherence: **Knowledge management** The extent to which the IFAD-funded country programme is capturing, creating, distilling, sharing and using knowledge. **Partnership building** The extent to which IFAD is building timely, effective and sustainable partnerships with government institutions, private sector, organizations representing marginalized groups and other development partners to cooperate, avoid duplication of efforts and leverage the scaling up of recognized good practices and innovations in support of small-holder agriculture. **Policy engagement** The extent to which IFAD and its country-level stakeholders engage to support dialogue on policy priorities or the design, implementation and assessment of formal institutions, policies and programmes that shape the economic opportunities for large numbers of rural people to move out of poverty.	YES YES YES YES
Effectiveness **The extent to which the intervention/country strategy achieved, or is expected to achieve, its objectives and its results at the time of the evaluation, including any differential results across groups.** A specific sub-domain of effectiveness relates to: **Innovation**, the extent to which interventions brought a solution (practice, approach/method, process, product, or rule) that is novel, with respect to the specific context, time frame and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) in relation to rural poverty reduction.	YES YES
Efficiency **The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely way.** "Economic" is the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).	YES
Impact **The extent to which an intervention/country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.** The criterion includes the following domains:	YES

-changes in incomes, assets and productive capacities -changes in social / human capital -changes in household food security and nutrition -changes in institution and policies The analysis of impact will seek to determine whether changes have been transformational, generating changes that can lead societies onto fundamentally different development pathways (e.g., due to the size or distributional effects of changes to poor and marginalized groups).	
Sustainability **The extent to which the net benefits of the intervention or strategy continue and are scaled-up (or are likely to continue and scaled-up) by government authorities, donor organizations, the private sector and others agencies.** Note: This entails an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. It involves analyses of resilience, risks and potential trade-offs. **Specific domain of sustainability:** **Environment and natural resources management and CCA.** The extent to which the development interventions/strategy contribute to enhancing the environmental sustainability and resilience to climate change in small-scale agriculture. **Scaling-up*** takes place when: (i) other bi- and multi laterals partners, private sector, etc.) adopted and generalized the solution tested / implemented by IFAD; (ii) other stakeholders invested resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested / implemented by IFAD (from practice to a policy). *Note that scaling up does not only relate to innovations.	YES YES YES
Gender equality and women's empowerment. The extent to which IFAD interventions have contributed to better GEWE. For example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods; and in promoting sustainable, inclusive and far-reaching changes in social norms, attitudes, behaviours and beliefs underpinning gender inequality. Evaluations will assess to what extent interventions and strategies have been gender transformational, relative to the context, by: (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention). Evaluators will consider differential impacts by gender and the way they interact with other forms of discrimination (such as age, race, ethnicity, social status and disability), also known as gender intersectionality.[2]	YES
Performance of partners (assessed separately for IFAD and the Government) **The extent to which IFAD and the Government (including central and local authorities and executing agencies) supported design, implementation and the achievement of results and impact and the sustainability of the intervention/country programme** The adequacy of the Borrower's assumption of **ownership and responsibility during all project phases**, including government, implementing agency, and project company performance in ensuring quality preparation and implementation, compliance with covenants and agreements, establishing the basis for sustainability, and fostering participation by the project's stakeholders.	YES

[2] Evaluation Cooperation Group (2017) Gender. Main messages and findings from the ECG Gender practitioners' workshops. Washington, DC. https://www.ecgnet.org/document/main-messages-and-findings-ieg-gender-practitioners-workshop

List of IFAD-supported operations in Indonesia since 1980

Project			*Dates*				*Financing (million US$)**					
ID	*Name*	*Type*	*Approval*	*Effective*	*Completion*	*Closing*	*IFAD*	*IFAD total*	*Government*	*Co-financing*	*Beneficiary*	*Total cost*
110000**0035**	Smallholder cattle development project	Livestock	06/05/1980	01/10/1980	31/08/1986	31/03/1987	23 (Loan)	23	14	-	-	36.67
110000**00**74	Sulawesi Paddy Land Development Project	Irrigation	08/09/1981	29/09/1982	30/06/1990	31/12/1990	30 (Loan)	30	18	-	-	49.04
110000**0**094	Seventeenth Irrigation (East Java Province) Project	Irrigation	31/03/1982	15/12/1982	30/09/1988	31/03/1989	25 (Loan)	25	45	72.6 (IBRD)	-	142.60
1100000171	Second smallholder cattle development project	Livestock	05/09/1985	15/04/1986	30/09/1993	31/03/1994	10 (Loan)	10	7.74	25.75 (IBRD)	-	43.27
1100000215	Income-Generating project for marginal farmers and landless	Credit and financial services	03/12/1987	18/06/1988	31/12/1997	30/06/1998	13 (Loan)	13	10.7	2 (Netherlands) 1.4 (United Nations Development Programme)	-	27.28
1100000255	East Java Rainfed Agriculture Project	Rural development	19/04/1990	09/10/1990	31/12/1998	31/03/1999	17 (Loan)	17	9.2	0.8 (Netherlands)	-	31.22
1100000301	South Sumatera Smallholder Tree Crops Development Project	Agricultural development	14/04/1992	29/09/1992	31/03/1999	31/03/1999	19.9 (Loan)	19.9	3.8	-	4.3	28.07
1100000350	Eastern Islands Smallholder Cashew Development Project	Agricultural development	19/04/1994	29/07/1994	30/06/2002	30/09/2002	19 (Loan)	19	12.96	0.7 (United Nations Development Programme)	3.2	35.82
1100000485	Eastern Islands Smallholder Farming Systems and Livestock Development Project	Livestock	06/12/1995	22/03/1996	31/03/2003	31/03/2004	15 (Loan)	15	13.2	6.7 (IsDB) 1.4 (New Zealand)	-	36.68

Project			*Dates*				*Financing (million US$)**					
ID	*Name*	*Type*	*Approval*	*Effective*	*Completion*	*Closing*	*IFAD*	*IFAD total*	*Government*	*Co-financing*	*Beneficiary*	*Total cost*
1100001024	P4K - Phase III	Credit and financial services	04/12/1997	09/07/1998	31/12/2006	30/06/2007	24.9 (Loan)	24.9	25.2	8.3 (Dom Fin Inst) 60.5 (AsDB)	-	118.92
1100001112	Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas	Rural development	04/05/2000	31/01/2001	31/03/2009	30/09/2009	23.5 (Loan)	23.5	3.2	-	0.6	27.40
1100001191	*East Kalimantan Local Communities Empowerment Programme*	*Rural development*	*11/12/2002*	*06/05/2005*	*Cancelled 31/03/2006*	*-*	*20 (Loan)*	*20*	*6.5*	-	-	*26.50*
1100001258	READ	Rural development	02/12/2004	18/11/2008	31/12/2014	18/01/2016	21 (Loan) 0.5 (Grant)	21.58	3.8 (Loc Gov.) 2.9 (Nat Gov.)	-	-	28.33
1100001341	Village Development Programme (ex National Programme for Community Empowerment in Rural Areas Project) (VDP)	Rural development	11/09/2008	17/03/2009	31/12/2018	30/06/2019	68.1 (Loan) 0.4 (Grant)	68.5	98.9 (additional)	33 (IBRD additional)	16.4 (additional)	216.77
1100001509	SOLID	Rural development	11/05/2011	05/07/2011	31/01/2019	31/07/2020	49.1 (Loan) 1.1 (Grant)	50.2	14.8	-	-	65.00
1100001621	CCDP	Marketing	21/09/2012	23/10/2012	31/12/2017	30/06/2018	24.2 (Loan) 2.0 (Grant	26.2	7	7.8 (Spanish fund)	2.2	43.24
1100001706	Integrated Participatory Development and Management of the Irrigation Sector Project (IPDMIP)	Irrigation	17/12/2015	13/02/2017	31/03/2023	30/09/2023	98.5 (Loan) 1.5 (Grant)	100	152.9	600 (AsDB)	-	852.90
2000001181	READSI	Agricultural development	14/09/2017	08/01/2018	08/01/2023	31/07/2023	39.9 (Loan) 1 (Grant)	40.9	9.6	2.2 (Internat. private sector)	2.6	55.33
2000001202	Youth Entrepreneurship and Employment Support	Rural development	14/12/2018	17/06/2019	30/06/2025	31/12/2025	55.3 (Loan) 2 (Grant)	57.3	12.1	0.1 (TBD)	3.2	72.71

Project			*Dates*				*Financing (million US$)**					
ID	*Name*	*Type*	*Approval*	*Effective*	*Completion*	*Closing*	*IFAD*	*IFAD total*	*Government*	*Co-financing*	*Beneficiary*	*Total cost*
	Services Programme (YESS)											
2000002562	Integrated Village Economic Transformation Project (TEKAD)	Rural development	30/10/2019	23/12/2019	31/12/2025	30/06/2026	32.9 (Loan) 1.5 (Grant)	34.4	560.6	80 (TBD)	27.1	702.03
2000002234	The Development of Integrated Farming Systems in Upland Areas (UPLANDS)	Agricultural development	11/12/2019	23/12/2019	31/12/2024	30/06/2025	50 (Loan)	50	17.1	70.5 (IsDB) 0.024 (Local private sector)	14	151.66
TOTAL FINANCING OF 9 PROJECTS IN CSPE:								**449**	**880**	**793**	**65**	**2,188**
TOTAL FINANCING SINCE 1980:**								**670**	**1,044**	**978**	**74**	**2,765**

* Current amount. Discrepancies between Total cost and IFAD, Co-financing, Government and other domestic financing funding due to rounding.
** Totals exclude the cancelled project, East Kalimantan Local Communities Empowerment Programme
Source: IFAD Oracle Business Intelligence, November 2020

