

**GCPS/INS/073/JPN
SPECIAL PROGRAMME FOR FOOD SECURITY
INDONESIA**

**Final Report
Joint Mid-Term Evaluation**

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Executive Summary

i. The project (Special Programme for Food Security – SPFS, GCPS/INS/073/JPN with financial contribution of US\$ 2.5 million from the Government of Japan for a period of five years) supports the Ministry of Agriculture of Indonesia in addressing food security problems of poor local communities in five selected districts in five provinces (Central Lombok, South Sulawesi, South Kalimantan, Riau and West Java) (see para. 3). The project is designed for national execution by the Agency for Food Security (Ministry of Agriculture) with the Project Management Unit (a team of three national experts) responsible for implementation operation and with FAO's technical and administrative support (including that of the Regional SPFS Coordinator located in Jakarta). After two years of implementation since September 2001, a joint mid-term evaluation mission was fielded in October 2003 to ascertain the progress being made by the project and to suggest corrective actions so as to ensure successful realization of its planned outcome (see para. 4).

ii. The Mission considers that the project is very relevant to the major policy concern in Indonesia's development plan, i.e. enhancing food security and reducing poverty, especially in rural areas, by increasing food and agricultural productivity as well as revitalizing rural economy as a whole (see para. 6). While a coherent national programme of food security is yet to be elaborated, the project is consonant with several policy thrusts, such as decentralized approach, participatory and self-reliant community development, and improved water management. The actual implementation strategy also focuses on the felt priority needs of the poor villages and households participating in the project. Thus, the project has a potential to make useful contribution to the formulation of key elements of a national food security strategy and programme.

iii. While the original project document had some serious weaknesses in the design, a more coherent and realistic approach has evolved during implementation, adapting to the needs and constraints of the local situations (see paras. 7-10). This approach combines (a) the fostering of participatory, self-reliant Farmer Groups (FGs); (b) promotion of selected economic activities for food and agricultural production and income generation; and (c) capacity building of the district and local government services to support the FGs. In particular, the Farmer Group Development Plan (FGDP) and the Revolving Fund are strategic tools for encouraging the FGs to learn more disciplined practices for planning and managing their development activities.

iv. Thirty-six FGs (with a total of 1,400 households) have been formed and supported in the five districts, all of them having established revolving fund. The FGs have been supported by the local teams in their organizational development as well as in planning and implementing their FGDP activities, with priority on livestock and minor irrigation and water management work (see paras. 14-25). By September 2003, all FGs have started production activities with project's support (mostly in livestock/fisheries and irrigation based crop production), involving some 600 households (over 40% of the total FG membership) (see paras. 34-46). This is a creditable progress over the two-year period.

v. Nevertheless, the implementation is still at an early stage, and the achievements to date require further consolidation and strengthening in all key fronts in order to ensure satisfactory operation with sustainable results. The key issues include (see paras 50–52):

- a) capacity building of the FGs, including for planning with the FGDP approach, managing revolving fund, and FG management;
- b) strengthening of the District Support Teams (DSTs) and related local teams, especially in participatory approaches, selected production practices, and development planning and management of the FGDP approach;
- c) reinforcement of the capacity of PMU, both for dealing with operational work (technical support and guidance to the DSTs and local teams as well as review and processing of FGDPs and activity plans), and for advance planning and leadership in project implementation process;
- d) acceleration and expansion of FGDP activity implementation so that FGs would be able to achieve optimal results in community development in the project timeframe. In addition to reinforcing the PMU capacity, qualified organizations at the district or provincial levels (government agencies, NGOs or donor assisted projects) may be mobilized by the PMU and/or the Agency for Food Security;
- e) need for clearer definition of the project outcome (immediate objectives to be achieved) – clarification on this is urgently needed to facilitate focused implementation for achieving a coherent outcome during the remainder of the project period;
- f) leadership role of the Agency for Food Security in project execution, for greater national ownership of the project, especially by providing a coherent policy and programme framework to guide the project as well as promoting and coordinating participation of national and local actors at all levels;
- g) need for updating and refining the FGDPs for effective implementation – advanced planning for FGDP implementation is needed for achieving viable production systems, including maximizing synergetic effects among various activities;
- h) desirability of broadening partners in project implementation – the overall support capacity at the district and local levels could be upgraded by mobilizing appropriate capacity that exists outside the present project arrangements, especially for innovative technical approaches in agricultural research and extension, institutional rural finance (beyond the revolving funds) and marketing; and
- i) establishment of an M&E system – it is urgent to establish a practical M&E system to provide factual information and to create the analytical basis for assessing the validity and effectiveness of the project approach.

vi. Main recommendations are (see paras 54-59):

I) Recommendation 1 - Clarification of the Expected Project Outcome (Immediate Objective), covering:

- a) the Immediate Objective (the Outcome to be achieved by the project NTE) be redefined as follows: “To formulate, through field-testing its feasibility, a participatory community development approach for enhancing food security and poverty alleviation in food deficit

and poor communities by (i) building self-reliant Farmer Groups, (ii) improving their productive capacity for food and income, and (iii) strengthening the capacity of district and local government services in supporting and facilitating FG development in the context of the national decentralization policy”;

- b) the project log-frame containing the main outputs and activities be also reformulated in line with the above definition of the Outcome, including, as a major output, a feasibility assessment of the project approach as a whole; and
- c) thus, the implementation timetable should also be re-examined to ascertain a realistic date for its completion, including the possibility of extending the current NTE date by six months or one year should be considered (possibly also some increase in the project budget).

II) Recommendation 2 - Role of the Agency for Food Security for Project Execution, covering:

- a) the Agency’s functions in project management be clearly defined and agreed, including its leadership in (i) defining the role and place of the project in the context of evolving a national programme for food security, taking into account of the assistance planned under the TCP/INS/2906 project, (ii) adjusting the project work plans, and (iii) promoting and coordinating active participation of various government agencies and NGO bodies in the project implementation at all levels; and
- b) support role of FAO (Regional SPFS Coordinator and FAOR) be appropriately defined and agreed.

III) Recommendation 3 - Re-adjustment and Updating of Project Implementation Plans. In the light of the reformulated immediate project objective, the overall implementation plan should be updated and further elaborated, with attention to:

- a) updating and refining the FGDPs so that the planned FG activities will be implemented at appropriate timing and in sequence to produce the expected results;
- b) broadening the partnership arrangements at provincial, district and local levels with agencies and organizations (both public and non-public), including technical backstopping by provincial expertise; and
- c) acceleration of FGDP implementation, through a more rapid process of review, appraisal and approval of FGDP activities and through improved capacity of the FGs and DSTs as well as the PMU.

IV) Recommendation 4 - Capacity Building of the Key Actors, including:

- a) FGs – with focus on (i) the FGDP and activity planning methods, (ii) management of the revolving fund and training in accessing to institutional rural finance, (iii) development of FG leadership and management, and (iv) technical training in selected areas, including off-farm employment skills;
- b) DSTs and related local teams – with priority on (i) participatory community development of FGs, (ii) the FGDP planning and management approach, and (iii) production technologies and best practices; and

- c) PMU – its reinforcement should be a top priority for enhanced implementation. A few consultants may be engaged (possibly on part-time basis) in each project district, to support DSTs, and to help review the FGDP activity proposals. Additionally, the PMU should have specialist expertise on participatory community/rural development.

- V) Recommendation 5 - Monitoring and Evaluation (M&E) System. One should be established as soon as possible, with FAO/TCOS support, to provide the project management with systematic information to facilitate (a) timely in-course correction in implementation and (b) in-depth assessment of emerging project results.

- VI) Recommendation 6 - Tripartite Review Meeting (TRM). A TRM should be held to review and decide on the evaluation findings and recommendations as soon as possible.

I. Introduction and Background

A. Introduction

1. With a vast area, rich in natural resources, and with one of the largest populations in the world (over 200 million in 2002), Indonesia has struggled to overcome poverty and food insecurity since independence. Its concerted effort for rapid development since 1970 led to a major economic growth, with GDP per capita doubling between 1980 and 1996 to over US\$1,100. One basic strategy was to achieve self-sufficiency in rice through a programme of concentrated investment in irrigation and use of modern inputs, which was successfully achieved by mid-1980s. The proportion of population below poverty line declined from 40% to 11% between 1976 and 1996, and per capita calorie availability rose from 1,824 per day to 2,732 in 1995. However, these gains were not only wiped out but reversed by the Asian financial crisis of 1997-98: GDP per person declined to US\$ 490 in 1998 (recovering to US\$ 690 in 1999), and people below poverty line increased to 26% in rural areas (20% in urban areas). At the same time, import of rice had again become necessary, increasing from 2.1 million tons in 1996 to 4.8 million tons in 1999.

2. In the renewed initiatives for economic recovery and development, high priority has been given to food security and agriculture and rural development. While rice has traditionally been the central focus of food security considerations, it is increasingly recognized that food security goes beyond the matter of rice self-sufficiency. The Government has committed to building the grassroots economy through greater participation of local communities in economic development, with government agencies at various levels accountable to them in this process. In particular, to address the inter-sectoral nature of food security issues through decentralized system of administration, the National Council for Food Security has been established as an inter-ministerial policy coordination body under the chairmanship of the President of the Republic. The Council's operational work is overseen by the Executive Chairman, the Minister of Agriculture, and the Director-General of the Agency for Food Security (Ministry of Agriculture) serves as the Secretary of the Council whose task includes the leadership in preparing a national food security programme.

