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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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REPORT OF THE CHAIRPERSON OF THE EVALUATION COMMITTEE
ON THE FIELD VISIT TO INDONESIA

REPORT OF THE CHAIRPERSON OF THE EVALUATION COMMITTEE**Background**

1. Upon the invitation of the Government of Indonesia, the Evaluation Committee undertook a field visit to Indonesia from 8 to 12 March 2004. Seven members of the Committee participated, from Brazil, Cameroon, Canada, Germany, Indonesia, Nigeria and Switzerland, as well as Executive Board members from Algeria, Egypt, Mexico and Mozambique.
2. The main objective of the field visit was to: (a) enable the Committee to visit selected IFAD-supported projects in the country and to hold discussions with project stakeholders including beneficiaries; and (b) contribute to the discussions on the Indonesia country programme evaluation (CPE) in the context of a national round-table workshop.

Field Visits

3. The programme began with field visits on 8-9 March to two IFAD-supported projects in East Java Province: the Income-Generating Project for Marginal Farmers and the Landless – Phase III (known as P4K III) and the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (PIDRA). The P4K III is a microfinance project cofinanced with the Asian Development Bank, whereas PIDRA is exclusively financed by IFAD and is one of 15 projects being directly supervised by IFAD. Both projects are currently ongoing.
4. For the purpose of the field visits, the participating Committee and Board members split into four groups to avoid large numbers of people arriving simultaneously in the selected villages. All four groups visited both projects and held extensive discussions with beneficiaries, project staff, local authorities, and participating non-governmental organizations (NGOs). A separate meeting was held with the *bupati* (district governor) of the Pacitan district, which is one of the districts covered by both the P4K III and PIDRA. Each group was accompanied by staff from the Fund's Asia and the Pacific Division and Office of Evaluation (OE). One member from the Fund's CPE mission participated in each group to provide clarifications and additional information from the CPE perspective. The Committee highly appreciated the organization of the field visits, and believes that the overall approach taken could serve as a useful lesson learned for IFAD and guide similar activities in the future.
5. The field visits provided the visiting Committee and Board members with an appreciation of the opportunities and challenges that IFAD operations present. Committee members welcomed the chance to meet and discuss the projects with beneficiary self-help groups at the village level. These visits were particularly important as they allowed for informal interactions with the rural poor themselves and other key partners working at the grass-roots level who may be reluctant to offer criticism or make demands in front of a group of visitors. The field visit also allowed the Committee to gain a deeper understanding of some of the key issues raised in the CPE report, such as the sustainability of self-help groups, the need to identify marketing opportunities, and the promotion of broader market linkages to enhance incomes.
6. Following the field visits, on 10 March IFAD officials and representatives of each list met with the Minister for Agriculture of Indonesia. During this discussion, the Minister highlighted the importance of the role of IFAD in Indonesia in contributing to building social capital and creating employment opportunities in rural areas. Among other issues, the Minister emphasized the importance of working closely with the rural poor to improve their on- and off-farm productivity. He added that IFAD and other development agencies should earmark greater investments for agricultural activities, as most poor people living in rural areas are dependent on agriculture for their livings. He also

expressed concern that international development organizations have over time reduced the resources allocated to agriculture and rural development in general, and that efforts need to be made to reverse this trend given the centrality of these sectors in improving rural livelihoods. He underscored the need for IFAD to engage proactively in policy dialogue at different levels, including at the global level, which would lead to a reduction in agricultural subsidies and promote greater trade liberalization. Later that day the group also had a meeting with the brother of the Sultan of Yogyakarta, who is the Governor of Yogyakarta province.

CPE Workshop

7. On 11-12 March, the Committee and other Board members participated in the CPE workshop, which was organized in Yogyakarta by the Government and OE. It was well attended by project staff; by representatives of the Government, NGOs, university and research institutions, the Asian Development Bank, the United Nations and other development agencies; and by IFAD management and staff.

8. To facilitate discussion in the workshop, an issues paper was prepared, which highlighted the main concerns emerging from the CPE. The issues paper was organized around three themes: **the strategic mix of IFAD operations; policy dialogue; and portfolio management**. Each of these themes was the subject of a more detailed discussion in three working group sessions. As per normal practice, summaries of each working group were also presented to the plenary session on the final day. The closing statement of the CPE workshop chairman (the Assistant Minister for International Cooperation, Ministry of Agriculture) is provided in the annex of this report; it summarizes the stakeholders' main impressions of the CPE process and report, and highlights key recommendations from the workshop. It is worth noting that several of these recommendations could have a wider application for IFAD as a whole.