List of IFAD-funded or managed grants

A. Grants financed and/or managed by IFAD and implemented during the period 2013-2021

Grant ID	*Name*	*Countries included*	*Date of effectiveness*	*Date of closing*	*Amount in US$000s*	*IFAD funded*	*Recipient*
IN-LOAN GRANTS (8) included in the table of loan programmes in Annex IX						Y	
COUNTRY-SPECIFIC							
2000000101	Sustainable economic development through south-south and triangular cooperation in Indonesia	Indonesia	28/11/2013	18/01/2018	500	Y	Ministry of National Development Planning/National Development Planning Agency
2000000638	SCPP in Central Sulawesi	Indonesia	21/01/2015	30/09/2017	500	Y	Swiss Foundation for Technical Cooperation
2000001028	HFSLP	Indonesia	18/03/2016	30/09/2019	495	Y	Center for International Forestry Research (CIFOR)
2000003219	Renewable Energy Solutions for Village Electrification (RESOLVE)	Indonesia	24/02/2020	30/09/2022	244	N (ASAP2)	Aliansi Masyarakat Adat Nusantara
GLOBAL / REGIONAL GRANTS							
1000003895	Root and Tuber Crops Research and Development Programme for Food Security in Asia and Pacific Region	Bangladesh, P.R. China, India, Indonesia, the Philippines	22/03/2011	30/09/2015	1,450	Y	International Potato Centre
1000004302	Climate risk management in Agriculture with demonstration sites in Indonesia, Laos, and Bangladesh	Bangladesh, Indonesia, Lao PDR	07/12/2012	31/12/2015	700	Y	Trustees of Columbia University / International Research Institute for Climate and Society

Grant ID	*Name*	*Countries included*	*Date of effectiveness*	*Date of closing*	*Amount in US$000s*	*IFAD funded*	*Recipient*
2000000074	Medium Term Cooperation Programme with Farmers' Organizations in Asia and the Pacific Region, Phase II	Nepal, Sri Lanka, India, Bangladesh, Indonesia, Vietnam, Cambodia, Laos, Philippines, Myanmar, PRChina, Fiji, Samoa, Soloman Islands, Tonga, Vanuata, Papua New Guinea	04/09/2013	13/03/2019	2,000	Y	Asian Farmers Association for Sustainable Rural Development (AFA) in partnership with La Via Campesina
2000000108	Project to document global best practices on sustainable models of pro-poor rural financial services in developing countries	P.R.China, India, Indonesia, Philippines, Thailand	28/02/2014	30/09/2018	1,100	Y	Asia-Pacific Rural and Agricultural Credit Association (APRACA)
2000000094	Reducing risks and raising rice livelihoods in Southeast Asia through the Consortium for Unfavorable Rice Environments (CURE 2)	Cambodia, Lao PDR, Indonesia, the Philippines, Thailand, Viet Nam, and Myanmar (core beneficiaries). Plus Nepal, India, and Bangladesh	13/03/2014	30/09/2018	1,500	Y	International Rice Research Institute (IRRI)
2000000099	Climate Smart, Tree-Based, Co-Investment in Adaptation and Mitigation in Asia (Smart Trees -Invest)	Indonesia, the Philippines, Viet Nam	13/03/2014	30/09/2017	1,500	Y	ICRAF
2000001022	Asia Training Programme for Scaling Up Pro-Poor Value Chains	Bangladesh, China, India, Indonesia, Lao People's Democratic Republic, Myanmar and Viet Nam	21/01/2016	30/09/2021	2,000	Y	Helvetas Swiss Intercooperation
2000000995	Strengthening smallholder …	…	31/03/2016	30/09/2019	1,500	Y	CIFOR
2000001276	Farmers fighting poverty - Food security initiatives of farmers' organizations in a regional perspective (ASEAN) (FFP/ASEAN)	Cambodia, Indonesia, Laos, Myanmar, Philippines, Thailand and Vietnam	06/05/2016	12/03/2020	6,700,000 Euro	N (EU)	Agricord
2000000361	Agricultural transformation and market integration in the ASEAN region: responding to food security and inclusiveness concerns	ASEAN member states. Cambodia, Lao PDR, Myanmar, the Philippines, and Viet Nam will be specifically targeted.	17/05/2016	31/12/2021	2,500	Y	International Food Policy Research Institute (IFPRI)
2000001650		Cambodia, Indonesia, Malaysia, Lao PDR, the Philippines, Thailand, Viet Nam (and	29/04/2019	31/12/2024	3,500	Y	ASEAN

Grant ID	*Name*	*Countries included*	*Date of effectiveness*	*Date of closing*	*Amount in US$000s*	*IFAD funded*	*Recipient*
		Singapore and Brunei Darussalam, non-IFAD member states)					
2000003473	AFA for Sustainable Rural Development: Assuring Resiliency of Family Farmers (ARISE-Farmers) amidst COVID-19		2021	2022	2,000	Y	Asian Farmers Association for Sustainable Rural Development (AFA)
IPAF							
N/A	Local Value Strengthening in Village and Indigenous Forest Community-Based Management in Merangin District, Jambi, Indonesia. IP groups: Orang Bathin and Orang Penghulu		2019	38,320		N (IPAF)	Satunama Foundation
N/A	Strengthening indigenous Dayak Jawatn communities' capacity (especially indigenous women) in three villages to manage their indigenous forest/territory sustainably (Indonesia). IP group: Dayak Jawant		2015	40.067		N (IPAF)	Aliansi Masyarakat Adat Nusantara Kalimantan Barat)

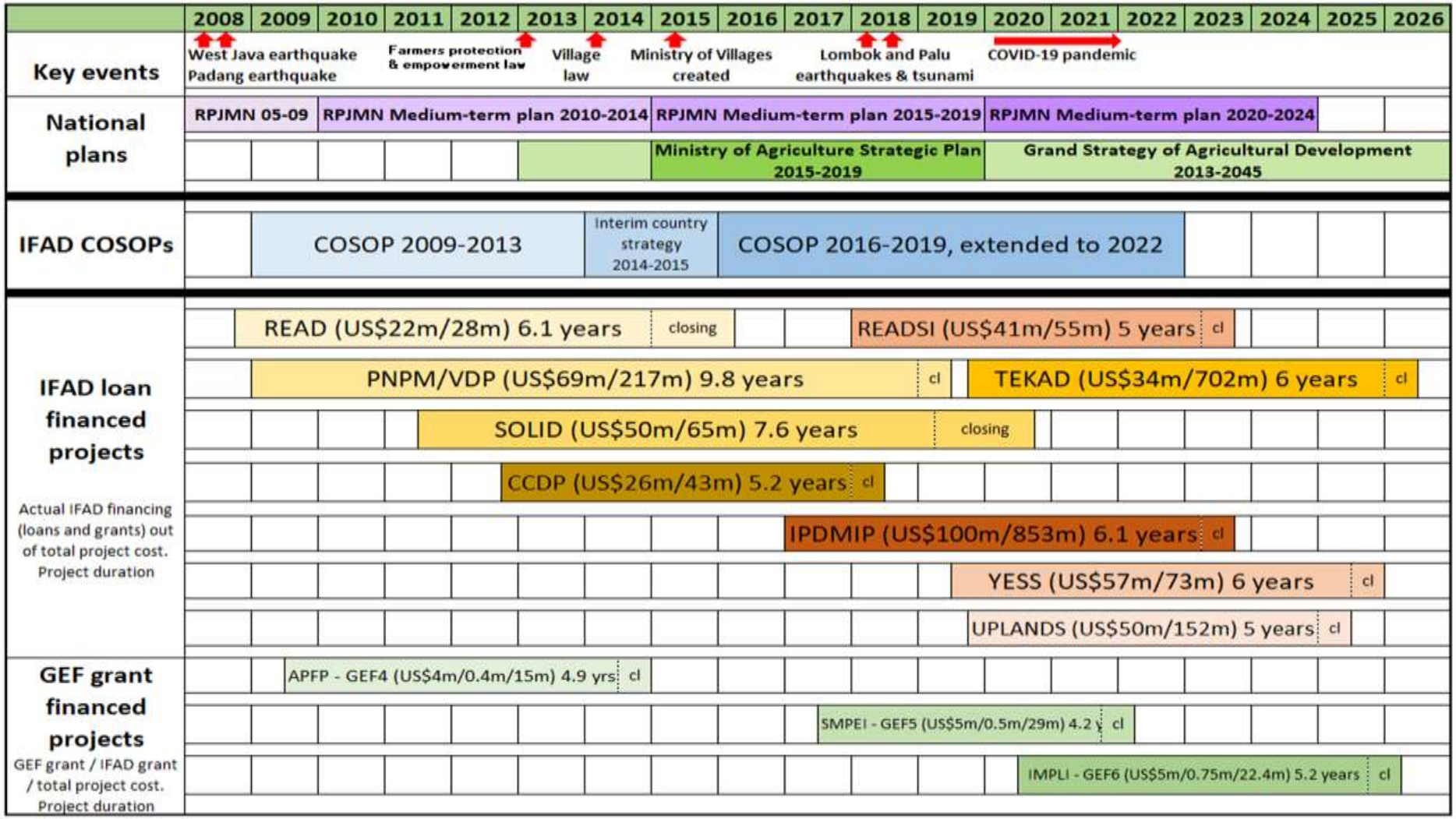
Source: IFAD Oracle Business Intelligence; Grant Status Report tool; Operations Document Centre; IFAD IPAF webpage, February 2021

B. Other grants implemented in Indonesia 2013-2021

Grant ID	*Name*	*Financier*	*Amount in US$000s*	*Co-financier(s) US$000s*	*Countries included*	*Date of effectiveness*	*Date of closing*	*Recipient*
1000003474	Rehabilitation and Sustainable Use of Peatland Forests in South East Asia (APFP)	GEF(4)	4,300	Government (8,615) Others (1,146) IFAD (445)	Indonesia, Malaysia, the Philippines, Viet Nam (and Singapore and Brunei Darussalam, non-IFAD member states)	28/07/2009	31/12/2014	ASEAN Secretariat
2000000956	SMPEI	GEF(5)	4,766	Government (14,950) Private sector (9,000) IFAD (500)	Indonesia	17/07/2017	03/2022	Government of Indonesia
2000000957	IMPLI	GEF(6)	4,896	Government (17,200) Private sector (3,571) Beneficiaries (851) IFAD (750)	Indonesia	22/07/2020	31/03/2026	Government of Indonesia