3. The present project (Special Programme for Food Security – Indonesia, GCPS/INS/073/JPN) was initially identified with FAO assistance during 1998-99 when the government strategy on food security was evolving. The project document was finalized in June 2001 with the Government of Japan as the Trust Fund donor under the framework of FAO Special Programme for Food Security (SPFS). Broadly, the project was designed to assist selected farmer groups in one district each in five provinces (West Nusatenggara, South Sulawesi, South Kalimantan, Riau and West Java) in increasing their food and agricultural productivity and incomes. As common with other SPFS projects, it is to be nationally executed with FAO's technical support. The project is institutionally housed in the Agency for Food Security, with a small Project Management Unit (PMU) responsible for implementation. At the policy level, the project is overseen by the national Steering Committee (chaired jointly by the Minister of Agriculture and the head of BAPPENAS), assisted by a Technical Committee at the working level (chaired the Director-General of the Agency for Food Security and FAO Representative). The project duration is for five years with donor contribution of US\$2.5 million, matched by the national contribution of US\$0.8 million. It became operational in September 2001. The donor support also covers funding of a Regional SPFS

Coordinator, who is located in Jakarta but also supports three other national SPFS projects (funded by Japan) in Bangladesh, Laos and Sri Lanka.

B. Background

4. As the four SPFS projects approached the mid-point in their duration, the donor requested for evaluation of the progress being made under these projects, and it was agreed by the Government of Indonesia and FAO to evaluate this project during 2003. A tripartite evaluation team, led by M. Kato (FAO) and comprising T.Misaki (the donor) and Arif Haryana (Indonesia, BAPPENAS), was fielded from 20 October to 3 November.¹ The focus of evaluation was to ascertain the continuing relevance and validity of the project approach, to assess the effectiveness and efficiency of its implementation in achieving its planned results, and to provide recommendations for measures for the remainder of the project so as to ensure successful realization of its results. The terms of reference for the evaluation are given in Annex 1.

5. The Mission held interviews with the Government officials concerned, project staff (especially the PMU staff) and representatives of selected international development agencies in Jakarta. It also visited two districts in two provinces (Jeneponto in South Sulawesi and Central Lombok) to observe the project activities and to interact with the villagers and local government staff participating in the project. The Mission debriefed the project's Technical Committee in Jakarta and the FAO Regional Office staff before leaving the region. The names of persons met and places visited by the mission are given in Annex 2.

II. Project Approach and Design – A Critique

6. Project Relevance. On a broad level, the project is very relevant to the national policy objective to enhance food security in several respects. First, it addresses the food security needs of poor and food deficit communities with several types of farming livelihood systems under different agro-ecological conditions. Secondly, it is aimed at promoting self-reliant, participatory community development, especially through capacity building of the farmers and local officials, both in planning and implementation. Thirdly, its implementation modality is consistent with the national policy of decentralization, including the project support to building their capacity for supporting this kind of rural community development. Finally, the production support activities are tailored to the potentials and constraints of individual communities with a view to jump-starting their productivity improvement and income generation.

7. The Quality of Original Project Design. Although the project's main thrusts were reasonably clear, the original project document was not satisfactory in several respects:

- a) problem analysis – this reflected very much the traditional Indonesian concern with rice as the central agenda for food security, and both the main issues and related solutions proposed were approached with focus on irrigation and water resource use. This orientation

¹ The mission was supported by Messrs. S. Imai (Regional SPFS Coordinator) and K. Gallagher (FAO/TCOS) as resource persons in field work. It thanks the Indonesian officials concerned, the project staff and the FAO Representative for their support to its work.

is manifest in the proposed thrusts – (i) three of the five districts have irrigation-based agricultural systems and (ii) the irrigation component accounts for the single largest share of on-farm investment, comprising a major element in all districts. On the other hand, attention to some important aspects was inadequate, including issues related to rain-fed agriculture and agricultural diversification as well as socio-economic development issues such as participatory community development, marketing and rural finance;

- b) analysis of the project beneficiaries – they were indicated rather superficially and only in terms of irrigation based farming types, without any socio-economic analysis of main target villages and households;
- c) definition of project objective (the outcome or the end-of-project status) – this is one of the least satisfactory aspects, marked by absence of a coherent definition in this regard. The project document discussed only vaguely “improvements” in productivity of commodities, rural incomes and employment as well as in “local institutional capacity for ensuring participation of farmers groups....” This is simply a statement that the project beneficiaries would achieve these benefits, but whose significance was not clearly stated in terms of project’s contribution to solving the country’s food security problem. In any case, the statement is not useful to guide the project implementation towards achievement of a meaningful result;
- d) coherence of project design – both the objective structure and links among the elements (in terms of the logical framework from objectives, outputs, activities and resources) were not clear or confusing. For example, the objectives stated were actually activities (e.g. “to intensify crop production...”), and “constraint analysis and capacity building” were confused with the issue of participatory development of farmer groups into self-reliant institutions; and
- e) institutional aspects – while the document provided for a national steering committee (for policy guidance to the project) and a project management unit (PMU) with operational responsibility, the role of the Agency for Food Security in executing the project was not clearly identified, including its functional relationship with the PMU, local support teams and FAO.

8. The Quality of Current Design. The project design as amended in the implementation process has become more coherent in important respects, but still carries some of the ambiguities of the original. The main weaknesses include the continuing ambiguity on the definition of the project objective (outcome) and the executive role of the Agency for Food Security in project implementation. Discussions the Mission had with the Agency, PMU and FAO (including the Regional SPFS Coordinator) indicate that a broad consensus is emerging on how to address these aspects, and this is reflected in the Mission’s recommendation in this respect.

9. In general, the current approach as actually practiced has evolved into a satisfactory design, now containing following main elements:

- a) development of Farmer Groups (FGs) consistent with the principles of participatory community development and self-reliance, especially through the use of group revolving fund and the Farmer Group Development Plans (FGDPs) as the main vehicles both for strengthening the groups and for rational investment for improving their productivity;
- b) capacity-building of the FGs into self-reliant institutions;

- c) formation of District SPFS Support Teams (DSTs) for decentralization project implementation and capacity building;
- d) development and implementation of the FGDPs, reflecting the priority needs identified by the FGs through participatory planning but assisted by PMU and DSTs to ensure sound investments in production activities;
- e) central role of the PMU national team in guiding the process, including capacity building support as well as quality assurance of investments through the FGDPs; and
- f) institutionally, the structure for national execution is in place (national Steering Committee, the Agency for Food Security and joint Government/FAO Technical Committee), but it has been the PMU, with advice from the Regional SPFS Coordinator and FAO Representative (mainly for administrative and financial aspects), rather than the Agency that has been leading the project implementation.

10. In retrospect, the original design lacked a clear strategic vision for the project, both at the national level and operationally at local community level. Given that the project is of relatively modest resources and duration, it would have been more appropriate to design it as a pilot operation and an input into formulation of a national programme, with the aim of formulating a particular model for addressing particular type of food security and rural development. The design should also have incorporated rich experience available from many similar programmes and projects being implemented in the country. It is disappointing that such a poorly formulated project had been approved by FAO.

III. Assessment of Project Implementation, Efficiency and Management

A. Overall Status

11. The project became operational in September 2001 with the establishment of the PMU within the Agency for Food Security. The implementation during the first two years (to mid-October 2003) covered following main actions:

- Establishment of project structure (9-12/2001) – covering (i) the PMU (with a team of three national professionals), (ii) district SPFS teams (DST), one in each of the project district, comprising five multi-disciplinary officers from district agriculture and livestock department, (iii) technical committee at each district, chaired by the district head, for coordinating the project work and the district agricultural service, and (iv) the national Steering Committee, chaired by BAPPENAS and the Agency for Food Security (the project's executing agency);
- Selection of project villages (total of 20 in five districts) and Farmer Groups (total of 36 in the 20 villages) (12/2001 – 3/2002);
- Conducting PRA and socio-economic baseline surveys (SEBS) (1-5/2002) – through a lead consultant and company with reports completed in May 2002;
- Identification of and training on Farmer Groups' (FGs) activities (3-10/2002) – activities initially identified in the community action plans but difficulties encountered in formulating sound activity plans by the FGs;

- Implementation of selected priority development activities (since 5/2002) – on the basis of initial FGs’ proposals, implementation started with priority to livestock and irrigation activities. These proposals screened by DSTs, and finally appraised and cleared by PMU, were supported by the project;
- Introduction of the Farmer Group Development Plans (FGDPs) (2 – 6/2003) – these cover entire activities formulated with support and appraisal by DSTs;
- Implementation of those FGDP activities reviewed and approved by PMU (since 7/2003);
- Training workshops and seminars for DSTs, district technical staff and other project participants (on-going since 10/2001) – these covered a range of subjects, such as participatory project planning and management, community empowerment as well as technical subjects (irrigation management, livestock, farmer field school approach and micro credit).

