Strategic Review: Australia-Indonesia Partnership for Rural Incomes through Support for Markets in Agriculture, Phase 2 (PRISMA-2)

Review Report

Independent Strategic Review Team: Simon White, Dati Fatimah and Paul Keogh

Revised Report Submitted 12 January 2023

#### Executive summary

This report presents the findings and recommendations of an Independent Strategic Review of the Australia-Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture (PRISMA). The review comes as the program enters the last year of its second five-year phase. It captures evidence of PRISMA-2 (A$95 million) achievements, challenges and lessons learned from 1 January 2019 to 30 June 2022, and considers the program’s progress toward desired results by December 2023, when it is due to conclude. The results of the program’s first phase (i.e., PRISMA-1) are also considered. PRISMA-1 (A$112 million) ran from 2013 to 2018. The design of PRISMA-2 was based on lessons learned in Phase 1 and recommendations from a mid-term review conducted in 2016.

##### Current progress, relevance and effectiveness

PRISMA is on track to achieving its sole end-of-program outcome to achieve *a minimum 30 per cent increase in incomes for one million smallholder farming households by December 2023.* This is a cumulative outcome spanning both program phases. As of 30 June 2022, PRISMA had recorded this income change in 763,055 smallholder farming households. While this is 76.3 per cent of its target of one million, PRISMA believes it will exceed the target of one million and reach 1.3 million smallholder farming households by December 2023. Should this result be attained, it is an achievement that the program can be well pleased with. It demonstrates that market systems development (MSD) programs can produce results at a scale to transform the lives of poor women and men. However, the program’s design was focused primarily on this single outcome indicator, which has overly influenced the program’s decision-making and hampered its ability to contribute to broader changes in agricultural markets. For example, it has encouraged the program to focus on what might be considered low-hanging fruit rather than deal with the more difficult constraints in many agricultural market systems. While a 2021 Strategy Refresh allowed the program to reconfigure its work and focus more intently on creating systemic changes in selected markets, the coronavirus (COVID-19) pandemic and other agricultural diseases such as Foot and Mouth Disease (FMD) and African Swine Fever (ASF) created enormous disruptions, along with a series of internal staffing problems, that slowed program implementation.

PRISMA-2 has three Intermediate outcomes (IOs), which were introduced for the second phase. None of these contained targets, making it difficult to determine the level of success achieved.

*IO1. Targeted farming households achieve greater access to and improved use of new services, inputs and technologies supplied by private sector partners and their intermediate agents or service providers, such as retailers, traders and brokers.* The program achieved results in this IO, but a lack of access to finance hampers impoverished households. This is a significant challenge for poor households and can undermine longer-term benefits. Many smallholder farmers are highly vulnerable to external shocks (e.g., ASF, FMD). By June 2022, PRISMA-2 has supported an additional turnover for agricultural SMEs of IDR1.69 trillion (A$169 million).

*IO2. An expanded pool of private sector actors systematically targeting smallholder farming households in their business growth strategies and increasing their profit.* The program achieved good results here, often in challenging markets and difficult circumstances. PRISMA has worked with 268 partners, with 215 (80%) private sector partners. Demand among smallholder farmers is high, and agribusinesses are more aware of the potential of this market.

*IO3. Selected decision makers (e.g., local and national government) and policy influencers (e.g., businesses, industry groups, think tanks, consultants) are equipped with evidence to influence changes in the Indonesian business-enabling environment at the national and local levels.* This IO has been the subject of significant discussion with DFAT and Bappenas. Despite recent efforts, there needs to be a clear strategy outlining the rationale and purpose of policy dialogue and the indicator used to measure progress needs to be stronger. There are many disparate views and ambitions for this IO. While the program has achieved some success (e.g., at the national level, Bappenas endorsed PRISMA’s work towards changing the beef national feed standards by allocating A$11.4 million for a new feed testing facility at Bekasi, while at the subnational level, PRISMA initiated the African Swine Fever social awareness campaign in Nusa Tenggara Timur in collaboration with the provincial government, private sector, associations, universities, NGOs and other market actors), this has been hampered by the lack of a clear and mutually agreed approach.

PRISMA is an extensive, well-managed program focused on agricultural markets in Eastern Indonesia. The program has effectively demonstrated how market-led development can significantly improve the incomes of smallholder farmers and agri-businesses. However, the preoccupation with a single performance indicator has obscured broader program outcomes. Consequently, PRISMA has primarily been treated as a poverty alleviation or livelihoods program. While it has proven successful in improving the incomes of poor smallholder farmers, many more dimensions to the program are lost by viewing the program through this prism alone. DFAT should review its positioning of the program to ensure it is more strategically aligned with broader Australian and Indonesian interests.

The program has produced evidence of systemic change in some markets, but more time is needed to realise its interventions' sustainable benefits. Many interventions will require more time to gain traction among key market actors. Lack of access to finance and external shocks have also proved to be severe constraints to smallholder farmers. Because PRISMA-2 experienced significant disruptions in implementation (e.g., staff changes, visa problems, COVID-19, and external market shocks such as ASF and FMD), consideration should be given to a 6-12-month no-cost extension to realise the benefits of the 2021 Strategy Refresh.

PRISMA-2 has shown a more substantial commitment to gender, disability and social inclusion (GEDSI) than PRISMA-1. While the program has been weakened by the lack of GEDSI targets and a poor indicator of women’s economic empowerment, it has diligently collected data on many of these issues. The GEDSI Team was strengthened recently with more staff, and the program shows promising signs of learning from its experiences and improving its work on inclusion.

The issue of sustainability has yet to be settled. There are various ways in which sustainability in an MSD program can be perceived. PRISMA and DFAT have yet to agree on what sustainability looks like for PRISMA. While the program is working towards one concept of sustainability, the expectations of other stakeholders still need to be fulfilled. This needs to be defined and agreed upon so the program can be given a clear direction.

A market-led approach, rather than ‘purist MSD’, combined with more robust policy and enabling environment program elements, would better focus future programming. It would offer DFAT a point of difference from most other programs in Indonesia, is valued by the Government of Indonesia stakeholders and delivers tangible development outcomes.

##### Future programming

Australia should continue providing program support to Indonesia's agriculture and rural development. The report presents several recommendations for the remaining program implementation period to December 2023 designed to help the program improve its prospects for sustainable market systems change while providing a stronger focus on the inclusion of young women and men and people with disabilities. These actions would enrich the program’s relevance and experience, thereby supporting the design of a successor program.

A future agriculture and rural development program should be bilateral and market-based, working with the private sector in Eastern Indonesia. It should continue to loosely apply an MSD approach, ensuring flexibility to provide strong support for other design elements (i.e., policy, trade promotion, support for agribusiness and economic transformation). The program would contain a broader set of objectives (i.e., not just income and outreach) with explicit targets for:

* Systemic change.
* Food security and nutrition
* Agricultural economic transformation.
* Government policy that is more supportive of the private sector.
* Women's economic empowerment and social inclusion – mainstreamed and with specialist program interventions.
* Climate-smart agricultural technology, policy and practices, including mainstreaming climate adaptations and environment protections.
* Mutually beneficial trade and investment.

A future program should be more clearly embedded in the political economy of the bilateral relationship and better integrated into Australia’s whole of government effort in Indonesia. This would mean closer integration with other economic development and trade programs.

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#### Acknowledgements

The Independent Strategic Review Team wishes to acknowledge and thank the many people who have contributed to the work of the review and aided the team with access to data and program documentation, the logistics of the mission and the coordination of field visits and interviews with a significant number of respondents. Special thanks to the DFAT Rural Development Team, the PRISMA Senior Management Team, and the many PRISMA staff who provided their time and shared their experiences.

#### List of abbreviations

| Abbreviation | Definition |
| --- | --- |
| ACIAR | Australian Centre for International Agricultural Research |
| ARISA | Applied Research and Innovation Systems in Agriculture program, implemented by CSIRO under AIP-Rural (2014-2018). |
| ASF | African Swine Fever |
| Bappenas | Ministry of National Development Planning/National Development Agency (Republic of Indonesia) |
| CSIRO  COVID-19 | Commonwealth Scientific and Industrial Research Organisation  Coronavirus |
| DCED | Donor Committee for Enterprise Development |
| DAFF  DFAT | Department of Agriculture, Fisheries and Forestry  Department of Foreign Affairs and Trade (Australian Government) |
| EOPO | End of program outcomes |
| FMD | Foot and Mouth Disease |
| GBV | Gender-based violence |
| GDP | Gross Domestic Product |
| GEDSI | Gender, disability and social inclusion |
| IA-CEPA ECP | Indonesia-Australia Comprehensive Economic Partnership Agreement Economic Cooperation Program |
| ICT | Information, communications technology |
| IO | Intermediate Objective |
| ISR | Independent Strategic Review |
| ISRT | Independent Strategic Review Team (Simon White, Dati Fatimah and Paul Keogh) |
| KPI | Key performance indicator |
| M&E | Monitoring and evaluation |
| MIS | Management information system |
| MSD | Market systems development |
| NTB | Nusa Tenggara Barat, a province of Indonesia |
| NTT | Nusa Tenggara Timur, a province of Indonesia |
| PCC  PRISMA-1 | Program Coordinating Committee  Australia-Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture; Phase 1, 2013 to 2018 |
| PRISMA-2 | Australia-Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture; Phase 2 |
| PSD | Private sector development |
| QMT | Quality Management Tool |
| RML | Results, measurement and learning |
| SDGs | Sustainable Development Goals (United Nations) |
| SAFIRA | Strengthening Agricultural Finance in Rural Areas program, implemented under AIP-Rural (2015-18). |
| TIRTA | Tertiary Irrigation Technical Assistance program, implemented under AIP-Rural (2015-18) |
| WEE | Women’s economic empowerment |

# Introduction

The Independent Strategic Review (ISR) of the Australia-Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture (PRISMA) comes as the program enters the last year of its second five-year phase.[[1]](#footnote-1) The review assesses the program’s effectiveness, relevance and appropriateness to inform the Department of Foreign Affairs and Trade’s (DFAT’s) future investment in rural development. It considers the options for rural development that contribute to inclusive, sustainable development in poverty reduction and how to complement DFAT’s assets to improve essential service delivery for Indonesia’s poorest people. It also examines how best DFAT can leverage or expand successful PRISMA activities aligned with the strategic objectives, including in areas of policy relevant to bilateral interests, and considers how to improve policy engagement in the future.

PRISMA reflects Indonesia’s rural development and agriculture priority while promoting food security and economic growth. While there have been improvements to rural development in Indonesia, poverty continues to be disproportionately experienced in rural areas.[[2]](#footnote-2) People living in rural areas continue to be at risk of experiencing poverty from an income perspective, but also due to various problems such as poor access to sanitation, essential health services, healthy foods, and lack of opportunities to primary education.

Agriculture is an important sector for Indonesia. It contributes approximately 14 per cent of the nation’s Gross Domestic Product (GDP), employs one-third of Indonesia’s labour force and is dominated by smallholder farmers (93%). The sector is central to Indonesia’s capacity to nourish its growing and increasingly urbanised population with evolving food preferences. It is essential to maintain and enhance agriculture’s productivity, sustainability and competitiveness to meet those needs.[[3]](#footnote-3)

PRISMA developed partnerships with the private sector to strengthen rural development in Indonesia to achieve sustainable change within the agriculture sector. These efforts are relevant to the Indonesia-Australia Comprehensive Strategic Partnership 2020-2024, which enhances the bilateral economic and development partnership through strengthened cooperation in agriculture.

## Overview of PRISMA

PRISMA is a large program operating across several locations in Eastern Indonesia, including Central and East Java, Nusa Tenggara Timur (NTT), Nusa Tenggara Barat (NTB), Papua, and West Papua, and agriculture markets in Indonesia.

PRISMA-1 and 2 invested a combined A$207 million from 2013 to December 2023 to achieve a minimum 30 per cent increase in incomes for one million smallholder farming households by December 2023. DFAT established a target outreach of one million smallholder farming households over a ten-year period for AIP Rural. PRISMA-1’s target was 300,000 by December 2018 and the remaining 700,000 was to be achieved under PRISMA-2 by December 2023.[[4]](#footnote-4)

PRISMA-1 (i.e., the Australia Indonesia Partnership for Rural Economic Development Program, AIP-Rural) supported inclusive economic growth in Indonesia’s agriculture, horticulture, livestock, and aquaculture sectors. It applied a market systems development (MSD) approach to improving smallholder farmers’ competitiveness and ability to access new markets, better inputs, know-how, and technology.

PRISMA-2 was designed through comprehensive consultations between the Indonesian and Australian Governments and was positioned to expand Indonesia’s inclusive and sustainable economic growth in the agricultural sector. The design was based on lessons learned in PRISMA-1 and recommendations from the 2016 AIP Rural Mid-Term Review. It sought to simplify the program by consolidating four related programs under AIP-Rural (i.e., ARISA, TIRTA, SAFIRA, and PRISMA-1) to create a more efficient program with increased targets.[[5]](#footnote-5) While PRISMA-1 demonstrated the value of an MSD modality, PRISMA-2 deepened the program’s engagement in agricultural markets.

The program is governed by a Program Coordinating Committee, which provides strategic direction. DFAT and the Indonesia Ministry of National Development Planning/National Development Agency (Bappenas) co-chair the committee. Palladium implemented both program phases as the managing contractor on behalf of DFAT. While Bappenas is the program's main counterpart, PRISMA also works with the Ministry of Agriculture and other national and sub-national Indonesian government agencies, private businesses and intermediate service providers, industry and business membership associations, peak bodies, multilateral organisations, Australian Government agencies, and university, research and academic institutions.

## Purpose of the strategic review

The objective of the review is to inform DFAT in its thinking and decision-making about Australia’s future partnership with Indonesia in the rural development sector, aligning with both countries’ priorities, including the focus of the new Australian Government. The review enhances organisational and development learning. See Annex 1 for the full terms of reference.

Specifically, the review assesses the performance of PRISMA-2 progress toward outcomes in terms of effectiveness, efficiency and relevance, including gender, disability, and social inclusion (GEDSI). It seeks to answer three broad questions:

1. Effectiveness: To what extent has PRISMA-2 achieved its intended Intermediate and End of Program Outcome?
2. Gender, disability, and social inclusion: To what extent has PRISMA made progress in addressing key gender, disability and social inclusion risks and making the program's outcomes inclusive?
3. Future program design: Do the Rural Development and Agriculture sectors continue to be relevant for Australian support in Indonesia?

The ISR provides recommendations on the future of DFAT’s rural development investment in Indonesia, which will be used to inform the design of the new program.

The strategic review covers the following components:

1. Evidence of progress towards intermediate and end-of-program outcomes, including in the context of the coronavirus (COVID-19) pandemic and cross-cutting themes.
2. Evidence of PRISMA-2’s progress and achievement contributing to Indonesia's national development priorities in the agriculture sector and poverty reduction broadly.
3. Evidence of good practices about current program performance and progress can inform Australia’s future development program in rural development.
4. Analysis of priority areas and the potential modality of Australia’s future rural development program aligns with Indonesia and Australia's priorities.

# Methodology

## Scope of the review

The review captures evidence of PRISMA-2 (A$95 million) achievements, challenges and lessons learned from 1 January 2019 to 30 June 2022. It considers the program’s progress toward desired results by December 2023, when it is due to conclude. The results of the program’s first phase (i.e., PRISMA-1) are also considered. PRISMA-1 (A$112 million) ran from 2013 to 2018.

## Approach and methodology

The ISR was conducted in accordance with DFAT’s *Monitoring and Evaluation Standards*. Consideration was also given to the Organization for Economic Cooperation and Development Donor Assistance Committee (OECD-DAC) *Criteria for Evaluating Development Assistance* and the Donor Committee for Enterprise Development (DCED) *Standard for Measuring Results in Private Sector Development*.

The program’s performance was evaluated at two levels. First, the ISR Team (ISRT) analysed the relevance of the program’s project portfolio. This considered the effectiveness and efficiency of program interventions. Second, the ISRT drilled into a sample of project partnerships in selected sectors and locations to determine how the program worked with partners to achieve its results. This included close engagement with the program team to analyse how the program selects potential partners, designs interventions and captures data to monitor change and determine attribution.

Both these assessment levels allowed the ISRT to assess the relevance of the program design in the current operating context and the effectiveness and efficiency of program management.

Figure . Program portfolio and partner analysis

| PROGRAM PORTFOLIO ANALYSIS | PROJECT PARTNER ANALYSIS |
| --- | --- |
| Program design features  Theory of change and results chain  Program intervention design and management (including the management information system)  Program M&E system  Program governance and management  Sustainability of program interventions | Process of entering a partnership  Project results chains  Opportunities created through partnerships  Experience of partnership  Current outcomes (i.e., sector level)  Anticipated outcomes and impact (i.e., sector level) |

The ISR drew on primary and secondary data, including the program’s management information system (MIS) and monitoring and evaluation (M&E) system. To ensure the collection of robust primary data, a combination of methods was used to triangulate data and information. Secondary data sources included previous evaluations and strategic reviews, and other program and project reports. See Annex 2 for a list of the documents that were reviewed.

The ISRT consulted directly with a wide range of key stakeholders (see Annex 3) who relate to the program to varying degrees. Several project site visits were undertaken.

An evaluation matrix was developed to steer the review and ensure that all aspects were covered. The matrix presents the three primary evaluation questions outlined in the terms of reference. See Annex 4.

A brief survey of key program partners was also conducted (i.e., businesses and lead firms PRISMA has engaged with). This was sent to partners via email to obtain a general impression of what private sector partners valued from the program. See Annex 5 for the survey findings.

# Effectiveness: Intermediate and End of Program Outcomes achieved

## Progress towards the end-of-program outcome

The single end-of-program outcome (EOPO) for PRISMA-2 is to achieve *a minimum 30 per cent increase in incomes for one million smallholder farming households by December 2023.* This is a cumulative outcome spanning both program phases.

The program is on track to achieving this. As of 30 June 2022, PRISMA had recorded this income change in 763,055 smallholder farming households. This is 76.3 per cent of its target of one million.

PRISMA believes it will reach 1.3 million smallholder farming households by December 2023. The ISRT consider this a remarkable result and one that DFAT can be confident of and take some pride in.

PRISMA’s performance was tracking well through Phase 1 and into Phase 2. However, in January 2021, the program realised more was needed to reach its target by December 2023. This led to a review of the sectors in which PRISMA works and to a so-called “refresh” of the program’s strategy. The November 2021 sector review identified opportunities for systemic change in a few key sectors. Among these was the beef sector, where a study indicated that high-quality feed had been introduced to more than 700,000 farmers. A subsequent external evaluation revised this figure and found that PRISMA’s feed intervention benefitted around 579,000 farmers (Miarni, 2022).[[6]](#footnote-6) It is anticipated that the Semester 2 progress report for 2022 will indicate that PRISMA has helped around 1,227,000 farmers. Thus, PRISMA’s confidence in achieving the 1.3 million target results from the strategy refresh and significant progress toward systemic change in the beef sector.

## Progress towards the intermediate outcomes

Tracking PRISMA’s progress towards its Intermediate Outcomes (IOs) requires understanding how these outcomes evolved. Indeed, the current outcomes are unique to the program’s second phase.

The program's first phase was designed to show that working with the private sector and intervening in agricultural market systems works in Indonesia. It demonstrated an appetite among the private sector to take advantage of unrealised business opportunities in more remote regions outside Java. The emphasis was on achieving large-scale impact and outreach numbers for the target population. With this objective in mind, sectors and specific market functions (e.g., feed, seeds) were chosen. The program achieved this quickly and did so in some difficult markets in Eastern Indonesia.

The proof that MSD works in Indonesia appears to have been borne out in DFAT’s decision to extend the program into a second phase. Indeed, in 2017, DFAT described PRISMA-1 as one of the Australian Government’s three “flagship” MSD programs.[[7]](#footnote-7)

The second phase sought to build on the achievements of the first. The focus on numbers was retained and increased, with a cumulative (i.e., Phase 1 and 2) target of one million households. Three other IOs were added. However, these objectives were not clearly defined in the design document, and no performance targets were set. The rationale for this appears to have been that the additional areas were relatively new, and the program designers were unclear about how the program would perform in these fields.

The figure below shows the shift in EOPOs and IOs from Phase 1 to Phase 2.

Figure . PRISMA-1 and 2 EOPOs and Intermediate Outcomes

|  |  |  |
| --- | --- | --- |
| PRISMA Phase | PRISMA-1 (2013-2017) | PRISMA-2 (2018-2023) |
| End of Program Outcomes | To contribute to a 30 per cent, or more, increase in net incomes for 300,000 poor rural female and male farmers by June 2017. | To achieve a minimum 30 per cent increase in incomes for one million smallholder farming households by December 2023.\* |
| Intermediate Outcomes \*\* | IO1. Farmers apply improved farm practice.  IO2. Farmers utilise improved access to inputs and output markets.  IO3. Improved business enabling environment at sub-national level | IO1. Targeted farming households achieve greater access to and improved use of new services, inputs and technologies supplied by private sector partners and their intermediate agents or service providers, such as retailers, traders and brokers.  IO2. An expanded pool of private sector actors systematically targeting smallholder farming households in their business growth strategies and increasing their profit.  IO3. Selected decision makers (e.g., local and national government) and policy influencers (e.g., businesses, industry groups, think tanks, consultants) are equipped with evidence to influence changes in the Indonesian business-enabling environment at the national and local levels. |

\* This is a cumulative outcome spanning both program phases.

\*\* None of the IOs in either phase contained performance targets.

Note: There were no gender-based targets in either the EOPO or IOs for any program phases.

PRISMA-2 is on track to achieving all its IOs. However, the lack of targets makes it difficult to determine whether the program has met investor expectations.

IO1. Targeted farming households achieve greater access to and improved use of new services, inputs and technologies supplied by private sector partners and their intermediate agents or service providers, such as retailers, traders and brokers.

The program has achieved results in this IO, but a lack of access to finance hampers impoverished households. This is a significant challenge for poor households and can undermine longer-term benefits. Many smallholder farmers are highly vulnerable to external shocks, such as African Swine Flu (ASF) or Foot and Mouth Disease (FMD). By June 2022, PRISMA-2 has supported an additional turnover for agricultural SMEs of IDR1.69 trillion (A$169 million).

IO2. An expanded pool of private sector actors systematically targeting smallholder farming households in their business growth strategies and increasing their profit.

The program has achieved good results here, often under challenging markets and circumstances. PRISMA has worked with 268 partners, with 215 (80%) private sector partners. Demand among smallholder farmers is high, and agribusinesses are more aware of the potential of this market.

IO3. Selected decision makers (e.g., local and national government) and policy influencers (e.g., businesses, industry groups, think tanks, consultants) are equipped with evidence to influence changes in the Indonesian business-enabling environment at the national and local levels.

This IO has been the subject of significant discussion with DFAT and Bappenas. Indeed, there are many disparate views and ambitions for this IO. While the program has achieved notable successes, it requires a clearer and mutually agreed approach. Despite this, Bappenas has endorsed PRISMA’s work towards changing the beef national feed standards by allocating A$11.4 million for a new feed testing facility at Bekasi. PRISMA was asked to assist in developing a roadmap for the use of Jersey cows imported from Australia. Good progress is also evident at the sub-national level––for example, in supporting the government’s response to ASF and FMD (PRISMA Progress Report January-June 2022).

## Relevance and effectiveness of PRISMA’s interventions to achieve its Intermediate and End of Program Outcomes

PRISMA is a well-managed program with a sound Results Measurement and Learning (RML) system. PRISMA-1 took advantage of the strong business community in Eastern Java, which provided a platform to reach into the smaller economies. This Eastern-Java-out strategy created a strong foundation for the program and helped it achieve impact. Its location in Surabaya allowed easier access to its rural locations while connecting to market actors with reach into archipelagic eastern Indonesia. However, being based outside Jakarta also impeded its connections with national policymakers and donor and development agencies.

