

# PRISMA

## Progress Report

January - June 2021





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# List of abbreviations

AI	Artificial insemination
AIP-Rural	Australian-Indonesia Partnership for Rural Economic Development
ASF	African swine fever
AUD	Australian dollar
Bappenas	Badan Perencanaan Pembangunan Nasional, or National Development Planning Agency
Bappeda	Badan Perencanaan Pembangunan Daerah, or Development Planning Agency at Sub-National Level
BPJS	Badan Penyelenggara Jaminan Sosial, or Social Security Administrative Agency
BPS	Badan Pusat Statistik, or Central Bureau of Statistics (Indonesia)
BUMDes	Badan usaha milik desa, or Village-Owned Enterprise
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CJ	Central Java province
COO	Chief Operations Officer
CV	Commanditaire Vennootschap, or limited partnership
DFAT	Department of Foreign Affairs and Trade (of the Government of Australia)
DOC	Day old chicken
EJ	East Java province
EOPO	End of program outcomes
FAW	Fall Armyworm
Fintech	Financial technology
FI	Financial institution
GAP	Good agricultural practices
GDP	Gross domestic product
GESI	Gender equality and social inclusion
GCP	Good crop protection practices
GHP	Good handling practices or good husbandry practices
GOA	Government of Australia
GOI	Government of Indonesia
GPP	Good processing practices
GRP	Good rearing practices
HH	Household
HOP	Head of Portfolio
ICN	Intervention concept note
IDR	Indonesia rupiah
IP	Intervention plan
ISD	Intervention steering document

ISP	Intermediate service provider
KPI	Key performance indicator
KUB	Kampung Unggul Balitnak, Balitnak's superior kampung' chicken
LTA	Long term advisor
MIS	Management information system
MoA	Kementerian Pertanian, or Ministry of Agriculture
MMAF	Kementerian Kelautan dan Perikanan, or Ministry of Marine Affairs and Fisheries
MSD	Market systems development
MSME	Micro, small and medium enterprise
MSP	Machinery service provider
MT	Metric tonne
MTSR	Management team strategic review
NAIC	Net attributable income change
NTB	Nusa Tenggara Barat (West Nusa Tenggara province)
NTT	Nusa Tenggara Timur (East Nusa Tenggara province)
OPV	Open-pollinated variety (a hybrid seed)
PA	Papua province
PPP	Purchasing power parity
PMT	Project management tool
PRISMA	Promoting Rural Income through Support for Markets in Agriculture
PRIP	Progress report and implementation plan
PT	Perseroan Terbatas (limited liability company)
QMT	Quality management tool
RDKK	Rencana Definitif Kebutuhan Kelompok, or Group Requirement Definitive Plan
RML	Results measurement and learning
SAFIRA	Strengthening Access to Finance in Rural Agriculture
SCP	Systemic change progress
SME	Small and medium enterprise
SOP	Standard operating procedure
SROI	Social return on investment
TIRTA	Tertiary Irrigation Technical Assistance
TJPS	Tanam Jagung Panen Sapi, or Plant Corn, Harvest Cows
USD	United States dollar
VCF	Value chain finance
WEE	Women's Economic Empowerment
WP	West Papua province

# Indicator definitions

Existing intervention	Intervention that is currently running and was started in this semester
ICN	An Intervention Concept Note is an initial document outlining the main features and context of a planned intervention
IP	An Intervention Plan is a detailed document containing all information and data relevant for the understanding of a planned intervention and for the decision to start and intervention
ISP	Intermediary Service Providers are small or medium size enterprises in the up- or down-stream value chain of a partner enterprise of PRISMA (i.e. either buying from farmers and selling to partners or buying from partners and selling to farmers); ISPs can also have important functions, e.g. as information providers or lenders
KPI 1	Number of smallholder farming households with increased net income attributable to PRISMA's interventions
KPI 1a (new)	Number of smallholder farming households under USD2.50 PPP poverty line with increased net income
KPI 1a (old)	Number of smallholder farming households under USD2.00 PPP poverty line with increased net income
KPI 1b (new)	Number of smallholder farming households under USD5.50 PPP poverty line with increased net income
KPI 1b (old)	Number of smallholder farming households under USD2.50 PPP poverty line with increased net income
KPI 2	Net attributable additional income for benefited farming households in IDR
KPI 2a	Net attributable additional income for benefited farming households under USD1.90 PPP poverty line (extreme poverty) in IDR
KPI 2b	Net attributable additional income for benefited farming households under USD2.50 PPP poverty line in IDR
KPI 3	Number of intermediary service providers (ISPs) providing additional/improved access to innovation to farmers
KPI 4	Women's economic empowerment (WEE) effectiveness within PRISMA innovations
KPI 5	Value of additional turnover of ISPs in IDR
KPI 6	Number of intervention partners (private and public sector)
KPI 7	Value of additional turnover of private sector partners in IDR
KPI 8	Value of attributable additional and/or more inclusive investment by public and private sector in IDR
KPI 8a	Value of attributable additional and/or more inclusive investment by public and private partners in IDR
KPI 9	Number of crowding-in businesses/institutions induced by PRISMA
KPI 10	Number of responding businesses/institutions induced by PRISMA
KPI 11	Number of policy engagements
NAIC	Net Attributable Income Change is an additional income generated from a specific technology or input promoted by PRISMA during one production cycle. For livestock the measurement period is six months