9. In summary, the workshop was a key step in the completion of the CPE exercise as it provided a good forum to discuss the main findings and recommendations from the evaluation with a larger group of stakeholders. Another outcome was a common understanding on the key building blocks for the Fund's next country strategic opportunities paper (COSOP) for Indonesia, to be prepared in 2004. The workshop also provided the basis for formulating the CPE's agreement at completion point (ACP), which is an important tool for follow-up actions resulting from the evaluation. The organization and structure of the workshop was commendable, as it allowed for a broad range of discussion and the identification of key conclusions within the two-day time frame allotted.

Next Steps in the CPE

10. The final evaluation document was distributed to all participants at the workshop in Yogyakarta. At that time, OE explained that the next steps in the finalization of the CPE exercise would be as follows:

- The ACP will be drafted and distributed to the main users of the evaluation for its comments and should be finalized by the end of April. The ACP will summarize recommendations from both the evaluation and the Yogyakarta workshop, and outline action-oriented measures for their implementation. It will indicate the partners with whom it was concluded.
- The evaluation report together with the ACP will be issued (as per normal practice) by the director of OE in mid-May 2004.
- The Indonesia CPE documents will be posted on the evaluation section of the IFAD website. The executive summary of the evaluation and ACP will be translated into Bahasa Indonesian.

11. The Evaluation Committee and the three other Board members who participated in the event would like to record a strong sense of appreciation to the Government of Indonesia for its constructive and transparent attitude throughout the entire evaluation activity. The Government's stance towards the CPE is praiseworthy for demonstrating a willingness to learn from both the successful and not-so-successful project experiences, and for openly encouraging the discussion of sensitive matters. A special thanks is also due to them for generously offering the ground transportation and for all other organizational aspects of the field visit, as well as for the various cultural activities they organized, which made our stay memorable and allowed us to appreciate the long history and culture of Indonesia.

12. Finally, the Committee would like to extend our sincere thanks to OE for all their efforts to organize such a successful field visit and round-table workshop in Indonesia. They have set a high standard for future field visits.

**CLOSING STATEMENT OF THE GOVERNMENT OF INDONESIA
BY
MR NATIGOR SIAGIAN, ASSISTANT MINISTER FOR
INTERNATIONAL CO-OPERATION, MINISTRY OF AGRICULTURE**

**Indonesia Country Programme Evaluation National Roundtable Workshop
Yogyakarta, 11-12 March 2004**

Dear Ladies and Gentlemen,

I have great pleasure on behalf of the Government of Indonesia to deliver the closing remarks of this important Country Programme Evaluation (CPE) National Roundtable Workshop, co-organized by the Government of Indonesia and IFAD.

As conveyed by the Secretary General of the Ministry of Agriculture yesterday morning while addressing the plenary, the main objective of this workshop was to discuss key issues emerging from the CPE and to lay the foundations for the preparation of the evaluation's Agreement at Completion Point. Having chaired the workshop since the middle of yesterday morning, I feel that we have accomplished our main objective satisfactorily. The deliberations in both the plenary sessions and the working groups have been intensive and constructive, providing a solid basis for the finalization of the CPE and starting the development of the new IFAD Country Strategic Opportunities Paper (COSOP) on Indonesia.

Let me take this opportunity to convey how glad I was to see the participation of so many persons representing different partners working in agriculture and rural development in Indonesia. We had the privilege of having with us members of the IFAD Evaluation Committee and other Executive Board Directors, IFAD management and staff, representatives of several ministries of the Government of Indonesia, the non-governmental organization (NGO) community, United Nations organizations, international financial institutions, research organizations and universities, project staff, various resource persons and others. The multiplicity of institutions represented at this National Roundtable Workshop is a reflection of the importance of the event and, as the Honourable Minister for Agriculture mentioned in his keynote statement yesterday, the important role of IFAD in Indonesia in combating rural poverty and hunger. Partners brought in their different perspectives and experiences, which enriched the overall deliberations and outcome of the workshop.

The CPE has been an important activity for the Government of Indonesia and other partners. As we heard from IFAD's Office of Evaluation yesterday morning, a series of activities were organized in the CPE process that started in the beginning of 2003. The CPE has allowed us to assess the results and impact of IFAD operations and to draw insights from both our success stories, and also from those projects that did not perform satisfactorily. I am pleased that the Office of Evaluation was able to provide clarifications and additional information to the participants both bilaterally and in the workshop on the CPE methodology and results. I would like to commend, as other speakers have also done this morning, the Office of Evaluation for a high quality and critical evaluation and convey, as previously communicated to IFAD by the ministry, the Government's overall support to the conclusions and broad directions contained in the CPE report. I also take this opportunity to mention that the CPE workshop issues paper was very well prepared, emphasizing the topics of main concern that emerged from the evaluation. The issues paper, and the questions contained therein, served as a useful starting point for the detailed discussions that were held in the three workshop working groups.