12. The implementation suffered initial delays in formulating individual FG activities in a satisfactory manner based on the Community Action Plans and for this reason the FGDP approach was introduced early in 2003. The FGDP approach provides methodologies for defining systematically both the group plans and individual activities in an integrated manner (see Annex III for summary of the FGDP approach). These are screened by the DST and PMU, to be agreed finally for implementation by the FG and the project. Despite the initial delays, considerable progress has been made in forming and strengthening of Farmer Groups, creating the local support system through training and development of DST capacity and in initiating selected production activities. While the process of screening and appraising of individual FGDP activities is time-consuming, especially at the early stages till now, on the whole the implementation is gaining momentum. Considering that the original implementation was unrealistically optimistic on the time needed to prepare the Farmer Groups and DSTs, the pace of implementation can be considered satisfactory.

13. The current project budget situation is summarized in Table 1 below, showing some 36% (US\$ 910,000) of the funds have been committed or disbursed, a somewhat higher rate than the overall implementation. Expenditures have been higher (than the project as a whole) for contracts (over 100%), consultants (53), training (47) and FAO technical backstopping (46), while lower for “expendable procurement” – mostly for support of FGDP activities (17%) and staff costs (20). While this reflects the considerable efforts made for capacity building, continuing need for this effort would imply additional funds may have to be allocated for these items, either through reallocation among the budget items or infusion of extra funds from the donor or the national source or through both.

Table 1: Project Budget and Expenditures

Budget Items	Planned Budget¹	Expenditures² (as of 9.2003)
<u>Staff Costs</u>	79,960	15,930
General Service	79,960	15,930
<u>Consultants</u>	427,016	228,384
<u>Contracts</u>	107,786	108,797
<u>Travel</u>	137,306	50,813
<u>Training</u>	144,685	68,298
<u>Equipment</u>	1,294,926	294,742
Expendable	1,240,855	213,964
Non-expendable	54,071	80,778
<u>General Operating Expenses</u>	102,220	30,570
<u>Technical Support Services</u>	45,363	20,645
<u>Support Costs</u>	160,938(?)	91,372
<u>Total</u>	2,500,100	909,550

¹ For the entire project.

² Include actual disbursements and commitments.

B. Main Activities Implemented

14. Formation and Strengthening of Farmer Groups. Thirty-six Farmer Groups (FGs) with a total membership of 1401 households were established during the first six months of the project implementation: their composition in terms of province/district and number of households is given in Table 2. These FGs were selected on two main criteria: (a) they were located in villages meeting the project criteria, including food insecurity and poverty² and (b) the groups had good organization and solidarity and commitment for action, with potentials to grow increasingly into self-reliant groups. Thus, they all follow a set of common principles, including the FG constitutions agreed by the members, elected group officers (chair-person, secretary and treasurer), establishment of group revolving fund or saving/credit scheme and preparation of plans for

² These covered (i) representativeness of each district's agro-ecological zone, (ii) vulnerability to food insecurity of more than three months of the year, (iii) prevalence of poverty with identifiable households with annual income per capita of below Rp one million, (iv) accessibility to market, production inputs and other supporting facilities, (v) the village community's interest in socio-economic development but not yet targeted in any other development programme, (vi) concerned local government authorities committed to rural development, and (vii) the village itself and neighbouring villages have potential for development.

specific development activities. In particular, the group revolving fund is to serve an initial vehicle for mobilizing group members' own resources as well as a vehicle for building their collective capital by shared use of project inputs to their development activities. Typically, FG memberships account for some 25-30% of their respective village households, and given such membership conditions as regular savings, they are unlikely to form the poorest of the villagers.

Table 2: Project Target Beneficiaries and their Location

No.	District, Province	Number of Villages	Number of Farmer Groups	Beneficiary (household)
1	Central Lombok, West Nusatenggara	4	6	316
2	Jeneponto, South Sulawesi	3	7	226
3	Barito Kuala, South Kalimantan	3	6	180
4	Rokan Hulu, Riau	4	7	197
5	Ciamis, West Java	6	10	482
	Total	20	36	1401

15. Since their formation, the FGs have been assisted, with support from the DSTs and project consultants, in; (a) participatory planning for community development (such as PRA, and preparation of community action plans); (b) management and administration of FGs, including management of the group revolving fund; (c) preparation/implementation of group development plans and activities; and (d) technical subjects in selected areas (irrigation, livestock, fisheries). While emphasis has been given to capacity building of FGs, especially in managing the group revolving fund and preparing group development plans, the training programme envisages a shift to greater attention to technical support in production and income raising activities, especially through farmer field school approach (training of farmer trainers is planned for 2004).

16. The FGs have been experiencing particular difficulties in learning skills for project formulation. The original attempt to help formulate such plans through community action plans based on PRA and baseline studies during 2002 did not lead to satisfactory results: essentially, these plans were no more than vague wish-lists, without adequate design and justification for activities. This setback was partly due to the weaknesses in the initial project document, which did not provide any useful guidance on how to apply the approach, including training needs. But more fundamentally, the difficulty has been that such a participatory, group based approach was not well understood among the district support officers or the farmers. Although there is considerable experience in the country with establishing and working with self-reliant farmer groups (for example, the IPM programme), this experience was not captured and applied by the project staff.

17. The FGDP was introduced early in 2003 by the Regional SPFS Coordinator in order to facilitate a systematic approach for articulating the FG's individual priority activities in a structures manner (individually) and holistically and coherently (as whole for the FG), including assessment of technical, financial and institutional feasibilities. Through intensive training of the DSTs and university contractors, consultations were held with the FGs to produce FGDPs during the first half of 2003. While the plans represent much improvement over the earlier ones, their ownership by the FGs is yet weak, requiring further sensitization and refinements and updating with help of the DSTs and PMU.

18. Thus, the FGDP approach represents a new practice for both farmers and local support teams, and as such, it clearly takes time for them to master the approach. While it may be argued that this approach is too ambitious and complex, the Mission believes that it is based on sound principles and is a useful approach to bring a sense of technical and financial discipline that are needed for initiating self-reliant development among the FGs. At the same time, this has entailed a time-consuming process for preparation of plans by FGs with assistance from the DSTs as well as for appraisal and approval by the DSTs and PMU, thereby slowing down the implementation process.

19. Strengthening of Local Support Teams. This has been one of the main project activities. This has involved three aspects: (a) ensuring institutional arrangements at district level and below for supporting the FGs, including liaison with the provincial authorities; (b) technical and operational capacity of the DSTs and other local officials for implementation; and (c) capacity for guiding and supporting the FGs and project villages.

20. In the area of institutional arrangements, the planned structure has been established in each district, covering (i) the five-person DST with multi-disciplinary expertise, (ii) operational support arrangements within the district and sub-district DINAS (mainly local services for agriculture, livestock/fisheries and public works), including a coordination through the district head (BUPATI) and chief of DINAS agriculture; and (iii) coordination and liaison arrangements at district and provincial authorities through technical committees at these levels (these committees include the provincial and district level planning/budget offices – BAPPEDA as well as agriculture related services). The local governments also cover operating costs of their support to the project. The effective functioning of these institutional arrangements appears to vary significantly, largely depending on the interest of individual authorities concerned. However, it would be important to consolidate and strengthen further these arrangements to provide an enabling environment for the development of FGs, including their sense of ownership. This would be particularly so for vertical links with provincial authorities and offices (which possess greater technical and operation capacity and expertise) as well as horizontal collaboration with government services at district level and below.

21. Considerable work has been carried out for this purpose, through training workshops and courses. While the thrust of these training activities has been to upgrade the technical capacity of the local support teams, they also combined training on how to work with FGs and village communities. These covered, in terms of main subjects:

- Participatory Rapid Appraisal, Socio-economic baseline survey and Community Action Plan – concepts and practical approaches (December 2001-January 2002)

- Participatory Project Planning and Management (Bogor, May 2002)
- Irrigation Modernization, including the role of Water Users Associations (Ciamis, June/July 2002)
- Livestock Management (Mataram, August 2002)
- Community Empowerment (Bogor, October/November 2002)
- Farmer Group Development Plan – approach and plan preparation (in all five districts and participating villages, March/April 2003)
- Review Workshop on FGDPs (Bogor, May/June 2003)
- Training of Trainers on Farmer Field Schools, including the training materials and covering subjects like group empowerment, food crops, livestock, fisheries, irrigation and micro-credit (July/August 2003).

22. In general, training activities have been adequately designed and carried out, involving national resources persons from well recognized Indonesian institutions – some involved also FAO staff (e.g. irrigation and water management and micro-credit). Effects of these training on the DSTs and other local support teams have been generally positive, but with variable degrees of progress, depending on the districts and subject matters. For example, of the two districts visited by the mission, the team in Central Lombok appeared to have better grasp of most of the subjects, with greater sense of confidence and ability to support the FGs. In both districts, need for further training was expressed on the subjects particularly new to them, such as the formulation of FGDPs, financial appraisal of individual activity plans, participatory approaches in supporting the development and management of FG. Clearly, strengthening of DSTs and local staff will require continued priority attention. In particular, a greater emphasis could be on practical, on-the-job training on many these subjects where trainees could work with their trainers in carrying out these tasks in the field.

23. FG Revolving Fund (RF). This represents a key element of the project strategy towards creating a self-reliant and participatory FGs, and its establishment, together with the formation of the group constitution, is a pre-condition for FG's eligibility for project support. The project has developed general guidelines for the RF: it is the main mechanism for the FG to accumulate its capital through regular savings by the members (initial contribution and monthly savings of certain sums agreed, and additional savings) and revenues/profits of group activities, including those funded by the projects. The members can borrow at terms more favourable than those of the money lenders, paying back to GF the principle with interest. The principles on GF also stresses (a) group member participation in RF management training, (b) regular meetings and transparent record keeping, and (c) contributions (normally 10%) from the revenues/profits of group activities, especially those for diversification and income generation.