New intervention	Intervention that is started in this semester
Outreach	Number of smallholder farming households with increased incomes
Partnership outreach	Outreach that comes directly from PRISMA's partner in the targeted area
Pipeline	Projection value from Upcoming Intervention which is still in idea/ICN/IP stage
Projection	Projection value from Existing and New Intervention
QMT	Quality Management Tool is a tool to assess intervention quality over time, from ICN to IP and implementation. The QMT is used at least once a year during and ongoing intervention
SCP	Systemic Change Progress, a dashboard to measure the change in PRISMA's systemic change
Total outreach	Partnership + Wider Market Outreach
Wider market outreach	Outreach that comes from PRISMA's partner in the other areas; other market actors in the targeted area; and other market actors in other areas that are attributable to PRISMA's interventions

# Glossary

PRISMA uses a Market Systems Development Approach (MSD) and like all approaches, it has developed its own specific language and terms. This section provides the meaning of those words to help the reader navigate this report.

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Copying	This is when a number of market players (competitors) adopt comparable changes instigated by PRISMA partners – either direct copies or variants on the original innovation – that are upheld without PRISMA support. This is also a key indicator of systemic change
Crowding-in	Crowding-in is the process of stimulating a number of market players to react to the system level changes instigated through the intervention activities. It results in greater breadth and greater depth within the core market functions and is a key indicator of systemic change
Market Systems Development (MSD)	In poorly performing markets, such as agriculture, critical functions such as information, technology, infrastructure, finance, skills, standards, regulations, etc. are either absent or not working as they should. Instead of supporting sector performance, they tend to inhibit it. Changes in these functions and rules are therefore needed if a sector is to perform better. In practical terms, it is these ‘supporting functions’ of the market that PRISMA seeks to influence, to make them more supportive of sector competitiveness and inclusivity.
Market System Strategy (MSS)	An MSS is the framework used by PRISMA for each sector to link what PRISMA is doing in terms of activities with partners to what it hopes to achieve in the ‘market system’ and towards achieving the program objectives. PRISMA does this using a three-tiered system as a basis for the MSS – intervention area; market function; and market system change, which contributes to the sector vision.
Results chain	A model showing the chain of causality through which PRISMA’s activities lead to poverty-reducing benefits. Results chains are tailored to specific interventions and are consequently more detailed than an MSS
Systemic change	When PRISMA refers to systemic change it is describing the improvements in how a market’s supporting functions are performed, and the way in which they contribute to improved sector performance and inclusivity. This usually involves permanent change in the way the market actors conduct business.
Theory of change	This is a narrative of PRISMA’s MSS and it explains the series of cause-and-effect changes following intervention activity. This represents PRISMA (and the sector’s) vision of how market systems will be functioning in the future, the pro-poor outcomes it results in, and the anticipated poverty reduction impact.
Wider Market Outreach	Outreach that comes from PRISMA’s partner in the other areas; other market actors in the targeted area; and other market actors in other areas that are attributable to PRISMA’s interventions

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# Purpose of this report

This report is intended to provide readers with insight into the progress made by the Australia-Indonesia Partnership for Rural Incomes through Support for Markets in Agriculture (PRISMA) between 1 January and 30 June 2021.