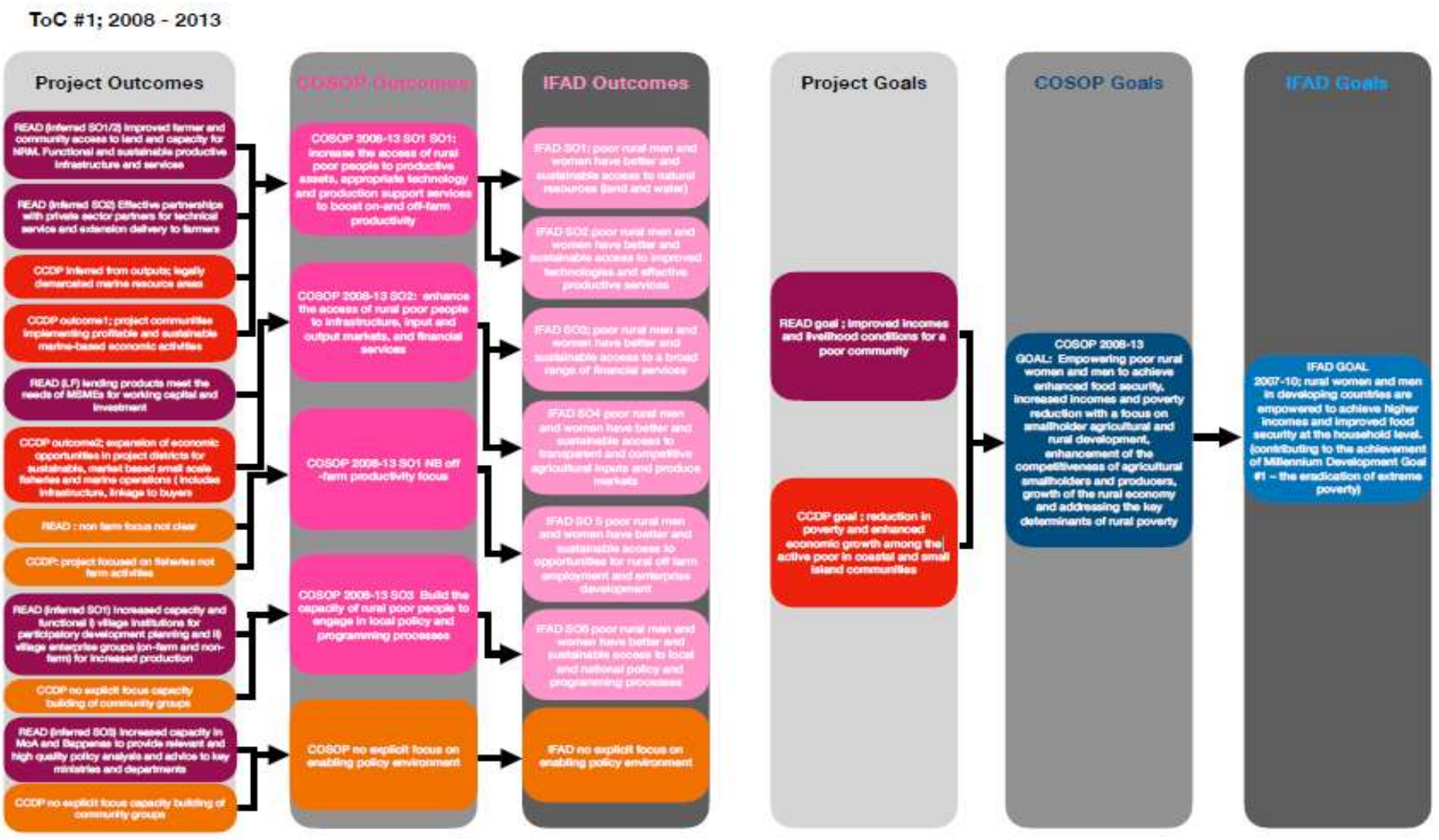
Source: IFAD Oracle Business Intelligence, November 2020; grant documents.

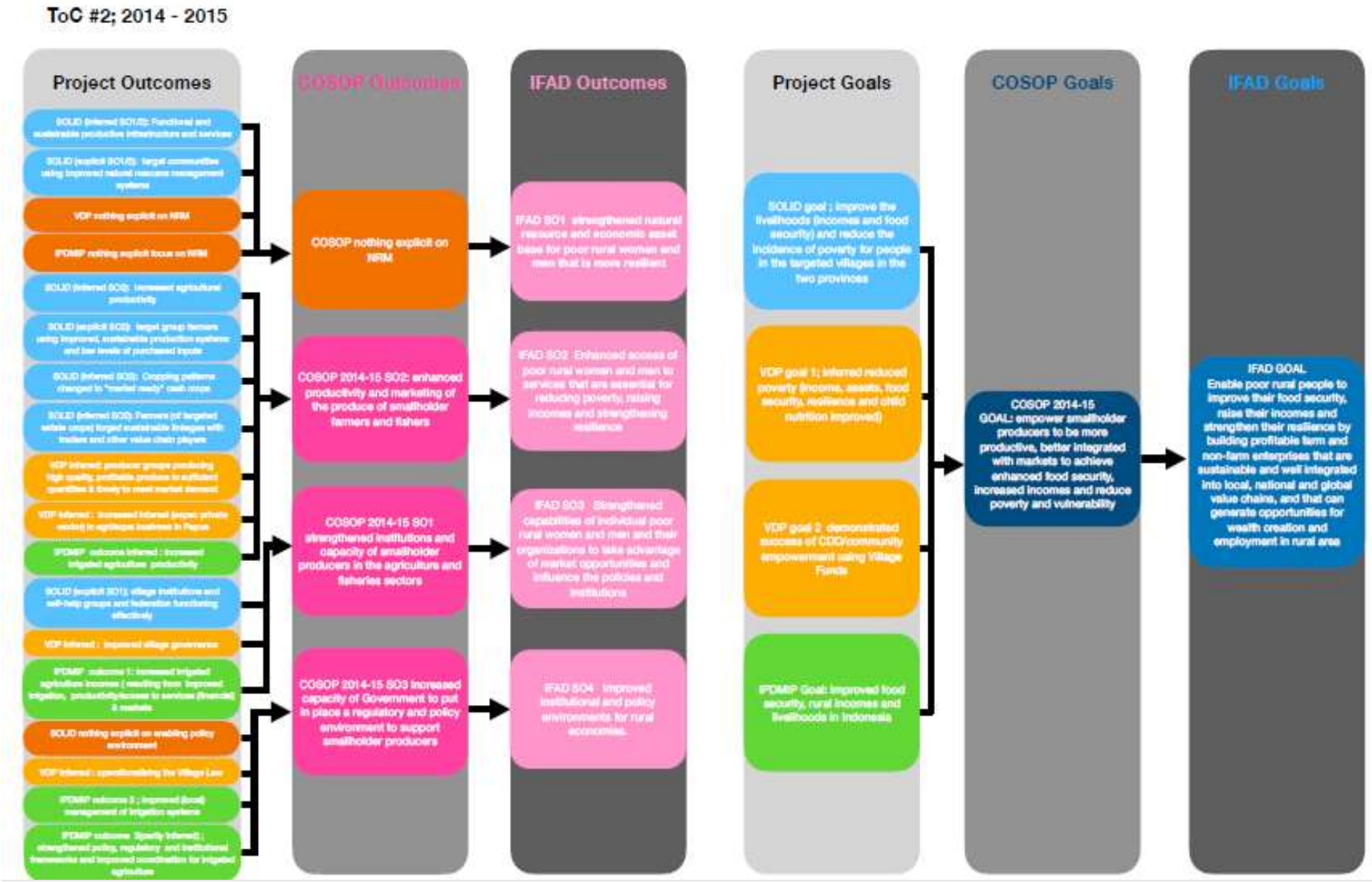
Timeline of IFAD-supported project portfolio from 2008