24. It is understood that all the FGs have established their RFs, initially from contributions and monthly savings. Many FGs have been able to increase the amount by channelling into their RFs the benefits arising from group use of the resources provided by the project for the implementation of FGDP activities. This was confirmed by the seven FGs visited by the mission in Central Lombok and South Sulawesi – since the beginning of 2002, their RF amounts have grown substantially to Rp. 3.7 – 8.6 million. All of these groups expressed their high appreciation of the RF scheme as being a valuable alternative to money lenders as well as providing them with a focus for collective action. In some of the FGs, the RF scheme was the only major activity on-going,

pending implementation of group activities with project support. More intensive training of FGs in RF management is planned for 2004 using a Farmer Field School approach as well as group study tours on participatory micro-credit system within the country. Despite the progress being made with the RF, it must be remembered that RF would serve only as an interim means, pending the development of a more satisfactory solution for meeting the financial needs of the FGs.

25. **FGDP Production Activity Implementation.** Implementation of production activities began in mid-2002, starting with livestock and irrigation work in all five districts. These two sub-sectors were considered to have high priority for “intensification” and “diversification” of food and agricultural production to be supported even before more systematic formulation of other types of activities through the development of FGDP. Additional activities under the FGDP, mainly paddy intensification, commenced one year later in 2003 in selected FGs. An overview of the activities implemented to date (except for irrigation work) is given in Table 3 and an assessment of these activities is given in the Section VI. As a rough estimate, these activities represent some 24 % of the project budget earmarked for production support.

26. Some general points are worthy of note. Firstly, these production activities are implemented under the general supervision of the PMU with technical support of the DSTs and local DINAS staff, and the capacity of the latter has had important effects on the pace and quality of their implementation. Secondly, for the livestock and particularly irrigation work, the PMU staff has spent considerable time and energy in launching and supporting these activities. Thirdly, initial implementation work had to proceed in parallel with capacity building support to the FGs and the DSTs. These factors have had constraining effects, especially on the pace and extent of implementation. This is particularly evident in the relatively slow rate of crop development activities so far. Finally, relatively high priority attention has been given to Ciamis district, which represents an agro-ecological area with favourable conditions for rapid expansion in agricultural and rural development, especially for irrigation based farming.

Table 3: Summary of Non-Irrigation Activities
(As of 30.9.03)

District	FGDF Activities	No. of Beneficiaries		Value per District (Rp. Million)
		FGs	HHs	
1. Barito	ducks (900)	1	9 }	328.0
Kuala	goats (45)	1	9 }	
	inputs for paddy	4	120 }	
2. Lombok	cattle (154)	6	154	464.5
Tengah				
3. Ciamis	cattle (34)	3	34 }	657.5
	goats (360)	10	120 }	
	irrigation pumps (3)	1 }	42 }	
	hand tractor (16)	10 }		

4. Rokan	cattle (60)	6	60 }	244.2
Hulu	inputs for citrus/paddy	2	60 }	
5. Jenepouto	goats (175)	1	30 }	206.0
	hand tractors (2)	1	30 }	
	outboard engines (30)	1	30 }	
Total		36*	598*	1,900.2

* Includes double counting as some FGs and HHs participate in more than one activity.

C. Adequacy of Project Management

27. The PMU. This unit has served as the operational centre for project implementation, playing the role of operational manager and technical experts. It has a very wide mandate, covering (a) overall planning and implementation, (b) technical and operational leadership, (c) guidance and support to five DSTs and local teams, (d) guiding coordination among the FGs, district and local authorities and provincial offices, (e) coordination with the Agency for Food Security and FAO (the FAO Representative and the Regional SPFS Coordinator) and (f) general administration. The present staff of three professionals (the National Field Manager, Farming System Expert, Irrigation Expert), assisted by two support staff, have been a hard-working and competent team, with through knowledge of the project. They also spend considerable time for frequent visits to all the project sites. They have also benefited from support of the Regional Coordinator stationed in Jakarta, both in technical matters and development approaches.

28. However, there are two concerns. First, the PMU has such a heavy workload that its capacity is overstretched, with serious adverse effects on the implementation. In particular, they are hard pressed to review and appraise a very large number of FGDP activity proposals, which are often poorly designed at the district level, requiring their repeated guidance, and thus slowing the approval process. This is impeding their ability not only for providing systematic support of capacity building of FGs and DSTs but also for advance planning work necessary to guide the implementation process. It has led to backlogs in processing and reporting of the implementation information in a systematic manner, including the initiation on the planned monitoring and evaluation system. Thus, it is urgently necessary to relieve the PMU workload by providing additional manpower through either additional staff or consultants, and either at national or district levels. It would be also important to ensure the contractual status of the PMU staff under the FAO rule for national project staff (Manual Section 319), which limits the employment period to 11 months of the year but is now being revised. Further, the PMU capacity in providing leadership in community development approaches, both for planning and training, could be further strengthened, including for stronger leadership role in coordinating work at district levels.

29. The second relates to the role of the Agency for Food Security, which is the national executing agency for the project. So far, however, the Agency has tended to play more of a supporting role rather than a lead role for the overall implementation process, including guidance to the PMU. Instead, the lead role has been filled by the PMU with technical advice from the

Regional SPFS Coordinator. While this may be explained by the ambiguity in this respect in the project document and the related sense of uncertainty on its exact role among the Agency's senior staff, it is now important that the Agency plays an active executive role to guide the project implementation, especially in providing the policy and strategic guidance as to how the project may contribute to the formulation of a national food security programme and in facilitating coordination at the national, provincial and local levels.

30. Overall Planning, Coordination and Monitoring. On the whole, these aspects have been adequate. The national Steering Committee has met more or less annually and this has been reinforced by the Technical Committee at senior working level: this Mission presented its finding to this Committee. However, as noted above, there is scope for a stronger national executive role for project implementation, particularly for the Agency for Food Security to function as the lead national authority for the project. This would require an agreement on a more appropriate arrangement for project execution, including their respective roles, among the Agency, the PMU and FAO (particularly the FAO Representative and the Regional SPFS Coordinator). Similarly, the planned work on monitoring and evaluation now requires full attention with a view to establishing a cost-effective system and obtaining insights into the validity of project's approach at policy level.

D. Support given by the Three Parties

31. The Government of Indonesia. Generally, the Government has provided its support satisfactorily at various levels. At the national level, both the Agency of Food Security and BAPPENAS have shown considerable interest in this project within the broad policy framework on food security as a priority within the national development plan. In particular, the Agency has actively supported the project, including provision of funds from its budget for several activities, notably for training programmes (workshops on participatory planning and management, community empowerment, and on farmer field school). At the district level, all the five district governments have been cooperative in establishing and mobilizing the DSTs and their agricultural services in support of the project farmer groups. Nevertheless, as discussed elsewhere, considerable scope exists for stronger government role in project execution, including adjustments in the role of FAO as support provider.

32. The Donor. While the donor has maintained a generally low posture, it has held strong interest in the project implementation and has provided constructive support, including timely provision of funds. The presence of the Regional SPFS Coordinator in Jakarta, also funded by the donor, has also been helpful in providing overall implementation guidance to the project.

33. FAO. Overall, FAO's performance has been uneven, with attention needed to ensure smooth implementation. The RAP has been playing an important role in technical backstopping, but its quality has been rather variable, and in some cases, not satisfactory in responding to the project's priority needs. FAO country office has supported well the project in administrative and financial areas, in particular. Nonetheless, given the project's complexity and the initial ambiguities in the project design, FAO tended to play a very active role in the implementation, in some sense overshadowing the role of the Agency and the PMU. The complexity also includes the administrative and financial procedures applied by FAO, which is often seen by the national staff as an impediment to timely delivery of project support to the farmers. An important reason for this

perception is the inadequate understanding by the national staff on the FAO procedures, including their application by the FAO office. It would make much sense, therefore, for FAO to organize an in-depth briefing for the national staff involved in order to achieve a better sense of transparency of these FAO procedures.

IV. Assessment of the Emerging Results of Production Activities

34. Effective implementation of these production activities in the FGDP is critical to testing the validity of the project approach in enhancing household food security, raising incomes and bringing about more dynamic development of rural economy in general. As these activities are at an early stage of implementation, it is premature to make a full assessment of development results of project intervention at FG level. Furthermore, the lack of systematic information on the field results adds to the difficulty. This section thus provides a summary analysis, in qualitative terms, of the emerging effects of main activities undertaken so far.

35. Irrigation and Water Control Component. This is a major component of the project's support to the FGs, as water is identified as the key constraint to expanding food and agriculture production in these villages. (In the original implementation plan, this component accounted for two-thirds of the project expenditures for direct support – US\$ 670,000 out of US\$ 1,035,000). This component is also the most advanced in implementation of all production support work: based on technical surveys by the PMU and DSTs and the preliminary identification of FGs in their community action plans, preparatory technical work was initiated in mid-2002, beginning at Ciamis. Technical design work has been completed or in advanced stages in all districts (slowest progress being made in Barito Kuala), and civil works have started in most areas (most advance being made in Ciamis). While technical design and scope of civil works differ among the five districts, each with its own irrigation system, the common thrust is on (a) improved functioning of the existing systems, including limited rehabilitation work, by addressing the key bottlenecks, and (b) improved on-farm water control and management, especially through farmers' contribution to minor physical works and their formation of Water User Association (WUA) for operation and maintenance.