The document outlines progress against the Annual Work Plan and any deviations from that plan. The report follows the DFAT Guidelines on progress reporting.

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## Audience

This report has been written for employees of the Australian Department of Foreign Affairs and Trade (DFAT) at Post and in Canberra, Bappenas as well as for PRISMA staff, partners and stakeholders.

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## Reporting Period

This report covers the PRISMA's performance between 1 January and 30 June 2021, referred to in this document as "semester one" or "S1." However, as the COVID-19 pandemic began in March 2020 and its effects continue, there are references to the pandemic which refer to periods outside of the reporting period.



**TEKNIK  
BERCOCOK  
TANAM JAGUNG**



**PUSH UP** 500 SL  
**Roundup**  
**RAMBO**  
**SUPRETOX**  
**NU**

**YASITHRIN**  
**BASSA**  
**CHIX**  
**CHIX**  
**CHIX**

10000

# Executive summary

## THE PROGRAM

PRISMA is two and a half years into its second phase. The program uses a Market Systems Development (MSD) approach, which supports the private sector to tackle market failures so that poor women and men farmers can access and benefit from growth in that market function.

The program is funded by the Australian Government's aid program through the Department of Foreign Affairs and Trade (DFAT) and implemented in cooperation with the Government of Indonesia through Bappenas.

The program aims to forge a resilient, inclusive and stable agricultural market in Indonesia and in doing so, increase the income of a million smallholder farming households. By addressing underperforming function in the agricultural markets in specified commodities in the target provinces, PRISMA will:

- Improve access to and use of new services, inputs and technologies supplied by private sector partners and their intermediate agents or service providers
- Leave behind an expanded pool of private sector actors systematically targeting smallholder farming households in their business models and increasing their profit as a result
- Equip national and subnational level decision-makers with evidence to influence changes in the Indonesian business enabling environment.

## DELIVERY CONTEXT

The December 2020 progress report noted the need for a strategy review brought about by a number of key factors:

- The need to change the program logic away from a focus on outreach to one of systemic change
- To strengthen the sustainability of intervention areas in each of the commodities
- To improve the alignment with the Government of Indonesia (GOI) strategy for COVID recovery
- The on-going impact of COVID-19

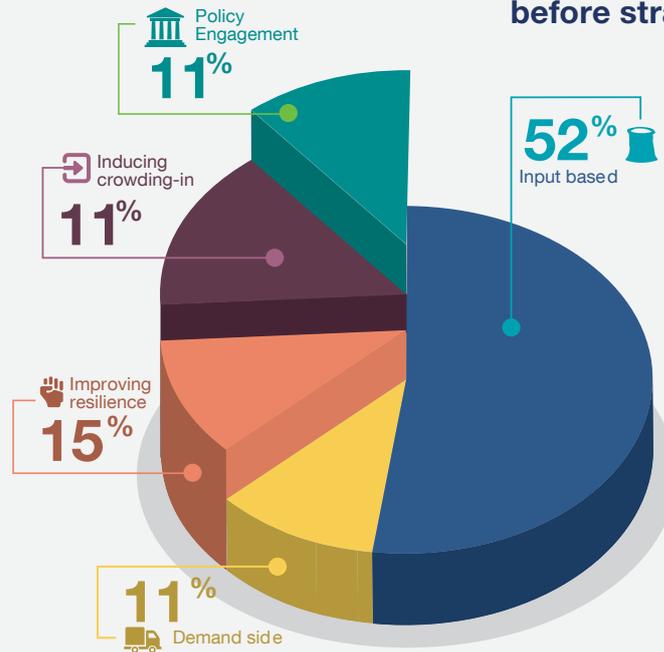
Left unattended, these issues combined put the End of Program Outcomes (EPO) at risk.

COVID-19 continues to cast a long shadow across the globe. Persistent disruption across Indonesia is forcing both businesses and the government to re-think their investment focus. Small and medium-sized companies are becoming more risk-adverse, impacting PRISMA's ability to convince them to consider alternative business models. This is compounded by the team's inability to conduct field work and maintain sufficient sector intelligence. However, COVID-19 was only a contributing factor for the strategy refresh.