I would now like to take the opportunity to summarize some of the key points of discussion and recommendations that were generated at this workshop, both based on the deliberations in the plenary

sessions and the working groups of yesterday afternoon. I will structure my comments according to the three workshop themes, namely: (a) the strategic mix of IFAD operations; (b) policy dialogue; and (c) portfolio management. I will not attempt to highlight all the recommendations generated, as the list is long and time is limited. I will therefore draw your attention to selected key recommendations.

On the strategic mix of IFAD operations, the participants conveyed the need to streamline and coordinate among development partners the collection and analysis of data on poverty targeting. This will reduce the resources invested by different organizations in undertaking broadly similar activities and ensure that a harmonized data set on poverty analysis is available that could serve the purpose of multiple institutions. The Honourable Minister emphasized yesterday morning that most of the poor live in rural areas and are dependent on agriculture for their living. In this regard, the workshop recognized the importance for the Government of Indonesia and IFAD to emphasize the role of agriculture in its future Indonesia country strategy, so as to ensure increased productivity that would lead to increased income. The workshop also acknowledged that the support provided to community mobilization, gender issues and empowerment of the rural poor is an important dimension of IFAD's activities in Indonesia. In addition, it was widely agreed that attention must be devoted to developing market-linkages, while promoting off-farm activities and rural microenterprises to ensure their long term sustainability. Finally, there was also consensus that the Fund's lending and non-lending activities should be linked in a mutually reinforcing and strategic manner.

On the theme of policy dialogue, among other issues, the workshop agreed the need to identify and communicate local policy changes promoted in the context of IFAD operations that could have potential for upscaling and replication, at a higher level beyond the operation under consideration. Moreover, participants concurred with the need to ensure continued facilitation of dialogue among national stakeholders on policy changes identified in IFAD-assisted projects. There was also an agreement for IFAD to enhance its engagement in selected policy dialogue fora on rural poverty and agriculture development in Indonesia. Lastly, it was acknowledged that the formulation of the new Indonesia Country Strategic and Opportunities Paper offers an important opportunity for policy dialogue with government and other national stakeholders including the donor community. However, participants noted the need to consider policy dialogue as a project in its own capacity, including measurable objectives, outputs, resource allocation and performance indicators.

Theme three on portfolio management also generated interesting discussions. On the issue of better partnerships for improving portfolio performance, it was agreed that greater efforts needed to be made in developing a more equitable NGO/Government of Indonesia partnership at the project level. In this regard, it was recognized that a more clear definition of the role and functioning of NGOs was essential. On the issue of project design quality, there was recognition for the need to focus on smaller geographic areas and to ensure adequate integration amongst various project activities. Better project supervision was also considered necessary for project implementation performance. There was agreement of the importance to institute proactive and preventive anticorruption measures in all projects and programmes supported by IFAD. This would involve, inter alia, more monitoring by NGOs, strengthening of IFAD guidelines for procurement and audit, as well as entrusting to the extent possible implementation to local communities. Last but not least, it was recommended that greater work was required to improve monitoring and evaluation systems, in particular to ensure the undertaking of baseline surveys that would facilitate eventual impact assessments.

There were other important recommendations that deserve attention. For instance, participants agreed that the issue of sustainability needs to be tackled urgently. The challenges of establishing equal partnerships between government and NGOs were highlighted. Workshop participants recommended the need to clearly define the comparative advantage of IFAD and its complementarities with other international financial institutions. In addition the importance of ensuring integration among different development activities at the project level was highlighted. The workshop

acknowledged the usefulness of using the National Development Planning Agency and other relevant government institutions in supporting IFAD in its policy dialogue efforts. Finally, some participants emphasized the need for IFAD operations to have better linkages with agricultural research systems in Indonesia.

I would like to conclude by expressing a note of thanks. Firstly, appreciation is due to IFAD's Office of Evaluation and the CPE secretariat in my ministry for the organization of this workshop and the field visits earlier this week. Their hard work and efforts have ensured a successful outcome of the event. A special thanks is also due to the concerned project staff and others for their cooperation in the organization of the field visits. Finally, I thank the persons who effectively chaired the three working group sessions yesterday, the rapporteurs entrusted with the responsibility to report back to the plenary and to the chief facilitator of the CPE workshop.

I would like to close this workshop by thanking everyone for being with us, hoping that you will take back fond memories of the CPE workshop, Yogyakarta and your interactions with so many colleagues and friends.

On this note, I wish you a safe journey to your respective destinations and declare the CPE National Roundtable Workshop concluded.