PRISMA has diligently focused on achieving its contracted EOPO and IOs and has performed exceptionally well. However, the program’s single EOPO is a narrow indicator that dominated the program’s decision-making and overlooked the program’s other achievements. By focusing on outreach, the program was not encouraged to consider a broader range of improvements in market systems.

The series of disruptions to the program in the transition to the second phase (i.e., stop-start, management turmoil and COVID-19) prevented the program from coming to terms with these additional objectives in the early part of Phase 2. See the figure below.

Figure . PRISMA-2 disruptions experienced

|  |  |  |  |
| --- | --- | --- | --- |
| Slow start during transition of phase I to Phase II 2019 | Covid-19 2020 | Management changes  2020 - 2021 | Strategy Refresh 2021 |
| The program was required to stop all program activities in the transition between Phases 1 and 2 because of labour issues. This led to a period of inactivity and delayed engagement with markets. | Most of the expatriate staff were repatriated and worked remotely. Field work stopped, and the office was closed for two years. Remaining staff working from home and with the physical absence of the management cadre. | On top of Covid Mid-way through 2020, there was a change in the Senior Management Team with replacement of the Chief Executive Officer and Chief Quality Officer. This resulted in significant uncertainty and a period of disruption. | New CEO implemented a strategy refresh which involved root and branch review of sectors, strategies and interventions over a period of five months. While necessary, and ultimately healthy, it resulted in additional delay as staff came to grips with new frameworks. |

Given the disruption, stakeholders (i.e., DFAT and the Strategic Review Panel) sensibly emphasised the numerical targets to ensure the program didn’t drift and lose focus. Only when the new Chief Executive Officer (CEO) commenced and undertook a strategy refresh in 2021 were these other objectives grappled with in any absolute sense. By then, much time had elapsed, and the window of opportunity to comprehensively address the different elements of the design was already closing.

### Indonesia-Australia Comprehensive Strategic Partnership 2020-2024

##### Relevance to Australia

The program is relevant to Australia in several ways. The program has a substantial reach into poor rural communities and households that most other programs struggle to achieve. It has delivered benefits in areas of significant strategic importance to the Australian Government (i.e., food security, women's economic empowerment, climate change mitigation and adaptation, and economic resilience and its associated benefits) in the Indonesian Archipelago's outer regions. Moreover, the Eastern Indonesia focus supports Australia’s geopolitical interests in stability and economic opportunity and benefits other Australian bilateral relationships, such as Timor-Leste and Papua New Guinea.

The program has yet to be realised relevance in creating deep links to the Indonesian economy in highly significant areas. For example, the program has close ties in the pig and cattle sectors. Other Australian Government programs support national-level policy regarding animal health and biosecurity challenges, but to achieve change, they must reach into these sectors at agribusiness and household levels. The program has an on-the-ground presence and significant intelligence-gathering capabilities in difficult and complex parts of the country. However, there could have been greater collaboration between PRISMA and other programs in addressing these challenges. For example, there is scope for closer collaboration with the Australian-funded KATALIS program (discussed further below).

The program could assist the Indonesian Government in understanding better how to play its role as a private sector regulator (e.g., how to engage with markets without overreaching and distorting incentives). This has been done, to some extent, although in a relatively piecemeal fashion. It could better perform this function by systematically providing policymakers with insights and evidence of the kind of market interventions that lead to the greatest benefit for farming households. The program has lately revisited this agenda (as part of a strategy refresh) which the Ministry of Agriculture has welcomed. But this focus has come late and has yet to be exploited to the degree it might. There has been more traction with the local government (e.g., Madura maize).

The ISRT observed that the program had been kept to a very narrow focus. It does not seem to be at the centre of DFAT’s strategic field of vision and was often described as a ‘livelihoods’ program rather than a flexible platform that could support DFAT’s broader bilateral objectives in Indonesia. This is a missed opportunity. A program as well-resourced and flexible as PRISMA could be deployed in many ways that it currently is not.[[8]](#footnote-8)

Box 1. Related programs

**KATALIS**: The Indonesia-Australia Comprehensive Economic Partnership Agreement Economic Cooperation Program (IA-CEPA ECP, KATALIS) is a five-year (2020-25) business development program designed to unlock the potential of economic partnership between Australia and Indonesia. Established under the [IA-CEPA ECP](https://www.dfat.gov.au/about-us/business-opportunities/Pages/indonesia-australia-comprehensive-economic-partnership-agreement-ia-cepa), KATALIS complements existing Australian development program activities with a commercially oriented, bilateral approach. KATALIS provides market insights, education, technical advice, policy reform and workplace skills exchange (amongst other things). KATALIS supports beneficiaries (i.e., businesses, business organisations, and other organisations) to pursue trade, investment, and skills development activities that benefit Indonesia and Australia. For example, KATALIS is bringing together the complementary strengths of Australia’s green technology with Indonesia’s ambition to develop its electric vehicle ecosystem.

**Australian Centre for International Agricultural Research:** ACIAR is the Australian Government’s specialist agricultural research-for-development agency within the Australian aid program. It aims to contribute to reducing poverty and improving the livelihoods of many in the Indo-Pacific region through more productive and sustainable agriculture emerging from collaborative international research.

ACIAR’s Agribusiness Program focuses on research and adoption of innovations to improve business outcomes for smallholder farmers, their communities and their industries at all points along the agricultural, forestry and fisheries value chain. This includes investigations into the availability of finance for smallholders to participate in value chains, biosecurity, quality control and quality management of farm production, and compliance with market and government regulations. The program also works and co-invests with private firms to improve the effectiveness, efficiency and sustainability of commercial agri-food chains that link smallholder farmers and their private sector partners to markets.

##### Relevance to Indonesia

PRISMA’s relevance to the strategic direction of the Government of Indonesia is demonstrated through its alignment with the *National Medium Term Development Plan 2020-2024*. Bappenas supports the program’s efforts to ensure smallholder farmers have access to critical inputs in line with the *Strategic Plan of the Ministry of Agriculture 2020-2024*. PRISMA is also aligned with the Government of Indonesia’s plans for post-COVID-19 economic recovery.

Indonesia’s *Long-Term National Development Plan 2005–2025* prioritises rural development and agricultural reform to achieve food security, enhance equity and drive economic growth. President Widodo’s administration has continued to prioritise poverty alleviation in rural areas. This has included a strong focus on improving human capital, emphasising the importance of maintaining economic growth through transforming the agriculture sector, nutrition, reducing regional disparities, and ensuring climate resilience. In the context of COVID-19, his cabinet reaffirmed this commitment by focusing on sustainable agriculture to address the food security challenge. Through the G20 presidency, Indonesia seeks more substantial commitments to achieve a sustainable improvement in the agricultural sector to build sustainable and resilient food systems.

The *Partnerships for Recovery: Australia’s COVID-19 Development Response Plan 2020-2022* guides Australian development programs’ approach to supporting Indonesia’s COVID-19 response and recovery, prioritising economic recovery, stability and health security. The rural development partnership contributes to the stability and economic recovery pillars, strengthening agricultural markets and food security while safeguarding poor farmers' livelihoods.

PRISMA’s activities in the agricultural sector are closely aligned with DFAT’s stability and economic recovery pillars of the COVID-19 policy framework, “Partnerships for Recovery: Australia’s COVID-19 Development Response”. PRISMA remains well-placed to help reduce economic hardship and ensure that women and vulnerable groups play a critical role in Indonesia’s recovery.

PRISMA’s focus on systemic change aligns well with DFAT’s COVID-19 Development Response Plan by building more resilient agricultural markets in Eastern Indonesia. The Impacts of COVID-19 and the ongoing conflict between Russia and Ukraine have resulted in global economic upheaval, leading more rural poor into poverty. The MSD approach helps markets recover and build resilience against future shocks. It does this by tackling the underlying causes of market failures and addressing inclusion and resilience simultaneously. PRISMA is, therefore, well placed as part of the DFAT’s recovery portfolio.

Finally, PRISMA’s key performance indicators (KPIs) are aligned with the United Nations SDGs. Primarily SDG1 on ending poverty and SDG2 on ending hunger. PRISMA also captures data on women’s economic empowerment, contributing to SDG5 on gender equality.

## Use of an adaptive approach in evolving contexts

### Market systems development in practice

PRISMA applied an MSD approach to working with agricultural sectors and markets. As indicated above, the utility and success of this approach have been demonstrated by the performance of Phase 1 and the likely outcomes Phase 2 will achieve. The program’s approach to MSD has been faithfully and competently implemented. It has been careful to work with existing incentives and not over subsidise while focusing on the sustainability of interventions and impact on target populations (i.e., inclusion rather than growth).

The box below provides a generally agreed-upon summary of what MSD is about. PRISMA has shown that agriculture market systems can be enhanced to improve the livelihoods of smallholder farmers in Indonesia. However, as the text box shows, MSD can contribute to many other desired development outcomes (e.g., transforming the economic systems and industries, catalysing change to make markets more financially rewarding, accessible, inclusive and resilient). Indeed, MSD can also stimulate increased private investment into climate-smart technologies, practices and models while strengthening national, regional and global supply chains and contributing to a trade and development agenda.

*Box 2. Market systems development*

A market systems approach addresses the root causes of why markets often fail to meet the needs of poor people. They focus on interventions that modify the incentives and behaviour of businesses and other market players – public, private, formal and informal – to ensure lasting and large-scale beneficial change to poor people. This means that there can never be a 'one-size-fits-all' approach; each is shaped and refined through careful analysis and understanding of a specific value chain or industry.

While market systems approaches are inherently unique, they share some essential features:

**Objectives**

* To reduce poverty.
* To focus on transforming the economic systems or industries in which poor households could or do participate by buying or selling goods, services or labour.
* To catalyse change in how these systems function – making markets more financially rewarding, accessible, inclusive and resilient in the long term.

**Principles**

* They aim to tackle the underlying causes of market failures rather than just the superficial symptoms.
* They recognise that while aid funding can have a powerful yet temporary influence, market systems approaches must ensure that desired behaviour changes reflect the genuine incentives and capabilities of permanent players to succeed in the long term.
* As each market is a complex 'system' involving many stakeholders, each with a particular set of unique characteristics, any intervention must take this complexity into account.

**Methods**

* A thorough analysis of how and why systems function as they do – identifying the changes that appear to be vital to reducing poverty
* Recognising the limits to initial analysis – committing to ongoing review and learning, willing to adapt/revise plans and abandon or make new interventions
* Stimulating replication or 'crowding in' by spreading changes in roles, products or behaviours beyond a few initial partners to a broader circle of market players and beneficiaries
* Embracing complexity – recognising that catalysing lasting change is neither straightforward nor predictable. Approaches require time, curiosity and experimentation. They also need flexible and adaptive management and a commitment to ongoing learning.

SOURCE: BEAM Exchange website, “Features of a market systems approach”, accessed 30 October 2022: <https://beamexchange.org/market-systems/key-features-market-systems-approach/>

While MSD is a straightforward concept, it is often considered an obscure aid delivery mechanism wrapped in complex language. This makes it difficult for a non-practitioner to understand easily. At its simplest, MSD is an investment fund with a solid technical staffing complement. Funds are typically designed to de-risk investments in new or innovative business models with three investment criteria: (1) achieve a positive social impact (e.g., more jobs and higher incomes for poor households), (2) economically viable in the longer term (i.e., sustainable) and (3) promote positive changes in the market in which the business operates.

MSD programs are flexible, providing tailored packages to support the implementation of new business models, including co-investment in infrastructure, facilities and supply chain optimisation, feasibility studies and business model development, market entry advisory services, business development services, and marketing and promotional investments. If provided for in the design, MSD programs can offer almost any kind of support, except for acquiring an equity stake in a business. MSD programs can also work closely with the government. They are often as well placed to influence as governance programs because they bring a unique perspective (i.e., a “real economy” perspective) that policymakers value and often don't have access to.

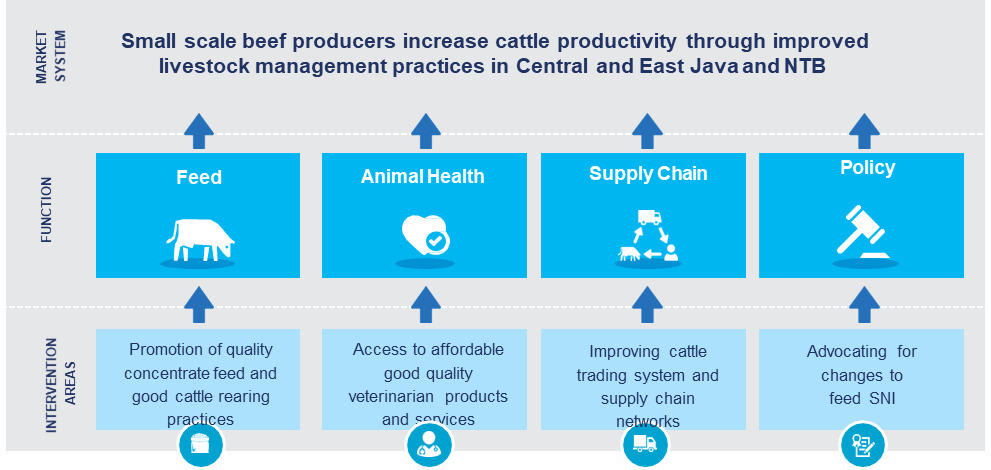
Much of the advantage of MSD programs lies in their adaptive management capability. PRISMA has demonstrated this in several areas. For example, pig sector interventions were adjusted to include pig breeding in response to ASF. Circumstances in other areas prevented the program from being as agile as it could have been. For example, the departure of senior program staff in response to COVID-19 meant that the program didn’t adjust its operating stance. Most activities ceased, and no ‘COVID response’ strategy was implemented when they restarted. With normal activities ruled out, there was no plan to adjust the operating framework.

PRISMA addresses environmental risks and protection measures, such as the impact of weather patterns, natural disasters, and climate change, by incorporating climate-smart agriculture into the business models and conducting environmental risk assessments.

##### PRISMA 2021 Strategy Refresh

A new PRISMA senior management team was appointed in 2021, which led to a review of the program’s strategy. The Strategy Refresh was completed in June 2021 and endorsed by DFAT. The Strategy Refresh process involved a review of each sector in which the program worked. It adopted an approach that focused on how market systems could be changed, rather than the previous approach that focused on discrete market functions. The new approach was encapsulated in a PRISMA Market System Strategy. This defined a market system and then broke this into market functions where specific interventions would be directed. The figure below shows the program's activities in the beef sector, illustrating a market system strategy.

Figure . Structure of market system program interventions in beef



SOURCE: PRISMA Market System Strategy

PRISMA’s Strategy Refresh has been positive. Staff report a better understanding of how their work contributes to broader program objectives. The new strategy has allowed sector teams to focus on areas that would not necessarily increase outreach numbers but were important for sector resilience. This is perhaps the most important change. COVID-19, ASF and FMD provided valuable lessons on why sector resilience, and not just outreach, are critical to the sustainability of program outcomes. Thus, the Strategy Refresh resulted in the following:

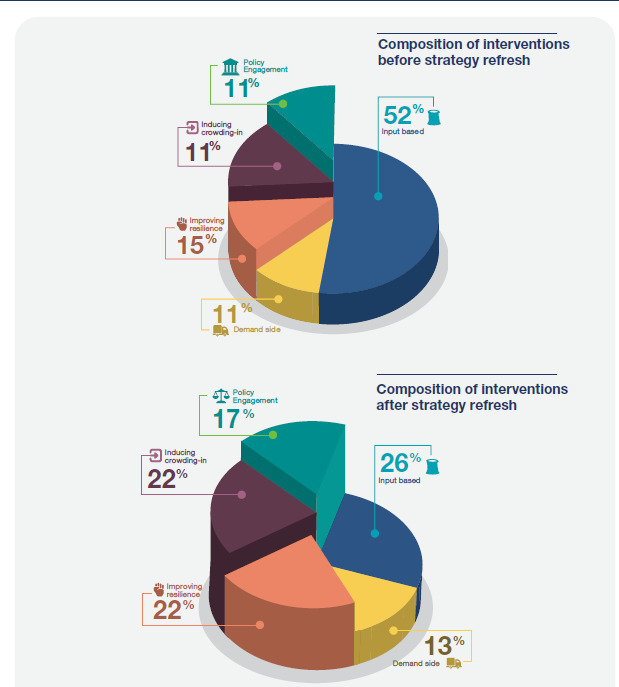
* Better alignment with DFAT and Bappenas’ priorities.
* Clearer articulation of what PRISMA means by systemic change and how this would be achieved and measured.
* Prioritising policy engagement as a driver of systemic change in key sectors.
* Integrating learning and breaking down internal silos for better coordination of cross-cutting issues, including Women's Economic Empowerment (WEE), the inclusion of youth, people with disabilities, indigenous people, and climate-smart agriculture.

##### Sector selection

Priority setting has been based on a comprehensive analysis of the selected sectors and markets. The binding constraints have been accurately identified, and suitable intervention strategies were developed and implemented.[[9]](#footnote-9) The ISRT’s review of the sectors in which the program has worked shows the selected sectors have strong pro-poor and scale potential while also being suitable vehicles for addressing social inclusion.

Throughout Phase 1 and early in Phase 2, the program focussed on sectors that would deliver the greatest outreach, keeping with the program’s singular focus on numbers. Following the Strategy Refresh, the focus shifted towards sectors that promised the greatest chance of achieving systemic change. The figure below shows how the portfolio has changed since the refresh. The most striking change is from a portfolio dominated by input-based interventions, generally considered the low-hanging fruit, to interventions promoting sector resilience and transformation.

Figure . Program portfolio before and after the strategy refresh



SOURCE: PRISMA Market System Strategy

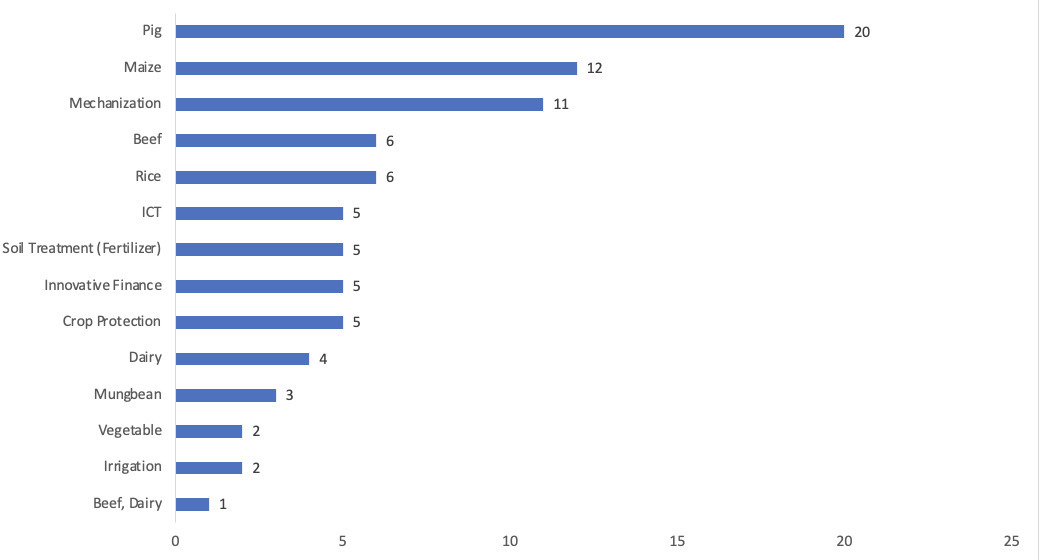
Before the Strategy Refresh, the program completed comprehensive sector growth strategies. These were high-quality documents that provided an extensive analysis of the sector dynamics. They included a systemic change vision in a practical level of detail. While the systemic change vision was clear, it was usually defined in terms of adoption and crowding-in and predominantly focused input sectors. In other words, the systemic change vision followed the program’s focus on numbers.

After the Strategy Refresh process, the documents were significantly shortened and simplified. Team members reported that previously, only the most senior members of the PRISMA team were across the program’s strategies and how these linked with visions for systemic change. Team members now report being able to understand better the overarching sector strategies and how the interventions they work on daily contribute to systemic change. Multiple factors likely contribute to this but having a simple and easily comprehensive set of internal strategy documents has undoubtedly contributed.

The portfolio currently has 12 sectors with 102 ongoing interventions, some of which are with the public sector: maize, pigs, crop protection, mung beans, beef, and soil treatments. In keeping with the portfolio approach, a range of smaller impact initiatives include finance, information, communications and technology, mechanisation, dairy, rice, and vegetables (PRISMA Progress Report January-June 2022).

The figures below are extracted from the PRISMA-2 database on partnerships and highlight specific features of the program’s business engagements.

Figure . PRISMA partnerships by sector (number of partnerships)



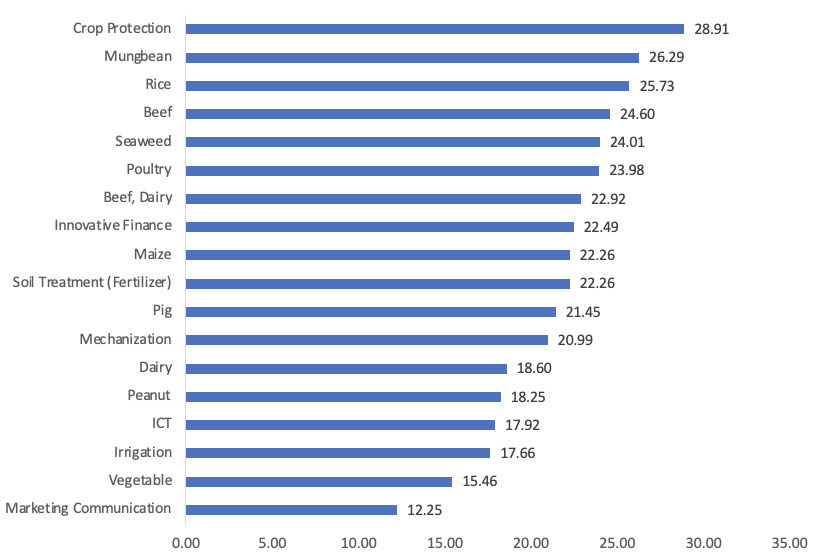
SOURCE: PRISMA database, October 2022

NOTE: One partnership is indicated in the above figure that combines Beef and Diary. All other partnerships in Beef and Diary deal with these sectors separately.

As shown above, the pig sector has received the most program attention regarding business partnerships. With some frustration, this sector was so hard hit by ASF that it diminished the systems change outcomes. However, it is hoped that more positive outcomes will be achieved in the final year of PRISMA-2. Following pigs, maize and mechanisation are significant second-tier partners. Very few partnerships were formed in dairy, irrigation and vegetables.

The figure below shows the average duration of partnerships by sector. The time of partnerships in the pig sector is significantly less (i.e., an average of 22 months) than crop protection and mung beans (i.e., averaging 29 and 26 months, respectively). Partnerships in irrigation and vegetables were comparatively short (i.e., averaging 18 and 15 months, respectively). Typically, a long partnership represents areas where it takes more time to achieve behavioural change among partners.