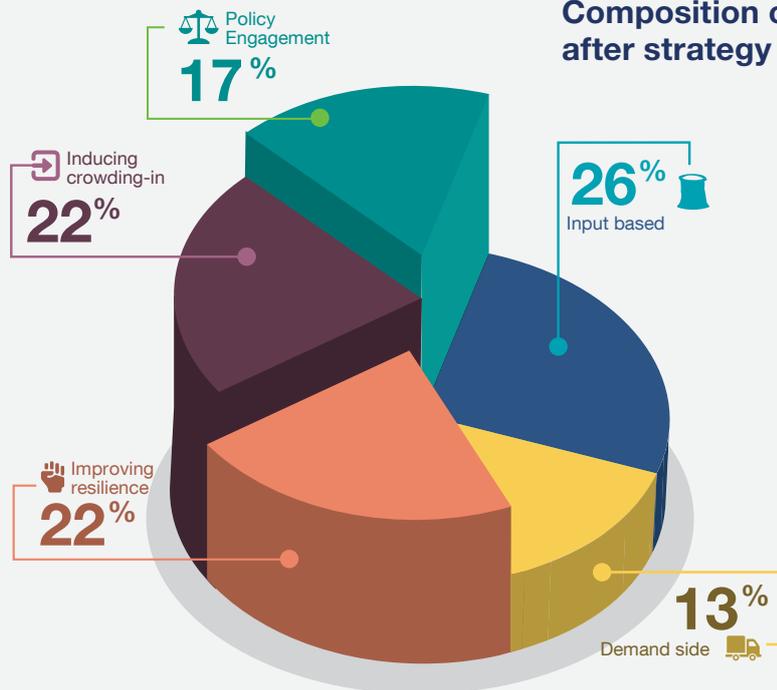
## STRATEGY REFRESH

Much of the semester was spent undertaking the strategy refresh. The program's overall portfolio profile, designed originally to focus solely on outreach, was holding it back from achieving sustainable results across many sectors. Significant effort was invested in addressing sector challenges, and in broadening the depth and breadth of intervention areas to ensure more sustainable development outcomes by program end (refer to Figure below).

## Composition of interventions before strategy refresh



## Composition of interventions after strategy refresh



### Input based:

Partnerships with Agri-input companies to promote an input and/or improved services for the smallholders.

### Demand side interventions:

Interventions or a set of activities aimed at improving the off-taking market systems.

**Improving resilience:** Interventions or a set of activities aimed at improving the capacity of the market actors to withstand stress and shocks i.e., ability to persist in an uncertain time.

### Inducing crowding-in:

Interventions or a set of activities to encourage the wider adoption or copying of an innovation (i.e., products, services, processes etc.).

### Policy engagement:

Interventions or engagement with policymakers (i.e., government ministries and departments) and/or policy influencers (i.e., think tanks, civil society, associations) to contribute to policy formulations, improvements, and implementation.

This intensive process involved revising all market system strategies (MSSs) to expand the range of interventions being undertaken and to widen the pool of partnerships being brokered. Within sectors, this will enable PRISMA to trigger market-wide changes, making them more resilient to continued pandemic pressure and other future shocks such as drought and other natural disasters.

Program staff are still learning how to articulate the new MSS and how to effectively measure the wider uptake of these innovations within the market. As this progress report is timed at the end of the strategy refresh, and before the team have had time to consolidate the work, reporting progress towards systemic change is limited in this report. It is anticipated that with each subsequent semester, storytelling will improve and will be supplemented with the collection of both qualitative and quantitative evidence to better articulate the progress toward sustainable change

## **PROGRESS THIS SEMESTER**

Developing the MSSs did not stop implementation. A further 12 new partnership agreements were signed this semester and the significant delays experienced in 2020 were beginning to abate prior to the latest COVID-19 wave. The Delta variant remains a concern; the PRISMA Intelligence Task Force is formally assessing its impact in order to anticipate potential consequences on program implementation in semester two.

PRISMA continues to progress against the backdrop of persistent change and economic disruption caused by COVID-19. Comprehensive modelling conducted by the team on the program's likely trajectory towards its EOPOs led to projected outreach range of between 841,000 to 1,002,000 smallholder farmer households with net attributable income change (NAIC). This may bring PRISMA in just below the expected EOPO target of 1 million farmer households. Capturing the program's full impact will involve analysis beyond the end of 2023 however, as the effects of the last agricultural season and pipeline work are consolidated. This will allow the program to mitigate the effects of COVID-induced delays and achieve a compelling return on investment. Most importantly, it will ensure that the markets it leaves behind are truly resilient and that Indonesian businesses are well-placed to withstand future shocks.