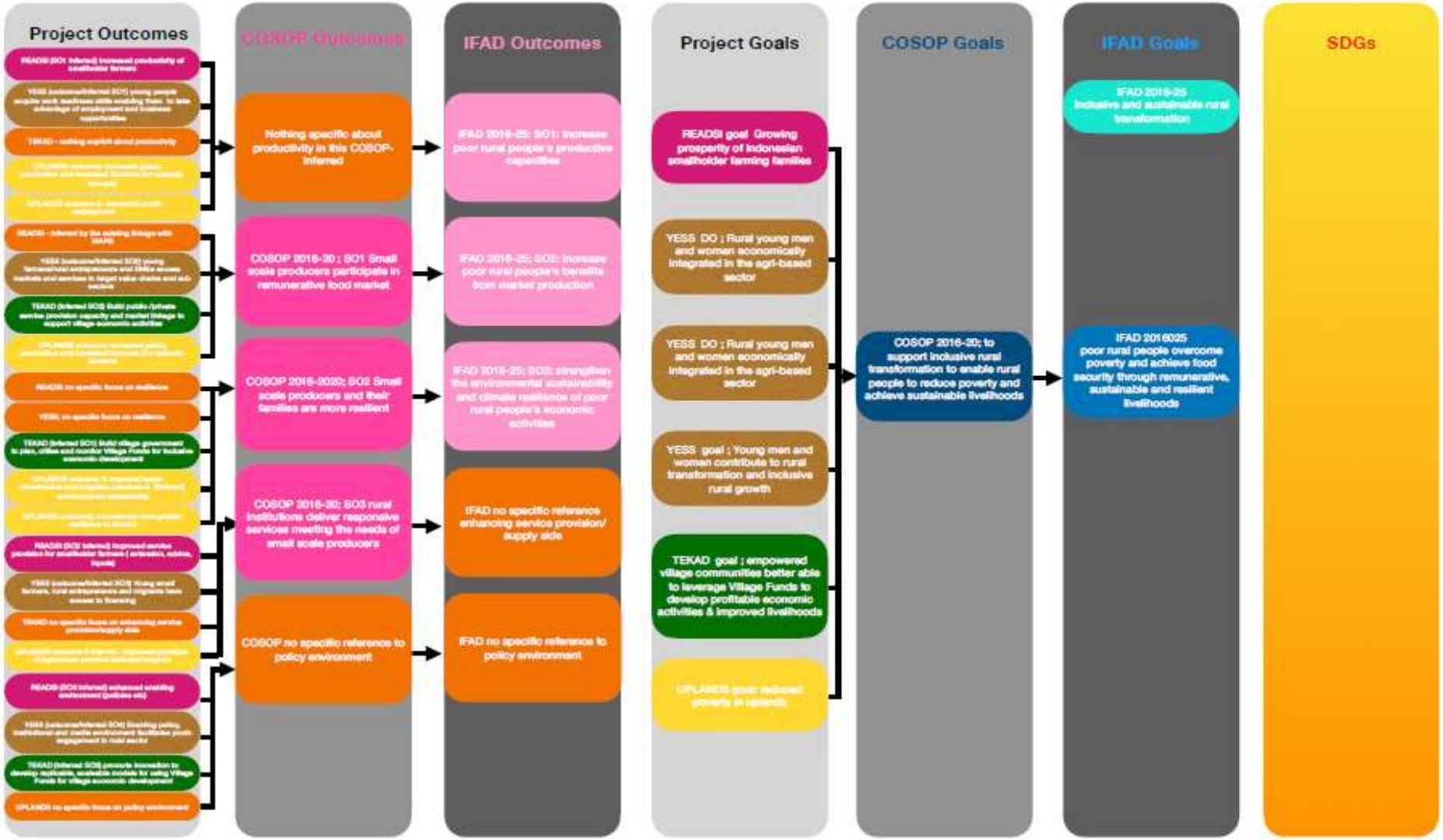
Source: Indonesia CSPE elaboration

Theories of Change




ToC #2; 2014 - 2015
Project Outcomes
COSOP Outcomes
IFAD Outcomes
Project Goals
COSOP Goals
IFAD Goals
COSOP nothing explicit on NRM
COSOP 2014-15 SO2: enhanced productivity and marketing of the produce of smallholder farmers and fishers
COSOP 2014-15 SO1 strengthened institutions and capacity of smallholder producers in the agriculture and fisheries sectors
COSOP 2014-15 SO3 increased capacity of Government to put in place a regulatory and policy environment to support smallholder producers
IFAD SO1 strengthened natural resource and economic asset base for poor rural women and men that is more resilient
IFAD SO2 Enhanced access of poor rural women and men to services that are essential for reducing poverty, raising incomes and strengthening resilience
IFAD SO3 Strengthened capabilities of individual poor rural women and men and their organizations to take advantage of market opportunities and influence the policies and institutions
IFAD SO4 Improved institutional and policy environments for rural economies.
SOLID goal ; Improve the livelihoods (incomes and food security) and reduce the incidence of poverty for people in the targeted villages in the two provinces
VDP goal 1; Inferred reduced poverty (income, assets, food security, resilience and child nutrition improved)
VDP goal 2 demonstrated success of CDD/community empowerment using Village Funds
IFDMP Goal: Improved food security, rural incomes and livelihoods in Indonesia
COSOP 2014-15 GOAL: empower smallholder producers to be more productive, better integrated with markets to achieve enhanced food security, increased incomes and reduce poverty and vulnerability
IFAD GOAL
Enable poor rural people to improve their food security, raise their incomes and strengthen their resilience by building profitable farm and non-farm enterprises that are sustainable and well integrated into local, national and global value chains, and that can generate opportunities for wealth creation and employment in rural area

ToC #3; 2016 - 2025



List of key persons met

Government

Ministry of National Development Planning
- Abdul Malik Sadat Idris, Director of Water Resources and Irrigation
- Anang Noegroho, Director of Food and Agriculture
- Mia Amalia, Director for Local Development
- RD Siliwanti, Director for Multilateral Foreign Financing
- Rosianna Sianipar, Former Development Planner at Multilateral Foreign Funding Directorate
- Wiwien Apriliani, Coordinator for Multilateral Funding of United Nations and Global Cooperation

Ministry of Agriculture
- Ade Candradijaya, Head of Foreign Cooperation Bureau
- Bustanul Arifin Caya, Project Director of IPDMIP
- Idha Widi Arsanti, Project Director YESS
- Leli Nuryati, Project Director READSI
- Rahmanto, Project Director UPLANDS

Ministry of Village, Development of Disadvantaged Regions and Transmigration
- Cece Yusuf, Head Planning and Cooperation Bureau
- Leroy Samy Uguy, Project Director of TEKAD

Ministry of Finance
- Eko NP, Policy Analyst of Fiscal Policy Agency

Ministry of Environment and Forestry
- SPM Budisusanti, Project Director of SMPEI

International and donor institutions

Asian Development Bank
- Eric Quincieu, Senior Water Resources Specialist Environment

World Bank
- Jan Joost Nijhoff, Senior Agriculture Economist & Task Team
- Scott Guggenheim, Senior Social Policy Adviser for the AusAID-Indonesia Partnership Program and Former Lead Social Scientist for East Asia and Pacific

Islamic Development Bank
- Yerzhan Jalmukhanov, Operations Team Leader
- Nedzad Ajanovic, Chief Product Partnership Directorate Product Partnership Directorate
- Adhi Dipo, Programme Officer

Non-governmental organizations and associations

IFAD
- Anissa Lucky Pratiwi, Country Programme Analyst
- Candra Samekto, Former Environment Climate Officer
- Dilva Terzano, Natural Resources and Project Financing Management Specialist
- Fabrizio Vivarini, Finance Officer
- Irene Li, Finance Officer
- Isabel de la Pena, Former Nutrition and Value Chains specialist
- Ivan Cossio-Cortez, Director of Indonesia Country Office
- Lilis Suharti, Regional Financial Officer for Asia Pacific Region
- Mariam Rikhana, Former Project Management Specialist for Indonesia Country Office
- Mattia Prayer Galletti, Former Indonesia CPM
- Mawira Chitima, Former Project Technical Lead of UPLAND
- Michael Hamp, Project Technical Lead of TEKAD, YESS, IPDMIP

Mohamad Iskandar, Country Operations Analyst for Indonesia Country Office
Nicolas Syed, Programme Officer for Indonesia Country Office
Richard Abila, Senior Technical Specialist - Fisheries & Aquaculture
Ron Hartman, Former Indonesia Country Director
Rosella Bartoloni, Former CPM Indonesia
Roshan Cooke, Former Climate Change Adviser
Sarah Hessel, Former Programme Officer for Asia Pacific Region
Shankar Kutty Achuthan, Senior Procurement Officer
Tawfiq El-Zabri, Former M&E Officer for Asia Pacific Region
Tom M. Anyonge, Lead Technical Specialist – Youth, Rural Development, and Institutions
Virginia Cameron, Senior Finance Officer

IFAD Consultant

Agnès Deshormes, Team Leader Consultant
Andrew Macpherson, Team Leader Consultant
Bobby Anderson, Consultant
Ratih Widyaningsih, Gender and Social Specialist
Pari Baumann, Gender Specialist
Philip Young, Farming System Consultant
Stania Yasin, Indonesia Country Office M&E Consultant
Sumaryo Soemardjo, Financial Management and Procurement Consultant
Thierry Mahieux, Rural Finance and Business Development Specialist
Tony Ryan, Consultant
Umi Hanik, YESS M&E Consultant

Non-governmental organizations and associations

MADANI - Indonesia Civil Society Support Initiative
Hans Antlov, Chief of Party

Private sector

Fay Fay Choo, Asia Director of Cocoa Sustainable Sourcing, Mars, Incorporated
Marcel Stallen, Fresh Studio Innovations Asia

Research and training institutions

World Agroforestry
Beria Leimona, Senior Expert Landscape Governance and Investment
Betha Lusiana, Senior Ecological Modeller

Qualitative analysis of project data collection in the Country Programme

1. **Assessment of effectiveness is hampered by a number of shortcomings** including inconsistency in the articulation of the hierarchy of results chains, use of terminology without sufficient explanation and generally inadequate identification of appropriate indicators and weak monitoring systems. Furthermore, several of the projects underwent substantial re-design at mid-term which further reduced the validity of baseline-endline comparisons. Concerns with rigour in the selection of comparators used in outcome and impact studies and the lack of attention to documenting change not attributable to projects that may have differentially affected project and non-project locations (e.g., rural electrification, road access) also hampers the opportunity to infer both effectiveness and impact.

2. **There is inconsistency across projects in logical frameworks and ToCs** including inconsistent articulation of objective statements, different interpretation of hierarchies in results chains as well as use and understanding of different terminologies (results, objectives, outcomes, etc.).). These inconsistencies made construction of ToCs to underpin the evaluation extremely challenging. It was necessary to nest ToCs within three phases to ensure that project portfolios are evaluated in the context of the relevant COSOP periods[79]. As shown in Annex II, objectives had to be inferred from project documents and interpretation of intent in order to align the projects hierarchically. IPDMIP was found to be particularly weak in linking the output, outcome and impact levels in its ToC. READSI 's results hierarchy confused outcomes and impact. For example, outcome 1 refers to demand-side interventions and is stated as 'improved household incomes and livelihoods are enabled through improved productivity and profitability of farm and non-farm activities and better management of household finances and nutrition'. However, the use of the word 'through' clearly points to the existence of two levels in the results chain with 'improved household incomes and livelihoods' being a result of improved productivity and profitability which in turn is the result of knowledge gained from training/extension and access to improved inputs and services. Outcome 2 refers to service provision but confuses immediate and long term outcomes (e.g. immediate outcome; good quality active local private service providers offering services and long term outcome; local private service providers used by farmers).

3. As well as inconsistent application of results chain logic, the language used in objective statements in several places needed further clarification and unpacking to ensure common understanding among project stakeholders but also to ensure that appropriate indicators were being used to measure the objectives. Terms such as livelihoods, rural transformation, community empowerment, social capital were not universally understood and indicators did not adequately capture the intentions behind the use of these terms.

4. **Weak monitoring systems across most projects have led to uncertainty in terms of assessing effectiveness**. The monitoring frameworks primarily comprise overall targets for various interventions and data is cumulatively gathered at the local level. There is no means to verify if the numbers are unique beneficiaries or are the same beneficiaries receiving multiple inputs/services. Field observations confirmed that M&E staff are primarily concerned with data entry and occasions when data is analysed are rare if at all. Consultants contacted confirmed that data provided to them by projects was weak and that review of effectiveness relied too much on anecdotal evidence. Verification exercises frequently commented on the lack of evidence to back-up effectiveness claims. Targets have often been scaled down at MTRs but also

[79] COSOP 2008-13, interim COSOP 2014-15 and COSOP 2016.

actual numbers vary between documents. For example, READ noted a target of 48,700 households (Appraisal Report 2000) but the PCR claimed the target was 45,000. SOLID target 49,500 at appraisal as reduced to 40,350 at MTR and the PCR uses a different target of 33,600.