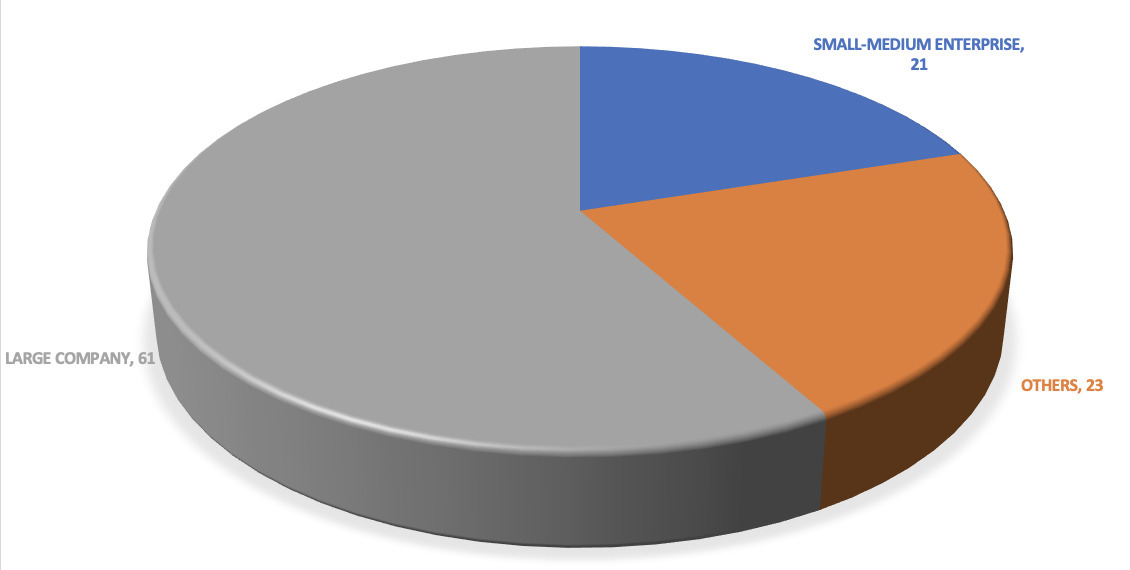
Figure . Average duration of PRISMA partnerships by sector (number of months)



SOURCE: PRISMA database, October 2022

The figure below shows how larger companies dominate the partnership portfolio. This is common in an MSD program as large firms are often essential drivers of agriculture value chains and can leverage change at scale. Thus, MSD typically partners with larger firms to help extend their reach into poor communities. The predominance of large-scale partners is at odds with what the ISRT heard from some DFAT interlocutors and representatives of other Australian Government programs. Among these, there is a misperception that PRISMA works with farmers and micro or small-medium enterprises. It is one reason the program has not been seen as a ‘strategic’ investment, unable to contribute to Australia’s broader bilateral objectives. This perception should be rectified in the remaining implementation period and future investments.

Figure . PRISMA partnerships by type and firm size (number of partnerships)



SOURCE: PRISMA database, October 2022, current partnerships.

NOTE: Other includes government, association, research organisation or seminary.

An effective portfolio review process is an essential part of an MSD program. This reflective process is where adaptive management occurs. Staff take a step back from the day-to-day implementation to ask themselves hard questions and change course where necessary. PRISMA undertakes six-monthly portfolio reviews using a Quality Management Tool framework to assess interventions against a range of standard metrics, including the pro-poor impact, the scale of access and beneficiaries, an analysis of gender-based participation in the sector, and the likelihood of systemic change. Since the Strategy Refresh, these reviews entail a more comprehensive view of sectors and opportunities for change.[[10]](#footnote-10) However, it is difficult to determine whether these processes are sufficiently reflective and honest to facilitate adaptive management.

##### Systemic change

The program has made progress towards implementing a framework for measuring systemic change. The ISRT was provided seven systemic change stories, all written or updated in 2022. PRISMA’s approach to systemic change is harmonised with the program’s Market System Strategy structure. This practical approach maintains a consistent approach to organising and presenting information from strategy to results. This makes it easier for all stakeholders, including staff, to understand the approach.

A review of the program’s systemic change ‘explainer’ suggests that the framework is still quite complicated. While systemic change is a nebulous concept, it can quickly become unwieldy and difficult for staff to apply. Some effort might be made to create a simple layperson’s guide that can be quickly applied. Such a guide could provide practical Indonesian examples that demonstrate what systemic change looks like in Indonesia agriculture markets.

PRISMA treats systemic change as an element of its sustainability strategy. It is identified as the end state of the MSD process.[[11]](#footnote-11) Systemic change is defined as changes at the functional level which impact how the market for a particular commodity works. In each sector, PRISMA describes the anticipated after-state (i.e., the desired market state after December 2023).[[12]](#footnote-12)

The conceptual approach to systemic change appears consistent with the methods used in many other programs. It loosely uses the Adapt-Adopt-Expand-Respond approach, which has been tested and refined in many practical contexts.[[13]](#footnote-13) Systemic change is not so much a defined state as a general tool to describe a series of positive changes in a market system.

The PRISMA approach to systemic change is therefore considered valid because it is:

1. Relatively simple to explain to most stakeholders (although it could be simplified further).
2. A conceptual framework that links to the program's strategic planning tools and helps program staff understand what they are aiming for and better understand what success looks like.
3. Based on a well-accepted methodology of understanding systemic change.
4. Defined to allow all stakeholders to agree on a shared vision of success while being flexible enough to account for the diversity of systems and outcomes.

A rapid assessment of the PRISMA systemic change case stories was undertaken. Annex 5 provides an overview of the systemic change examples claimed by the program in selected sectors. It describes the systems changes claimed and some observations from the ISRT on the validity of these claims. Most examples of systemic change from the program occur in a single functional area rather than across multiple functional areas within a single market system. While systemic change can be achieved by working on one function, it is more likely to have a sustainable impact when the program tackles multiple interrelated problems from different entry points. However, this can lead to a situation where the same beneficiaries benefit from more than one program intervention. For this reason, the program has eschewed pursuing these kinds of systemic change interventions (i.e., because they did not add to outreach numbers).

With a few exceptions, the program has tended to “stick to its knitting.” Many interventions are similar with few signs of experimentation using alternative approaches or market entry points, etc. While this narrow application of the MSD approach may make sense, programs such as this work best when constantly innovating and evolving. It is encouraging to observe that the program has recently indicated it intends to branch out in how it approaches complex market systems problems.

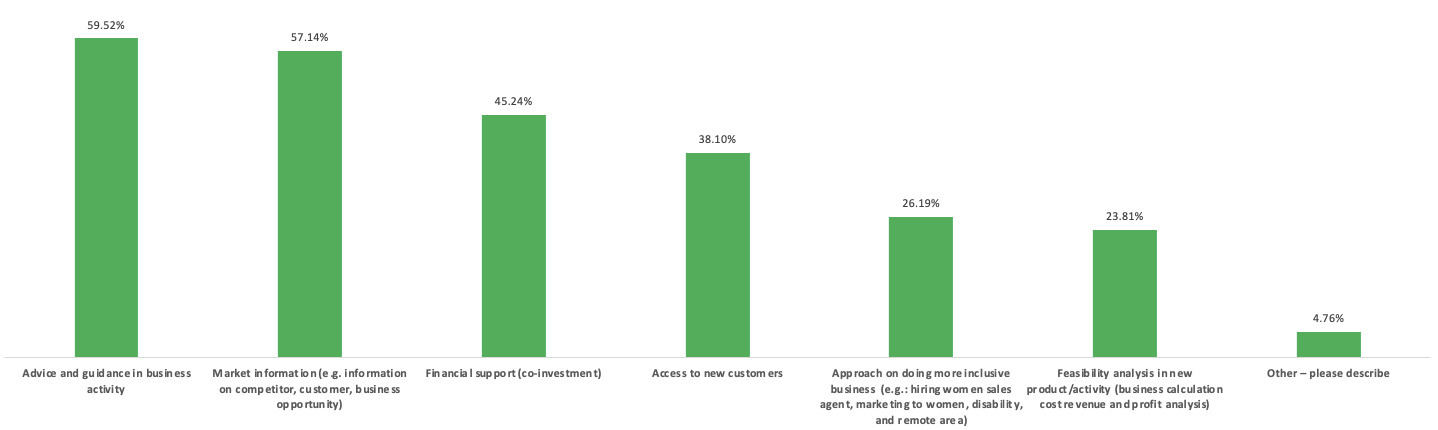
None of the systemic change examples has climate change as a focus.[[14]](#footnote-14) This is understandable, given Australia’s ambivalent attitude to climate programming for much of the program’s lifetime. However, it has become a focus in the last two years, and the climate impacts could have been better drawn out in the examples. Climate should also be a greater focus for future programming options. A program like PRISMA can significantly impact climate adaptation and resilience, and it would be good to see the program putting this at the centre of how it works.

##### PRISMA partner survey

Annex 6 provides the results of the ISR survey of current PRISMA-2 partners. Forty-two partners, out of a total of 87 partners, replied to the survey. Overall, the survey results indicate a high level of satisfaction with the partnerships and a positive view of PRISMA’s ability to work in agricultural markets. Some 43 per cent of respondents indicated that PRISMA had a “very good understanding” of the markets they were working in, while 48 per cent said PRISMA had a “good understanding”. Almost 80 per cent of respondents described the experience of working with PRISMA as “excellent”, with the remaining respondents describing the experience as “good”.[[15]](#footnote-15)

The figure below shows that partners most appreciated the following support provided by PRISMA-2: advice and guidance in business activity (59.52%), market information (57.14%), financial support (co-investment, 45.24%), and access to new customers (38.10%).

Figure . Most helpful areas of support



SOURCE: ISR PRISMA-2 Partner Survey, October 2022, current partners (n=42), responses to the question: “What areas of PRISMA support did you find most helpful?”

When asked to select words. From a list that presented options to describe PRISMA’s support, the top four responses were “supportive” (50.00%), “well-connected” (40.48%), “responsive” (33.33%), “easily adapting to the changes” (28.57%), and “capable” (26.19%).

Importantly, every respondent (i.e., 100%) indicated that the business model or practice they had piloted with PRISMA support would continue once the partnership with PRISMA ended.

When asked how the PRISMA partnership had helped to change their business, responses indicated:

1. New markets–reached more customers (47.62%)
2. Changed my products/services (42.86%)
3. Expanded my business – more workers, more distribution area, more production area (33.33%)
4. New business practices (28.57%)
5. Increased my sales –– more turnover (23.81%)

Two important conclusions can be drawn from this survey. First, financial support is important to partners, advice, support and technical guidance is more important. A common concern among funders of MSD programs is that they require very large and expensive teams to implement when the value of the grant component is relatively small. It is perhaps more productive to think of the value add delivered by the team as an integral component of the support rather than as an overhead. Second, business partners report implementing new and different business practices through the partnership. This is important because it suggests that PRISMA is not simply subsiding the private sector to do what it would do anyway, a common observation amongst critics of the approach. It is more often promoting innovative business models, accessing underserved parts of the market, and delivering new products and services.

### Support for policy dialogue

Policy dialogue was introduced in Phase 2. This has been a problematic work area that was not well conceived in the program’s design. Problems were exacerbated because policy reform is a long-term process. Moreover, DFAT and PRISMA appear unable to agree on the goal of policy dialogue. PRISMA’s key performance indicator on policy dialogue (KPI11) monitors “policy engagements” rather than a result, output or outcome (e.g., draft policies, laws or standards, reforms adopted by the government). Most of PRISMA’s work in policy dialogue has focused on engagements with subnational authorities (see below) or supporting the reform of national standards (e.g., beef feed standards). While some of this work appears to be gaining traction and is likely to produce good (as yet unrealised) results, it lacks a clear strategy, rationale and outcomes.

To address some of these problems, PRISMA prepared a Policy Engagement Strategy in 2021. However, this strategy does not define policy dialogue or its goals. It describes four pillars of policy engagement:

1. Sub-national––based on the constraints analysis of sector teams.
2. National––for key, but focussed, opportunities for policy reform that will address identified constraints at the sub-national level.
3. Broader sharing of lessons and PRISMA experience among key stakeholders and a wider audience as part of an “influencing the influencer” agenda.
4. Provide secretarial and liaison support to DFAT to manage their engagement with Bappenas related to strategic oversight of the program.

It is another document, the revised PRISMA Sustainability Strategy (2022), that gives more detail on what the program considers to be the ideal role of government:

“The role of government in market systems is that they hold the rule book on how businesses operate and set the conditions and regulations that govern the private sector ecosystem.”

This explanation presents a narrow view of the role of government and appears to ignore other elements, many of which the Government of Indonesia interlocutors considered important. These include the delivery and coordination of government programs and services, including infrastructure, agriculture extension services, and investment promotion services, among others. While working with market systems often highlights the distortionary effects of government interventions, DFAT and the program must remain aware that the Government of Indonesia sees itself as a development state that chooses to intervene in markets to achieve the desired development outcome. Indeed, it could be argued that rural and agriculture development in Australia is also often market-distorting and justified based on desired development outcomes.

PRISMA’s policy work at the subnational level uses three criteria for reporting policy engagements: (1) initial engagement (where PRISMA is requested to share information, make recommendations, brainstorm, or be a part of a working group), follow-up engagements (where PRISMA shares detailed information, makes recommendations and engages in the detailed work plan) and output or outcomes (where the results of PRISMA engagements are realised as webinars or policy reforms).

Current examples of PRISMA’s subnational policy work include the following. Most of these are still underway and yet to be realised.

* **Maize in Central Java.** The program helps the Central Java government improve its subsidy planning to increase the effectiveness of the free seed program and reduce market distortion in the commercial hybrid seed market. With PRISMA support, the provincial government is testing a subsidy model in four districts. It is hoped this will lead to provincial guidelines that complement and translate the national subsidy policy into local regulations. It will provide evidence of an improved seed assistance program that minimises overlaps between subsidy recipients and the private sector's existing customers.
* **Maize in NTT.** PRISMA works with the NTT provincial government to develop a road map for improving the maize sector's competitiveness in NTT. This includes improving local seed producer access to parent seeds and certification services. This will lead to improved maize seed certification services and increased access to parent seeds by private seed producers.
* **Pigs in NTT.** PRISMA supports the NTT provincial government in improving the regulations for swine product movement and speeding up the recovery of the pig sector in NTT. This will allow the import of semen straws from other islands. A new standard for swine product movement would enable quick and cost-effective ASF testing before importing or exporting swine products.
* **Beef and dairy in Central Java and East Java.** The program supports the provincial governments in preparing and implementing an evidence-based policy to tackle FMD. PRISMA supports a cost-benefit analysis to assess the impact of FMD, allocate resources, and apply appropriate control measures. Anticipated outcomes include integrated and harmonious efforts of the public and private sectors to tackle the FMD outbreak and the proper allocation of public resources for surveillance and animal disease outbreak responses.
* **Vegetables in Papua and West Papua.** PRISMA is working to strengthen the shallot seed program for 2022-2023 of the Merauke District by linking vegetable seed companies with the program. It is anticipated that the Merauke Government will establish a direct link to quality vegetable seed providers for better input with embedded services.

In summary, PRISMA’s policy dialogue work has improved since Phase 1. It has become more nuanced and strategic in its approach. However, it still lacks a clear definition, justification and purpose. The role of “dialogue” needs to be better articulated as a means of achieving market systems change. Indeed, rather than dialogue, attention should be given to improving the enabling business environment for agribusinesses and smallholder farmers. This is often referred to as the “rules of the game” in market systems programs. Moreover, PRISMA and DFAT should come to a common agreement as to what this work seeks to achieve and the strategies and processes the program will pursue.

### Sustainability

The program has primarily viewed sustainability through the prism of whether market changes will continue beyond the program's life. In general, the program has done this well. However, the delays in Phase 2 implementation and the disruptions created by COVID-19, ASF and FMD are likely to require more time to achieve a sustainable change in market systems.

The PRISMA-2 Design Document indicated that the approach to sustainability would operate at three levels.

**Level 1 Sustainability of the program’s innovations and investment.** At this level, the Design Document described how PRISMA-2 would work with partners to identify opportunities for innovations that benefit smallholder farmers and be profitable for the private sector. Sustainability would be achieved if the innovation delivers a tangible benefit to farmers and generates a commercial return for the private sector partners. There is good evidence that the program has achieved this result across both phases.

**Level 2 Building on initial innovations to strengthen sector adaptability and resilience.**The 2017 Design Document described how this would allow sector actors to have the capability to anticipate, mitigate or respond to opportunities and threats in the future. Having introduced a successful, sustainable innovation––a new way of doing things––PRISMA-2 would work with sector partners to ensure that the innovation is supported by other actors in the sector. As indicated above, PRISMA has performed well in this level. It has worked with partners to introduce new innovations (i.e., products, services) that improve market functioning for smallholder farmers.

PRISMA’s revised Sustainability Strategy (2022) describes sustainability as being “hard-wired” into the MSD approach and applies a stepwise process to achieve the market system change.[[16]](#footnote-16) This is done, first, by piloting innovations with selected partners to trigger change at the intervention level. The next step is to scale up successful models to stimulate change at the market system level to make new agricultural products and services available and used by poor farming households. There is some evidence that the scaling-up of successful models has occurred. While the final year of the program will give more room for these scaling-up efforts to be realised, it is unclear at this stage how these will influence sustainable change in the selected markets.

**Level 3 Embedding the MSD approach more broadly within Indonesia through influencing policy and institutional behaviour.** The Design Document described how PRISMA-2 would leave a legacy of new thinking and practices based on its practical experiences and the evidence it generates beyond the sectors in which it works. It would have a stronger focus on equipping government decision-makers and policy influencers with the evidence they need to advocate for wider change in the agribusiness environment in Indonesia.

As discussed above, the program’s interventions in policy dialogue and the business environment are unclear. This level of sustainability should have been more concerned with the sustainability of business-enabling environment reforms. While there is some evidence of program success (e.g., beef feed standard reform), more work could be done with national and subnational government authorities on market-led agriculture development.

Finally, the sustainability challenges related to ongoing MSD deserves some attention. DFAT and Bappenas have raised questions about how MSD interventions would be continued beyond the program's life. Indeed, little attention appears to have been given to a continued facilitation model beyond earlier considerations regarding creating an MSD unit in BAPPENAS. Future programming options could include institutional arrangements that provide, for example, a “neutral” facilitation mechanism co-financed through private sector partnerships (e.g., commercial trust).

### Program communications

Like many other development programs, MSD encourages behaviour changes among market actors. MSD programs have a particularly challenging behaviour change task. They seek to change the behaviour of households, agribusinesses, peak bodies, national and local governments, and, to some extent, the funder. The program needs to be clearer as to who the stakeholders are and what kinds of information these require to influence behaviour change (e.g., government officials, DFAT, agribusiness). A new Strategic Communications Strategy was adopted in 2021 and is well underway with collecting and sharing PRISMA’s lessons learned, including a joint publication with The Economist Intelligence Unit. The recent reconfiguration of the communications team and strategy are positive steps and already show signs of improved documentation and messaging. However, more communication on how change happens in the markets PRISMA works in would be useful. Indeed, PRISMA’s ability to draw on its market intelligence, which helps stakeholders understand how global trends are playing out in the local agriculture economy, is of value to both the Indonesian and Australian governments.

This work has only taken off since the Strategy Refresh, and more could be done to embed communications within the program's operations, particularly leveraging the resources of the RML team in routine data gathering.

### Program management and staffing

Several co-facilitators were engaged in the early stages of Phase 1 to help the program build momentum. This worked to some degree, but later evaluations found the approach had left the program with too little control. As a result, all program activities were brought in-house with a staffing complement to match.

The program has a large staff, most of which are in Surabaya. As illustrated in the partner survey findings, reported above, PRISMA’s large team are much more than overhead and is, in fact, a significant element of the value-add the program delivers as part of the MSD methodology. The program’s current staffing profile is presented in the figure below.

Figure . PRISMA-2 staff profile

|  |  |
| --- | --- |
| Focus | Amount |
| Number of international staff | 7 |
| Number of technical (portfolio) staff in Surabaya | 79 |
| Number of RML staff in Surabaya | 19 |
| Number of support staff in Surabaya | 35 |
| Number of technical staff in field offices | 13 |
| Number of support staff in field offices | 4 |

SOURCE: PRISMA management

The program is very well resourced. It has 111 technical staff (i.e., portfolio and RML) for 102 active interventions. This gives a ratio of 0.99 staff for each intervention. This is a very generous staffing complement.[[17]](#footnote-17) The RML Unit is also well-staffed. As noted elsewhere, not deploying these staff to support a broader market intelligence agenda was a missed opportunity in the first phase of the program. Following the Strategy Refresh there are positive signs that there is an increased focus on delivering in this area.

The program has limited progress towards developing a cadre of senior Indonesian staff. This is not to say that the program should reduce its expatriate staffing profile. Expatriate staff add critical perspectives and help the program innovate, but local managers open doors and provide leverage in ways that international staff cannot. The program could have a more deliberate approach to bringing high-quality local staff up through the ranks.

The ISRT observed that the roles and responsibilities between PRISMA staff and Jakarta Post staff could be improved and clarified, including ambiguity about involvement in certain activities (e.g., policy dialogue). The ISRT believes that DFAT staff and PRISMA should re-visit the issue of roles and responsibilities to provide more clarity and reduce ambiguity.

### Responding to external shocks - adaptive management

PRISMA is an adaptive program that responds to the Government of Indonesia's needs. Despite this, it was faced with many challenges in recent years. Multiple external shocks have severely disrupted the lives of all market actors over the program’s lifespan. These include Pig Cholera, ASF, FMD, and the COVID-19 pandemic.

The ISRT found evidence of adaptation in response to threats created by ASF and FMD. For example, information and advice to smallholder farmers were often embedded in commercial distribution channels for feed and fertiliser. While acutely aware of the impact of these diseases on their livestock and livelihoods, farmers sought information and advice on how to manage the situation. While government extension workers provided helpful information, this was often during the crisis only. Embedded, market-based information was found to be most valuable in promoting healthy and sustainable practices over the long term. However, it is unclear how sustainable it is to continue embedding information and advice will be without a program like PRISMA supporting agribusiness suppliers. The decision to focus on pig breeding in response to the ASF outbreak in the pig sector was correct.

While farming continued during the COVID-19 pandemic, PRISMA was limited in how it could respond. Staff were required to work from home, and public meetings, such as farmer information sessions, were not allowed under the public health ordinances. PRISMA-2 supported recovery by focusing on agricultural sectors that the pandemic most heavily affected. Partner surveys were conducted, and the program worked with Bappenas to assess the impact of COVID-19 on smallholder farmers and agribusinesses. A COVID-19 recovery strategy was produced, and some support was provided for the online marketing of commodities and farm input products. Overall, the support to project partners and beneficiaries was severely hampered. Without diminishing the severe impact COVID-19 had on PRISMA staff, partners and beneficiaries alike, the ISRT consider that more could have been done to adapt to these rapidly changing circumstances. DFAT appeared to encourage a business-as-usual approach. However, this seems to have overlooked the opportunities for a more adaptive programming system that the situation demanded.

Overall, the program has demonstrated adaptivity in several areas, although less than might be expected by such a highly flexible and locally staffed program as PRISMA. In some instances, the program has not anticipated shocks and has therefore been flat-footed when they eventuated. For instance, ASF set back the work in the pig sector significantly, and the one-dimensional portfolio (i.e., working only in feed) meant that it took a long time to course correct. In other instances, the program was hit by factors outside its control, such as the long period of inactivity during COVID-19 restrictions.

## Effectiveness of PRISMA-2 M&E system

The program has developed a robust RML system, which the Donor Committee for Enterprise Development certified. The system provides DFAT with a credible report of program performance and contains regular documentation of the programs’ indicators. Information on program results and lessons learned from PRISMA is drawn from the RML and provided to DFAT, the Government of Indonesia, other DFAT-supported programs, and other donors. A well-documented PRISMA experience in facilitating rural income for smallholder farmers may contribute to improving similar projects in the future.

The program makes extensive use of primary and secondary research in the development of strategies. It sets baselines and measures impact in a robust manner. This information is regularly reviewed through the QMT process, where data on intervention performance is rigorously used to make future programming decisions.