During this semester impact assessment were undertaken for the following sectors:

### **Finance**

The strategy for the finance sector is to make the agricultural sector more attractive and commercial for financial institutions and fintechs. It does this by lowering distribution barriers for smallholder farmers to financial services. Despite the impact of COVID on the finance sector, sufficient progress was made in the sector this reporting period. Of note was the partnering of a PRISMA partner fintech, CROWDE, with an Australian-based impact investment company which enabled access to financial loans to smallholder farmers. During the period AUD 178,533 in loans was distributed to 35 women-owned SME's.

### **Maize Madura**

Farmers in Madura lack access to commercial hybrid seed knowledge and sufficient technical knowledge to cultivate them. Significant progress has been made in this area, with 106,113 smallholder farming households benefitting from access to these services to date. To improve the sustainability of the work to date, the team is exploring the feasibility of improving the logistic and procurement of maize from the area. During this period PRISMA has started approaching off-takers in the area to promote possible business models. In addition, PRISMA is leading a trial in a digitalising agricultural maize data to improve traceability. This work is being undertaken as part of the Maize Working Group with PISAgro.

### **Mechanisation**

PRISMA is encouraging the adoption of mechanised solutions to improve productivity by improving the capacity of the private sector in product marketing and market linkages. This reporting period PRISMA increased the number of partners considering market data for product development. Existing partners had success selling machines via online marketing (tractors, combine harvesters), despite the onset of COVID.

The following table outlines the summary of progress against each of the sectors during the reporting period.

Sectors	Market System Vision	Key Progress
 <b>Beef</b>	Small scale beef producers increase cattle productivity through improved livestock management practices in Central and East Java and NTB	<ul style="list-style-type: none"> <li>PRISMA partners in feed increased sales by 20% despite impact of COVID-19 due to intensive use of digital marketing</li> <li>New businesses are entering the feed market</li> <li>Partners are launching new products for beef and dairy cows</li> <li>Partners are reformulating feed formula to meet SNI quality and safety standards.</li> <li>These observations indicate good progress towards systemic change.</li> </ul>
 <b>Crop Protection</b>	Smallholder rice and maize farmers in East and Central Java use safer crop protection products in an appropriate way	<ul style="list-style-type: none"> <li>PRISMA's support towards digital marketing strategies for crop protection companies continues to see strong momentum.</li> <li>These strategies are being institutionalised within businesses and farmers.</li> <li>PRISMA has accessed one million farmers through hybrid innovations in online and offline marketing strategies.</li> <li>PRISMA is supporting partners to design and conduct research on appropriate communication strategies for farmers.</li> </ul>
 <b>Dairy</b>	Small scale dairy farmers have improved milk quality and productivity by adopting good practices in rearing, feeding and health management	<ul style="list-style-type: none"> <li>Progress was made in engaging two new feed partners (PT Sinta Prima and PT Agroveta Husada Dharma) to improve competition and increase the ability of the sector to reach scale.</li> <li>On-going feed partners continued to expand online marketing strategies</li> <li>A new partnership with a market leader in animal pharmaceuticals was approved this semester.</li> <li>PRISMA will be exploring opportunities for the review of SNI standards for dairy feed.</li> </ul>
 <b>Innovative Finance</b>	The agricultural finance sector in the target provinces have disbursement of commercial financial products from banks and FinTechs that benefit smallholder farmers and Intermediary Service Providers (ISPs)	<ul style="list-style-type: none"> <li>PRISMA partners continued to expand operations with Crowde opening a new branch and developing 30 new kiosk partnerships in East Java.</li> <li>A new partnership with PT Permodalan Nasional Madani (PNM) to expand their financing services in agriculture sector through SME lending.</li> <li>PRISMA's support to finance partners to utilise agent models to address high transaction costs in agriculture lending progressed with BISI and a new partnership with Remit Pro</li> <li>expanding the Yaro agent model through collaboration with Bank Nasional Indonesia (BNI) and a new partnership with Remit Pro</li> </ul>
 <b>ICT</b>	Farmers, kiosks and off-takers have more sustainable and efficient flows of information, inputs, finance, and commodities in the target provinces	<ul style="list-style-type: none"> <li>PRISMA signed a new partnership with Sikumus to digitise and train agri-retailers in the use of technology.</li> <li>PRISMA is supporting HARA to train and re-activate their kiosks as information hubs for farmers.</li> <li>PRISMA is supporting two partners TukangSayur and PanenID, off-taking platforms, to expand into new areas and address challenges faced by farmers during COVID-19.</li> </ul>
 <b>Maize - Java</b>	Maize farmers in East and Central Java use quality seed and GAP to improve productivity	<ul style="list-style-type: none"> <li>PRISMA supported Corteva to assess product and customer satisfaction through an impact assessment indicating 42,800 farming households have benefitted from using Corteva's products.</li> </ul>
 <b>Maize - NTT</b>	Smallholder farmers in NTT have increased availability and properly use certified maize seeds and improved access to off-taking services	<ul style="list-style-type: none"> <li>PRISMA continued to support Bappeda in providing inputs to the Maize Agribusiness Development Roadmap for Central Java.</li> <li>PRISMA supported the establishment of an Association of Seed Producers of NTT to increase production and quality of locally produced OPV seeds</li> </ul>