36. As of 30 September 2003, some Rps 556 million has been approved for funding activities under this component, the bulk of which has been for Ciamis (45%) and Central Lombok (35%): for the latter district, the Government counterpart funding has also been mobilized. In the most advanced case of Ciamis, the project has funded improvement works (canal normalization, structural improvements and increased canal density) to allow better water control for double cropping of paddy in 430 ha. The project also helped introduce two types of supplementary irrigations with pumps for dry season cropping (ponds/reservoir and shallow ground water). Both types of irrigation support will be further provided in Ciamis, and the on-going rehabilitation work in Jeneponto is to be completed by December 2003, while physical work in Central Lombok and Riau should be completed in 2004.

37. Due to the absence of systematic monitoring, the benefits of irrigation work carried out so far are difficult to ascertain. Some fragmentary data from four WUAs in Ciamis indicate that benefits could be considerable. They reported (a) change in the cropping system from single crop of paddy (paddy-palawija-palawija) to double crop of paddy (paddy-paddy-palawija) and (b) a

yield increase of paddy by nearly 50% on average. This would indicate, inter-alia, doubling of paddy output per year. However, the economic significance of these changes is not clear, which underscores the importance of systematic monitoring of the results of FGDP implementation.

38. Crop Intensification. This component is aimed at increasing productivity of major food commodities, including rice, secondary crops (corn, beans, etc), vegetables and fruits by introducing improvements in land preparation, water management, crop varieties, management practices, including integrated pest management, and post-harvest activities for value added. The main inputs provided by the project for this purpose has been (these are accompanied with technical and management advice):

- Seeds and other inputs – largely for paddy production, so far in 2 districts (Rokan Hulu for 60 households and Barito Kuala for 120 households) and citrus production (Rokan Hulu). Such inputs, provided only once to a FG, are sold among the members on credit, and repaid to the revolving fund at harvest time;
- Hand tractors – for draught power, more intensive land use and income generation, so far 18 units provided to 12 FGs (2 in Jeneponto for 30 households and 16 in Ciamis for 42 households). The tractor is managed by the group to serve its members' needs (with fees) and for hiring to generate income, both contributing to the revolving fund. Financial projections of tractor use for a Ciamis FG indicate that a tractor could bring to the group a total net income of Rp 2.7 million per year.

39. The implementation of this component is still at an early stage due to time consuming approval process and the priority given to irrigation and livestock components. Similarly, no systematic data yet exist on the benefits being achieved by farmers implementing this component, and this is especially disappointing for the cases in Ciamis where a major investment is being undertaken to improve irrigated farming. The 2003 data given to the Mission on the 45 farmers engaged in paddy intensification in Barito Kuala show that these farmers' average paddy yield increased by some 30% (from 2.3 to 3.0 ton/ha) by participating in the intensification activities.

40. Most FGs have proposed activities for crop production, especially for paddy and tractors, and support to this component can be expected grow rapidly in future. In fact, many of the FGs met by the mission indicated that they were already engaged in paddy production improvements, primarily by communal procurement of good seeds through their revolving funds – often they complain that their revolving funds are too limited for procuring other inputs, especially fertilizers. Many FGs are able to produce enough rice to cover needs for only six or seven months, and attach high priority to this component. They are puzzled about the delays in getting support to crop activities when they are already included in their FGDPs, which they think means approval by the project. Thus, it would be important for the project to maintain good communication with the FGs regarding the status of their proposed activities and to accelerate considerably the pace of approving and implementing proposed activities.

41. Diversification Component (Livestock and Fisheries). This is an important component aimed for improved diet and nutrition as well as for income generation. So far, livestock (cattle, goats and ducks, including breeding, feeds, veterinary medicines and technical advice on husbandry) has been most popular activities, implemented in all five districts and accounting for

about half of the total funding approved for production activities. Like other project inputs given to FGs, animals are treated as group asset, to be shared by individual members: for cattle and goats, normally half of the members initially receive the animal for breeding purpose, off-springs being kept by the original members who pass the adult animal to the next members while paying a fixed fee per animal to the group's revolving fund. The livestock activities covered:

- Cattle – a total of 248 (60 for Rokan Hulu, 34 Ciamis, 154 Central Lombok);
- Goats – 580 heads (360 for Ciamis, 45 Barito Kuala, and 175 Jenepono);
- Ducks – 900 birds, all for Barito Kuala.

42. Performance of these activities is difficult to assess at this early stage (all implemented this year), but some spotty data available indicate it varies significantly among districts. In Central Lombok district, the survival rate of the original stock (154 cattle provided) has been good in the first six months, with only one death, while giving birth to 29 calves with 14 cows being pregnant. However, mortality among the calves has been relatively high, 9 out of 29. One FG in Jenepono received 175 goats, but the mortality rate has been high during the first ten months both for the adult animals and newly born – 23 adult animals as well as 18 of 40 babies died. Again, it is impossible to make any inferences on the long-term benefits of these activities without more systematic analysis, but veterinary care seems to be of important concern in both cases.

43. Fisheries activities have been implemented only in Jenepono so far, where one FG of 60 members received 30 outboard engines to upgrade operational capacity of existing canoes. In this case, engines are operated by the original recipients who pay monthly fees to the group's revolving fund so that new engines can be bought for other members. The FG members reported that the new engines permitted fishing at farther out into the sea (some 6km to 30 km), twice per day instead of once, with greater catches, often including higher value species of fish. They claimed that their gross income per operating day increased two-three times, and that contributions from the 30 members to the group revolving funds are such as to enable buy a new engine for another member every other month. The group has also benefited from extension advice on fishery operations, handling and marketing, and is considering the construction of improved landing and marketing areas.

44. Other Inputs. Many FGs have included in their FGDPs proposals for other types of activities, mainly post-harvest activities (e.g. rice milling), hand-crafts and adult education. So far, no such activities have been approved for project support. However, in some villages visited by the mission, women groups of FGs have been engaged in hand-craft work – they requested support from the project to their activities, including adult education to improve opportunities for better off-farm employment.

45. The production support activities implemented so far appear in general highly relevant to the needs of the FG members, and broadly their implementation seems to be proceeding satisfactorily. In all cases, it is too early to assess their results concretely in terms of their benefits for food security and poverty alleviation, not to speak of their sustainability. More generally, the Mission would like to highlight the importance of the following:

- a) the need for systematic monitoring of the implementation results, especially to ascertain the technical appropriateness of the activity design, financial and economic benefits to the members and the FG as a whole, and the prospect for the FG evolving viable farming or other production system;
- b) more rapid and balanced implementation, including technical support and advice, so as to ensure adequate coverage of key activities to produce optimal results in each FG. For example, some livestock activities indicate the need for greater attention to veterinary care. More broadly, the slow implementation of the crop intensification component is worrying in view of food (rice) shortages in most of FGs, their desire to expand rice and other food production, and of possible imbalance or sub-optimal sequencing of activity implementation;
- c) reviewing and updating the FGDPs in order not only to improve the individual design but also to ensure coherent and balanced pattern of investments in key related sectors and activities, including their sequencing and scale. It will be particularly important to ensure that the FGDPs are designed to permit a viable farming or incoming schemes through the planned project intervention; and
- d) further need for capacity building of the FGs and local support teams. Attention here would need to address also the broader question of how to provide a better enabling environment for FG development by mobilizing resources beyond what is planned in the project, such as rain-fed farming technologies, rural finance to meet larger needs that could not be met by the group revolving fund, and marketing arrangements. This would require the project to reach out to the existing capacity and experience at institutions, especially at provincial government level (e.g. Rain-fed Agricultural Research Station in Kupang).

46. Project effects on Gender and Environment aspects. Gender aspects are being addressed satisfactorily both in implementation. The FGs comprise both men and women, and production activities are selected, planned and implemented allowing for particular interests of both sexes. While the primary members of FGs are men as the head of households, the FG meetings the Mission saw were attended by a large number of women, and in the district of Central Lombok, many women play key role in looking after the cattle. As for environmental concerns, the project will potentially have important impact for soil conservations through agro-forestry, and improved water/soil resources management by adopting appropriate irrigation techniques. At the same time, care would be needed to avoid over-use or inappropriate use of resources through intensification measures or the introduction of more livestock animals.

V. Main Conclusions, Issues and Recommendations

A. Main Conclusions

47. The Mission considers that the project addresses a major policy concern in Indonesia's development plan, i.e. enhancing food security and reducing poverty, especially in rural areas, by increasing food and agricultural productivity as well as revitalizing rural economy as a whole. While a coherent national programme of food security is yet to be elaborated, the project is consonant with several policy thrusts, such as decentralized approach, participatory and self-reliant community development, and improved water management. The project implementation strategy also focuses on the felt priority needs of the poor villages and households participating in the

project. Thus, the project has a potential to make useful contribution to the formulation of key elements of a national food security strategy and programme.