Impact study shortcomings

5. The main body of the report refers to design and data shortcomings in impact studies undertaken by projects which, in turn cast doubt on the validity of the findings. These are elaborated in more detail here;

- **Data quality.** No impact study data is available from VDP and PCR data is not comparative and not clear. For instance, the claim of a 20 per cent increase of households' income in VDP is not validated by any data comparison or explanation of how the increase was calculated.
- Sample sizes. Both READ and SOLID impact studies used a 900 sample (30 x 30 clusters) of beneficiaries HHs as required by the ToRs and IFAD RIMS Practical Guidance Manual for Impact Surveys. However, high variance in population size of selected clusters/villages is not taken into account. In the READ impact study, village population ranges from 40 to 208 HH. Yet, in each cluster, 30 samples were fielded, exposing the study to the risk of being overrepresented by certain clusters. Samples of CU5 for anthropometrics were both small and not age matched.
- Comparator quality. Standard norms such as presenting balance test of households' baseline characteristics (or characteristics which do not change over time) was not employed. This casts doubt on how comparable the 'control groups' were to the project/intervention groups. Results tables indicate that there are many differences at baseline between project and non-project households which suggests that the comparators were not well matched (e.g., SOLID). Despite having a 'control' many of the tables presented in the SOLID Impact study only compare baseline and end line - referring to the latter as 'impact' and making no reference to the 'control' (e.g., Tables 12, 14, 15). For example, land increase is noted as significant for SOLID beneficiaries but the control data is not given although the narrative says it is larger for non-SOLID HH. Such presentation of data is misleading without careful scrutiny
- A further aspect of concern revealed through field visits is that when a project works in a particular location, other benefits which are not necessarily a direct result of the project are also provided. For example, those farmers within a project area are prioritised for free or subsidized inputs, which may be at the expense of timely and sufficient provision to non-project households. Extension officers are also encouraged to visit project sites more than their usual catchment areas. This inevitably distorts the comparability of 'controls'.
- **Lack of attention to comparable timing of baseline/end line studies.** SOLID and CCDP PCRs compared baseline and end line. While there is no mention when the SOLID baseline was undertaken, CCDP RIMS 2013 (baseline) was completed in October-November 2013 and its end line data collected in June-July, 2017. There were no disclaimers in either project explaining how they accounted for different data collection timings in their impact analysis. Seasonality issues in agriculture and fishing are extremely important and affect income, cash flow, levels of indebtedness, food intake (quantity and quality).
- Lack of statistical analysis. The potential use of data collected across the projects were not exploited optimally (except CCDP impact study undertaken by RIA from HQ). With the data available, various statistical analyses should have been applied to demonstrate genuine impact attribution and robustness of the findings. Propensity score matching could have been applied to READ

quasi experimental data where end line information for both READ and non-READ households were available. SOLID could have utilised difference-in-difference methodology given that both SOLID and non-SOLID data was available at baseline and end line. Yet, only limited statistical differences (p-value) across indicators were presented.

- Despite claims in the READ Impact Study 2104 of using double differences in its impact analysis (see p. 11), the results presented merely compare READ vs non-READ households at end line with nearly zero statistical test of difference result presented.
- Use of questionable data computation techniques e.g., READ collected annual income data which is notoriously unreliable by asking survey respondent to recall household income on average per year for household members who routinely earn cash (survey question; What is the household income on average per year (including the head of the family and family members) who routinely earn cash). Recall income was required to be estimated for the entire year. The tendency for under-reporting at baseline (in anticipation of qualifying for assistance) was not examined through alternative evaluation methods and the high discrepancy between income increase (81 per cent) and total expenditure increase (14 per cent) reported in SOLID impact study confirms such a flaw. Eastern Indonesia was at the time still transforming to a cash – based society. There was a failure to include non-cash savings and in-kind arrangements especially in fishing communities were not accounted for.
- Presentation of data. Much of the presentation of data is misleading. For example, looking at Table 15 in the SOLID impact study it is clear that the conclusion that SOLID beneficiaries increased their land size is questionable as land size is actually greater for non-SOLID respondents. In addition, household, livestock, and production assets are presented in terms of number of units instead of other more meaningful indicators such as percentage of ownership or tropical livestock units (TLU).
- No or very weak qualitative data was gathered to interpret quantitative survey data or examine non-project contributors to change.
- No assessment of inherent bias in the surveys or the way respondents may answer questions. Non-beneficiaries often purposely depress their income and asset ownership in the hope of becoming beneficiaries in the future.
- There was no assessment of other projects/development initiatives working in the areas previously or concurrently with the IFAD project to understand the extent of attribution and contribution that could be deduced. For example, interviews have confirmed that only groups which existed before the project have shown any evidence of benefits or potential to sustain.
- Disaggregation by commodity and/or enterprise would have provided important insights into what activities have greater impact. For example, not all enterprise activities were well conceived and would not have been expected to yield profits (e.g., small value additions of making banana chips for local sale). Without disaggregation the success of some enterprises is diluted

Efficiency, impact and performance of partners analysis

Table a
CSPE portfolio timeline between IFAD Executive Board approval and first disbursement

Project name	*Approval to signing*	*Signing to effectiveness*	*Approval to effectiveness*	*Effectiveness to 1st disbursement*	*Approval to 1st disbursement*
READ	23.67	23.87	47.53	3.50	51.03
VDP (ex-PNPM)	9.57	1.47	11.03	Data not available	
SOLID	1.80	0	1.80	4.37	6.17
CCDP	1.07	0	1.07	3.70	4.77
IPDMIP	13.87	0.00	13.87	5.00	18.87
READSI	3.20	0.60	3.80	4.20	8.00
YESS	2.20	3.90	6.10	3.70	9.80
TEKAD	1.77	0	1.77	6.67	8.43
UPLANDS	0.40	0	0.40	6.53	6.93
Indonesia portfolio average	**6.39**	**3.31**	**9.71**	**4.71**	**14.25**
APR regional average*	**-**	**-**	**6.90**	**9.88**	**16.78**

* Average for projects approved between 2004 and 2021.

Source: Analysis of data from Oracle Business Intelligence

Table b
CSPE consolidated table to show impact on average monthly household income (in IDR), by project

Project	*Baseline*	*Endline*	*% Dif.*	*Non-Beneficiaries*	*Beneficiaries*	*% Dif*	*National Statistics*
READ	-	-	-	641 325	1 130 382	76%	11 156 142
SOLID	1 161 600	2 107 080	81%	1 967 798	2 107 080	7%	10 770 948
CCDP	-	-	-	13 408 394	19 521 524	Significant positive impact	13 219 645

Source:

READ Final Impact Survey 2014, comparison of Non-READ and READ households in 2014, p.181. CSPE Team standardise the data from yearly into monthly by dividing the income by 12.
SOLID PCR 2019 compared household income between 2012 and 2018, and SOLID and non-SOLID income in 2018. According to the PCR, an 81% income increase is in a real term (adjusted with inflation). CSPE Team converted the income data from per capita into per household by multiplying the average monthly income per capita with the average household size in Maluku and North Maluku, according to Indonesia Statistics Agency in 2016 (latest available). Source: https://www.bps.go.id/indicator/12/148/1/rata-rata-banyaknya-anggota-rumah-tangga.html
CCDP Impact Study 2019 measured household net income for fisher households in 2018 (yearly in US$). CSPE Team standardized the income data to monthly basis by dividing the income by 12 and converted it to IDR by multiplying it with the average exchange rate in September 2018 (US$ 1 = IDR 14857.92) when the data was fielded. Source of exchange rate: https://currencies.zone/historic/us-dollar/indonesian-rupiah/september-2018.
National statistics - Source: Indonesia Statistics Agency (2021). Average Regional GDP at end line year (2014 average of READ province, 2018 average of SOLID provinces, and 2018 average of CCDP provinces). CSPE Team standardized the income to monthly basis by dividing the income by 12 and to household level by multiplying the numbers with average household number in 2014 for READ and in 2016 for SOLID and CCDP (latest data available).

Table c
CSPE consolidated table of impact on the proportion of household owning asset, by type of asset

Indicator	*READ*		*SOLID*		*CCDP*		
	Non-READ	READ	Baseline	Endline	Non-SOLID	Baseline	Endline
Asset ownership index	-	-	37%	54%	44%	Not significant effect	

Household assets	Electricity	79%	88%	-	-	-	92%	100%
	Radio	9%	7%	-	-	-	18%	24%
	Television	55%	68%	17%	59%	63%	80%	82%
	Refrigerator	15%	23%	-	-	-	36%	51%
	Bicycle	16%	18%	2%	13%	13%	20%	22%
	Motorcycle	57%	65%	8%	44%	34%	43%	61%
	Vehicle	1%	1%	-	-	-	2%	3%
	Handphone	62%	70%	-	98%	104%	71%	-
	Other	4%	4%	-	-	-	26%	10%
Productive assets	Sickel	-	-	-	109%	80%	Not significant effect	
	Hoe	55%	57%	-	91%	60%		
	Spray pests	-	-	-	36%	10%		
	Water pumps	-	-	-	10%	3%		
	Corn sheller	-	-	-	3%	0%		
	Thresher	-	-	-	3%	0%		
	Animal-drawn plow	1%	2%	-	-	-		
	Tractor-drawn plow	23%	39%	-	-	-		
	Power tiller	4%	2%	-	-	-		
Livestock assets	Poultry/chicken	41%	46%	123%	212%	237%	Significant negative impact	
	Goat	6%	5%	7%	19%	5%		
	Cattle	12%	15%	32%	23%	18%		
	Other animal	13%	15%	-	15%	13%		

Source:

SOLID Impact Study 2018 constructed asset ownership index from asset ownership and housing quality variables. The weight is estimated using Principal Components Analysis.
CCDP Impact Study 2019 constructed asset ownership index from durable asset ownership and dwelling quality variables. The weights are estimated using Principal Components Analysis and also Multiple Correspondence Analysis.
READ PCR 2015, compared asset ownership of Non-READ and READ households in 2014.
SOLID Impact Study 2018 compared household, productive, and livestock assets in 2012 and 2018. The study reported number of units of each asset type, hence, CSPE Team divide the number by total sample (900 for SOLID and 330 for non-SOLID) to obtain the proportion of household owning asset in %. Goat and sheep were counted as one category in this study.
CCDP PCR 2018 compared household asset ownership between 2013 and 2017 (based on RIMS 2013 and RIMS 2017). For productive assets, CCDP Impact Study 2019 measured fishing asset index as CCDP programme is targeted for fisheries activities. Livestock assets in CCDP Impact Study 2019 was measured in tropical livestock units (TLU).