	Sectors	Market System Vision	Key Progress
	Mechanisation	Male and female farmers gain access to agricultural machinery and use the tools and machinery services to improve productivity	<ul style="list-style-type: none"> <li>• PRISMA continue to provide valuable market insights for product development to prospective new partners.</li> <li>• Mechanisation partners continued the shift towards online marketing campaigns</li> <li>• Partners used insights from PRISMA to improve offline marketing and sales.</li> </ul>
	Mung bean	Improved quality, competitiveness, and continuity of local mung bean supply in East and Central Java	<ul style="list-style-type: none"> <li>• PRISMA's support to CV Semi on incorporating digital marketing showed strong progress as the partner expanded the approach to new regions.</li> <li>• PRISMA supported Balitkabi to conduct an online event for nurseries to discuss the potential for mung bean seed market.</li> <li>• 11 businesses indicated interest in entering the mung bean business.</li> </ul>
	Pig	Farmers and market players in the pig industry gain benefit from the increased availability and appropriate use of quality inputs, use improved husbandry practices and have access to the downstream market supported by a conducive regulatory environment	<ul style="list-style-type: none"> <li>• PRISMA partners in feed industry continued to new online marketing strategies for promotion and market penetration.</li> <li>• PRISMA partners in Breed received technical assistance on improving farm management to demonstrate successful husbandry practices in NTT.</li> <li>• PRISMA collaborated with the Australian Indonesia Health Security Partnership to demonstrate the value of improved diagnostic testing and Government's ability to detect infectious diseases in Pigs.</li> </ul>
	Rice	Rice farmers in East and Central Java adopt high yield rice seeds and have increased productivity	<ul style="list-style-type: none"> <li>• PRISMA continued support to rice seed partners to promote high-yielding seeds in Indonesia.</li> <li>• PRISMA worked with a Short-Term Advisor to establish connections with rice market players to collect information on key constraints related to rice regulations.</li> </ul>
	Seaweed	Seaweed farmers in NTT, NTB and Papua have access to quality seaweed seeds and have increased productivity	<ul style="list-style-type: none"> <li>• PRISMA and Kalimajari assisted DGoA and R&amp;D centers to produce 3 new varieties of improved seaweed seedlings.</li> <li>• A workshop was facilitated amongst local government, private sector and legislative members on seaweed development in Papua.</li> </ul>
	Soil Treatment	Maize and rice farmers in East and Central Java, NTT and NTB have access to and use quality fertilizer in a safe way	<ul style="list-style-type: none"> <li>• PRISMA's partner, Pupuk Kalimantan Timur continued field activities with 58 farmer meetings on GAP</li> <li>• Partners focused on piloting digital marketing strategies to reach farmers.</li> <li>• Progress was made in other market functions around improved Coordination amongst private market actors , fertiliser companies and the Government.</li> </ul>
	Vegetables	12,000 vegetable farmers in Papua and West Papua have increased horticulture productivity	<ul style="list-style-type: none"> <li>• PRISMA's marketing strategy based on ethnographic clustering is gaining traction</li> <li>• A new partnership was signed with Agrosid to introduce the company to the region for promotion of lowland vegetables.</li> </ul>