The RML system helps PRISMA design interventions that focus on sustainable poverty reduction for males and females and provides regular information on results at intervention and project levels and lessons learned. It also helps PRISMA inform the broader community about its efforts in facilitating inclusive rural income increase.

DFAT can take comfort in knowing that the M&E system is credible, outcome-focused and quality-assured and that the information is used to improve program performance. However, there are some concerns regarding the key performance indicators (KPIs) used to measure progress. See the figure below.

Figure . PRISMA key performance indicators

|  |  |
| --- | --- |
| No | Key Performance Indicator |
| KPI1 | Number of smallholder farming households with increased net income attributable to PRISMA interventions |
| KPI1a | Number of smallholder farming households under USD2.50 PPP poverty line (extreme poverty) with increased net income |
| KPI1b | Number of smallholder farming households under USD5.50 PPP poverty line with increased net income |
| KPI2 | Net attributable additional income for benefited farming households in IDR |
| KPI2a | Net attributable additional income for benefited farming households under USD2.50 PPP poverty line (extreme poverty) in IDR |
| KPI2b | Net attributable additional income for benefited farming households under USD5.50 PPP poverty line in IDR |
| KPI3 | Number of intermediary service providers (ISPs) providing additional/improved access to innovation to farmers |
| KPI4 | WEE effectiveness within PRISMA innovations |
| KPI5 | Value of additional turnover of ISPs in IDR |
| KPI6 | Number of intervention partners (private and public sector) |
| KPI7 | Value of additional turnover of private sector partners in IDR |
| KPI8 | Value of attributable additional or more inclusive investment by public and private sector in IDR |
| KPI8a | Value of attributable additional or more inclusive investment by public and private partners in IDR |
| KPI9 | Number of crowding-in businesses/institutions induced by PRISMA |
| KPI10 | Number of responding businesses/institutions induced by PRISMA |
| KPI11 | Number of policy engagements |

Overall, the KPIs in the above table are comprehensive and deal specifically with the broad sweep of program activities. All indicators are disaggregated by gender. However, there are no gender targets. The ISRT has concerns regarding the indicators shaded above. KPI4 is a meaningless indicator (i.e., no suggestion as to how “effectiveness” would be measured). KPI11 monitors an activity (i.e., “policy engagements”) rather than a result, output or outcome (e.g., draft policies, laws or standards, reforms adopted by the government).

As discussed earlier, the greatest concern the ISRT has with the program’s M&E is the primacy given to reporting on numerical beneficiary outreach targets. This focus has often overlooked the overall system change and resilience created by the program’s interventions. While broad data was collected, one metric drove decision-making. It is difficult to aggregate to a higher level the full richness of the information collected by the program, particularly at the intervention level.

# Progress in gender, disability and social inclusion

## Program sensitivities to differences, needs, roles, and priorities of women, men and marginalised groups

PRISMA promotes a commercially driven, evidence-based approach to GEDSI. The PRISMA-2 Investment Design Document discussed many GEDSI challenges in an MSD project. It explains how smallholder farmers and local communities rely on women in the market (e.g., as producers, customers and off-takers) and the need to address social inclusion issues faced by other marginalised groups.

The PRISMA GEDSI Team consists of four business consultants coordinated by the Chief Technical Officer for Inclusion and Engagement. This approach is more responsive to needs than PRISMA-1, which had only one dedicated GEDSI staff who received short-term assistance from an international gender adviser. In PRISMA-2, GEDSI is carried out by identifying roles and responsibilities from senior management to all staff. Thus, GEDSI is a shared priority with a strong leadership base. A series of GEDSI capacity-building workshops dealing with WEE to Universal Design principles have been carried out for all team members from senior management, implementation and RML staff and support staff.

Typically, GEDSI outcomes are achieved through the combined use of mainstream and specialised interventions. This is sometimes referred to as a “twin-track” approach.[[18]](#footnote-18) For example, mainstream interventions integrate gender analysis and take deliberate measures to ensure gender imbalances are addressed through careful intervention design, implementation and monitoring. This often requires gender targets to be applied across all program activities and outcomes. Specialised programs focus on a well-defined problem. For example, a program intervention may focus on indigenous communities and their challenges in reaching regional agriculture markets. Similarly, a specialised program may concentrate on women-owned agribusinesses, the employment of people with disabilities as sales agents or the demand for young people to take a more innovative approach to agriculture production.

PRISMA’s mainstreaming of gender issues is generally reasonable. It incorporates an analysis of gender in all market systems and has captured valuable information on the participation of women and the outcomes achieved. While the issues associated with youth and disability are also mainstreamed (e.g., in market systems analysis and sector growth strategies, as well as in intervention project monitoring), more could be done to deepen this analysis and design and monitor interventions that address clearly defined barriers to market inclusion.

Indigenous issues need to be better mainstreamed in the program. The program’s engagement with indigenous people mainly occurs in Papua and West Papua, which is discussed further below. More could be done to ensure the program considers indigenous inclusion issues in other program locations (e.g., in NTT and NTB). PRISMA’s work with people with disability, youth and indigenous communities is relatively new.

PRISMA has not adopted any GEDSI targets except those set internally as a working benchmark. While KPI4 deals with WEE, no other KPI specifically measures the engagement of people with disabilities, youth or indigenous communities or the inclusion of these groups in the program’s outcomes.

The program has produced a GESI Strategy, which does not include disability and has been updated seven times––illustrating PRISMA’s evolving approach to GEDSI over the two program phases.[[19]](#footnote-19) PRISMA’s GEDSI team regularly assesses how far PRISMA’s interventions are moving beyond access for women farmers to promoting women’s agency. PRISMA-2 staff indicated that the strategy provides sufficient guidance on promoting GEDSI in market systems programming. While the strategy describes ways of strengthening GEDSI mainstreaming in market systems, there needs to be more analysis and an explanation of what issues prevent social inclusion and how these should be addressed.

Over the last two years, PRISMA-2 has demonstrated a stronger commitment to dealing with GEDSI issues. The Strategy Refresh has strengthened GEDSI mainstreaming and broken up internal silos while improving coordination (PRISMA Learning Series 2022). However, there are still areas where GEDSI could be more prominent in the program’s work. For example, there are no explicit GEDSI-related criteria used in sector selection.[[20]](#footnote-20) While the sector growth strategy documents include a GEDSI analysis, this is often simplistic, focused on recognising the importance of women's participation in the sector rather than how to mitigate the risks of exclusion.

Currently, gender is fully mainstreamed in PRISMA-2. WEE issues are now integrated into analysis findings to deepen engagement with market actors. However, much more must be done to ensure the inclusion of other target groups (i.e., people with disability, indigenous people and youth). These matters are discussed in more detail below.

### Women’s economic empowerment

WEE is used to measure the program’s impact on women rather than as a framework for designing specific program interventions targeted at women. Thus, the outcome of the program’s mainstreaming of gender inclusion is measured by WEE (i.e., KPI4). The program has recorded some success in its engagement with women. The most recent progress report shows that in 67 per cent of ongoing interventions, 41 partners out of 49 have integrated WEE considerations at all implementation stages. Moreover, 62 per cent of women were found to experience some form of economic advancement due to PRISMA interventions, and 34 per cent of female farmers actively engage in agricultural decision-making (PRISMA Progress Report January-June 2022).

PRISMA promotes WEE by encouraging businesses to understand the benefits of employing women. The approach evolved from a passive “do-no-harm approach” to increasing gender awareness and then more actively promoting WEE. This shows an internal shift from treating WEE as socially desirable to see it as a good business practice.

The box below provides further detail on the WEE indicator. It is interesting to note that the indicator appears to idealise equal participation by women and men in market systems. This can overlook gender power relations imbalances and the strategies required to promote empowerment.

*Box 3. PRISMA KPI4 WEE Indicator*

PRISMA KPI4 is a ratio that compares the number of women farmers receiving information from the intervention and their level of involvement in the on-farm activities. A ratio of less than one (<1) means that women are well involved as farmers but are not proportionally engaged by program partners. This suggests that there are opportunities for the partners to involve more women in their activities (e.g., in promotional and knowledge-sharing events). A ratio of more than one (>1) means that program partners are engaging with a high number of women in their business activities while the number of female farmers is proportionally lower. This suggests that the partner’s marketing and promotional activities may not be well designed and targeted and should engage more men in their activities to be commercially viable. Thus, the ideal KPI4 should be close to one (1) as possible.

In 2022, DFAT and PRISMA agreed to add a sub-indicator to KPI4 to avoid the danger of focusing too much on measuring women’s access and not enough on the true outcomes of PRISMA’s work towards WEE. The new sub-indicator captures the overall progress of gender mainstreaming in PRISMA and is divided into three mainstreaming levels: (1) pre-implementation, (2) partnership and (3) continuity. These levels show different stages of understanding, commitment and execution of gender inclusion by the private sector. PRISMA used this sub-indicator to report progress towards gender mainstreaming in the latest Program Progress Report (January – June 2022) and will continue this reporting in future progress reports.

While PRISMA-2 recognises the importance of identifying and mitigating gender-based risks from WEE intervention activities, it is extremely cautious regarding supply-side interventions that might address these risks.[[21]](#footnote-21) One of the less explored risks associated with GEDSI is gender-based violence (GBV). PRIMSA has not found evidence of increased GBV resulting from its interventions. However, while GBV may not be reported, it is critical that MSD projects such as PRISMA understand local gender and social norms and monitor shifts in power dynamics, the impacts of which may potentially lead to GBV.[[22]](#footnote-22) Furthermore, GBV can also be a barrier to achieving agriculture and market systems project goals, as well as broader women’s economic empowerment and GEDSI objectives.[[23]](#footnote-23) PRISMA has begun networking with organisations working on GBV issues. However, specific measures that could prevent GBV in the first place could strengthen GBV mitigation efforts.

The ways the program applies a gender-based approach to inclusion varies from one market to another. For example, when working in the mung bean sector in Madura, East Java, PRISMA-2 identified potential partners by assessing their capacity and willingness to distribute mung beans. PRISMA applied a gender perspective when analysing the sector and preparing business cases. Moreover, WEE activities were included in the partnership agreements. However, in male-dominated sectors such as beef, gender integration is limited. The beef intervention plan presents a gender-based division of labour and control over resources but does not contain interventions to deal with these problems. Indeed, the gender-related interventions related to market function are limited (i.e., focused on encouraging women's involvement in promotional activities), and there is no gender-related risk identification and mitigation (following increased productivity and income associated with men's income).

*Box 4. PRISMA pig sector interventions lead to positive outcomes for women*

PRISMA was correct to choose the pigs sector because it is a commodity in which a high number of women participate. Indeed, some 900,000 households in NTT rearing pigs. Program interventions focused on introducing quality feed to both male and female farmers. In addition, interventions in pig breeding were introduced recently as a re-stocking strategy in response to ASF.

These interventions brought extraordinary results. The impact assessment shows that the Nett Attributable Income Change was 418 per cent. This was achieved mainly due to an increase in the nutritional quality of the pig, as well as a shorter rearing period. These improvements reduced the time many women spent caring for pigs. However, many poor smallholder households are unable to afford feed and, as a result, unable to benefit from the time savings and income increase that good feed provides. This leads them to revert to using low-quality feed or to mix and dilute the commercial feed with lesser-quality feed, thus reducing the feed’s effectiveness.

One interesting response to this problem was developed by a pig feed sales agent in the Southwest Sumba district. Seeing that the price of commercial feed was a serious problem, a local sub-agent developed the Feed Arisan scheme and an Arisan for Pig Breeding.[[24]](#footnote-24) This scheme allowed members to purchase up to ten kilograms of feed. There are currently 96 of these groups spread across the Southwest Sumba district.[[25]](#footnote-25)

While there is evidence confirming the relevance and effectiveness of the WEE approach, there are challenges when promoting women’s agency.[[26]](#footnote-26) The potential for women’s agency is rooted in social norms and structures.[[27]](#footnote-27) The program has begun to try to resolve these challenges by adjusting the times of training workshops in response to women’s time constraints. In addition, invitations to events were sent to women and men rather than simply the head of the household, normally a man.

*Box 5. Women sales agents and role models of women's leadership*

Sales agents introduce new products to farmers and educate farmers about good agricultural practices. One of the innovations to encourage inclusive business is to recruit women sales agents. According to a study conducted by PRISMA-2, farmers tend to feel comfortable when they meet sales agents of the same gender. In the first semester of 2022, two project partners employed female sales agents for bio-fertiliser products and high-quality bean seeds. PRISMA-2 reports an 87 per cent success rate of sales agents in marketing activities. The performance of women sales agents was higher, at 91 per cent, compared to male sales agents, at 85 per cent.

For women sales agents, the benefits of this work are not only economic improvement but also opportunities to develop new relationships and networks. Women’s employment promotes self-actualisation and establishes these women as role models in their communities. Companies benefit because the variety of sales agent backgrounds allows for more diverse sales and education programs, especially those that reflect the needs of women.

Despite these benefits, women sales agents face challenges ranging from restrictive social norms regarding the division of labour, jealousy and lack of husband's support, mobility challenges and gender stereotypes. Companies and managers are encouraged to consider gender norms in recruitment and encourage the performance of women sales agents through policies and a supportive work environment.

### Disability

While there is ample evidence of using WEE within MSD frameworks, a more complicated process is encountered for disability inclusion. PRISMA recognises the need for extra resources, including time, to succeed in this field. PRISMA-1 encouraged disability inclusion but did not connect disability within an MSD modality. A PRISMA study conducted in 2018 highlighted the invisibility of disability in elderly farmers, who constitute a significant part of the farming population.

Currently, PRISMA-2 encourages disability inclusion by increasing market access for farmers with disabilities.[[28]](#footnote-28) The GEDSI team described disability inclusion as challenging, especially because there are few business cases related to disability inclusion. The program used a universal design approach and the Washington Group Disability Question Scheme to design tools for disability inclusion to identify opportunities and solutions driven by commercially viable business cases. However, the approach to understanding disability exclusion in market systems needs to identify the market and non-market barriers that hinder market access and the benefits for people with disabilities. PRISMA-2 has begun to take important steps to understand and resolve this issue through dialogue and collaboration with disabled-peoples organisations. While this is the right approach, much more can be done.

The adoption of disability inclusion in the private sector in Indonesia has progressed. This is illustrated by the Indonesian employers' association (APINDO) 2021 workplace disability inclusion guidelines. This shows that disability inclusion has become part of the new norm of business practices. In addition, enacting Law No. 8 of 2016 Concerning Disability, which emphasises the rights of people with disabilities, is an important milestone that can strengthen PRISMA's work in disability inclusion.[[29]](#footnote-29) Convincing the private sector to comply with this regulation may help businesses better understand and respond to the needs of people with disabilities.

### Indigenous people

PRISMA’s work in Papua and West Papua specifically focuses on indigenous communities. The complex social and political context in these areas poses a serious challenge, where markets are thin and traditional farming practices dominate. PRISMA interventions spanned various commodities in Papua, ranging from cocoa, vegetables, crop protection and seaweed, but only the interventions in vegetables have continued. Other sectors were discontinued due to limited economies of scale, and the dominance of the public sector, which created a disincentive for private investment.

PRISMA-2 uses an ethnographic clustering approach organised around eight clusters (i.e., ethnicities and locations) to understand the market dynamics better and find the right entry point to encourage the inclusion of indigenous communities in market systems.[[30]](#footnote-30) Several studies have been conducted, including an off-take study to identify opportunities for indigenous vegetable traders.

While PRISMA-2 has indicated that MSD is an appropriate development modality in these contexts, it has also indicated that this approach needs to be complemented with other approaches that respond to the practical challenges created by the social and political context (PRISMA Learning Series 2022 on Papua and West Papua). This may include using local economic development methods that identify and build on local assets and forge partnerships between public and private actors. The ISRT supports this approach. As discussed above, MSD, at its core, is a highly adaptable, market-led approach. Thus, in situations where markets are thin and local communities are highly disadvantaged, a range of market interventions are required to ensure that indigenous people have the capacity to make use of new market and commercial opportunities.

### Youth

To encourage the inclusion of young people, PRISMA has conducted a series of studies on young farmers to identify challenges and opportunities. An assessment of youth in the beef sector in East Java identified opportunities for youth participation, including the role of youth sales agents. PRISMA helps project partners target young people in the distribution of fertilisers through digital networks.

The ISRT observed opportunities for youth inclusion, not only as farmers but also in agribusiness. Young people's interest in agribusiness, whether as agricultural suppliers or off-takers, can be an attractive opportunity.

Youth inclusion is still relatively nascent in PRISMA. There are no youth-specific program interventions, and it is unclear what strategies are in place to address the barriers young women and men face in the agriculture sector and its markets.

## Lessons learned from implementing GEDSI as a cross-cutting issue in rural development

WEE adaptation in the market system is relevant to address the problems of rural development and agriculture in the Indonesian context. The mainstreaming of WEE in MSD projects occurs by integrating GEDSI into the whole project cycle. The focus on WEE has helped the project understand how both market and social dimensions create obstacles to women participating in and benefiting from market systems. This understanding lays the foundations for how the program works with partners to expand access to services, leading to productivity and income.

While PRISMA took a relatively light touch to GEDSI in Phase 1, PRISMA-2 has begun to recognise the need for a more integrated and interventionist approach. This is witnessed in the 2021 Strategy Refresh and the GEDSI Strategy. However, the lack of specific GEDSI targets blurs the program’s focus on critical areas related to exclusion, especially those faced by people with disabilities, indigenous people and youth. Likewise, a lack of intersectionality can generate inaccuracies when addressing the multiple layers of gender and other social exclusions (e.g., those faced by women with disabilities or indigenous women).

The program’s recognition of the non-economic dimensions of WEE (e.g., unpaid care works, social norms, gender-based violence) is important. PRISMA-2 has developed various approaches, such as inviting both men and women farmers to farmer’s meetings instead of inviting only the heads of the household or adjusting meeting times to suit women better. However, efforts to strengthen women's agency is a long and complex process. It requires a good understanding of positive and negative gendered social norms, not only at the community level but also among the private sector and state policies (Rodgers and Zveglich 2012).

Program effectiveness in promoting gender equality and social inclusion relies on recognition and linkages through social schemes, such as Arisan networks or women farmer groups. PRISMA's experience with the Arisan network called Mapan, which reaches over 2.5 million women, shows great potential and effectiveness. This scheme is also relevant in other sectors, such as price affordability issues of pig feeds (e.g., the pig feed Arisan in Sumba).

Social norms and power imbalances make it difficult to promote women's agency, and market-based responses are often limited in these contexts. However, there are ways to increase awareness of these issues among market actors, including agribusinesses. An exploratory approach to identifying opportunities and shifting awareness may lead to better gender equality and social inclusion results.

Though the implementation of social inclusion is still early in the program, applying a “hybrid model” of MSD may expand the programming option. Thus, the program can explore supply-oriented interventions that pilot and incentivise new inclusive practices by agribusinesses rather than responding to market demand only. PRISMA's learning on social inclusion raises questions about the approach needed to ensure that the benefits of MSD projects reach the most vulnerable groups. Because of the multiple barriers they face, these groups often require a broader set of interventions before pursuing the economic opportunities offered by a better-functioning market system. This may include social protection and livelihood development.[[31]](#footnote-31) This can be done by linking up with the government’s social protection program.[[32]](#footnote-32) Similarly, collaboration with Mahkota, another Australian-funded project focusing on social protection, could be strengthened.

An intersectionality approach to inclusion could be very powerful. For example, youth inclusion in agribusiness could focus on supporting young woman entrepreneurs or youth with disabilities, or indigenous youth.

PRISMA-2 has identified challenges in developing business cases related to disability inclusion and the inclusion of indigenous people. The benefits of promoting such inclusion social for business (e.g., branding) need to be assessed, especially for the private sector in Eastern Indonesia and SMEs in general.

Hybrid models must be explored further, especially in locations such as Papua and West Papua. More attention must be given to understanding the role of indigenous women, especially indigenous women, in entrepreneurship (Cattleya et al, 2021).

## GEDSI integration in program M&E system

PRISMA has developed a solid M&E system (see Section 3.5). This integrates various GEDSI elements to assess the program’s impact on gender. Some of the steps taken to integrate GEDSI in the M&E system were to:

* Include WEE impact questions and analysis in the project’s impact assessment to capture the six dimensions of WEE.
* Refine the WEE qualitative impact assessment questionnaire and analysis to understand better woman’s dynamics in accessing innovation and receiving project benefits.
* Regularly conduct a WEE stocktake for Sub-KPI 4 analysis and identify trends in sector team initiatives in proposing WEE business cases and private sector adoption and adaptation of WEE-related activities or business models.

Despite the high quality of PRISMA’s M&E system, the lack of GEDSI-specific targets and reporting is a concern. There are no GEDSI targets in the EOPO nor the IOs. While the M&E system contains valuable GEDSI data, these are not used when reporting on its EOPO or the IOs. GEDSI is measured separately rather than by disaggregating the achievements of each project indicator. The latest Program Progress Report (January-June 2022) presents GEDSI data in a specific WEE section, while social inclusion is not measured.[[33]](#footnote-33)

PRISMA-2 has produced several valuable knowledge products that have integrated GEDSI. The rice study is a good example of how the M&E system captures gender-related changes in terms of increased access to knowledge, increased productivity and income, as well as women’s confidence and influence. This can be a foothold for examining aspects of strengthening women’s agency.[[34]](#footnote-34) Such opportunities need to be strengthened. In addition, PRISMA-2 lessons learnt documents, especially those related to WEE, have become important references for WEE integration in MSD projects globally (e.g., GREAT 2022, Jones 2016).

While the development of data, analysis and knowledge products has shown much progress for WEE, PRISMA needs to do more on social inclusion (e.g., developing disability-related data and analysis using disability-disaggregated data to convince project partners that disability inclusion is good business and developing age-based data to strengthen youth inclusion in project interventions).

# Future program design

## Relevance of rural development and agriculture sectors in Australia support in Indonesia

As discussed in Section 3.3, PRISMA is highly relevant to the Australian-Indonesia partnership. The program has laid a firm foundation for continued programming:

* It is focused on agriculture which is a significant contributor to livelihoods (especially amongst the poor) and GDP, and a sector where Australian-Indonesian trade can be enhanced.
* Contributes to broad, systemic change in agriculture markets that develop the capacity of local farmers and agribusinesses while building resilience to external shocks.
* It has the potential to significantly contribute to food security, women's economic empowerment, climate change mitigation and adaptation.
* Directly focuses on Eastern Indonesia and contributing to Australian and Indonesian geopolitical interests in regional stability and economic opportunity.
* Provides policymakers with market intelligence that informs policy, legal and regulatory reforms to create a more enabling business environment.
* Contributes to Indonesia’s National Medium-Term Development Plan 2020-2024 and Long-Term National Development Plan 2005–2025, and the Strategic Plan of the Ministry of Agriculture 2020-2024, as well as Partnerships for Recovery: Australia’s COVID-19 Development Response Plan 2020-2022.