Table d
CSPE consolidated table of proportion of households experience food insecurity

Indicator	*READ*		*SOLID*		*CCDP*		
	Non-READ	READ	Baseline	Endline	Non-SOLID	Baseline	Endline
First hungry season	30%	19%	-	-	-	34%	2%
Second hungry season	15%	5%	-	-	-	11%	0%
Poor consumption (based on Food Consumption Score/FCS)	37%	33%	17%	1%	1%	-	-

Source:

READ Final Impact Survey 2014, comparison of Non-READ and READ households in 2014.
SOLID Impact Study 2018 compared FCS in 2012 and 2018, and non-SOLID household in 2018.
CCDP PCR 2018, comparison between 2013 and 2017.

Table e
CSPE consolidated table on Impact on children under 5 years nutritional status

Indicator	*READ*			*SOLID*				*CCDP*		
	Non-READ	READ	National Statistics	Baseline	Endline	Non-SOLID	National Statistics	Baseline	Endline	National Statistics
Acute malnutrition/wasted children (weight for height)	7%	9%	13%	11%	12%	12%	13%	13%	9%	12%
Chronic malnutrition/stunted children (height for age)	48%	39%	32%	61%	6%	19%	35%	46%	33%	30%
Underweight children (weight for age)	9%	4%	23%	17%	7%	25%	24%	23%	5%	23%

Source:

READ Final Impact Survey 2014, comparison of Non-READ and READ households in 2014.
SOLID PCR 2019 and SOLID Impact Study 2018 compared children nutritional status between 2012 and 2018, and non-SOLID household in 2018.
CCDP PCR 2018, comparison between 2013 and 2017.
National statistics - Source: Riskesdas (2018). Average prevalence of stunted children in 2018 at READ districts, SOLID districts, and CCDP districts. Average prevalence of wasted and underweight children (0-59 months) in 2018 at READ province, SOLID provinces, and CCDP provinces.

Table f
Number of missions per project per year

Project	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*Total Missions*
READ	1	2	2	2	1	1	-	-	-	-	-	-	-	9
VDP (ex-PNPM)	-	2	2	2	3	2	1	2	2	2	-	-	-	18
SOLID	-	-	-	3	2	1	2	3	3	2	-	-	-	16
CCDP	-	-	-	-	2	1	2	2	2	-	-	-	-	9
IPDMIP	-	-	-	-	-	-	-	-	-	2	3	2	1	8
READSI	-	-	-	-	-	-	-	-	-	-	2	1	2	5
YESS	-	-	-	-	-	-	-	-	-	-	-	1		1
TEKAD	-	-	-	-	-	-	-	-	-	-	-	1		1
UPLANDS	-	-	-	-	-	-	-	-	-	-	-	1	1	2
Total IFAD Missions	**1**	**4**	**4**	**7**	**8**	**5**	**5**	**7**	**7**	**6**	**5**	**6**	**4**	**69**

Table g
Planned and actual government disbursements by project

Project	*Agreement (000 US$)*	*Actual/interim (000 US$)*	*Disbursement rate at actual/Nov 2021*
Closed projects	41 673	26 100	63%
READ	6 748	3 247	48%
VDP (inc PNPM)	13 025	5 807	45%
SOLID	14 810	10 000	68%
CCDP	7 090	7 046	99%
Ongoingprojects	173 186	610	0.35%

IPDMIP [a]	117 963	333	0.28%
READSI	9 606	190	2%
YESS	12 091	50	0.41%
UPLANDS	15 336	27	0.18%
TEKAD	18 191 [a]	11 [b]	0.06%

[a] Converted from EUR to US$ (exchange rate at 1.056)
[b] Converted from IDR to US$ (exchange rate at 0.00007)
Source: Project design, supervision, completion reports (PCRs), PCRVs, PPEs

Gender analysis

This Annex provides analysis undertaken during the CPSE to support the narrative contained in the main report.

Distinction between GEWE as a rural development objective and GEWE within implementing organisations has not been fully appreciated in previous assessments. Table i indicates that all projects have been assessed as moderately to fully satisfactory in terms of GEWE with only CCDP and VDP having their final scores adjusted downwards (in the PCRV) to 4 and 3 respectively. IFAD's gender policy (2012) clearly explains the distinction between GEWE as a rural development objective and GEWE in implementing organization. However, t**he GEWE achievement score combines the two elements and may result in misleading assessment of achievement particularly as the latter is primarily assessed on fulfilling staff gender quotas and provision of gender training.**

Table i.
GEWE Ratings for closed projects

Project	PMD/PCR Rating	PCRV/PPE rating	Rating disconnect
READ	5*	5	0
VDP	4	3	-1
SOLID	5	5	0
CCDP	5	4	-1

*Improved from 3 at the start of the project

The VDP PPE (para120-128) justification for lowering the rating was based on **poor analysis of the gender dynamics** for Papua/West Papua, **lack of workable women's empowerment focus** and little demonstrable action to include women and enhance their role in group activities. CCDP PCVR (para 57-61) justified the downward rating based on a **lack of evidence to justify positive conclusions** around reduction on women's workload, savings accumulation, enhanced self-esteem and improved household relations.

GEWE assessments rarely examined the three IFAD SOs of GEWE in rural development adequately. IFAD's three SOs are economic empowerment, voice and influence and balance in workloads together with share in social and economic benefits. These three objectives remain despite the increasing emphasis on gender transformation. Table ii compiled from analysis of PCRs of closed projects illustrates the shortcomings in reporting against these objectives. Any evidence provided is usually limited to membership of groups or inclusion in outreach rather than benefits such as profits or influence which may accrue from group membership and enhanced knowledge and skills. The table notes that anecdote and assumptions prevail and that attention to the issue of women's workload is very weak or non-existent (comments in red)

Table ii.
Contribution to GEWE SO as noted in PCRs

IFAD GEWE SO	READ	VDP	SOLID	CCDP
SO1 Promote **economic empowerment** to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities.	Target of 2 women groups in each village focusing on homestead production (vegetable and/or small livestock) and off farm (processing	44% 'outreach' efforts reached women. No women in famer groups No evidence of economic benefits but much made of traditional social norms which inhibit women's	PCR cites final impact survey (2018) 90% respondents reported ' *men and women have equal opportunities to use family assets, use SOLID loan funds, utilize solid assets and assistance tools and utilize other loan funds'*	30 % participation in enterprise and 90% participation in savings groups. Women reported increase in skills & income and savings

	or kiosk) led to 492 women 's groups formed (8025 members) No evidence of economic profits	participation all of which the PPE questions in light of contemporary evidence	But baseline data missing and attribution to project questionable	BUT PCVR noted no quantitative evidence to support this
SO2 Enable women and men to have **equal voice and influence** in rural institutions and organizations	51% participation PCR notes '*Women's participation is considered rare in Central Sulawesi, related to the culture and tradition, where women are never part of decision making, let alone economic activities'*) No evidence for this caveat assumption. No evidence of voice	PCR notes '*Modifying gender roles and relations deeply rooted in the socio-cultural norms in Papua and West Papua is a tall order. The important emphasis on working with women only groups can be considered as a good first step'* Assumptions queried by PPE which noted a need for formative research on gender dynamics in Papua/W Papua	PCR cites final impact survey (2018) '*More than 90% reported that both genders have the same opportunity to get something they want, choose the position they want in SHGs, federations and business centres and choose the position they want in an organization other than SOLID. A similar percentage reported that men and women have equal opportunities in determining family decisions, determining decisions in SHGs, federations and business centres, making decisions in other institutions and determining decisions in carrying out activities in the village.'* But baseline data missing and attribution to project questionable	35%partiicpation in village working groups. Women reported 'CCDP addressed our priorities' But PCVR noted reported increased confidence and improved intra household relations were anecdotal
SO3 Achieve a more equitable **balance in workloads** and in the **sharing of economic and social** benefits between women and men	Not mentioned	Not mentioned PPE noted lack of research into division of labour	Not mentioned	Provision of water, energy roads and transport noted as reducing daily workload. PCVR notes no evidence for this

Table iii shows that in all projects, there are notable gaps in indicators used to measure GEWE achievements (final column)

Table iii

Indicators used/intended to be used by projects to measure GEWE showing gaps.

Project	Main indicators	Gaps
READ	#groups with women leadership # women in community management committees # active women savers Value of savings mobilized by women # active women borrowers Value of gross loan portfolio for women (loans outstanding – loans written off) # women receiving training	Workload Nutrition Savings = proxy

	# women provided with production inputs and facilities	
VDP	# women registered as members of farmer groups #numbers of women proposing projects for funding (under PNPM Agriculture) # women in rural areas accessing financial services (savings and credit)	Workload Nutrition Productivity
SOLID	# female persons receiving services promoted/supported by the project # groups with women in leadership position *# women in saving and credit groups* *# women accessing advisory services facilitated by project* *# women in rural areas accessing financial services* *# women trained in crop production services* *#women trained in income-generating activities* NB all the italicised indicators had the same target (16,800)	Nutrition Workload
CCDP	# female persons receiving services promoted/supported by the project % reduction in prevalence of child malnutrition – segregated by gender # women-headed households reporting adoption of new/improved inputs	Workload Voice
IPDMIP	# female persons receiving services promoted/supported by the project # female rural producers accessing production inputs and/or technological packages # women in rural areas accessing financial services – savings/credit	Workload Nutrition Voice
READSI	# female persons receiving services promoted/supported by the project #women trained and receiving starter kits for integrated homestead gardening # women-headed households reporting increase in production #women-headed households reporting using rural financial services #female households provided with targeted support to improve their nutrition # women reporting improved quality of their diets # female persons in rural areas trained in financial literacy and/or use of financial products or services #female persons trained in crop production practices/technologies #female rural producers accessing production inputs and/or technological packages	Voice Workload Productivity
YESS	#Number of young women and men finding employment in the agri-based sector #female persons trained in income-generating activities or business management #female persons in rural areas trained in financial literacy and/or use of financial products and services	Voice Workload Nutrition
TEKAD	# of women-headed households reached by project # female persons receiving services promoted/supported by the project # women in rural areas accessing financial services – credit/savings	Nutrition Voice Workload

UPLANDS	# female persons receiving services promoted/supported by the project # women trained in crop production practices and/or technologies # women in rural areas accessing financial services (credit) # female households reporting improved incomes from improved processing/market linkages #women trained in income-generating activities or business management	Nutrition Voice

Review of the gender quota targets for staff (Table iv) indicates that whilst targets were articulated in designs, there was little follow up in terms of recording achievement, analysis of trends and no evidence of review of missed targets during the life of projects. Evidence of participation in gender training and training outcomes are not routinely collected.