Progress was also made in the **cross-cutting areas**. A new Head of Policy Engagement was recruited, and work has commenced in implementing the revised Policy Engagement Strategy including discussion with Bappenas on a plan to address their food estate agenda. The strategy refresh has led to the identification of new policy engagements opportunities in the beef, dairy and rice sector. PRISMA supported Bappeda in Central Java to continue work in developing a Maize Agribusiness Development Roadmap. Substantial progress was made in **Gender and Social Inclusion (GESI)**, with PRISMA's model and analysis on Women Sales Agents receiving significant attention through publications and invitations to present at webinars. The learning has also been incorporated into intervention design in the program. The new Strategic **Communication** Strategy experienced significant setbacks with limited staff and the time taken to recruit a Head of Communications (HOC). The strategy is dependent on a HOC with MSD experience, which is not available domestically. **Results, Measurement and Learning** has made progress this semester in adjusting systems and tools away from purely quantitative processes to incorporate qualitative elements needed to articulate progress towards systemic change. This work will continue into semester two.

## SUSTAINABILITY OF OUTCOMES

PRISMA is showing good progress towards sustainability. During this period 48,870 household benefitted from PRISMA's interventions, which brought the total number of smallholder farming households benefitting to 473,700 (refer to PRISMA Achievement Highlights). Of the total outreach, 52 percent of the households were wider market actors, compared to 16 percent the previous sector. This is a good indicator of sustainability. The program is also showing excellent indications of value for money with net income increase for farming households reaching 219 percent.

## OPERATIONS AND FINANCE

Operations and Finance continue to provide support during work from home (WFH) conditions. The finance team has developed new processes to enable staff to better address budget forecasts against COVID-19 impacts in the field. The semester one budget was fully expended, despite the continued volatility. There were many staff changes this semester with the appointment of a new CEO, new Chief Operations Officer (COO) and the appointment of three new local Heads of Portfolio (HOP). The program has not escaped the global phenomenon of the 'Great Resignation', with 16 staff leaving the program during the reporting period.

## CHALLENGES

The pandemic remained a challenge for program implementation this period. Many partners who had returned to field work at the end of 2020 withdrew staff with the onset of the Delta variant. This was compounded by:

- A lack of online access for many farmers
- A contraction in the loan environment
- A reduction in the price of some commodities
- A reprioritisation in government spending
- A lack of willingness of the private sector to innovate and take risks

This places additional pressure on the program to attract new partners and progress at the rate expected in some sectors, such as finance and ICT. It is hoped that the strategy refresh will address a number of these challenges going forward.

# PRISMA achievement highlights

Total smallholder farming HHs with increased incomes

JANUARY-JUNE 2021

REALISATION  
48,870 HHs

TARGET  
39,138

UP TO JUNE 2021  
473,700



In January-June 2021

**PRISMA is 47.4%** towards the target of 1 million HHs by 2023



Total additional incomes for smallholder farming HHs up to June 2021

**IDR 2.36 trillion**

AUD 236 million (219%)



Additional income per smallholder farming HH in January-June 2021

**IDR 4.48 million**

AUD 448



# PRISMA achievement highlights



Total value of additional turnover for SME up to **June 2021**

## IDR 960.3 billion

AUD 96.03 Million for 11,704 SMEs

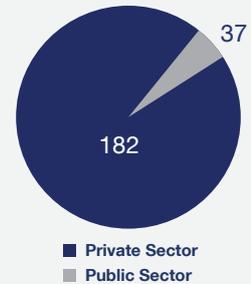


Total number of partners up to **June 2021**

## 219

Number of new partners in January-June 2021

## 7



Numbers crowding-in business/institutions in January-June 2021

## 6

Numbers responding-in business/institutions in January-June 2021

## 18



Investment per HH in **January-June 2021**

## AUD 147.07

↓ 6% from AUD 156.49 per HH last semester

The most efficient throughout PRISMA's implementation

- The average actual total investment costs per farm household for every intervention
- Lower value means PRISMA is improving efficiency in delivering interventions.
- Compared with Y19S1 figure (\$ 156.56), PRISMA has reduced the investment per HH by \$9.49.



The SROI per HH in **January-June 2021**

## 3.39

↓ 0.08 from 3.46 last semester

Since 2018, PRISMA has consistently achieved Social Return over 3

- The actual value of farm household's net income increase compared to the actual Total Intervention Costs per HH.
- The figure 3.39 means for every dollar PRISMA has invested to the farm household, the beneficiary HH increased their income by \$3.39.