48. Despite serious weaknesses in the original project document, the implementation has managed to overcome many of such weaknesses by evolving a more coherent and realistic approach adapted to the needs and constraints of the local situations. This approach combines (a) the fostering of participatory, self-reliant farmer groups; (b) promotion of selected economic activities for food and agricultural production and income generation; and (c) strengthening of the capacity of district and local government services to support the villages and FGs participating in the project. In particular, the use of FGDP and the Revolving Fund has strategic importance in order to encourage the FGs to adopt and learn more disciplined methods for planning and managing their development activities. Some encouraging progress is being made in all of these areas.

49. Thirty-six FGs have been formed and supported, as planned, in the five districts (with a total of 1,400 households), and virtually all the FGs have established and operate their revolving fund based on group savings and project inputs. Similarly, all 36 FGs have started production activities of one type or another with project's support, involving some 600 households (over 40% of the total FG membership). The arrangements for providing technical and development support to FGs have been set up and the local support teams' capacity has been strengthened to considerable degrees - they have been providing support to the FGs in initiating their self-reliant development, including the planning and implementation of their activities, with priority on livestock and minor irrigation and water management work. This is a creditable progress over the two year period.

B. Main Constraints and Issues

50. Nevertheless, the project faces some important constraints. One concerns the fact that the project is complex to manage and implement, aimed at self-reliant community development among the poor villages, involving a wide range of activities across sectors and covering five widely spread districts. The project represents many relatively new concepts and mechanisms for the farmers and local officials, who require time some time to learn and master them. Secondly, in the context of the recent national decentralization policy, the primary implementation responsibility rests with the district level government agencies but they generally lack adequate experience and strength for implementing a project like this. Finally, while the project is essentially designed for national execution, this has not materialized, with FAO tending to play more active role than intended. In terms of ensuring sustainability of the project's results as well as its effective implementation, it would be essential to establish firmly the principle of national execution by achieving a clear common understanding on this among the respective role of the key actors, i.e. the Agency for Food Security, the PMU, the Regional SPFS Coordinator and FAO Representative.

51. The project implementation is still at an early stage, and considerations for its future implementation must recognize fully that the achievements to date require further consolidation and strengthening in all key fronts in order to ensure satisfactory operation with sustainable results. These cover:

- a) capacity-building of the FGs, including for planning with the FGDP approach, managing revolving fund, FG management as well as for improved techniques and skill for production/income-generating activities. Given the considerable difference in the progress made among the FGs, some would require much greater support;
- b) strengthening of the DSTs and associated local teams, covering their capacity for leading and supporting participatory development of the FGs, technical skills in selected production activities, and development planning and management skills, especially the FGDP approach. This also extends to strengthening of the institutional capacity with the involvement of district and local authorities for coordinating their support to the FGs, including the development of network of partners of support providers among the governmental and non-governmental organizations at district and local levels;
- c) reinforcement of the capacity of PMU, both for dealing with operational work (technical support and guidance to the DSTs and local teams as well as review and processing of FGDPs and activity plans), and for advance planning and leadership in overall project implementation process; and
- d) acceleration and expansion of FGDP activity implementation, particularly to facilitate FGs to achieve optimal results in their community development through timely provision of adequate levels of support and inputs. For example, some of the FGs visited by the Mission were keen to engage in additional activities (crop intensification/diversification in addition to livestock), but the project had been unable to assist them. Two issues are significant here. One is the need to address the time-consuming process of the appraisal/approval of activity proposals, and the other to overcome the limitations of technical capacity/expertise of the DSTs. In addition to reinforcing the PMU, decentralized implementation capacity needs to be strengthened, including the mobilization of additional, qualified organizations at the district or provincial levels.

52. At the same time, there are some broader and strategic aspects that require attention in order to ensure successful project results:

- a) need for clearer definition of the project outcome (immediate objectives to be achieved) – this has not been adequately defined in the original project document, and it is now urgent to clarify this so that the implementation can be focused on achieving a coherent outcome during the remainder of the project period. This would also have some implications on the implementation strategy;
- b) importance of executive role of the Agency for Food Security – this is essential to creating a strong national ownership on the project and for sustainability of the project results, including its role in providing a coherent policy and programme framework for achieving useful project results and in ensuring coordination in project implementation at national, provincial and local levels;
- c) need for updating and refining the FGDPs for effective implementation – advanced planning for FGDPs has lagged behind with negative implications on orderly and coherent implementation of development activities, including achievement of synergetic effects among various activities. Future implementation of FGDPs would need to be guided by a clearer strategy for achieving viable farming or production systems through timetable indicating the nature, size and sequence of activities;
- d) need for broadening partners in project implementation – given the limited technical capacity of DSTs and DINAS agricultural services, the overall support capacity at the

district and local levels would need to be supplemented by appropriate capacity that exist outside the present project arrangements, including government agencies, NGOs and projects at provincial level. This would apply especially for such areas as innovative technical approaches available at the agricultural research and extension entities, for institutional rural finance (beyond the revolving funds) and post-harvest activities, especially marketing; and

- e) establishment of an M&E system – at the moment, the production and income generating results under the project are not measured using systematic data. As the project gathers momentum, it is urgent to establish a practical M&E system to provide factual information, which is essential to create the analytical basis for assessing the validity and effectiveness of the project approach. In this respect, the use of the FGDP approach with a set of achievement targets should facilitate this work.

C. Main Recommendations

53. This section presents the main recommendations of the Mission together with the related issues and constraints, starting with broader issues.

54. Clarification of the expected Project Outcome (Immediate Objective). The project should be seen as a pilot project with the aim of testing a participatory community development approach for enhancing food security and alleviation of poverty in relatively poor rural communities. Thus, the project results can be seen as an input to a national programme on food security, especially as a field- tested approach to be applied in similar situations in the country. **It is recommended (Rec. 1)** that:

- a) the Immediate Objective (the Outcome to be achieved by the project NTE) be reformulated as follows:
“To formulate, through field-testing its feasibility, a participatory community development approach for enhancing food security and poverty alleviation in food deficit and poor communities by (i) building self-reliant Farmer Groups, (ii) improving their productive capacity for food and income, and (iii) strengthening the capacity of district and local government services in supporting and facilitating FG development in the context of the national decentralization policy”;
- b) the project log-frame containing the main outputs and activities be also reformulated in line with the above definition of the Outcome – the Mission believes that the PMU with help of the Regional SPFS Coordinator can undertake this reformulation. This would mean that the project is implemented in such a way as to completes capacity building of the FGs and DSTs as well as all the key FGDP activities so that by the NTE date it would be possible to ascertain (i) the viability of the FGs as well as that of their production systems, and (ii) the feasibility of the project approach as a whole; and
- c) the implementation timetable, thus, be re-examined to ascertain a realistic date for its completion. The Mission suggests that given the likely time needed for adequate capacity building work and activity implementation, the possibility of extending the current NTE date by six months or one year should be considered. This may also imply some increase in the project budget.

55. Executive Role of the Agency for Food Security. Assuming the above recommendation on the Project Outcome is accepted (regardless whether the suggested formulation or another version is adopted), the project outcome must be defined, and the project implemented, in the context of evolving policy and strategy thinking at the national level so as to ensure its relevance and usefulness to the national programme. **It is recommended (Rec. 2)** that:

- a) the role of the Agency as the national executing agency be clearly defined in managing the project;
- b) its functions should include its leading role in (i) defining the role and place of the project as well as in reformulating its immediate objective (as recommended above) in the context of evolving a national programme for food security, taking into account of the assistance planned under the TCP/INS/2906 project; (ii) adjusting the project work plans (see Recommendation 3 below), and (iii) promoting and coordinating active participation of various government agencies and NGO bodies in the project implementation and follow-up at the provincial, district and local levels; and
- c) corresponding role of FAO (the Regional SPFS Coordinator and FAO Representative) be clearly defined as that of supporting agency.

56. Re-adjustment and Updating of Project Implementation Plans. As pointed out above, there is a need for updating the project implementation plan so as to ensure the FGDP activities are implemented coherently to produce the expected benefits for improving food availability and consumption as well as incomes at the FG household and village levels. In particular, this should re-align project implementation to the reformulated project objective and outputs. Thus, **it is recommended (Rec. 3)** that the overall implementation should be updated and further elaborated in the light of reformulated project immediate objective and the outputs, with attention to the following aspects:

- a) updating and refining the FGDPs so that the planned FG activities will be implemented at appropriate timing and in sequence to produce the expected results in an optimal manner with greater FG ownership;
- b) broadening the partnership arrangements at provincial, district and local levels with agencies and organizations (both public and non-public) that could provide the FGs with necessary support services, including capacity building, more effectively than the DSTs' support alone. The needs are likely in improved rain-fed crop production techniques/practices, appropriate crop-livestock mixed systems, rural finance for production investments, post-harvest activities and marketing, and organizational and management skills of FGs;
- c) accelerating FGDP implementation, particularly through a more rapid process of review, appraisal and approval of FGDP activities. This would require strengthening decentralized capacity of the DSTs, including the participation of relevant provincial expertise, as well as expanded capacity of the PMU (see **Rec. 4** below); and

- d) collaboration with the TCP project (TCP/INS/2906(f)), including capacity building of the PMU and DSTs in methods and approaches for participatory community development and in identifying or adapting innovative support to FGs, especially in rain-fed agriculture, marketing, and rural finance. Possibilities could be sought for joint work in staff training in key subjects as well as in developing techniques for monitoring and analysis of FGDP results.