Gender consultants shared with CSPE that even quotas could be better refined, e.g. per cent women extensionists provided transport support to ensure they can visit the field easily.

Within projects there is an expectation that all staff meet GEWE competence standards and training which is not the case. There are no provisions for tracking staff costs and time dedicated to GEWE.

Table iv
Analysis of gender quota staffing targets and achievement

Project	Target	Achievement	Gender training to staff
READ	No quotas	n/a	All 150 village facilitators trained on gender
VDP	30% quota for women village facilitators	12% (< half target)	Gender and nutrition training provided to facilitators
SOLID	30% quota for women on provincial and district technical committees	0% (PPIU) 18% (district coordinators)	No gender specific training noted
	50% quota for women facilitators and extension staff	No data	
	'encouragement for women to apply for project posts and qualified women given preference'	No data although later in the project, there was a woman PD with predominantly female staff	
CCDP	No quotas	n/a	No gender specific training noted
IPDMIP	30% participation of women quota for development activities assumed to apply to staff too.	Midline survey (2021) noted 51% field staff (out of 388) are women	Intentions to provide GEWE training (lunchtime seminars & workshops) including to staff to help them to recognise gender issues in forming WUA and undertaking participatory rural appraisal.
READSI	50% quota for women village facilitators	32% (108/335 village facilitators)	No specific gender training
YESS	30% quota for women mobilisers/ 50% quota for women youth facilitators	No data	Little detail on any gender training. Mobilisers confirmed that all they were told was to try to ensure quotas reached where possible.

	All service providers contracted (including consultants) must demonstrate knowledge and experience with GESI principles, responsibilities for GEWE specified in ToRs	No data	No specific gender training identified
TEKAD	40% quota for women staff in national, provincial and district implementation units	38% (national) 36% (province) 34% (district)	Capacity building for all district and sub district staff on '*gender equitable and socially inclusive village economic development'*
	All service providers contracted must demonstrate knowledge and experience with GESI principles	No data	
UPLANDS	50% quota for woman village facilitators	No data	Staff to receive gender action learning for sustainability (GALS) training bit more emphasis on 10 module commodity-specific training for extension staff
	50% quota for woman provincial management unit and provincial implementation units	14% (provincial management unit)	

GEWE has not had adequate supervision support. Table v. presents the number of times gender specialists were included in supervision missions and appears to be moderately good but obscures the fact that these **consultants were not totally focused on GEWE.** As the ToR for one such consultant indicated, not only was she required to review the status of gender mainstreaming and GEWE (primarily concerned with inclusion of women) but was also required to assess targeting, social mobilization and community facilitation and recommend measures to support farmer group capacity building. Others indicated that being responsible for a range of crosscutting issues (targeting, poverty, nutrition) was acceptable because of the inter-relationships of these issues but noted that the format of supervision mission reports were dull and inhibited the elaboration of issues which would be useful and provide direction Government of Indonesian forward.

Conclusions made in impact surveys were weak and reinforced widely held assumptions that there is nothing to fix in terms of gender in Indonesia. For example, READ Outcome survey 2014 noted 'Gender equality in which the roles of women and men in the READ and Non READ household in making a living, managing family finances, taking care of family members and conducting activities seen already well developed and in accordance with nature'. The IPDMIP baseline 2019 states ' The data is at least the role of women in farming activities is still limited to activities where it is natural to be carried out by women according to their nature' and implies no requirement to challenge the status quo.

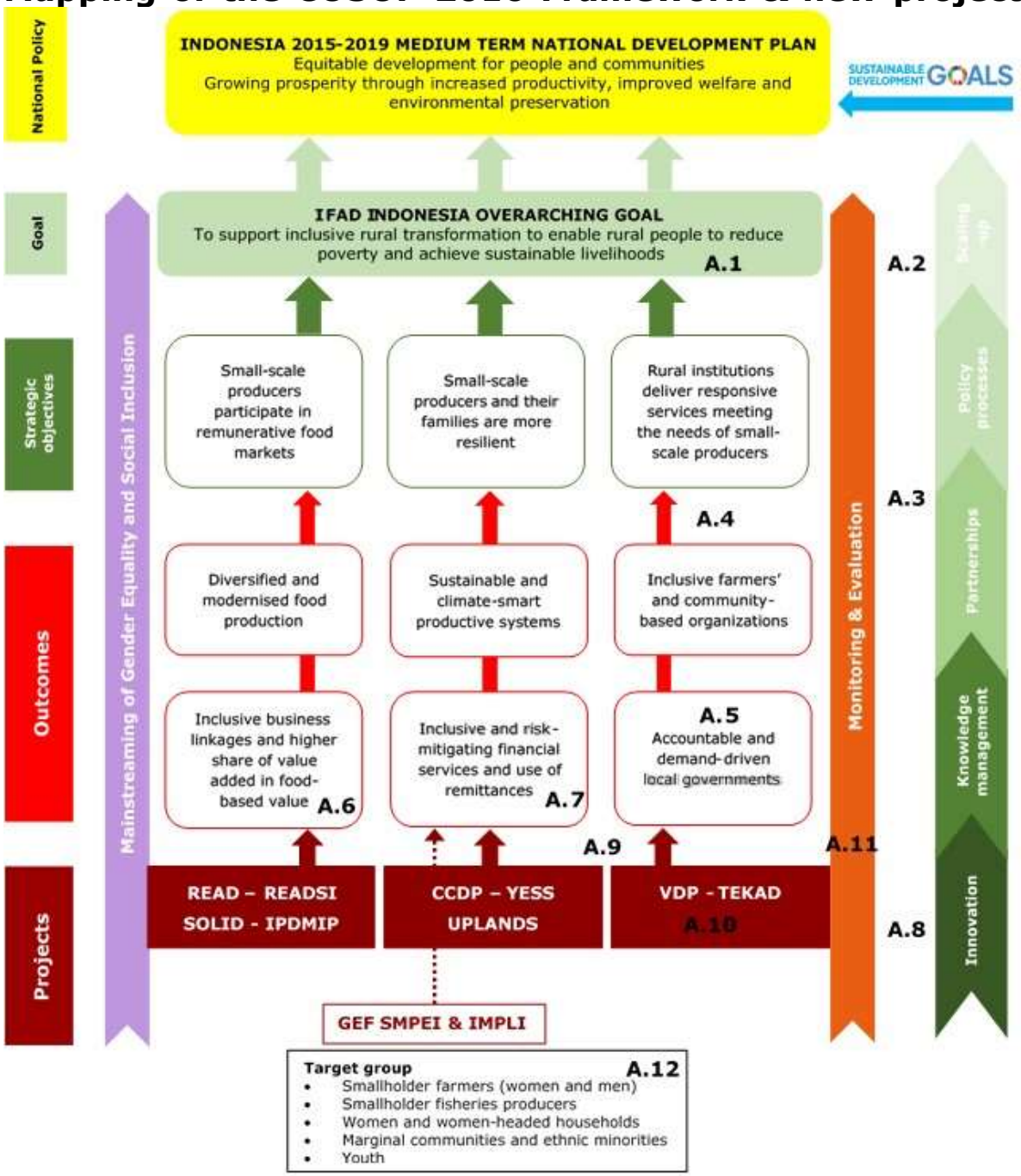
The capacity both local gender specialists and companies tasked with impact studies to analyse and interpret gender data is weak. Analysis has revealed that many of the companies contracted to undertake IFAD impact studies have construction and engineering specialties and local gender consultants are often co-opted to do this work when their real expertise lies elsewhere. Interviews conducted indicated that in-country gender expertise is considered weak compared to other countries in the region. Generally, they are neither pro-active nor able to use gender analytical lenses adequately.

Gender specialists in supervision and MTR missions

Project	Missions												Gender / Sociologist present	Missions with missing info	Total missions (as of July 2021)
READ	S1:2009	IS1: 2010	S2:2010 Sociologist (FAO)	MTR 2011 Sociologist (FAO) Gender specialist	S3: Not clear								2	4	9
PNPM/VDP	S1:2010 Sociologist (FAO)	S2: 2011	IS2: 2011	MTR: 2012 sociologist	S3: 2013	IS4: 2013	IS5: 2014	IS7: 2016	S4: 2014 sociologist	S5: 2017	S6:2018 sociologist	IS8: 2018	4	4	18
CCDP	IS1 2013	S1 2013: sociologist	S2/JRM 2014: sociologist	IS2: 2015	MTR:2015 sociologist	JRM; 2016	JSM; 2016	JRM, 2017 sociologist					4	0	8
SOLID	S1: 2012 sociologist	S2: 2012 Not clear	S3: 2013 sociologist	MTR; 2014 sociologist	S4: 2015	S5: 2015 Gender specialist	S6:2016 Gender specialist	IS4: 2017	IS5:2017	S7: 2017	S8: 2018		5	3	13
IPDMIP	IS1 2018	S1 2018	IS2 2019	IS3 2019: Sociologist and gender	S2: 2019 Sociologist and gender	S3 2020 (remote)	Partial S4 2020	MTR 2021 ADB Gender (ADB)					3	0	9
READSI	S 1: 2019 Sociologist and gender	IS1: 2019 Sociologist and gender	S2: 2020 (remote)	IS2: 2021									2	0	4
YESS	S1 2020 remote												0	0	1
UPLANDS	S1 2020 remote	IS1 2021 report not uploaded yet											0	0	2
TEKAD	S1 2020 remote												0	0	1

*includes supervision (S), implementation support (IS), mid-term review (MTR), joint review (JRM) and joint support (JSM) missions. ***Does not include project completion missions (PCR) and missions with missing reports***

Mapping of the COSOP 2016 Framework & new projects



Assumptions

A.1 Improved household income, food security and nutrition are not undermined by shocks, including natural disasters and the COVID-19 pandemic.
A.2 The Government values IFAD-supported innovations and supports their scaling-up.
A.3 A stronger IFAD country presence leads to improved partnership building and policy engagement.
A.4 Rural people and their institutions are empowered to undertake participatory planning and economic activities.
A.5 Local governments have the capacity to carry out inclusive development and deliver services to rural people.
A.6 Implementing partners understand and are able to promote inclusive value chain development and linkages with the private sector
A.7 Projects forge effective partnerships with financial service providers to better serve small-scale producers
A.8 Pilot programmes are innovative and demanded by the target group
A.9 Governmental procedures support timely and effective implementation at national and sub-national levels.
A.10 Project management units at all levels are able to implement projects in a timely and effective manner.
A.11 Project M&E systems are established and functional to inform management decision-making, knowledge management, policy engagement and the scaling-up of innovations.
A.12 IFAD-supported projects reach and benefit the target group.