## Priority areas in rural development agriculture

There are many priorities for agriculture and rural development in Indonesia. These include:

* **Food security.** While food security is a priority, to address this topic sustainably, attention must be given to agricultural markets and the productivity of farming production across all size classes (i.e., not just smallholders). This includes considerations of multi-crop management, high-value crops, improving off-taking, transportation, and storage (and possibly the cold chain for specific products). Greater attention should also be given to the “enabling interventions” (e.g., finance, ICT) and input markets.
* **Agriculture sector reform.** Smallholder farming systems are caught in a low productivity trap. Low incomes leave little to invest in better inputs, mechanisation, and improved practices. Lack of investment keeps productivity and incomes low. Government’s traditional approach to this is via top-down policy and strategy frameworks, which does little to change the realities on the ground. Long term investment focussed on lifting productivity and quality is needed. A market-led approach can work with through large-scale market actors with the capacity and resources to invest in supply chains to help break this cycle.
* **Transformation of rural economies.** Indonesia, like most emerging economies, is experiencing increased urbanisation. Agriculture sector modernisation is not keeping pace, with much of the country’s production based around low productivity smallholder farms. Agriculture must become less labour intensive and more productive if it is to meet the country’s growing appetite.
* **Agribusiness development.** A key element of the above transformation is to support the development of an agriculture sector structured around agribusiness, engaging efficiently and competitively with smallholder farmers**.** PRISMA already works on agribusiness development in selected sectors, but it could be a dedicated work area.
* **Climate-smart agriculture.** This will be a major priority for future programming. To meet global climate commitments, it will be essential to tackle the more damaging practices in smallholder farming systems. While environmental considerations (including the need for climate-smart agriculture practices, models, technologies, products, and services) should be integrated or mainstreamed across all future programs, there is considerable scope to include specific program interventions. PRISMA has already commenced an environment stock take to identify existing innovations in climate-smart agriculture.
* **Social inclusion.** Future program design should prioritise how women, youth, indigenous people and people with disability can participate in and benefit from agriculture markets. Linking farmers and agribusinesses with community-based networks, including women's networks, can address issues related to inequality and social exclusion. Moreover, scaling up and linking programs with related government policies on rural development and agriculture, such as village development programs, would provide additional benefits for the Government of Indonesia and targeted beneficiaries.

## Recommended design parameters for future programming

### Key strategic questions

In considering options for future programming, the ISRT considered the following key questions. The team has offered views on what the answers to these questions might be, but it will be important for DFAT to consider these issues carefully and arrive at a clear position before commencing a design process.

***Bilateral or multilateral?***

The trade-offs here are well understood. Bilateral provides better visibility, relationship capital and control over the quality of the investments. Multilateral programs necessarily involve compromises. Bilateral programs come with a heavy management cost to the Australian Government. The ISRT believe that a bilateral program is the more appropriate mechanism in this case. This should be accompanied by sufficient and appropriate resourcing within DFAT. If this resource is unavailable, it may be better to pursue a multilateral programming approach.

***Should the program continue to focus on Eastern Indonesia or have a national mandate?***

As indicated earlier in this report (see Section 3.3.1), the program's Eastern Indonesia focus has been strategically important for Australia. It provides a substantial reach into poor rural communities and households and supports Australia’s geopolitical interests related to regional stability and economic opportunity while benefiting other Australian bilateral relationships, such as Timor-Leste and Papua New Guinea. There are ample development gains to be had by continuing to focus on these regions. A geographic focus also gives the program clearer parameters to work. However, a national program is likely to have greater relevance for the Government of Indonesia and would be more influential in achieving national-level policy changes. It would also enhance the program’s ability to take strategic partnerships to a national level, leveraging a much larger impact. Thus, on balance, the ISRT suggest that a continued focus on Eastern Indonesia is the most appropriate choice.

***Should the program continue to focus on markets and the private sector?***

The downsides of working with the private sector are understood. Partner government interlocutors often need help to engage with and appreciate the relevance of private sector programs. In Indonesia, markets are often seen as extractive and exploitative rather than instruments to generate broad-based prosperity. Thus, funding the private sector can seem counterintuitive. Moreover, market-based programs are difficult to implement, requiring deft management and sensitivity around political-economy issues. However, as PRISMA has shown, they can yield enormous benefits for all stakeholders.

Working with the private sector to improve market opportunities can achieve multiple development objectives beyond poverty reduction and human development. Market-based programs take time to explain to stakeholders and need to be better understood within DFAT. There needs to be a better understanding as to how these approaches can contribute to the full range of possible development outcomes (e.g., poverty reduction, economic transformation and resilience, trade and development, and climate change adaptations). Not all market-based programs achieve all these outcomes. However, once DFAT identifies the primary and secondary objectives to working with market systems, then programs can be tailored to achieve these.

There are many reasons to recommend a market-based approach that develops partnerships with the private sector. These include:

* Clear causality linking program interventions to desired outcomes.
* Private sector partnership programs leverage private investment to enhance the volume and reach of aid.
* Because they tend to be more flexible, market-based programs are responsive to emerging priorities of both the Australian and Indonesian governments. They also respond well to external shocks such as COVID-19 and ASF and FMD outbreaks.

Perhaps one of the most compelling arguments for a market-based approach in Indonesia is that it delineates Australian support from most other donor and development agencies. There are relatively few market-based programs operating in the Indonesian agriculture sector. A market-based approach provides a point of difference in the Australian Aid offer and supports messaging on the benefit of better-functioning markets (i.e., it can help the Indonesian Government play a role in developing markets that is more supportive and less interventionist).

***What do the stakeholders want?***

The Australian Government's support to Indonesia promotes a genuine partnership and supports stability and resilience. Climate, GEDSI, food security, and trade, among others, all contribute to delivering this outcome. The agriculture sector, at 13 per cent of GDP, is a big part of this picture.

Future Australian programming needs to have a clear narrative that demonstrates Australia:

* Is a partner of choice as the Government of Indonesia grapples with the challenges of economic transformation and associated risks.
* Can support Indonesia’s vision in the agriculture sector and operate effectively within a fractured policy environment.
* Has a balanced aid portfolio and understands and works with the fabric of Indonesian society.

It is important that a future program sits more centrally within the Australian whole of government's effort in Indonesia, and within the political economy of the bilateral relationship. It should support greater awareness of the policy changes that would support development of the agriculture sector, and how to intervene in markets in a sustainable way. To achieve this, the concept of systems change––broadly defined and including government policy making––should be more prominent.

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| --- |
| Box . The evolving Australian Aid landscape |
| A new Australian Government changes how the Australian Aid program is framed. Many things will remain, such as a continuing focus on poverty, food security, gender, and economic resilience for poor households. Climate change will take on much greater prominence. Addressing climate adaptation and mitigation in smallholder farming systems will be an important part of Australia’s climate response. There will also be a renewed focus on the economic partnership between Australia and South East Asia, as evidenced by the establishment of the new DFAT Office of South East Asia, which has a strong trade focus. |

Agriculture and rural development are a priority for the Government of Indonesia. PRISMA’s approach is highly relevant to the government’s thinking on economic development, particularly the development of the government's revised economic roadmap. Bappenas have described how the government wants to see a reduction of state intervention in the economy and enhanced local autonomy (e.g., by reducing input subsidies and focusing on productivity). However, this objective must be understood within the broader Indonesian context, where social benefit and collective solutions are highly valued. Market-based approaches are still new to most government officials, and government programs tend to have strong social dimensions.

The Ministry of Agriculture values the recent support from PRISMA in drafting new regulations on cattle feed standards. PRISMA has helped the ministry understand the complexities and challenges of the feed sector and how the regulatory framework was holding back the sector. They would appreciate more of this kind of support. Suggestions for future support include exploring a potential link with Australian feed manufacturers, mapping grain production, providing market intelligence to inform policymaking, and promoting animal health to build resilience.

***What does the private sector need?***

PRISMA has shown how to work with smallholders and agribusinesses in agricultural and rural markets. The partner survey conducted for this review shows many of the needs of the business community. The key programming feature most valued by private sector partners was PRISMA’s private sector perspective. Many aid programs are not particularly relevant because they lack a real understanding of private sector incentives. PRISMA is different, which has enabled the program to build genuine partnerships with real co-investment.

## Possible features of a new program

### Future program design features

Based on the information above, gathered over the past several months, the ISRT recommend that a future program could have the following design features:

* A bilateral agriculture program with a focus on markets in Eastern Indonesia.
* A market-led approach––distinct from a strict MSD program––that partners with the private sector to invest in markets that have large numbers of smallholders.
* Maintain a focus on outreach and income but supplemented with targets for economic resilience and systemic change, and economic transformation. This would require a sharper, more focused set of economic indicators dealing with agribusiness performance (e.g., turnover, profit, employment, market share), sector or market performance (e.g., number of market actors, new entrants) as well as inclusion and climate-related measures.[[35]](#footnote-35)
* A strong focus on supporting the business-enabling environment for agriculture and agribusinesses (i.e., policy, laws, regulations, standards, and administration mechanisms at national and sub-national levels) with consideration given to which agency is the most appropriate counterpart and a deliberate focus on market intelligence to inform reform processes.
* Strengthen GEDSI design which specifically follows a twin-track approach (i.e., mainstreaming combined with specialised GEDSI interventions) for all identified groups, with well-defined targets and disaggregated indicators. This should include a stronger appetite for program interventions that address barriers created by social norms and stimulate agribusinesses to act more inclusively.
* Well-grounded within the Australian Government framework in Indonesia, supporting, for instance, animal health and biosecurity measures in the real economy, investment promotion through KATALIS, and providing targeted intelligence and briefing to inform DFAT program choices.
* A trade-focused component supporting Australian exports, such as animal feed and other agricultural inputs, along with agricultural services, which would contribute to the development of the Indonesian agriculture sector. Agriculture is a significant element of the Australia-Indonesia bilateral relationship with ample scope to support greater Australian involvement in the sector. It is arguably the sector where there is the greatest opportunity for delivering true joint benefit, a long-time objective of the Australian aid program. The Indonesian government would also welcome it. A private sector-led program is ideally suited to support trade and investment because it has established deep relationships with many strategic businesses in the sector and deep knowledge of the economics of agriculture markets. This could be leveraged to deliver a broader set of development, trade and investment outcomes. The intensive facilitation approach in this type of program helps overcome many shortcomings of lighter-touch trade promotion programs. Australian businesses are hesitant to enter complex markets and benefit from local knowledge and contacts. As indicated, PRISMA and KATALIS use very similar approaches and could be highly complementary.
* A more flexible and agile design for program autonomy to pursue opportunities as they arise.
* A program window for climate-smart agriculture and agribusiness development within selected markets. While climate mitigation and good environmental practices should be mainstreamed across all program activities, specific outcomes related to climate-smart agribusiness development deserve specific attention.

### A market-led modality?

While MSD is a valuable delivery modality, it carries negative connotations. It is seen by some as an inflexible approach, which is unfortunate because it was initially conceived to work in a highly adaptable manner. Conceptually, it might be better to discuss market-led approaches in which partnerships with the private sector are pursued while building enabling environments for private investment and domestic business growth. Indeed, these approaches reflect the evolution of donor and development programming that applies this modality. Thus, in practice, this would mean that the program starts with specific agriculture markets and engages in partnerships in the same way as PRISMA does now. However, this would be complemented by concentrated efforts to support government policymaking and encourage domestic and international investment in these sectors.

The objectives of such a program include support for:

* Improved livelihoods through employment and better incomes for women and men and poor farming households in Eastern Indonesia.
* Productivity enhancements and support for industry transformation in the above sectors through an improved business-enabling environment, more competitive agribusinesses and more investment in areas where productivity gains can lead to greater engagement with domestic and international markets.

A possible framing of these program objectives is presented in Section 6.3.

##### Alternative approaches

There are few directly comparable mechanisms to consider using in the agriculture sector. Over the past decade, DFAT has moved further towards market-based approaches in the agriculture sector. Maintaining a market-based approach is in line with the broader policy and programming framework of the Australian Government.

* **Policy support.** It is possible to invest in a sector policy-based program that works extensively within government systems. However, the government currently receives extensive agriculture policy and program support through the World Bank, the International Fund for Agricultural Development and other smaller agencies and development actors. It would be difficult to find a niche in which an Australian bilateral program could work without duplicating these efforts. If Australia did wish to support agriculture policy, it would be advisable to do this through one of the existing programs. However, as mentioned above, the proposed program could apply a market-led modality to support business-enabling environment reforms at national and subnational levels. This would require a more nuanced and detailed strategy to achieve these outcomes than PRISMA-2 currently applies.
* **Research.** Australia currently supports research through ACIAR (i.e., into varieties, farming practices, etc.). This work is highly valued by government and industry stakeholders. The main criticism of a successor program using this modality is that solutions based on research typically lack pathways to market and achieving scale. They are often, necessarily, small in scale and take a long time to produce results. Attempts to integrate ACIAR research into bilateral agriculture programs have failed. There may be a research component of a larger program, but it would be difficult to base a larger program around this approach.
* **Direct delivery.** This refers to the plethora of livelihood-based programs that provide resources directly to farmers to support productivity and incomes. These programs are usually criticised because they lack sustainability, with outcomes usually ending once program funds are exhausted. They are also generally based around bespoke delivery systems and need to link better to government programs and the private sector. It is unlikely this would be a serious consideration for DFAT in Indonesia, given the broader move towards an aid program based on a partnership of equals.
* **Hybrid programs.** So-called “hybrid” approaches combine demand and supply-side responses to market access and participation constraints. They typically meld direct delivery with a market-based approach and are used to overcome the criticism that MSD programs do not reach highly marginalised groups. A hybrid component could be added to a future program if it desires to improve its reach to certain demographic groups (e.g., indigenous people) and strengthen its social benefit outcomes.
* **Local economic development.** In some instances, modalities based on a defined territory are useful, such as regional and local economic development. These processes identify local endogenous assets and help market actors build on these. There are other examples of how area and market-based approaches can be successfully applied. Indeed, these can be relevant in areas with high levels of economic and social disadvantage and disproportionate social exclusion.

## Key strategic issues and challenges for the integration of GEDSI

Future programming in agriculture and rural development should incorporate the following GEDSI elements:

* Invest in a detailed analysis of GEDSI concerns within agricultural market systems, including identifying specific barriers to market participation. This should include a consideration of intersectionality across GEDSI cohorts.
* Ensure GEDSI-specific targets and KPIs are integrated into all program outcomes (i.e., EOPOs and IOs).
* Invest in evidence-based policy dialogue related to GEDSI, involving the private sector and farmers by ensuring the participation of representatives from women farmers and other marginalised groups. This would include the further development of business cases. The government needs to get input and experience from various parties as a foothold in policy development. While it already has progressive policies related to GEDSI (e.g., inclusive finance national strategy, the law on sexual violence crimes and the law on disability), it still faces weak monitoring and implementation efforts. Another opportunity is to encourage better alignment with the government’s important policy frameworks and programmes related to local development (e.g., village development, village funds, and village-owned enterprises) to address key barriers faced by women and other marginalised groups.

# Recommendations

## The question of a program extension

The program has been subject to a series of disruptions and delays. This has had surprisingly little impact on the program's ability to achieve its numerical outreach and impact targets but has hampered the ability of the program to focus on some of the more expansive objectives of the second phase, such as creating systemic change, policy influence, and sustainability.

There are reasons for and against an extension.

In favour, the new management team have put in place a strong agenda to focus on the objectives that the program had in its original design. But given the time lost to COVID-19 and management changes, there has not been enough time to see these through. In addition, this review has suggested a long list of things to do that the program should try to embed in the remaining time available to them. More time would help the team fully embed these changes, start to see results, and have a strong work program ready to hand over to a successor program.

Market-based programs are, like most programs, highly dependent on their teams. But they are different in that, unlike other development fields, there is no field of candidates who rotate throughout the industry and across programs. Teams, therefore, take an excruciatingly long time to prepare and train. The ISRT know that many of the stronger program staff are actively looking for work. An extension would reduce the incentive to leave, and if a design is carried out in good time, staff may be reassured that there will be life after PRISMA.

The argument against an extension is that if DFAT wants to try something different with a new program, it may be better to move to it without delay. Old programs are typically resistant to change and have difficulty doing things differently. While that is less of a risk with PRISMA, which has an enthusiastic and dynamic management team, it remains a risk.

On balance, the ISRT is of the view that it would be better to give the program a 6-12-month extension. This would give more time to embed changes, design a new program, manage staff expectations etc. PRISMA has a two-year extension option in its contract. A 6-12-month extension is more feasible because it does not require ministerial approval.

## Recommendations for the remainder of the program

For the remaining period of implementation to December 2023, it is proposed that the program focuses on the following areas:

* **Review and enhance the sustainability of interventions.** The ISRT observed that COVID-19, ASF and FMD have created significant disruption amongst the program’s private sector partners. Many stakeholders said they had stopped doing outreach or extension work when COVID-19 hit. Only some have restarted. Achieving behaviour change takes time and continual reinforcement. It may be that many partners had not spent sufficient time applying new practices before they were disrupted for the new behaviours to become fully embedded. It may be worth going through each program intervention area to determine if there are opportunities to reinforce behaviour changes to help enhance the long-term sustainability of the program’s existing results.
* **Consider work on complementary market functions.** The program has deep links and excellent networks in existing sectors. In the remaining period, the program could re-examine current areas of work to determine if there are supporting functions that may not deliver additional outreach but would embed greater sustainability and resilience in these sectors (i.e., systemic change). An example would be breeding in the cattle sector.
* **Define and plan sustainability.** As noted, there still needs to be an agreement on what sustainability means for PRISMA. It is essential that DFAT and PRISMA agree on a definition of sustainability so that the program can embed this as soon as possible. It is probably too late to aim towards too ambitious a definition, so objectives should be realistic. The ISRT recommend that sustainability for the remainder of PRISMA have two dimensions. First, changes within markets (i.e., behaviour change of market actors) are embedded and resilient. The systemic change framework currently in use by the program could be used to define and measure this outcome. Second, the government is provided with market intelligence and insights that support improved policy and regulation of selected sectors. At this point, it is probably only possible to measure this at an input level, but the program could lay the groundwork for an approach that could be picked up by a new program. A sustainability strategy, if completed quickly, would guide programming and policy dialogue priorities over the remaining 14-20 months while establishing the foundations for a successor program.
* **Systemic change.** The program has made important steps towards defining and capturing systemic change. But given that this review has suggested it be one of the primary methods by which sustainability is assessed, it takes on enhanced importance. The program should devote sufficient resources to this area over the coming year. Systemic change stories will be critical pieces of evidence to help convince the Indonesian Government of the continued value of a market-based approach and set the groundwork for an enhanced policy agenda in the next program. This will also be important for better, more persuasive engagement with Australian Government stakeholders at Post.
* **Disability inclusion.** While the GEDSI Team has made an important contribution to strengthening the implementation of GEDSI in the project, it is necessary to consider a disability specialist or consultant to strengthen the integration of disability inclusion in the project. In addition, the universal design approach could be further pursued as an opportunity for PRISMA’s contribution to the disability inclusion aspect in the MSD projects.
* **Youth inclusion.** The relatively early stage of youth inclusion can be accelerated by looking at the many indications of young people’s interest in agribusiness and young entrepreneurship role models. Young entrepreneurs can serve as role models to encourage more young women and men in agribusiness and agricultural technologies.
* **Define relevance and plan to achieve it.** As noted throughout the report, PRISMA has struggled to find relevance within the Australian whole of government operation in Indonesia. It has been considered a livelihoods program and has therefore failed to deliver to its potential. Throughout this report, there are references to how PRISMA currently supports Australia’s whole of government priorities (but for which it is often not recognised) and ways in which it could be deployed to do more. The ISRT suggest that DFAT and PRISMA agree a relevant strategy/plan. It should articulate the diverse ways in which the program relevant to Australis’s broader foreign policy, aid, trade objectives. It should identify opportunities to be more active in socialising the program amongst whole of government partners at post and finding practical opportunities for active collaboration with them. One line of investigation is identifying where Australian support at the national level can be implemented in the real economy, such as in animal health, environment and trade.
* **Staff retention**. The end of a program typically leads to staff leaving for more stable employment. Given the importance of the team, the program should develop and communicate a staff retention strategy. This will be needed to ensure key staff stay until the end of the program and create a cohort that could move across to a successor program when the time comes. This strategy may include financial bonuses and non-financial incentives (e.g., career coaching, job matching services) for staff who stay to a pre-determined point and a clear communications plan outlining future opportunities with the aid program, reassuring staff that there are options to continue working in the field.
* **Refresh the portfolio review function.** As the program has moved away from purely numerical measures of success and towards less tangible notions of systemic change, policy influence and sustainability, the portfolio review function takes on even greater importance. The program should look at examples from other program portfolio review processes to determine if the PRISMA approach could be improved/enhanced to support the program’s higher ambitions.
* **Develop an intelligence agenda.** The program has made some progress over the past twelve months in producing intelligence pieces. But this aspect of the program could add significant value to many of the program’s objectives and should be tackled systematically. The program should identify the information needs of the program’s various stakeholders and develop a schedule of topics on which information is gathered regularly. Senior staff members should be placed in charge, and staff from the RML and portfolio teams should be assigned to the function. An effective strategy is to create virtual teams of staff from the relevant portfolio, RML and management for each piece of intelligence work.
* **Develop a localisation strategy.** The program needs to improve on building a cadre of Indonesian staff at senior management levels. The program should develop a strategy for developing talent. This might include a leadership development program that includes formal training, mentoring and work placements.
* **Communications.** While a Communications Strategy was adopted in 2021, more can be done to communicate how change happens in the markets in which PRISMA is working. Much of what PRISMA seeks to achieve can be defined as a behaviour change. This required well-crafted, evidenced-based information that is tailored to specific audiences. Bappenas has requested PRISMA to develop stories about social impact to assist the government in its policy change processes. Such information would be extremely useful.

The Strategic Review Panel could be drawn on to advise on any of the above-mentioned recommendations.

## Summary of recommendations for a future program

The following provides a summary of the recommendations of the ISRT concerning a future program. The ISRT recommends a bilateral, market-based program working with the private sector focusing on Eastern Indonesia. The modality should be based on an MSD approach but flexible to allow strong support for other design elements (i.e., policy, trade promotion, support for agribusiness and economic transformation).

The new program would contain a broader set of objectives (i.e., not just income and outreach) with explicit targets for:

* Systemic change.
* Food security and nutrition
* Agricultural economic transformation.
* Government policy that is more supportive of the private sector.
* Women's economic empowerment and social inclusion – mainstreamed and with specialist program interventions.
* Climate-smart agricultural technology, policy and practices, including the mainstreaming of climate adaptations and environment protections.
* Mutually beneficial trade and investment.

The higher-level objectives of such a program could be framed as follows:

1. Promote improved livelihoods, through employment and income (for women and men), for poor farming households in Eastern Indonesia, with a particular focus on:
   1. Embedded WEE, social inclusion and food security programming to deliver enhanced social benefit.
   2. Promotion of climate-smart agricultural technology, policy and practices.
2. Enhance productivity and support industry transformation in the above sectors through:
   * + - 1. Improved business-enabling environment of selected sectors through better intelligence, insights and engagement with market actors.
         2. Improved competitiveness of agribusinesses operating in selected agriculture markets.
         3. Encourage investment in areas where productivity gains can lead to greater engagement with domestic and international markets.

A future program should be more clearly embedded in the political economy of the bilateral relationship and better integrated into Australia’s whole of government effort in Indonesia. This would mean a closer integration with other programs associated with economic development and trade.

PRISMA Phase 2 should be extended by 6-12 months, followed immediately by a transition to the new program. The design of the new program should commence as soon as practicable to ensure there will be no gap between PRISMA and its successor program.

## Sequencing the transition to a new program

The ISRT considered three sequencing options for future Australian programming in agriculture and rural development interventions.

**Option 1. Extend PRISMA by 6-12 months and design a successor program**

The ISRT recommends this option. It would allow the program to embed better some of the changes initiated over the past 18 months since the Strategy Refresh and give DFAT more time to design a successor program. The additional 6-12 months would also allow the program to work on some of the areas identified through this review and the design process, providing a successor program with a running start.

This is the most administratively simple option. It gives more time to design a successor program and sends a clear signal of strategic renewal while allowing time to embed some of the important elements of the Strategy Refresh. For these benefits to be realised, it would be important for the design of the successor program to commence as soon as possible.

**Option 2. Extend PRISMA by two years and design a successor program**

The current contract allows DFAT to extend the program by two years without returning to the market. This would have the same benefits as above, assuming the program responds effectively. However, while providing more time for designing a successor program, this option only gains a few other advantages. Moreover, after ten years of operation, it is difficult to justify an extension of this length.