57. Capacity Building of the Key Actors. The Mission's **recommendations in this respect** cover three key actors (**Rec. 4**):

- a) Farmer Groups (FGs) – Their capacity building should be pursued with a twin approach. One should be to strengthen further FGs capacity in key areas covering (i) the FGDP and activity planning methods, (ii) management of the revolving fund, including introduction of the applicable national standards (audit as well?) and training in accessing to institutional rural finance, (iii) development of FG leadership and management, and (iv) technical training in selected areas, including off-farm employment skills (the planned training through the Farmer Field School approach should be implemented). The second should be to upgrade and strengthen weaker FGs so that they would become viable self-reliant farmer organizations;
- b) District Support Teams (DSTs) and related local teams – The priority areas for their capacity building cover (i) participatory community development, including the role and functions of FGs, to be able to advise and guide the FGs, (ii) mastering the FGDP planning and management approach, not only for their own application but also to teach FGs on its use, and (iii) production technologies and best practices (for which they could benefit from specialized training by specialists). Such capacity building should be complemented by strengthening the arrangements for involving other district government services, including greater backstopping by provincial expertise and networking with suitable NGOs and other institutions; and
- c) Project Management Unit (PMU) – The strengthening of PMU should be addressed as a top priority, to be considered from several aspects. Firstly, the manpower of the unit should be enlarged to be able to guide and support more adequately the work of DSTs in view of the latter's weaknesses, especially in applying the principles of participatory community development and the FGDP planning approach, in particular. It is suggested that a small team of consultants (two or three) be recruited in each project district (i) to train the DSTs and other local government staff involved in these topics, (ii) to support their work in assisting FGs apply the FGDP approach, and (iii) to review, on behalf of the PMU, the activity proposals. The consultants may be engaged on the basis of when actually employed. Secondly, the PMU should have specialist expertise on participatory community/rural development (with experience in implementation of the FGDP type approach) so as to be able to guide the development process of FGs, especially in planning and managing the production activities in a self-reliant and coherent way. It is difficult to say how much such support is needed but it seems desirable to engage a national expert for next two years on a full time basis. Thirdly, FAO should immediately implement the change in contractual status of the PMU staff into regular national project staff status (full twelve months per year for the duration of the project).

58. Monitoring and Evaluation (M&E) System. **It is recommended (Rec. 5)** that a practical but coherent M&E system be established as soon as possible to provide the project management with systematic information to facilitate (a) timely in-course correction in implementation and (b) in-depth assessment of emerging project results in key areas. This development work, for which the TCOS support (the M&E expertise being established) must be immediately mobilized, should take advantage of project's two features – the FGDP design with achievement indicators and the on-going monthly progress reporting system. The design of M&E system should pay particular attention to the following:

- a) the focus – this could comprise two complementary aspects: (i) project implementation progress (plan vs. actual) covering all the main components of project plan, producing periodic reports; (ii) emerging results, covering the evolution of FGs and their capacity, capacity building of DSTs, functioning of revolving fund, and production effects of FGDPs (outputs, incomes, farming systems, household food security);
- b) participation of the FGs – this would be particularly useful in monitoring (including periodic reviews) the progress and results in group development, including Revolving Fund, usefulness of project inputs and support and benefits from the production activities;
- c) the organization – while the PMU would play a central role for a M&E system, specific internal arrangements would need to be made for coordinating/handling information collection, collation, analysis and reporting, including the possibility for additional surveys, particularly on results (it may be also necessary to arrange for external inputs in support of in-depth review of the results). This raises the question as to if there should be a new unit for M&E within the PMU or elsewhere; and
- d) management use of M&E information – the process and mechanisms for this need to be decided, particularly the role of the Agency for Food Security in the context of its project management functions to be clarified.

59. Tripartite Review Meeting (TRM) on the Evaluation Report. **It is recommended (Rec. 6)** that as soon as possible, a TRM be held by the representatives of the Government of Indonesia, the donor and FAO to review and decide on the findings and recommendations of this evaluation so as to lay an official basis for the project implementation for the remainder of its duration.

**Terms of Reference for a
Joint Evaluation Mission by
Government of Japan, FAO and Government of Indonesia**

Project GCPS/INS/ 073/JPN (Special Programme for Food Security - SPFS)

1. Background

The SPFS-Indonesia project addresses the problem of food production, diversification and security in the different agro-economic zones by mobilizing target beneficiaries and enhancing their capacity for decision making at all levels of planning, constraints analysis, implementation and monitoring on the one hand and demonstrating effective local and improved technology for water control and management, intensification of cultivation and diversification of farming system on the other in order to achieve self-reliant and sustainable development.

The project's overall objective is to strengthen food security, revitalise the rural economy and alleviate rural poverty in order to enhance economic and nutritional well-being. This objective is to be achieved by securing sustainable increases in productivity of major food commodities, expansion of cultivation in terms of new areas and new types or varieties of crops cultivated, diversification into livestock production including fish, and promotion of agri-businesses and other post-harvest value-addition activities. The project activities are to be undertaken with full participation from local communities, including women and disadvantaged groups, in field level planning and implementation as well as mobilization of group and community resources. In effect, the project aims to serve as "piloting experience" for applying the SPFS principles in five selected district so as to evolve practical intervention approaches adapted to these provinces' specific conditions.

The SPFS-Indonesia project is one of the four SPFS projects funded by the Japanese Government and executed by FAO, others being Bangladesh, Laos, and Sri Lank. The project entered EOD in 17 September 2001 and NTE is to be 16 September 2006, with the donor contribution of USD 2.5 million and the Indonesian Government contribution of USD 0.8 million (in kind).

Since entered EOD, SPFS-Indonesia has executed the field survey in order to study the Social Economic Baseline Survey (SEBS) and formulate the Community Action Plan (CAP) in the selected five districts: those are Ciamis (well-developed irrigation system) in west Java, Barito Kuala (tidal swamp area) in South Kalimantan, Rokan Hulu (small and medium scale irrigation schemes) in Riau, Lombok (dry and upland) in West Nusa Tenggara and Jeneponto (coastal area) in South Sulawesi. These pilot activities should provide lessons leading towards replicable models to achieve the overall objective of the SPFS-Indonesia as given above.

Up to now, the promising farming systems activities are the livestock of cow, goat and poultry (duck and chicken) raising, necessary irrigation improvements and supportive training of trainers (TOT) courses which have been executed through the participatory manner. Particularly the Farmers

Group Development Plans (FGDP) which involved the good communication and monitoring and evaluation methodology among the stakeholders has been an effective practice and made in collaboration with local universities assistance.

The major problems faced by the SPFS-Indonesia are the slower than expected implementation of the project due to the time needed in establishing a sustainable implementation system, including capacity building of the farmer groups and local government officials in better understanding of the holistic programme and contents.

2. Purpose of the Evaluation

The project document states that the representatives of the FAO and the Governments of Indonesia and Japan will jointly examine the progress of the project during a Mid-term Evaluation in the third year of the SPFS project. Although it has not fully reached third year after EOD, however taking into account of the project document signing date, 14 May 2001, this year will be the third year. Therefore it is decided to execute the joint tripartite evaluation.

In the above context, at the mid-term of the project, the evaluation is intended to make; an in-depth assessment of the progress made in project implementation, recommendations for any necessary changes in the overall design and orientation of the project, and operational recommendations on the work-plan for the remainder of the project. In particular the National Government ownership of the programme, substantial intervention and countermeasures for the project operation after entering the decentralization stage need to be evaluated.

3. Scope of the Evaluation

The joint tripartite evaluation mission (hereinafter refer to as “the mission”) will assess the:

- a) Relevance of the project to development priorities and needs of the country.
- b) Clarity and realism of the project's development and immediate objectives, including specification of targets and identification of beneficiaries and prospects for sustainability.
- c) Quality, clarity and adequacy of project design including:
 - clarity and logical consistency between, inputs, activities, outputs and progress towards achievement of objectives (quality, quantity and time-frame);
 - realism and clarity in the specification of prior obligations and prerequisites (assumptions and risks);
 - realism and clarity of external institutional relationships, and in the managerial and institutional framework for implementation and the work plan;
 - likely cost-effectiveness of the project design.
- d) Efficiency and adequacy of project implementation including: availability of funds as compared with budget for both the donor and national component; the quality and timeliness of input delivery by both FAO and the Government; timeliness and quality of activities; managerial efficiency in dealing with implementation difficulties; adequacy of monitoring and

reporting; the extent of national support and commitment; and the quality and quantity of administrative and technical support by FAO.

- e) Project results, including a full and systematic assessment of outputs produced to date (quantity and quality as compared with workplan and progress towards achieving the immediate objectives). The mission will especially review, the status and quality of emerging results in:
- formation of farmer and local groups and collection of benchmark data;
 - capacity for problems identification and constraints analysis to promote agricultural development and strengthen food security;
 - development of systems and formats for systematic collection, monitoring and evaluation of data;
 - strengthening of farmers' and local people's skills and capacity for adopting newer generation farming system technologies;
 - identification and development of appropriate farming systems including cropping systems (food crops and horticulture), fish, chicken and ruminant husbandry and the efficient use of available household and local resources;
 - improving the availability of farm inputs by revitalising the role of cooperatives and strengthening links between production and marketing activities;
 - providing support to farmers cooperatives and local entrepreneurs to introduce mechanisation of selected activities like land preparation, drying, harvesting and processing that increase the operational efficiency of farming systems;
 - improvement in local skills and capacities for managing rural agribusiness institutions;
 - developing group business activities and encouraging cooperatives through active participation of the rural society and;
 - gender empowerment.
- f) The prospects for sustaining the project's results by the beneficiaries and the host institutions after the termination of the project. The mission should examine in particular:
- increase of the productivity in each group;
 - condition of targeted farmers group (organization, management, rules and regulations etc.);
 - management of village revolving fund (organization, assets, booking record etc.);
 - effects of the training (for groups, women and disadvantaged people);
 - performance and contribution of local government (provincial and district government) and;
 - replicability of the project results by the government of Indonesia.
- g) The overall cost-effectiveness of the project, especially in terms of serving as piloting various development activities, including the identification of appropriate approaches and lessons/ issues for future.