Source: Based on the mapping in the COSOP 2016

Summary information on the loan-funded projects in this evaluation

1. **Rural Empowerment and Rural Agricultural Development Programme in Central Sulawesi (READ)** was approved in December 2004 on an exceptional basis before the loan had been negotiated with the Government. It was later rejected by the Government mainly because of the revised national policy regarding on-lending to local governments for externally borrowed funds. READ was redesigned and approved in September 2006. The total actual cost was US$23.59 million, financed by IFAD through a loan of US$21 million and a grant of US$0.5 million and the Government (Central, Central Sulawesi and District governments). The project was implemented by the MoA and targeted poor households living below the poverty line, especially those in marginal upland areas, in 5 rural districts in Central Sulawesi province. The post-MTR objective was to "strengthen the capabilities of local communities in general and of the rural poor in particular, to plan and manage their own development and improve their livelihood on a sustainable basis". READ was a community-based development project. It strove to empower groups and their villages to participate in local development processes and improve road, drinking water and irrigation infrastructure. It also supported the development of farming systems and small non-farm business enterprises.

2. **Village Development Programme (VDP) formerly National Programme for Community Empowerment (PNPM: Programme Nasional Pemberdayaan Masyarakat)** was financed by the World Bank and co-financed by the Government and IFAD, whose loan was approved in September 2008. PNPM was a countrywide umbrella, community driven development (CDD) programme with components such as PNPM-**Urban**, PNPM-Support for Poor and Disadvantaged Areas and PNPM-Rural – the latter receiving IFAD financing in North, Central and South Sulawesi provinces. IFAD also financed a pilot programme in Papua and West Papua called PNPM - Agriculture, which focussed on agriculture oriented livelihood activities. Implementation was discontinued in 2014 after the Government requested operations to be put on hold. The new government brought a new "Village Law" that stipulates increased devolution of responsibilities and power to the village governments. IFAD re-designed the PNPM-Agriculture in Papua and West Papua to be consistent with the new community development approach and the Village Development Programme (VDP) was launched in 2016.

3. About 85 per cent of the US$68.5 million IFAD loan went towards financing block grants in PNPM-Rural. The remaining 15 per cent went towards the implementation of PNPM-Agriculture and later the redesigned VDP, which closed in June 2019. The MoHA implemented PNPM and the MoV, created in 2015, implemented VDP. VDP's stated overall goal was "to reduce poverty and improve local-level governance in rural areas through the provision of investment resources to support productive proposals developed by communities, using a participatory planning process." VDP was the forerunner to TEKAD (see below).

4. **Smallholder Livelihood Development Project in Eastern Indonesia (SOLID)** was approved in May 2011 and closed in July 2020. Total actual project costs were US$58 million, supported by an IFAD loan of US$49 million and grant of US$1 million, as well as the Government. SOLID was implemented by the MoA, in the target eastern provinces of Maluku and North Maluku. The overall objective was to improve the livelihoods (incomes and food security) and reduce the incidence of poverty of rural households. The original design tried to address the lack of social cohesion in the post-conflict area and the broad range of needs at village level, including gender equity and empowerment, food security, agriculture productivity, and value chain engagement. It also contained significant elements of natural resource management, community infrastructure, forestry and fisheries. The main

target group were farm households belonging to the Self-Help Groups (SHGs) and Federations. The project underwent redesign at MTR to make the achievement of the objective more doable and put greater focus on food production and marketing.

5. **Coastal Community Development Project (CCDP)** was approved in September 2012 and closed in June 2018. Total actual costs were US$45 million, financed by an IFAD loan of US$24 million and grant of US$2 million, a loan of US$7.8 million from the Spanish Trust Fund and the Government and beneficiaries. CCDP was implemented by the MMAF in 12 coastal districts across nine provinces (Papua, Maluku Utara, Maluku, Nusa Tenggara Timur, Nusa Tenggara Barat, Sulawesi Selatan, Gorontalo, Sulawesi Utara, Kalimantan Barat). The goal of CCDP was to reduce poverty and enhance economic growth among the active poor in coastal and small-island communities. This was to be achieved through the objective of increasing household incomes for families involved in fisheries and marine activities. CCDP supported participatory processes to empower communities to establish marine-based economic activities and to determine priorities for the project's support of village-based infrastructure, coastal resource management and enterprise groups. The target group included five sub-groups of households with variable levels of labour availability and assets that enabled access to marketable marine resources.

6. **Integrated Participatory Development and Management of the Irrigation Sector Project (IPDMIP)** was approved in December 2015 and is scheduled for completion in March 2023. The COVID19 pandemic meant that the MTR could not take place in May 2020. Total project costs at design were US$853 million, supported by an IFAD loan of US$98.5 million and a grant of US$1.5 million. In addition, the ADB is providing a loan of US$600,000 and the Government covers the rest, US$153 million. IPDMIP covers 74 districts in 16 provinces (5 in Sumatra, 4 in Java, 2 in Kalimantan, 3 in Sulawesi and 2 in Nusa Tenggara). The development objective is to increase the value of sustainable irrigated agriculture. Components focus on 1) irrigated agriculture incomes, 2) irrigation systems infrastructure productivity and services, 3) irrigation systems management, and 4) policy and institutional frameworks for irrigated agriculture. IFAD and AsDB finance activities in components 1 and 2, respectively, and both agencies finance components 3 and 4. The target group of poor rural people comprises poor, near-poor and better-off people, and the targeting strategy involves reaching the most marginal households. The main implementing agency is the Directorate General of Water Resources (DGWR) in the Ministry of Public Works and Housing (MoPWH).

7. **Rural Empowerment and Agriculture Development Scaling-Up Initiative (READSI)** was approved in September 2017 and is scheduled for completion in January 2023. Total project costs at design were US$55.3 million, with support from an IFAD loan of US$39.9 and grant of US$1 million, as well as the Government, international private sector and beneficiaries. The development objective is to empower individually and collectively rural households with the skills, confidence and resources to sustainably improve their farm and non-farm incomes and livelihoods. READSI is implemented by the MoA and covers 14 districts within 4 provinces of Sulawesi Island (Gorontalo, Sulawesi Tengah, Sulawesi Tenggara, Sulawesi Selatan) and two districts in each of West Kalimantan and Nusa Tenggara. It builds on the READ approach of community mobilization integrated with agriculture and livelihood development and also supports services inputs, market linkages and policy and institutional frameworks for smallholder agriculture. The target group comprises the poor and near poor with potential to generate economic returns, active farmers that can act as agents of change and the landless and land-poor, including women-headed households. The targeting strategy promotes the inclusion of ethnic groups and indigenous peoples who meet the programme selection criteria.

8. **Youth Entrepreneurship and Employment Support Services Programme (YESS)** was approved in December 2018 and scheduled for completion mid-2025. Total project costs at design were US$72.71 million, with support from an IFAD loan of US$55.3 and grant of US$2 million, as well as the Government and beneficiaries. Implemented by the MoA's Agency of Agricultural Extension and Human Resource Development (AAEHRD), YESS targets poor and vulnerable youth in 15 districts in the 4 provinces of East Java, West Java, South Kalimantan and South Sulawesi. The goal is that young women and men contribute to rural transformation and inclusive rural growth, while the objective is that rural young women and men are engaged in the agri-based sector through employment and entrepreneurship. Activities focus on building youth skills-sets and business development services, creating employment opportunities and linking them to financial institutions. YESS also aims to support a conducive policy environment for young rural workers and entrepreneurs.

9. **The Development of Integrated Farming Systems in Upland Areas (UPLANDS)** was approved in December 2019 and is scheduled for completion in December 2024. Total project costs at design were US$151.66 million, primarily financed by a loan of US$70 million and grant of US$0.5 million from the and a loan of US$50 million from IFAD, as well as financing from the Government, beneficiaries and the local private sector. Implemented by the Directorate General of Agricultural Infrastructure and Facilities within the MoA, the project covers seven provinces: Banten, West Java, Central Java, East Java, West Nusa Tenggara, North Sulawesi, and Gorontalo. The overall goal is to reduce poverty and enhance food security in upland areas through remunerative, sustainable and resilient livelihoods. The development objective is to increase smallholders' agricultural productivity, incomes, livelihoods and resilience. The main target group is economically active smallholder farmers, poor and marginalized subsistence farmers, and women processors and youth. Investments in a range of complementary activities include new and rehabilitated infrastructure, improved quality of climate resilient planting materials, training and upskilling extension staff, providing technical and facilitation support for farmers, ensuring access to finance, reducing post-harvest losses and improving market access.

10. **Integrated Village Economic Transformation Project (Transformasi Ekonomi Kampung Terpadu, TEKAD)** was approved in October 2019 and scheduled for completion in December 2025. Total project costs at design were US$702 million, financed by an IFAD loan of US$32.9 million and grant of US$1.5 million, the Government Village Fund estimated at US$541.6 million and contribution of US$18.99 million, and beneficiaries. There was a financing gap of US$80 million to be financed by IFAD with resources from its next funding cycle or by a co-financier. Implemented by MoV, it operates in five eastern provinces - Papua, West Papua, Maluku, North Maluku, and East Nusa Tenggara. TEKAD builds on the Government supported PNPM as well as the IFAD-supported PNPM-Agriculture and VDP. It aims to empower village communities to contribute to rural transformation and inclusive growth and specifically to enable rural households to develop sustainable livelihoods, taking advantage of strengthened village and district level governance. Investments focus on: building village capacities to plan, implement and monitor Village Fund resources; developing an enabling environment to better meet village needs through district planning and support services, linkages between market players and producers and better access to financial non-financial services; and, improving MoV capacities.

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Other key project related documentation (for projects covered)

Project design documents / appraisal reports

Design review documentation (quality enhancement, quality assurance)

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