**Option 3. PRISMA Phase III**

Working within the established timeframe, DFAT would commence the design for a third program phase. This would require DFAT to begin the design work as quickly as possible.

The revised design should broaden the measures of success of the program, including systemic change, support for the government of Indonesia policy and associated changes described above to focus the team structure and approach.

# Annex 1. Terms of reference

Strategic Review: Australia-Indonesia Partnership for Rural Incomes through Support for Markets in Agriculture Phase 2 (PRISMA-2)

##### Introduction

Strengthening rural development and agriculture is one of the highest priorities for Indonesia and is critical to food security and economic growth. While there have been improvements to rural development in Indonesia, poverty continues to be disproportionately experienced in rural areas. In 2020, over 15 million people (13 per cent) of the 118 million Indonesians living in rural areas (43 per cent)[[36]](#footnote-36), are living in poverty compared with 11 million (7.9 per cent) people living in urban areas.[[37]](#footnote-37) People living in rural areas continue to be at risk of experiencing poverty from an income perspective, but also due to various problems such as poor access to sanitation, essential health services, healthy foods, and lack of opportunities to primary education.

More than 30 per cent of the Indonesian labour force works in the agriculture sector, with 93 per cent being smallholder farmers living in rural areas[[38]](#footnote-38). In 2020, agriculture contributed 14 per cent of Indonesia’s GDP, however, optimising agriculture to improve rural development remains a challenge compounded by the heavy impact of COVID-19.

Indonesia’s Long-Term National Development Plan 2005–2025 prioritises rural development and agricultural reform to achieve food security, enhance equity, and drive economic growth. President Widodo’s administration has continued to prioritise poverty alleviation in rural areas. This has included a strong focus on improving human capital that emphasised the importance of maintaining economic growth through transforming the agriculture sector, nutrition, reducing regional disparities, and ensuring climate resilience. In the context of COVID-19, his cabinet reaffirmed this commitment through focusing on sustainable agriculture to address the food security challenge. Through the G20 presidency, Indonesia seeks stronger commitments to achieve a sustainable improvement in the agricultural sector to build sustainable and resilient food systems.

Over the last ten years, Australia and Indonesia have partnered to strengthen rural development in Indonesia, the partnership seeks to innovate private and public sector partnerships to achieve sustainable change within the agriculture sector. These efforts are highly relevant to the Indonesia-Australia Comprehensive Strategic Partnership 2020-2024, that is to enhance our bilateral economic and development partnership through strengthened cooperation in agriculture.

The Partnerships for Recovery: Australia’s COVID-19 Development Response Plan (CDRP) 2020-2022 guides Australia development programs’ approach in supporting Indonesia’s COVID-19 response and recovery, prioritising economic recovery, stability and health security. The rural development partnership is contributing to stability and economic recovery pillars, focussing on strengthening agricultural markets and food security while also safeguarding poor farmers' livelihoods.

##### Strategic Review

DFAT will conduct a strategic review of the Australia-Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture (PRISMA-2). The strategic review will reflect on program effectiveness and relevance, and appropriateness of the modality to inform DFAT’s future investment in rural development. It will also consider options for rural development that contribute towards inclusive sustainable development goals in poverty reduction, as well as complement DFAT investments that seek to improve essential service delivery for Indonesia’s poorest people. It will consider how best to leverage or expand on successful PRISMA activities in line with the strategic objectives outlined below. The review will identify where PRISMA has led to enhanced technical engagement, including on areas of policy relevant to bilateral interests, and consider how to strengthen policy engagement going forward.

The review will inform design of future program, so it continues to align with Indonesian development priorities on rural development and agriculture, and benefits both countries. This includes addressing future priorities that were announced during the 2022 Indonesia-Australia Annual Leaders’ Meeting (in the rural development space, across agricultural productivity, economic livelihoods, climate resilience, food security, nutrition, and economic recovery from COVID-19 ), as well as strategic cooperation under the Indonesia‑Australia Comprehensive Economic Partnership Agreement, Indonesia-Australia Memorandum of Understanding on Agricultural Cooperation, and the G20 joint commitment.

##### Background

The Australia-Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture (PRISMA-2) is a five -year program (2019 – 2023, AU$ 95 million) between the Australian and Indonesian Governments focused on market systems development in the agricultural sector. It builds upon the achievements and results of the [Australia Indonesia Partnership for Rural Economic Development Program (AIP-Rural)](https://www.dfat.gov.au/geo/indonesia/development-assistance/Pages/indonesia-development-cooperation-completed-programs#aip-rural) (2013 –2018, AU$ 112 million), to promote and support inclusive economic growth in Indonesia’s agriculture, horticulture, livestock and aquaculture sectors by improving smallholder farmers’ competitiveness and access to new markets, better inputs, know-how and technology. The AIP Rural Mid Term Review (2016) emphasised simplification of the program to consolidate the four programs under AIP-Rural (ARISA, TIRTA, SAFIRA, and PRISMA) into PRISMA phase 2, resulting in a more efficient program with increased targets.

PRISMA-2’s design uses a market systems development approach, based on analysis of relevance to pro-poor economic development, market opportunity, and the technical feasibility of addressing performance constraints. The key difference to AIP-Rural is that PRISMA-2 focuses on strengthening policy influence and the agribusiness enabling environment and systemic change through equipping decision makers with evidence and the development of strategic partnerships with key policy and agribusiness influencers. The recent PRISMA-2 strategy refresh in 2021 informed improvement of the program’s approaches to achieve increased sustainable, systemic and lasting results.

Even though gender is not a significant objective of PRISMA, gender is considered in the design, implementation and reporting of all PRISMA interventions to ensure that increases in smallholder farming household’s incomes and productivity are inclusive of and benefit women.

PRISMA addresses environmental risks and protection measures such as the impact of changes in weather patterns, natural disasters, and climate change through incorporating climate-smart agriculture into the business models and conducting environmental risk assessments.

PRISMA-2’s End of Program Outcome (EOPO) is to achieve a minimum of 30 per cent sustainable increase in the net incomes of a further 700,000 smallholder farming households in Indonesia, with at least 60 per cent of targeted beneficiaries living below the poverty line. It is expected that a cumulative number of 1 million smallholder farming households will benefit from Australia’s 10-year development program through AIP-Rural and PRISMA-2.

PRISMA-2 has three (3) intermediate outcomes in support of the EOPO:

* 1. Outcome 1: Targeted farming households achieve greater access to and improved use of new services, inputs and technologies supplied by private sector partners and their intermediate agents or service providers, such as retailers, traders and brokers.
  2. Outcome 2: An expanded pool of private sector actors systematically targeting smallholder farming households in their business growth strategies and increasing their profit as a result.
  3. Outcome 3: Selected decision makers (e.g. local and national governments) and policy influences (e.g. businesses, industry groups, think tanks, consultants) are equipped with evidence to influence changes in the Indonesian business enabling environment at the national and local levels.

PRISMA works with Indonesia’s Ministry of National Development Planning/National Development Agency (Bappenas) as the main counterpart. It also works with the Ministry of Agriculture and other national and sub national Indonesian Government agencies, private sector businesses and their intermediate service providers (ISPs), industry associations/peak bodies, multilateral organisation (e.g. FAO), Australian Government agencies, and university/research/academic institutions. PRISMA-2 operates in Central Java, East Java, East Nusa Tenggara (NTT), West Nusa Tenggara (NTB), Papua, and West Papua.

PRISMA-2 is governed by an overarching governance structure namely the Program Coordinating Committee (PCC) that provides strategic direction to the program and is co-chaired by DFAT and Bappenas. PRISMA-2 implementation is delivered by Palladium as the managing contractor on behalf of DFAT.

PRISMA-2 was designed through comprehensive consultations between Indonesian and Australian Governments and strategically positioned to expand Indonesia’s inclusive and sustainable economic growth in the agricultural sector. It is an adaptive program that continues to be responsive to Government of Indonesia needs including pivoting the program to the COVID-19 context. Realising the long-term impact of the COVID-19 pandemic through all facets of the economy, including stakeholders in the agriculture and related market systems, PRISMA-2 has supported the longer road to recovery by focusing on agricultural sectors that have been most heavily impacted by the pandemic, as well as identifying new ways of working that will increase farming productivity and generate income for smallholder farmers during economic recovery.

##### Objective of the Strategic Review

The main objective of the review is to inform DFAT in its thinking and decision making about Australia’s future partnership with Indonesia in the rural development sector aligning with both countries’ priorities including the focus of the new Australian Government. The review will also enhance organisational and development learning.

The review will:

1. Assess the performance of PRISMA-2 progress toward outcomes in terms of effectiveness, efficiency, and relevance, including gender, disability, and social inclusion (GEDSI).
2. Provide recommendations on the future of DFAT’s rural development investment in Indonesia which will be used to inform the design of the new program

Audience   
The primary audience for the review is DFAT, including the Rural Development Unit at post, senior development program decision makers at post and in Canberra, as well as the PRISMA-2 implementation team.

A secondary audience includes BAPPENAS and other partner governments at the national and subnational level, private sector partners engaged by PRISMA-2, as well as beneficiaries.

##### Scope and Focus

The strategic review will capture clear evidence of PRISMA-2 achievements, challenges and lessons learned, from 1 January 2019 until 30 June 2022. The review will provide analysis on future program directions.

The strategic review will cover the following components:

1. Evidence of progress towards intermediate and end of program outcomes, including in the context of COVID-19 pandemic and cross-cutting themes.
2. Evidence of PRISMA-2’s progress and achievement contributing to Indonesia national development priorities in agriculture sector, and in poverty reduction broadly.
3. Evidence of good practices about current program performance and progress that can inform Australia’s future development program in rural development.
4. Analysis of priority areas and the potential modality of the Australia’s future rural development program that aligns with Indonesia and Australia priorities.

##### Proposed Key Evaluation Questions

The review team will have an opportunity to refine the key evaluation questions and sub-questions in discussion with DFAT.

| Review Criteria | Key Review Question and Sub-Questions |
| --- | --- |
| Effectiveness | To what extent has PRISMA-2 achieved its intended Intermediate and End of Program Outcome?   1. Are PRISMA’s interventions the right choices to achieve its Intermediate and End of Program Outcomes? 2. To what extent has PRISMA-2 demonstrated an adaptive approach to the evolving contexts including COVID-19? 3. To what extent has PRISMA-2’s M&E system captured enough evidence (quantitative and qualitative) to assess effectiveness and to inform decisions within the program? |
| GEDSI | To what extent has PRISMA made progress in addressing key gender, disability and social inclusion risks and making the outcomes of the program inclusive?   1. Describe how differences, needs, roles and priorities of women, men, and marginalised groups are considered in PRISMA-2 interventions? 2. What are the lessons learned of implementing GEDSI as a cross-cutting issue in rural development? 3. To what extent has PRISMA-2 M&E system captured risks on GEDSI from its interventions and how is it managed? |
| Future Design | Does Rural Development and Agriculture sectors continue to be relevant for Australia support in Indonesia?   * 1. What priority areas in rural development/agriculture sectors should Australia consider supporting in the future?   2. What modality is the most appropriate for future program?   3. What key strategic issues and challenges are present for the integration of GEDSI, climate change, nutrition, and food security in Australia-Indonesia future rural development/agriculture investment and how can they be addressed within the recommended modality?   4. What are other key issues should Australia consider in planning future rural development/agriculture program? |

##### Strategic Review Process, Timeframes, and Resources

DFAT recognises that the scope and methodology of the review may be affected by the current COVID-19 pandemic and associated impacts. The Review Team will be required to develop a review plan which will be developed in collaboration with DFAT to design a suitable approach to the review that considers possible scenarios and restrictions, ensuring the safety of beneficiaries, communities and staff is always paramount.

The expected period for the review is from August to December 2022. The total review period includes time for desk review, preparation of the review, interviews, in-country mission, and preparation of reports.

Provisional timelines are set out below:

| Date | Action |
| --- | --- |
| June 2022 | Pre contracting phase:   * Consultation on ToR (DFAT, QISS) * Contact potential reviewers to assess suitability and availability |
| July 2022 | Selection and contracting of consultants   * Formalising consultants’ contract, visa, etc * Provide consultants with all background documents. |
| Week 3 August 2022  (15-19 August 2022) | Inception meeting to discuss the background, issues and priorities for the evaluation, as well as agree scope, selecting provinces and sectors to visit, priority questions and approach (call/Webex meeting) |
| Week 4 August 2022  (22-26 August 2022) | Desk review: time to review literature, program documentation, data etc. |
| Week 4 August 2022  (22-26 August 2022) | Submit Review/Evaluation Plan (to include an outline of the report) |
| Week 1 September 2022  (5-9 September 2022) | Pre-mission meeting (call/Webex meeting) with DFAT/Post |
| Week 2-4 September 2022 (12-30 September 2022) | In-country mission: National and sub national Pause and reflect session |
| Week 1 October 2022  (3-7 October 2022) | Submit and present Aide Memoire to DFAT/Post (online) |
| Week 1 November 2022  (1-4 November 2022) | Submission of first draft Strategic Review Report |
| Week 1 November 2022  (1-4 November 2022) | Pause and reflect session |
| Week 4 November 2022  (21-25 November 2022) | DFAT written comments on draft Strategic Review Report |
| Week 1 December 2022  (5-9 December 2022) | Submission of final Strategy Review Report that responds to DFAT’s feedback |
| Week 3 December 2022  (16 December 2022) | DFAT management response including forward programming decisions |
| January 2023 | Publication of final Strategy Review Report on the DFAT website |

##### Reporting Requirements

The Review team is required to submit the following key deliverables, all reports shall be written in English and in a clear, concise and useful manner:

1. **Review Plan**: submitted electronically to DFAT two weeks prior to the in-country mission (10 pages excluding annexes). The document outlines scope, methodology, tools, key timeline (consultation schedule and stakeholders to be consulted), report outline, including approach to ethical data collection – in line with DFAT’s Ethical Research and Evaluation Guidance Note. The review/evaluation plan should align with DFAT’s M&E Standards.
2. **Aide Memoire**: no more than 5 pages on key findings during the mission and presented to DFAT on the final day in Indonesia.
3. **Strategic Review Report**: should include an executive summary (no more than 3 pages), should not exceed 45 pages excluding annexes.

These reports should meet [DFAT’s M&E Standards, accessibility guidelines](https://www.dfat.gov.au/about-us/about-this-website/accessible-documents/creating-documents-meet-accessibility-guidelines) and submitted electronically (draft and final).

Indicative Allocation of tasks (days):

| No | Task | Team Leader input  (days) | MSD/Agriculture specialist  (days) | GEDSI Specialist (days) |
| --- | --- | --- | --- | --- |
| 1 | Desk review (remotely) | 10 | 8 | 5 |
| 2 | Develop Evaluation Plan (remotely) | 5 | 3 | 3 |
| 3 | Briefing with DFAT prior to commencing review (remotely) | 1 | 1 | 1 |
| 4 | Return travel time from country of residence to Indonesia | 2 | 2 | 0 |
| 5 | Consultation with key stakeholders at national and sub national | 20 | 20 | 20 |
| 6 | Drafting of Aide Memoire and Presentation to DFAT | 3 | 2 | 2 |
| 7 | Preparation of Draft report | 12 | 9 | 6 |
| 8 | Preparation of Final report and virtual presentation to DFAT (if desired by DFAT) | 7 | 3 | 3 |
|  | Total input (days)\* | 60 | 48 | 40 |

##### Review Team Composition

The review team will be composed of an M&E/Development specialist (as the Team Leader), Market System Development (MSD)/Rural Development (Agriculture) Specialist and a GEDSI Specialist. Further details are below:

The M&E/Development specialist (the Team Leader) should have the following skills and knowledge:

* + Expertise in M&E (preferably with a relevant tertiary qualification) including excellent quantitative and qualitative research and analytical skills;
  + 15 years (or more) experience implementing different evaluations of development programs;
  + Demonstrated ability to work as a team leader and conduct independent evaluations;
  + Demonstrated ability to draw on international best practice to inform advice;
  + Excellent communications skills in English (Indonesian will be an advantage) and writing reports;
  + Experience in designing/implementing/evaluating development programs on rural development and agriculture with different modalities, including adaptive/problem-driven initiative/thinking-working politically programming;
  + Sound knowledge of DFAT policies on quality reporting system, including its process and standards for review and evaluation of aid programs;
  + Experience and theoretical knowledge of working in Indonesia is desirable; and
  + Familiarity with cross-cutting issues, including climate change and GEDSI.

The Market Systems Development (MSD)/Rural Development (Agriculture) Specialist should have the following skills and knowledge:

* Strong academic qualification and 10 years demonstrated knowledge and extensive experience of working on Market Systems Development in rural development and/or agriculture sectors;
* Demonstrated understanding of different aid modalities in the rural development including agriculture, including policy and program design;
* A good understanding of the Indonesian governance, agriculture sector, including relevant context;
* Experience working with DFAT development programs and understanding of DFAT’s contracting processes is preferred;
* Extensive experience in reviews/evaluation of rural development/agriculture aid programs;
* Excellent analytical skills, well-developed team skills, experience in gathering and interpreting data and information; and
* Excellent communications skills in English (Indonesian will be an advantage) and writing reports.

The GEDSI specialist should have the following skills and knowledge:

* + A relevant qualification and 10 years of experience working on gender, disability and social inclusion in development programs (preferably in areas related to women economic empowerment in agriculture sector);
  + Demonstrated knowledge and experience working on gender programs in Indonesia, particularly in the agriculture sector;
  + Strong theoretical and practical understanding of gender policy and practice, particularly in agriculture sector and how to measure its impact on women, men, people with disabilities and groups experiencing marginalisation;
  + Extensive experience in reviews/evaluation of rural development/agriculture aid programs;
  + Demonstrated understanding of best-practice in gender, disability and social inclusion mainstreaming practices in development, preferably with a focus on rural development;
  + Demonstrated understanding of international frameworks on GEDSI as well as DFAT’s GEDSI policies;
  + Experience working with DFAT development programs and understanding of DFAT’s contracting processes is preferred;
  + A good understanding of the Indonesian context is preferred;
  + Excellent analytical skills, well-developed team skills, experience in gathering and interpreting data and information;
  + Excellent communications skills in English and Indonesian and report writing are preferred.

##### DFAT Roles and Responsibilities

Minister Counsellor Governance and Human Development at Jakarta Post will approve the strategic review report and DFAT management response, including publications and engage other DFAT SES (Jakarta and Canberra).

Counsellor, Human Development at Jakarta Post (the Review Owner) will be the delegate for the overall strategic review process. Roles include approving the terms of reference and budget, selection of the consultant, review of the report, the management response, including publishing the report.

Canberra (Desk, AFS, CC, etc) will be consulted to ensure the review meets Canberra’s strategic needs, and to advise of any risks or considerations regarding procurement, briefing, and implementation of the review process.

Rural Development Senior Program Manager (the Review Manager) at Jakarta Post will manage the overall strategic review process, including ensuring comprehensive consultation for the process, selection, contracting of the Review Team, and collating all comments to the Strategic Report – in consultation with Rural Development Unit Manager. The Review Manager will ensure proper consultation with the Human Development counsellor and Canberra and relevant DFAT programs during the review process.

Rural Program Manager/Officer at Jakarta Post will support the overall management of the strategic review, including assistance in logistics, preparation of briefings, engagement throughout the strategic review, arranging for the approval and publication of contract, reporting in DFAT system and Aidworks.

Quality and Risk Unit at Jakarta Post will provide advice on review/evaluation plan.

DFAT Reference Group (Rural Development Team, Desk and thematic/sector areas at Post and Canberra) will review the evaluation plan to ensure thematic/sector issues are sufficiently addressed, participate in the inception briefing and presentation of findings (hybrid), review the Aide Memoire and the Strategic Review report.

##### Consultations

The review will involve consultation with below stakeholders. The review/evaluation plan will outline list of stakeholders to be consulted during the review process.

1. GOI – Bappenas, Ministry of Agriculture, the National Food Agency (Badan Pangan Nasional)
2. Donors working on Agriculture – FAO, IFAD
3. DFAT senior management (Jakarta and Canberra)
4. Other DFAT Programs – PROSPERA, KATALIS, ABIP, MAHKOTA, and other MSD programs
5. Australia’s Whole of Government agencies – DAFF, ACIAR, CSIRO, Austrade, etc.
6. Palladium and PRISMA
7. Private sector partners including Intermediate Service Providers (ISPs), women sales agent, etc
8. Smallholder farming households as beneficiaries including people with disabilities

##### Publication and Management Response

The review report and management response from DFAT will be published on DFAT’s website in accordance with the Transparency Charter.

##### Indicative Budget

A budget of approximately of AUD200,000 will be sourced from INM567 (Promoting Rural Income through Support in Agriculture) Activity 22A464 under the Indonesia Country Program (IDX) FY 2022/23.

Resources/Documents

1. DFAT M&E standard and guidance on program evaluation
2. PRISMA-2 RML data and related documents – Design, SRP Aide Memoires, Systemic Change stories, Progress Reports, M&E documents, case studies, etc.
3. Agriculture Partnership document, etc.

# Annex 2. Documents reviewed

##### Australian Government (Department of Foreign Affairs and Trade)

DFAT (2022) Indonesia Posts Gender Action Plan 2022

–– (2021) Ethical Research and Evaluation Guidance Note

–– (2021) Ethical Research and Evaluation Fact Sheet

–– (2021) Disability inclusion in the DFAT development program; good practice note

–– (2020) Gender equality strategy 2020-2025 for Australia’s posts in Indonesia

–– (2020) Gender equality in investment design; good practice note

–– (2020) [Indonesia COVID-19 Development Response Plan](https://www.dfat.gov.au/sites/default/files/covid-response-plan-indonesia.pdf)

–– (2019) Operational Framework for Private Sector Engagement in Australia’s Aid Program: <https://www.dfat.gov.au/sites/default/files/private-sector-engagement-in-australias-aid-program-operational-framework.pdf>

–– (2017) Australia Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture (AIP PRISMA-2) Investment Design Document, 17 November 2017

–– (2017) Monitoring and Evaluations Standard

–– (2016) Disability Action Strategy 2017-20

##### Program related documents

DFAT (2018) Activity Completion Report: Promoting Rural Income through Support for Markets in Agriculture (PRISMA), Strengthening Agricultural Finance in Rural Areas (SAFIRA) and Tertiary Irrigation Technical Assistance (TIRTA) programs

John Fargher & Associates (2016) Australia Indonesia Partnership – Rural Economic Development Program; mid-term review

##### PRISMA documents

PRISM (2022) *PRISMA Sustainability Strategy*, Version 2.1, July

PRISMA (2021) PRISMA Strategy Review; Briefing Paper, 8 April

PRISM (2021) PRISMA Policy Engagement Strategy, May

PRISMA (2019) Environmental Protection Strategy

PRISMA (2020) Gender equality and social inclusion strategy

##### PRISMA Progress Report and Implementation Plans

PRISMA (2022) Progress Report and Implementation Plan, January-June 2022

PRISMA (2021) Progress Report (July-December 2021) and Annual Plan (2022)

PRISMA (2020) Progress Report (January-June 2021)

PRISMA (2020) Progress Report and Implementation Plan, February

PRISMA (2020) Progress Report and Implementation Plan, August

PRISMA (2020) Progress Report and Implementation Plan, July-December 2020

PRISMA (2019) Progress Report and Implementation Plan, August

##### PRISMA learning documents

PRISMA (2022) Cumulative result on women's economic empowerment (WEE) impact assessment, December 2020 – July 2022

–– (2022) Moving the dial on women's economic empowerment; A case study in the pig sector in East Nusa Tenggara; PRISMA learning document

–– (2022) Proposed sub-KPI 4: Gender Mainstreaming within Intervention [PowerPoint]

–– (2022) The paradoxical conundrum; combating climate change in agriculture in Indonesia; PRISMA learning document

–– (2022) Women’s resilience in agriculture: COVID-19 Update on Women Sales Agents; Brief

–– (2021) Disability inclusion in MSD programs, July [PowerPoint]

–– (2020) Adapting the agent model to be more inclusive and effective for the March 2021 agricultural sector; PRISMA Direct Sales Agent Research

–– (2020) Gender and direct sales agent impact; Analytical Insights No. 1, PRISMA Direct Sales Agent Research

–– (2020) Gender and farmer satisfaction with Agent; Analytical Insights No. 2, PRISMA Direct Sales Agent Research

–– (2020) Gender and farmer satisfaction with marketing; Analytical Insights No. 3, PRISMA Direct Sales Agent Research

–– (2020) Women Agents Insights and Recommendations; PRISMA Direct Sales Agent Research

–– (2020) Women Direct Sales Agents, COVID-19 Update; PRISMA Direct Sales Agent Research

–– (nd) PRISMA: developing an effective business case for inclusive private sector partnerships; Case Study 4. Feed the Future.