Based on the above analysis the mission will draw specific conclusions and make proposals for any necessary further action by Government and/or FAO/donor to ensure sustainable development, including any need for additional assistance and activities of the project prior to its completion. The mission will draw attention to any lessons of general interest and comment on the long-term relevance to the overall objectives of the SPFS-Indonesia (see paragraph 2 in Introduction).

4. Composition of the Mission

The mission will comprise:

- Team leader (FAO-PBEE)
- Specialist in “Rural Development” (Japan)
- Specialist in “food security” (Indonesia)

The mission will be supported in its field work by resource persons, comprising the Regional SPFS Coordinator and the TCOS food security officer (HQ). It should be briefed and debriefed by the responsible FAO operations (TCOS) and technical officers. Mission members should be independent and thus have no previous direct involvement with the project either with regard to its formulation, implementation or backstopping. They should preferably have experience of evaluation.

5. Timetable and Itinerary of the Mission

The timetable and itinerary are shown as follows. This trust funded programme is supported by the Government of Japan, therefore the courtesy calls to the Embassy of Japan and discussion is planned.

Midterm Evaluation in SPFS-INS				
1	19/10/03	Sun	Mission member will arrive at Jakarta	Jakarta
2	20	Mon	09:00 Meeting with FAOR 10:00 Bappenas 13:30 Meeting with MoA, Ahmad Suryana, DG of Food Security Agency 14:30 Debriefing by PMU	Jakarta
3	21	Tue	Move to Lombok (NTB) and discussion with Governor	Mataram
4	22	Wed	Field observation	Mataram
5	23	Thu	Back to Jakarta	Jakarta
6	24	Fri	Move to Jeneponto (South Slawesi) and discussion with Governor	Bantaen
7	25	Sat	Field observation	Bantaen
8	26	Sun	Back to Jakarta	Jakarta
9	27	Mon	09:00 Discussion/evaluation with PMU	Jakarta
10	28	Tue	Ditto	Jakarta
11	29	Wed	Reporting	Jakarta
12	30	Thu	Reporting	Jakarta
13	31	Fri	09:00 Evaluation Meeting with MoA and FAOR 14:00 Courtesy call to Embassy of Japan	Jakarta
14	01/11/03	Sat	Dept to Bangkok	BKK
	02	Sun	Reporting	BKK
15	03	Mon	Briefing to RAP	BKK
16	04	Tue	Back to Rome/Japan	
* The midterm evaluation for SPFS-Indonesia will be from 19 October upon arrival of Mr. kato , PBEE, from Tokyo to Jakarta. The evaluation member will be composed with PBEE, Donor, Representative of Gol. TCOS and RC will be facilitator and not evaluator.				

6. Consultations

The mission will maintain close liaison with the Representatives of the donor and FAO and the concerned national agencies, as well as with national and international project staff. Although the mission should feel free to discuss with the authorities concerned anything relevant to its assignment, it is not authorized to make any commitments on behalf of the Government, the donor, or FAO.

7. Reporting

The mission is fully responsible for its independent report which may not necessarily reflect the views of the Government, the donor or FAO. The report will be written in conformity with the headings as seen in the Annex.

The report will be completed, to the extent possible, in the country and the findings and recommendations fully discussed with all concerned parties and wherever possible consensus achieved.

The mission will also complete the FAO Project Evaluation Questionnaire.

The mission leader bears responsibility for finalization of the report, which will be submitted to FAO within two weeks of mission completion. FAO will submit the report to Government(s) and donor together with its comments.

ANNEX 2

Mission Itinerary and Persons Met

Sunday, 19 Oct.	Mission Members' arrival in Jakarta
Monday, 20 Oct.	Briefing with FAOR – Messrs. T. Kimoto (Representative), B.H. Sormin (Assistant Representative), T. Imai (Regional SPFS Coordinator) and Koen Overkamp (APO-water management, SPFS project) Briefing with BAPPENAS - Dr. Endah Murningtyas Director, Food and Agriculture - Mr. Arif Haryana, Directorate of Food Agriculture Briefing with the Agency for Food Security, Ministry of Agriculture - Ms. Ning Pribadi, Head, Centre for Food Availability Development (CFAD) - Ms. Ratna Kusuma Dewi, Section Head, CFAD Briefing with Project Management Unit (PMU)- Messrs. Surjadi Hadijanto (National Field Manager), Ayi Kusmayadi (Deputy NFM), and Bambang Sugiharto (Deputy NFM)
Tuesday, 21 Oct.	Travel/Visit to Central Lombok District, Lombok (Mataram City) Provincial Governor's Office – Messrs. N. Samodra K.A. (Provincial Secretary) and M. Mirza (Head, Provincial Agency for Food Security) Travel to Praya City District Agricultural Service – Head of Agriculture and Livestock Division and the District Support Team Visit to Farmer Group (FG) – Bilelando/Amanh
Wednesday, 22 Oct.	District Head (Bupati) – Mr. Suhaimi (Bupati) Visit to FGs – Maju Bersama/Patuh Agen, and Patuh Karya/Gelepak Mandiri
Thursday, 23 Oct.	Visit to FG – Rembitan/Sukur Gati Discussion with District Support Team Travel to Denpasar by air (overnight stay)
Friday, 24 Oct.	Arrival Makassar/travel to Jeneponto District District Head Office – Dr.A.Makmur (Assistant to Bupati), Mr. Hamado (Head, District Agricultural Office) and DST members Visit to FGs – MiawarBerkembang (fisheries group) and Ternak Mulia (livestock group)
Saturday, 25 Oct.	Visit to FG – (irrigation/water user group) Discussion with District Support Team (Jeneponto) Travel to Makassar (overnight)
Sunday, 26 Oct.	Travel to Jakarta

- Monday, 27 Oct. Visit to Asian Development Bank – Mr. Y. Kobayashi
Visit to JICA – Mr. Taki and Ms. M. Kamiya
Discussion with PMU
- Tuesday, 28 Oct. Discussion on Report by Mission
Discussion with the Agency for Food Security and PMU
- Wednesday, 29 Oct. Discussion with FAOR and Regional SPFS Coordinator
Mission preparation for debriefing presentation with the Project
Technical Committee
- Thursday, 30 Oct. Debriefing with the Project Technical Committee (Ministry of
Agriculture) – Dr. A. Suryana (Director-General, Agency for Food
Security), Ms. N. Pribadi, Ms. Ratna Kusuma Dewi
- Messrs. Arif (BAPENNAS), T. Napitupulu (Secretary, Directorate-
General Horticulture), S. Musa (Director, Directorate-General Crop
Production), Kimoto and others
Visit to the World Bank Resident Mission – Mr. R. Raturi (Rural
Development)
Visit to Japan Bank for International Cooperation (JBIC) – Mr.S.Yamamura
- Friday, 31 Oct. Discussion by Mission members/Report preparation
Visit to Japanese Embassy – Messrs. Y. Akimoto (Minister) and H.Oikawa
(First Secretary)
Visit to UNDP – Mr. Handoko (Assistant Resident Representative)

November

- Saturday, 1 Nov. Mission members travel to Bangkok (Messrs. Kato and Misaki only)
- Sunday, 2 Nov. Report preparation at hotel
- Monday, 3 Nov. FAO Regional Office for Asia and the Pacific
Debriefing – Members of the Project Task Force
Discussion with Messrs. C. He (Regional Representative) and H. Konuma
(Deputy R.R)
- Tuesday, 4 Nov. Mission members depart from Bangkok

Overview of Farmer Group Development Plan (FGDP)

The Farmer Group Development Plan (FGDP) is to serve as a basis for planning of Farmer Group (FG) activities following the PRA and SEBS so as to form a comprehensive, holistic and dynamic plan for the Group under the project. It comprises five sections, covering following aspects:

Section I: The existing conditions of the FG and its location, including site specific agro-ecosystem, production systems (crops, livestock, fisheries, non-farming activities), income generation, food security status, socio-economic condition as well as potentials, opportunities and constraints.

Section II: Proposed countermeasures to achieve sustainable farming system and income generation that are appropriate to specific agro-ecological fields of the Farmer Group and in line with its Community Action Plan (CAP). Such counter-measures should cover intensification, diversification, irrigation improvement, and establishment of rural financial institution.

Section III: Analysis of the feasibility of the proposed countermeasures in terms of technical, environmental and economic criteria.

Section IV: Implementation plans of the feasible countermeasures, together with its logical framework. Also detailed schedule of implementation and inputs required.

Section V: Institutional arrangements derived from stakeholder analysis, particularly the formulation of rules and regulations within the Farmer Group, arrangements for farmer contribution and support from the local government.