Sakanti Consulting (2021) Gender study on pig sector; impact evaluation on PRISMA intervention in East Nusa Tenggara, April

##### PRISMA Growth Strategies

PRISMA (2022) *Growth strategy: beef*, Version 1.0, August

–– (2022) Growth strategy: crop protection, Version 1.0, August

–– (2022) *Growth strategy: dairy*, Version 1.0, August

–– (2022) *Growth strategy: finance,* Version 2.0, August

–– (2022) *Growth strategy: ICT*, Version 1.0, August

–– (2022) *Growth strategy: maize*, Version 1.0, August

–– (2022) *Growth strategy: mechanisation*, Version 1.0, August

–– (2022) *Growth strategy: mung bean*, Version 1.0, August

–– (2022) *Growth strategy: pigs,* Version 1.0, August

–– (2022) *Growth strategy: rice,* Version 1.3, August

–– (2022) *Growth strategy: soil treatment*, Version 1.0, August

PRISMA (nd) Growth strategy: vegetables - Papua and West Papua

##### Operational guidelines and templates

PRISMA (2022) *Result measurement and learning manual*, Version 1.1, September

–– (2022) Result measurement and learning manual, Annex, September

–– (2022) *Systemic change measurement*, February [PowerPoint]

–– (2021) Intervention concept note and intervention plan; new template guideline, June

–– (nd) Intervention concept note; Template

–– (nd) Intervention plan; Template

##### Other documents

Cattleya, L., N. Saptariani and A.N. Muharam (2021) *Gender assessment in the conservation, agriculture and livelihood sectors in Tanah Papua*, March, CLUA

Miarni, D. (2022) "Market Research on Cattle Feed Report; PRISMA Beef Interventions in Centra Java and East Java”, Study review, Final Draft 7 August

Donor Committee for Enterprise Development (2019) [*DCED Standard for Results Measurement*](https://www.enterprise-development.org/wp-content/uploads/DCEDStandardOnePageSummary.pdf), DCED Cambridge

DCED, 2018, [The 2018 Reader on Results Measurement: An introduction to the DCED Standard](https://cdn.enterprise-development.org/wp-content/uploads/DCED_Reader_RM.pdf), DCED Cambridge

Gender Responsive Equitable Agriculture and Tourism Program (GREAT 2022) “The Potential for a New Way of Approaching Women’s Economic Empowerment in Market System Development,” *Discussion Paper*, Women’s Economic Empowerment in Market Systems Development. <https://bit.ly/3D5fKvg>

Jones, L. (2016) Women’s Empowerment and Market Systems: Concepts, practical guidance and tools (WEAMS Framework.)The BEAM Exchange, accessed from <https://www.beamexchange.org>

Kabeer, N. (2009) Women’s Economic Empowerment: Key Issues and Policy Options. SIDA Policy. May Edition. <https://bit.ly/3gkloRC>

MercyCorps (undated). Gender and Market Development: A framework for strengthening gender integration in market systems development. <https://bit.ly/3S9KBLH>

Swiss Agency for Development and Cooperation (2016). Mainstreaming Women’s Economic Empowerment (WEE) in Market Systems Development. <https://bit.ly/3eHGDMI>

van der Meulen Rodgers, Y. and J.E. Zveglich (2012) Inclusive Growth and Gender Inequality in Asia’s Labor Market. ADB. <https://hdl.handle.net/11540/1263>

Warner, B. and Loveridge, D. (2019) Synthesis review of DFAT-funded market systems development initiatives, Part I (Main Report) and Part II (Annexes)

# Annex 3. People consulted

**Government of Australia**

Australian Embassy Jakarta

Kirsten Bishop, Minister Counsellor for Governance and Human Development, DFAT

Daniel Woods, Counsellor for Human Development, DFAT

Dane Roberts, Counsellor, DAFF

Sam Porter, Counsellor for Infrastructure and Economic Governance, DFAT

DFAT Rural Development Unit

ACIAR

CSIRO

KATALIS – Brian Ramsay

PROSPERA

DFAT Canberra

Paul Regnault, Climate Integration Unit, Climate Financing and Programming Branch, Climate Change and Sustainability Division

Tristan Armstrong, Agriculture Development and Food Security

Elizabeth Cowan, Senior Specialist Advisor Gender Equality, Gender Performance and Effectiveness Unit, Gender Equality, Disability, and Social Inclusion Branch

Emily Rudland, Assistant Director – GEDSI, P&Q, Indonesia Development and Performance Section, Indonesia Branch, Southeast Asia Maritime Division

Jacqueline de Rose-Ahern, Assistant Director, Human Rights Policy and Social Inclusion Branch, Disability, Indigenous Issues and Social Inclusion Section  
Multilateral Policy Division

Karen Alexander, Christian Blind Mission, Australia

**PRISMA**

Prashant Rana, Program Director, Swiss Contact

Alwyn Chilver, Program Director, Palladium

PRISM Senior Management Team

**Government of Indonesia**

Bappenas

Bapak Anang Noegroho Setyo Moeljono, Acting Director of Food and Agriculture, Bappenas

Bapak Ahmad Dading Gunadi, Director for Small and Medium Enterprises Cooperatives Development, Bappenas

Ministry of Agriculture

Drh. Sapto Nur Hidayat, Director for Animal Feed, Directorate General for Livestock and Animal Health Services, Ministry of Agriculture, Jakarta

**Sub-national governments**

Dr. Melki Angsar, Division Head of Animal Health and Veterinary Public Health, NTT Provincial Livestock Department, Kupang, NTT

Dr Edward S. Geong, Head of Technical Implementation Unit of Livestock Breeding and Animal Feed Production, NTT Provincial Livestock Department, Kupang, NTT

Yohanis Dade, West Sumba Regent (Head of District), Government of Sumba Barat District (West Sumba District)- Waikabubak, Sumba, NTT

Ms Johanna E. Lisapali, Head of Department of Livestock and Animal Health Services of NTT Province

**International agencies**

IFAD

World Bank

**Private sector - Soil treatment**

Eddy Ko, Owner, PT Agrotama Tunas Sarana, Kediri, East Java

Sunaryo, General Manager, PT Agrotama Tunas Sarana, Kediri, East Java

Arief, Kiosk Owner, Catur Agrotama, Kediri, East Java

Sri Rahayu, Lead farmer, Kediri, East Java

Maize and horticulture farmers, Kediri, East Java

**Beef**

Munir, Owner, UD Munir Jaya Feedmill, Tuban, East Java

Mohammad Irfan, Marketing and Sales Manager, PT. Cipta Ternak Sehat Indonesia (Pharmaceutical Company), Tuban, East Java

Kanjin, Agent for beef feed and cattle pharma products, Tuban, East Java

Ahmad Wahib, Zaen, Suyanto, Mrs. Giyarti, Mrs. Andayani, and other farmers

Beef cattle farmers in Tuban, East Java

**Pigs**

Sugianto, Owner, breeding farm, CV Aroma Duta Boga, Kupang, NTT

Ferry, Breeding Farm Manager, CV Aroma Duta Boga, Kupang, NTT

Sonny, Breeding Farm Admin Staff, CV Aroma Duta Boga, Kupang, NTT

Joel Lani, Smallholder pig breeder in Oenaek Village, Kupang, NTT

Mama Asry Modok and Mr Amin Modok, Smallholder pig breeder in Sumlili village, Kupang, NTT

Krisantus, Owner of CV Sumber Pangan (PT Sreeya Sewu Indonesia’s feed distributor for NTT), PT. Sreeya Sewu Indonesia, Kupang, NTT

Dr Yudi Nubatonis, Technical Field Staff, PT. Sreeya Sewu Indonesia, Kupang, NTT

Rofinus Tudeng, Malindo's feed sub-agents and farmers, Owner of UD Yevin, Malindo's feed sub-agent, and farmers UD Yevin (Main Distributor in Sumba island for PT Malindo Feed and PT Medion), Sumba, NTT

Anita Bulu, Smallholder pig farmer in Ate village, Sumba, NTT

Jhony, Owner, CV Maju Jaya, Sumba, NTT

Markus, Smallholder pig farmer in Ramma Dana Village, Sumba, NTT

**Finance**

Jeffrey Bahar, Director, PT Spire Research and Consulting [Online]

**ICT**

Abhishek Gupta, Co-Founder, PT Agri Pintar Asia (Semaai) [Online]

Bagus Wisnuaji, Product Development Manager, PT Agri Pintar Asia (Semaai) [Online]

**Mung bean**

Isak Heryawan, Finance Director/ PIC for Mung bean work with PRISMA, PT East West Indonesia (EWINDO), Jakarta

# Annex 4. Review matrix

1. **Effectiveness:**

| No. | Key Evaluation Questions | Data Sources | Data Collection Methods |
| --- | --- | --- | --- |
| 1.1 | To what extent has PRISMA-2 achieved its intended Intermediate and End of Program Outcomes? | M&E System  PRISMA staff  DFAT (Jakarta)  Key Informant Interviews | Document analysis  M&E System analysis  Portfolio analysis  Informant interviews |
| 1.2 | Are PRISMA’s interventions the right choices to achieve its Intermediate and End of Program Outcomes? | PRISMA staff  DFAT (Jakarta)  Key Informant Interviews | Document analysis  Portfolio analysis  Project Deep Dives  Informant interviews |
| 1.3 | NEW QUESTION:  What are PRISMA’s end-of-project outcomes and how have these evolved during program implementation? | PRISMA staff  DFAT (Jakarta) | Document analysis  Project Deep Dives  Informant interviews |
| 1.4 | NEW QUESTION:  What is the program’s approach to sustainability? How is sustainability measured? | PRISMA staff  DFAT (Jakarta) | Document analysis  Portfolio analysis  Project Deep Dives  Informant interviews |
| 1.3 | To what extent has PRISMA-2 demonstrated an adaptive approach to the evolving contexts including COVID-19? To what extent has the PRISMA implementation had the resources/scope/flexibility to deliver on its strategic objectives? | PRISMA staff  DFAT (Jakarta)  Key Informant Interviews | Document analysis  Informant interviews  Project Deep Dives |
| 1.4 | To what extent has PRISMA-2’s M&E system captured enough evidence (quantitative and qualitative) to assess effectiveness and to inform decisions within the program? | M&E System  PRISMA staff  DFAT (Jakarta) | Document analysis  M&E System analysis  Portfolio analysis  Informant interviews  Project Deep Dives |

1. **GEDSI:**

| No. | Key Evaluation Questions | Data Sources | Data Collection Methods |
| --- | --- | --- | --- |
| 2.1 | To what extent has PRISMA made progress in addressing key gender, disability and social inclusion risks and making the outcomes of the program inclusive? | M&E System  PRISMA staff  Key Informant Interviews | Document analysis  M&E System analysis  Portfolio analysis  Project Deep Dives  Informant interviews |
| 2.2 | Describe how differences, needs, roles and priorities of women, men, and marginalised groups are considered in PRISMA-2 interventions? | PRISMA staff  Key Informant Interviews | Document analysis  M&E System analysis  Project Deep Dives  Informant interviews |
| 2.3 | What are the lessons learned of implementing GEDSI as a cross-cutting issue in rural development? | PRISMA staff  Key Informant Interviews | Document analysis  Informant interviews |
| 2.4 | To what extent has PRISMA-2 M&E system captured risks on GEDSI from its interventions and how is it managed? | M&E System  PRISMA staff  Key Informant Interviews | Document analysis  M&E System analysis  Portfolio analysis  Informant interviews |
| 2.5 | NEW QUESTION:  To what extent are GEDSI issues considered by businesses and integrated into business models and practices? How has the program promoted the adoption of these models and practices in partner businesses? | PRISMA staff  Key Informant Interviews | Portfolio analysis  Project Deep Dives  Informant interviews |

1. **Future Design:**

| No. | Key Evaluation Questions | Data Sources | Data Collection Methods |
| --- | --- | --- | --- |
| 3.1 | NEW QUESTION:  What are Australia’s strategic objectives for the agriculture sector in Indonesia? | DFAT (Jakarta)  PRISMA staff  Key Informant Interviews | Document analysis  Informant interviews |
| 3.1 | Are the Rural Development and Agriculture sectors still relevant for Australia support in Indonesia? | DFAT (Jakarta)  PRISMA staff  Key Informant Interviews | Document analysis  Project Deep Dives  Informant interviews |
| 3.2 | Based on the above, what priority areas in rural development/agriculture sectors should Australia consider supporting in the future? | DFAT (Jakarta)  PRISMA staff  Key Informant Interviews | Document analysis  Project Deep Dives  Informant interviews |
| 3.3 | What modality is the most appropriate for future program? | DFAT (Jakarta)  PRISMA staff  Key Informant Interviews | Document analysis  Project Deep Dives  Informant interviews |
| 3.4 | What key strategic issues and challenges are present for the integration of GEDSI, climate change, nutrition, and food security in Australia-Indonesia future rural development/agriculture investment and how can they be addressed within the recommended modality? | DFAT (Jakarta)  PRISMA staff  Key Informant Interviews | Document analysis  Project Deep Dives  Informant interviews |
| 3.5 | What are other key issues should Australia consider in planning future rural development/agriculture program? | DFAT (Jakarta)  PRISMA staff  Key Informant Interviews | Document analysis  Project Deep Dives  Informant interviews |

# Annex 5. Review of market systems change in selected sectors

1. **Maize:**

| Systemic change reported | ISR observations |
| --- | --- |
| Adoption of hybrid seed has increased from four to 30 per cent since 2015. Companies selling hybrid seeds have increased from two to five. Companies collaborated with government extension to support/enhance uptake - which reached 60 per cent of target farmers.  The approach has been adopted by neighbouring district authorities.  Progress towards systemic change has been hampered by COVID-19.  Two scale actors entered the market based on PRISMA’s interventions, and farmers appear to be purchasing improved seeds to secure better harvests. | The ISR considers this an early-stage systemic change story. It appears that there are multiple actors adopting different practices - seed companies, agents, government, farmers.  A more mature state would likely involve more comprehensive take up of the extension model, either by government or through firms/agents.  Given the disruption of Covid-19 it may be worth re exploring some of the interventions to see if behaviours, which had not fully taken root, could be better embedded in actors’ business models. |

1. **Fertiliser:**

| Systemic change reported | ISR observations |
| --- | --- |
| With low uptake amongst farmers, and market distorted by subsidies, the approach was to use marketing and promotion (with embedded information) through 6 fertiliser companies to increase uptake of fertiliser amongst farmers with limited access, and to make the product more readily available. The approach also worked on packaging fertiliser with other, complementary products (e.g., pesticides, fungicides) that would help farmers get the greatest benefit from fertiliser use.  The companies have expanded and are continuing to expand their market through a larger agent network and using improved marketing and promotional approaches. State Owned Enterprises have also adopted elements of the approach.  Farmers using new fertiliser products have 100 percent repeat purchase. | There is clearly behaviour change amongst the target population. Field visits suggested that the change was not so much adoption of fertiliser, but more efficient use of higher quality products.  The ISR team would assess this as an early-stage systemic change example. The key change would likely be that companies are increasing market share based on a new promotional approach that embeds information on GAP. This seems to have gained a footing in the market but is not as embedded as it could be. Covid-19 disrupted the approach, and some companies seem to be going back to more traditional marketing methods.  A more mature SC example would also see agents using the embedded information marketing approach applied to other inputs.  Given the disruption of Covid-19 it may be worth re exploring some of the interventions to see if behaviours, which had not fully taken root, could be better embedded in actors’ business models. |

1. **Mungbeans:**

| Systemic change reported | ISR observations |
| --- | --- |
| PRISMA worked to address a supply side (seed) market failure. PRISMA worked to establish the business case for seed companies to invest in Mung Beans. They also worked with a government owned plant nursery to create viable seed varieties suitable for Indonesian conditions. PRISMA also worked on marketing and promotion (with embedded information) to encourage uptake amongst the target population. | The ISR team considers this to be a relatively advanced case of systemic change, and with very promising prospects for future impact. The team have helped to create a viable market in response to the observed market failure. Multiple seed varieties and seed companies are now taking advantage of a completely new market opportunity.  There is evidence of crowding-in, with five unrelated seed companies trying to enter the market, and government owned seed companies have also become more active in commercial (rather than subsidised) seed.  With commercial seed having penetrated 10 percent of the market, and food processing companies now sourcing domestically (instead of importing) there is evidence of a broad-based shift towards a new kind of market system.  The program acknowledges that more work is needed to embed the changes amongst seed producers. A more mature set of interventions might also include supporting the market for other inputs that allow farmers to realise potential yields - which they currently aren’t achieving. |

1. **Beef:**

| Systemic change reported | ISR observations |
| --- | --- |
| The program observed that demand for beef is strong, but that supply was constrained by the lack of quality feed which resulted in long time to maturity. The program worked to create a larger market for commercial feed through technical assistance, marketing and promotion, with embedded information.  PRISMA has reported systemic change in the use of feed across the sector, and the associated improvements in cattle weight, health and fattening times.  Farmers using commercial feed increased from 2 percent to 63 percent, an incredible level of market penetration, with dramatic increases in income for those who use the product repeatedly. There are now 26 companies producing feed, up from 3 when PRISMA started, suggesting a significant crowding-in effect. | This systemic change story presents some impressive numbers. There is no doubt that the program has created a ‘system change’ in the way that households invest in their livestock. If projections are accurate, this sector will deliver around half of all PRISMA’s expected outreach and impact.  It is also the sector in which policy work has been pursued to great success. The Ministry of Agriculture has begun a process of updating their national feed standards to better regulate the sector based on farmers needs and means.  While there is no doubt that this is an impressive systemic change story, it is within only one function of the market system. The program was asked by DFAT not to work on cattle breeding, which is a lost opportunity. A mature systemic change story would include progress in several complementary market functions. Further work on animal health and starting work on breeding could have even greater transformational impacts on the sector. |

1. **Crop protection:**

| Systemic change reported | ISR observations |
| --- | --- |
| PRISMA identified suboptimal yield because of pest and disease. They identified marketing and promotion, along with embedded information as the solution.  As Covid-19 hit the outreach strategies could not be implemented, so the program experimented with digital outreach techniques. This persuaded other companies to crowd-in with a similar online approach.  The program has had outreach of 110,266 across multiple scale partners, who have all changed their approach to embedded information. | The ISRT considers this an example of emerging systemic change. As the program notes the next challenge is to take the intervention to scale. The results are impressive, although it is a relatively narrow area of progress, and without significant scale relative to the target population. |

1. **Rice:**

| Systemic change reported | ISR observations |
| --- | --- |
| Rice is not a major focus of the program, given the complex social and political dimensions of the crop. It was explored in the early years, but has not been a major investment area in recent periods.  The program focussed on hybrid rice seeds to improve yields. The approach was to support marketing and promotion with embedded information. | The program has seen some success in promoting hybrid seeds, including those for dry climate agriculture. The rice seed story is probably not really a systemic change story at this stage, although if the program were to invest more in this area it could become a productive area of work. |

1. **Mechanisation:**

| Systemic change reported | ISR observations |
| --- | --- |
| The scourge of labour shortages on poor smallholder farms is a counterintuitive but very real constraint, driven by urbanisation, structural economic shifts and migration. Small land size and lack of capital/access to credit hampers uptake of mechanised solutions. Period supply of subsidised tractors also distorted the market.  PRISMA targeted a rental model through larger market actors, and a tractor service business model targeting unserviceable government provided tractors. This was supported by market and promotion, with embedded information. | This is a very early-stage area, probably not yet applicable as a systemic change story. The intervention has reached small scale adoption only. The sector, however, holds significant promise and may be a substantive systemic change story in the coming years. |

# Annex 6. Results of the survey of PRISMA partner businesses

The survey was conducted in October 2022. Online questionnaires were sent to 52 private sector partners (i.e., active partners and signed by June 2022). Total respondents: 42. Response rate: 81 %

**Q.2. What areas of PRISMA support did you find most helpful?   
[Please choose two only.]**

| Areas | Percentage | Respondents |
| --- | --- | --- |
| Advice and guidance in business activity | 59.52% | 25 |
| Market information (e.g., information on competitor, customer, business opportunity) | 57.14% | 24 |
| Financial support (co-investment) | 45.24% | 10 |
| Access to new customers | 38.10% | 19 |
| Approach on doing more inclusive business (e.g., hiring women sales agent, marketing to women, disability, and remote area) | 26.19% | 16 |
| Feasibility analysis in new product/activity (business calculation cost revenue and profit analysis) | 23.81% | 11 |
| Other – please describe | 4.76% | 2 |
| People answered | 100 % | 42 |
| People skipped | 0 | 0 |

**Q.3. How well does PRISMA understand the markets (e.g., customer, competitor, sector) you are working in?**

| Answers | Percentage | Respondents |
| --- | --- | --- |
| Not understanding | 0.00% | 0 |
| Some understanding | 9.52% | 4 |
| Good understanding | 47.62% | 20 |
| Very good understanding | 42.86% | 18 |
| People Answered | 100% | 42 |
| People Skipped | 0 | 0 |

**Q.4 How would you describe your experience of working with PRISMA?**

| Answers | Percentage | Respondents |
| --- | --- | --- |
| Poor | 0.00% | 0 |
| Okay | 0.00% | 0 |
| Good | 21.43% | 9 |
| Excellent | 78.57% | 33 |
| People Answered | 100% | 42 |
| People Skipped | 0 | 0 |

**Q.5. Which of the words below best describe PRISMA support?**

**[Please choose one or two only.]**

| Description | Percentage | Respondents |
| --- | --- | --- |
| Supportive | 50.00% | 21 |
| Well connected | 40.48% | 17 |
| Responsive | 33.33% | 14 |
| Easily adapting to the changes | 28.57% | 12 |
| Capable | 26.19% | 11 |
| Informative | 23.81% | 10 |
| Knowledgeable in the relevant field | 23.81% | 10 |
| Innovative | 19.05% | 8 |
| Understanding | 16.67% | 7 |
| Insight in the whole business and market | 7.14% | 3 |
| Efficient | 7.14% | 3 |
| None of the above | 2.38% | 1 |
| People Answered | 100% | 42 |
| People Skipped | 0 | 0 |

**Q.6. How has your partnership with PRISMA changed your business?**

| Answers | Percentage | Respondents |
| --- | --- | --- |
| New markets (reached more customers) | 47.62% | 20 |
| Changed my products/services | 42.86% | 18 |
| Expanded my business (more workers, more distribution area, more production area) | 33.33% | 14 |
| New business practices | 28.57% | 12 |
| Increased my sales (more turnover) | 23.81% | 10 |
| Increased my investment in technology | 16.67% | 7 |
| New business model | 14.29% | 6 |
| New human resource management practices (e.g. women sales agent) | 11.90% | 5 |
| Others \_\_\_\_\_\_\_\_\_\_\_ | 2.38% | 1 |
| People Answered | 100% | 42 |
| People Skipped | 0 | 0 |

| Answers | Percentage | Respondents |
| --- | --- | --- |
| Yes | 100.00% | 42 |
| No | 0.00% | 0 |
| People Answered | 100% | 42 |
| People Skipped | 0 | 0 |

**Q.8. If the partnership with PRISMA ends, will you continue the business model?**

**OPEN QUESTIONS**

**Q.7. How could PRISMA improve the way it partners with businesses?**

| Sector | Province | Comment |
| --- | --- | --- |
| Vegetable | Papua | Good and sustainable communication. Providing information on target areas that have the potential to be used as prospects for cooperation in obtaining value. |
| Beef | EJ, CJ | Use the family system. |
| Pig | NTT | If it is allowed, we will continue to partner with PRISMA, don't break up |
| Fertilizer | EJ, CJ | In the future, PRISMA and ITN will always maintain and carry out their shared vision and mission. Through partnerships we must also continue to build positive collaborations, always communicate and support to achieve common goals. |
| Mechanization | EJ, CJ | By providing consultation on the technical development of the agricultural machinery market |
|  |  | continue and develop cooperation |
| Mungbean | EJ, CJ | In addition to connecting large local offtakers, it will be even more to connect export markets. |
| Crop Protection | EJ, CJ, NTB | We've been collaborating with PRISMA since 2018, a lot of work has been put into the company's strategy  Future proposals: 1. Regional restrictions can be removed in the future, so that prisma can reach our main areas other than in eastern Indonesia  2. Intensification of programs in the field, where during the pandemic activities that have been carried out physically from 2018 are stopped, with the momentum rising after the pandemic can reactivate directly in the field |
| Fertilizer | EJ, NTB, and NTB | Be more proactive in carrying out the monitoring of the joint work program that is being carried out |
| Fertilizer | EJ and CJ | Provide innovative support, sustainable strategy and education. |
| Mechanization | EJ and CJ | expand the area or scope of work |
| Innovative Finance | CJ | Always do routine coordination with partner |
| Innovative Finance | CJ | Explore for more projects to do together |
| Innovative Finance | NTB | Increasing access to distribution networks, especially remote and disadvantaged areas and rarely reached by several companies, through several existing agricultural stakeholders. Strive for easy access for farmers in hard-to-reach areas, due to the operational costs of farmers in bringing their crops, potentially reducing farmers' income. |
| Beef | EJ, NTB, NTT, and CJ | Communication and coordination need to be improved again |
| Pig, Beef, and Dairy | NTT, EJ, CJ | PRISMA can improve good relations with partner and continue to provide information from the business side and field data |
| Beef | EJ and CJ | 1. In terms of Communication: In building relationships with PRISMA, communication is built openly by involving all FERMENFEED implementing teams. This is very good for the FERMENFEED team, because all the implementing teams are aware of the progress of the collaborative activities. In the future, FERMENFEED hopes that the communication system built by involving all FERMENFEED implementation teams can be maintained and improved by PRISMA. 2. In terms of Activity Implementation: Prior to the implementation of the activity, PRISMA built a system with the FERMENFEED team to discuss the supporting preparations and the required budget so that the activity can run according to the desired target. This habit must be maintained and improved. 3. In terms of Business Development: PRISMA has given FERMENFEED many ideas and strategies related to business development and it is very useful. In the future, PRISMA can continue to develop business ideas and strategies needed by its partners. |
| Innovative Finance | EJ and CJ | By expanding the area that will be the focus of future coverage |
|  |  | So that in the future always provide maximum support with professional personnel like now |
| Pig | NTT | Continue to carry out the selection tasks that are mutually agreed upon, especially training the male pigs to carry out law in button |
| Dairy | EJ and CJ | Increase collaboration between interrelated partners, encourage the government to cooperate with related partners |
| Maize | EJ, NTB, and NTT | More innovate and provide more information with partners |
| Mechanization | EJ and CJ | So far so good and very helpful |
|  |  | Addition of competent PRISMA experts to better serve partners. |
| Dairy | CJ | Regular communication that understands each other's conditions |
| Fertilizer | EJ, NTB, and CJ | Collaborating in making a program and running together |
| Rice | EJ and CJ | Expanding Service Area Coverage in Indonesia |
| Fertilizer | NTB | It's been very good |
| Beef | EJ, NTB, NTT, and CJ | Continuous collaboration |
| Dairy | CJ | It's been good enough. |
|  |  | - |
| Finance | EJ, NTB, and CJ | always responsive, providing input that can be applied and implemented |
| ICT | EJ, NTB, NTT, and CJ | PRISMA can synergize with partners for product development and business expansion |
| Vegetable | EJ | Intense communication and problem solver |
| Crop Protection | EJ, NTB, and CJ | By analyzing the development of the digital market in agriculture |
| Crop Protection | EJ and CJ | Three things need improvement:  1. Collaboration 2. Mentoring 3. Evaluation |
| ICT | EJ, NTB, and NTT | Don't be too rigid with PRISMA's rules but must also be able to see the needs of partners |
| Mungbean | EJ | Looking for new opportunities to share with partners |
| Pig | NTT | Provide concrete business development and marketing input |

**Q.9. Why did you answer yes/no to the questions above (question no. 8)?**

| Sector | Province | Comment |
| --- | --- | --- |
| Vegetable | Papua | If the potential that is currently being worked on and we see the potential to get value for the future for us, we will definitely continue it. |
| Beef | EJ, CJ | because it is very efficient |
| Pig | NTT | This business is very promising |
| Fertilizer | EJ,CJ | PRISMA has helped us gain insight and see new points of view that we may not have noticed so far. We believe that with what is shown, we can develop further as a company and help our fellow farmers. |
| Mechanization | EJ, CJ | Because the pattern of cooperation built with Prisma's assistance will continue to be duplicated in the next few years for reasons that are quite relevant and profitable |
|  |  | Because Indonesia's agricultural industry is still far behind from other countries, and it still requires a lot of effort to catch up |
| Mungbean | EJ, CJ | This business is still growing, because it is still in the early intervention stage. There are still many markets that don't know about quality labeled green bean seed products in Indonesia |
| Crop Protection | EJ, CJ, NTB | Because indirectly PRISMA has provided a new perspective for us who already exist in this business. With this new point of view, assisted by data validation from PRISMA, it gives us confidence to carry out new innovations to reach market segments that previously from our view were not yet possible to execute. With the input & validation of the data, we confidently carry out the company's strategy and continue to this day. |
| Fertilizer | EJ, NTB, and NTB | There is additional sales turnover and new market segments for the company |
| Fertilizer | EJ and CJ | In accordance with our vision which will continue to provide education to farmers and improve the economy of farmers. |
| Innovative Finance | CJ | The collaborative financing model with PRISMA will continue to maximize financing access to farmers |
| Innovative Finance | CJ | The business model that we run has been running before the collaboration with PRISMA, and will continue after the collaboration with PRISMA is completed. |
| Innovative Finance | NTB | We follow the development of the market that has been formed so far, we follow it with new manpower investments, so we have the responsibility to continue to develop the market that has been formed |
| Beef | EJ, NTB, NTT, and CJ | Because for a very wide geographic market such as NTT and beef cattle farms that are still on a small scale, the company needs to be supported by third parties in terms of information and relationships with relevant government officials, as well as sharing costs to increase knowledge of the breeder community. |
| Pig, Beef, and Dairy | NTT, EJ, CJ | The new business model is integrated with the company's strategy |
| Beef | EJ and CJ | 1. This is FERMENFEED's main business 2. The FERMENFEED business target for animal feed production can be developed and can reach farmers throughout Indonesia. 3. The market share of animal feed, especially ruminants, is still large, and this provides an opportunity for FERMENFEED to grow. |
| Innovative Finance | EJ and CJ | Because it is proven to be a catalyst for future business growth |
|  |  | Because this is an important part of educating customers and the service is a form of responsibility of the product owner to all customers |
| Pig | NTT | One of the priorities for revamping the seminary is improving the quality of the cage as well as all the existing pigs. |
| Dairy | EJ and CJ | It's still effective |
| Maize | EJ, NTB, and NTT | Useful and provides progress for partners and deserves to be continued |
| Mechanization | EJ and CJ | Can increase sales, reach a wider market |
|  |  | Programs that are already good must be maintained and improved, not eliminated. |
| Mechanization | EJ | Because with PRISMA collaboration, we get a lot of new insights that support our development in terms of marketing and after sales |
| Dairy | CJ | Data supporting from PRISMA is very helpful for Nufeed's future steps |
| Fertilizer | EJ, NTB, and CJ | What has been implemented has a positive impact both in the short and long term |
| Rice | EJ and CJ | Because the Model built is suitable for products developed with PRISMA |
| Fertilizer | NTB | Because digital marketing is a necessity for today |
| Beef | EJ, NTB, NTT, and CJ | Proven to increase turnover and market expansion |
| Dairy | CJ | Since the beginning it has been our target to capture new Business Channels |
|  |  | Because PRISMA has provided a solution to every problem that exists, the company can continue to develop well |
| Finance | EJ, NTB, and CJ | can provide alternative support for PNM partners so that they can provide much-needed inputs by PNM partners |
| Vegetable | EJ | Yes, because the business already existed before the collaboration with PRISMA and the agricultural sector took a long time |
| Crop Protection | EJ, NTB, and CJ | Yes, because it's business as usual, but with PRISMA's contribution, it can improve analysis capabilities |
| Crop Protection | EJ and CJ | Impact on marketing activities and management's positive assessment of the business model |
| ICT | EJ, NTB, and NTT | PRISMA has potential data for us but has not been maximized |
| Mungbean | EJ | For the sustainability of the market that has been formed and pioneered, because it's a shame if it's left like that |
| Pig | NTT | Good and proven business opportunity |

**Q.10 Any other comments?**

| Sector | Province | Comment |
| --- | --- | --- |
| Beef | EJ, CJ | I hope we can still be a partner of PRISMA |
| Pig | NTT | PRISMA is very good |
| Fertilizer | EJ,CJ | Thank you for the cooperation. Let's continue to achieve the specified goal. |
| Mechanization | EJ, CJ | PRISMA must continue to grow in providing data and as a bridge in agricultural development in Indonesia, especially for all parts of Indonesia. |
| Mungbean | EJ, CJ | It would be much better if PRISMA extended its program. |
| Crop Protection | EJ, CJ, NTB | We heard that PRISMA will end in 2023. We really hope that there will be an extension adjustment because there are still some activities that are vacuum during the pandemic for the past 2 years. So that this collaboration gets additional time for us to be able to carry out strategies that have not been carried out during the pandemic. |
| Fertilizer | EJ and CJ | Hopefully this collaboration can continue so that the company's vision and mission can be adopted by farmers, understanding in plant cultivation and sustainable agriculture with an environmentally friendly product base. |
| Mechanization | EJ and CJ | Discuss and communicate more about future opportunities. |
| Innovative Finance | CJ | Thank you Prisma, very useful |
| Innovative Finance | CJ | I feel helped by the program Prisma is doing with our company. The Prisma team, apart from having good knowledge, are also very supportive. Hope the cooperation can be sustainable. |
| Innovative Finance | NTB | As a long-standing partner with Prisma, we have been supported by a lot of information and sharing of financing, related to women farmers, remote and hard-to-reach areas, and new development areas. There have been many new areas that the market has formed because of the support from Prisma. |
| Beef | EJ, NTB, NTT, and CJ | The collaboration program with PRISMA needs to be extended again |
|  |  | Productive |
| Beef | EJ and CJ | FERMENFEED really hopes to be able to continue to cooperate with PRISMA, to develop new ideas and strategies, so that the vision and mission of FERMENFEED and PRISMA can be achieved, mutually benefiting, and reaching out to more farmers to develop better. |
|  |  | Things that are good partnerships for customer satisfaction must always be done and the quality is improved |
| Pig | NTT | Superior Pig Farming is Dissociality |
| Maize | EJ, NTB, and NTT | Thank you for the support and cooperation with PRISMA and the team |
| Dairy | CJ | Hopefully in the future we can continue to work together to focus on People's Dairy Cows (Sapi Perah Rakyat) considering there is still a lot that needs to be improved with the never-ending learning and supporting model |
| Fertilizer | EJ, NTB, and CJ | success always for PRISMA Team |
| Rice | EJ and CJ | Hopefully PRISMA will continue to take part in supporting the progress of the Indonesian agricultural business and the welfare of Indonesian farmers |
| Fertilizer | NTB | Keep up the good work |
| Beef | EJ, NTB, NTT, and CJ | I hope it will continue to work |
| Dairy | CJ | Thank you for the excellent support from the whole team |
| Finance | EJ, NTB, and CJ | The program that is being carried out is very beneficial for partners engaged in the agricultural sector by providing several inputs that our partners have not been aware of, for example in the provision of fertilizer for one of the plantations or agriculture. |
| Vegetable | EJ | Keep supporting a better future |
| Crop Protection | EJ and CJ | UPL - PRISMA can only be free to partner after the pandemic / New normal |
| Mungbean | EJ | The rainy season of November-Dec 2022 is proof, because the information on the mung bean market in Sumenep which was analyzed by PRISMA was very large, it turned out that there was no attraction for certified seeds. |

1. The Independent Strategic Review Team (ISRT) was comprised of: Simon White (Team Leader), Dati Fatimah (GEDSI Specialist) and Paul Keogh (MSD Specialist). [↑](#footnote-ref-1)
2. The World Bank shows how the proportion of Indonesians living in rural areas has declined significantly since 1960. In 2020, 43 per cent of the population was living in rural areas, compared with 85 per cent in 1960 (see [World Bank data - Rural population - Indonesia](https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=ID)). However, poverty in rural Indonesia is on the rise. While the percentage of poor people in urban areas in September 2019 was 6.56 per cent, rising to 7.38 per cent in March 2020, the percentage of poor people in rural areas in September 2019 was 12.60 per cent, rising to 12.82 per cent in March 2020. (see [Badan Pusat Statistik, Profil Kemiskinan Indonesia Maret 2020](https://www.bps.go.id/pressrelease/2020/07/15/1744/persentase-penduduk-miskin-maret-2020-naik-menjadi-9-78-persen.html)). [↑](#footnote-ref-2)
3. See Goh, L. and K. Wu (2021) “Investing in data and innovation ecosystem to transform Indonesia’s agriculture”, [World Bank Blog](https://blogs.worldbank.org/eastasiapacific/investing-data-and-innovation-ecosystem-transform-indonesias-agriculture), 24 September. [↑](#footnote-ref-3)
4. The original Program Design document proposed an EOPO target of one million households. However, the implementing contractor extended this to 1.3 million, describing it as a “stretch goal” to push PRISMA beyond its comfort zone. Many expected the number would not be achievable. [↑](#footnote-ref-4)
5. ARISA was DFAT’s Applied Research and Innovation Systems in Agriculture program, implemented by CSIRO under AIP-Rural (2014-2018). TIRTA was DFAT’s Tertiary Irrigation Technical Assistance program, implemented under AIP-Rural (2015-18). SAFIRA was DFAT’s Strengthening Agricultural Finance in Rural Areas program, implemented under AIP-Rural (2015-18). [↑](#footnote-ref-5)
6. This figure accommodates any potential overlap of performance achieved in the sector. [↑](#footnote-ref-6)
7. DFAT (2017) “Market Systems Development”, *Operational Guidance Note*, November, DFAT, Canberra: <https://www.dfat.gov.au/sites/default/files/operational-guidance-note-market-systems-development.pdf> [↑](#footnote-ref-7)
8. For example, a portion of the program could have focussed on hybrid aid-trade programming, using PRISMA’s presence on the ground to shape broader trade objectives. A strong partnership between PRISMA and Katalis could leverage enhanced results for both programs. [↑](#footnote-ref-8)
9. The review did not assess whether there were sectors in which the program should be active. The profile of current sectors provides sufficient outreach and pro-poor opportunity to make such an assessment unnecessary. [↑](#footnote-ref-9)
10. While these reviews previously assessed individual interventions, since the 2021 Strategy Refresh changes are measured at the sector level. [↑](#footnote-ref-10)
11. This is achieved, first, by piloting innovations, then scaling up successful models to promote healthy market changes. Success is defined as “new agricultural products and services being available, and used, by poor men and women farming households.” [↑](#footnote-ref-11)
12. Other contributions to systemic change include expansion (i.e., the innovation reaches a significant proportion of the target population), adoption (i.e., firms not receiving PRISMA support begin to adopt the innovation or a version of it), response (i.e., firms see a new market opportunity and begin to exploit it). [↑](#footnote-ref-12)
13. Several programs have used the AAER framework, or a version of it, for conceptualising systemic change. For example, it was used as an evaluation standard for assessing program progress towards systemic change in a recent review of DFID agriculture programs: *Learning review of Agriculture evaluations*, DFID EQUALS Learning Review Series, April 2020. [↑](#footnote-ref-13)
14. Climate change was not a focus area for PRISMA. However, there were some instances where the program identified opportunities to support climate-smart innovations (e.g., drought resistant seeds). [↑](#footnote-ref-14)
15. No respondents ticked the boxes marked “poor” or “okay”. [↑](#footnote-ref-15)
16. The revised PRISMA Sustainability Strategy (2022) builds on the recommendations of the SRP in which it was argued that sustainability should (1) focus on intervention-level changes, (2) support market system-level changes, (3) develop a cadre of talented people to enter the private and public sectors, and (4) develop a rich resource of ‘how to’ information belonging to DFAT and Bappenas. [↑](#footnote-ref-16)
17. A general rule of thumb is two partnerships for each member of staff. Nevertheless, it is exceedingly difficult to apply hard and fast rules on staffing ratios, with every program having a different set of needs and pressures. PRISMA faces complex logistics, operating across a remote archipelago, which introduces inefficiencies that take up staff time. [↑](#footnote-ref-17)
18. The twin-track approach is encouraged in DFAT's investments, emphasising the importance of efforts to address persistent power imbalances and the constraining factors faced by women and marginalised groups (see DFAT, Gender Equality Strategy 2020-2025 for Australia's Post in Indonesia). [↑](#footnote-ref-18)
19. The objectives of the 2022 GESI strategy are to (1) communicate PRISMA’s rationale for working on GESI, (2) empower implementation and results-measurement teams to identify, design, implement, and measure inclusive investments using strategic GESI market information and the development of GESI business cases, (3) continuously strengthen the depth of PRISMA’s understanding of GESI, (4) promote systemic change through engagement with wider market actors, collaboration with other programs, and the development of supporting market services, and (5) support management in fostering a GESI oriented team culture with strengthened capacity and confidence to incorporate GESI. [↑](#footnote-ref-19)
20. The three criteria are poverty, growth and feasibility of the intervention. A fourth criterion entitled “Other priorities” includes relevance to government programs and to gender and social inclusion. Thus, while it could be argued that this covers WEE and a broader GEDSI agenda, the ISRT does not consider this to be sufficient to guide decisions on the design of program interventions. Some of the selected sectors are quite close to women (e.g., pigs, corn and rice), while several other sectors are male-dominated sectors (e.g., beef and mechanisation). [↑](#footnote-ref-20)
21. The identified risks include direct risk (because women participate or use promoted innovations), household dynamic risk (risk when there is resistance or disapproval of men due to involvement and utilization of prism and partner innovations/activities) and indirect risk (risks faced by women when family members use innovations or participate in prism and partner activities). This risk is identified through various methods, either spot checks, WEE qualitative study or regular impact assessment (GESI Strategy, PRISMA 2022). [↑](#footnote-ref-21)
22. The assessment of GBV is a good step, but it may be necessary for PRISMA to do more. This may include the development of a program policy on the prevention of, and protocols responding to incidences of GBV, integrating GBV mitigation measures (i.e., prevention and response) in the project cycle, staff training on GBV, and research on GBV in the program (i.e., by collaborating with organisations and research institutions that focus or have experiences on GBV issues). [↑](#footnote-ref-22)
23. Eckman, A.K., J. Williamson, K. Cheney, Z. Mesfin. “Toolkit to Address Gender-Based Violence in Agriculture and Market Systems Development.” Prepared by EnCompass LLC for the United States Agency for International Development, 2022. Link: <https://bit.ly/3FwtxNd> [↑](#footnote-ref-23)
24. Arisan is a form of rotating savings and credit association in Indonesia [↑](#footnote-ref-24)
25. See:[https://kupang.antaranews.com/berita/8308/article--tale-bidan-ternak-babi-di-sumba-barat-daya](https://kupang.antaranews.com/berita/8308/artikel--kisah-bidan-ternak-babi-di-sumba-barat-daya) [↑](#footnote-ref-25)
26. The PRISMA GEDSI Strategy defines agency as the state in which women and other neglected market segments are equipped and empowered (i.e., can advance and make decisions) to take advantage of opportunities. It involves socio-cultural or psychosocial dimensions that may inhibit these market segments from taking advantage of opportunities. [↑](#footnote-ref-26)
27. The project facilitation approach is one of the limitations faced by the project. This challenge is not only faced by PRISMA-2 but has become one of the challenges and lessons learned related to WEE in various MSD projects in various parts of the world (GREAT, 2022). [↑](#footnote-ref-27)
28. As of semester 1, 2022, 29 farmers with disabilities (i.e., 8.96 per cent of total households interviewed) were identified as having benefited from PRISMA support activities. [↑](#footnote-ref-28)
29. This regulation also requires companies to employ at least one per cent of employees with disabilities. [↑](#footnote-ref-29)
30. Despite emphasising the importance of inclusion for local communities, PRISMA found that working with transmigrant farmers could be an entry point because they were more open to new approaches and could involve farmers from indigenous groups by showing evidence. This strategy has been successful in West Papua, but the project has yet to find the right approach in the Papua highlands (PRISMA Learning Series 2022 on Papua and West Papua). [↑](#footnote-ref-30)
31. Thorpe, J., A. Mathie and Y. Ghore - [*A typology of market-based approaches to include the most marginalised. BEAM Exchange*](https://beamexchange.org/uploads/filer_public/7a/5a/7a5a8a57-916b-4817-9c3f-e18b3d0f5544/a_typology_of_market_based_approaches_compressed.pdf). [↑](#footnote-ref-31)
32. The program could strengthen raising awareness among agribusinesses and farmers of relevant government policies and programs (e.g., social protection, gender mainstreaming, WEE and women's rights, rights for people with disabilities, and financial inclusion). [↑](#footnote-ref-32)
33. In the first semester of 2022, PRISMA involved more women (i.e., 450 women were respondents) in nine WEE impact assessments to assess the positive and negative impacts of project interventions. PRISMA-2 also updated its data collection methods to examine how women were moving away from access to agency and how project intervention can support this (PRISMA Progress Report (January-June 2022). [↑](#footnote-ref-33)
34. It identifies what changes occurred at the individual and household levels (i.e., the micro level) and how these can drive changes at the community and organisational level (i.e., the meso level) and subsequently in society and the market system (i.e., the macro level). [↑](#footnote-ref-34)
35. The ISRT does not recommend the inclusion of social impact measures, such as nutrition, unless the new program is able to define a clear justification and causal link on these grounds. [↑](#footnote-ref-35)
36. [Rural population (% of total population) - Indonesia | Data (worldbank.org)](https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=ID) [↑](#footnote-ref-36)
37. Badan Pusat Statistik, Profil Kemiskinan Indonesia Maret 2020 [↑](#footnote-ref-37)
38. See: <https://blogs.worldbank.org/eastasiapacific/investing-data-and-innovation-ecosystem-transform-indonesias-agriculture> [↑](#footnote-ref-38)