# Program Relevance

1.1

**COVID-19 and PRISMA's relevance**

1.2

**Relevance with GOI Strategy**

1.3

**Relevance with DFAT Strategy**

1.4

**Relevance with Sustainable  
Development Goals (SDG)**

# 1.1

## COVID-19 and PRISMA's relevance

There were promising signs of recovery within the agricultural sector at the beginning of the semester, buoyed by more lenient social restrictions and a re-opening of distribution channels. While PRISMA continued to work from home (WFH), many private sector partners resumed business as usual against the 'new normal' health protocols. Economic forecasts for Indonesia anticipated a 'sedate' recovery, but the anticipated rebound did mask a persistent weakness in household spending, particularly in poorer provinces<sup>1</sup>.

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This highlights the need for interventions that will build resilience in farming communities against further shocks. This became even more evident towards the end of the semester following the outbreak of the COVID-19 Delta strain in Indonesia in May 2021. Indonesia's COVID-19 positive tally to date stands at 2.25 million reported cases and this is rising at a rate of up to 40,000 per/day making it one of Asia's worst hit nations. Given the likelihood of under-reported cases, the impact of COVID-19 is likely to continue until a critical mass has been vaccinated by 2022.

PRISMA's efforts in semester one focussed on adjusting the program strategy towards identifying opportunities to build resilience within the sectors and broaden the type of interventions being undertaken. This will ensure development outcomes are more sustainable and will last beyond the program's lifetime. It is likely that COVID-19 will set back some of Indonesia's development indicators and therefore the efforts of PRISMA to improve the incomes of farming households remains more relevant than ever.

<sup>1</sup> Economist Intelligence Unit, 2021, June 8 "Country Report- Indonesia", p.8

# 1.2

## Relevance with GOI Strategy

This semester PRISMA revisited its Policy Engagement Strategy to better align the work being done to meet Bappenas priorities. The revised strategy now articulates PRISMA's contribution to the Government of Indonesia (GOI) strategy during the COVID-19 pandemic in the food and agricultural sector and aligns well with the National Economic Recovery Program (PEN) as referenced in:

- The National Mid-Term Development Planning document (RPJMN) 2020-2024,
  - The Government work plan 2021 (RKP)
- 

In particular, where feasible, PRISMA will support Bappenas' expressed objective for 2021 including:

- Building on opportunities for digital transformation through the ICT sector, particularly for agribusiness with the aim of improving supply chains and bringing together farmers and off takers, which will open access to poor farmers to both inputs and distribution channels.
- Exploring opportunities to support Bappenas in implementing their Food Estate program in NTT. This may include providing provincial level sector analysis, linkages with PRISMA's network of private sectors (input/service providers and off-takers) and potential partnership development in cross-sectors such as mechanisation and access to finance
- Accelerating the development of the agriculture market in Papua and West Papua by looking for opportunities for the private sector to invest in the region. Active sectors already include seaweed and horticulture.

At the sub-national level, the Provincial Managers are actively involved in the regional planning process (Musrebang) to ensure that PRISMA interventions are aligned with the local government workplan (RKPD), particularly in the food security and economic development landscape.

## 1.3

# Relevance with DFAT Strategy

PRISMA's activities are closely aligned with DFAT's COVID-19 policy framework, 'Partnerships for Recovery: Australia's COVID-19 development response'. PRISMA remains well-placed to help reduce economic hardship and ensure that women and vulnerable groups play a critical role in Indonesia's recovery.

PRISMA's focus on systemic change is well aligned with DFAT's COVID-19 Development Response Plan for Indonesia in terms of building more resilient markets.

## 1.4

# Relevance with Sustainable Development Goals

PRISMA is designed to support economic recovery, address inclusion, and build partnerships with the private sector to support agricultural growth.

PRISMA Key Performance Indicators (KPI) are aligned with the Sustainable Development Goals (SDGs) one and two: ending poverty and ending hunger.

PRISMA also captures data on women's economic empowerment, which goes some way to contributing to SDG five, gender equality.



# Portfolio Overview and Progress

2.1

**PRISMA's Semester Progress**

2.2

**Portfolio Development and Analysis**

2.3

**Challenges and learnings**

2.4

**Management response**

# Portfolio Overview and Progress

PRISMA spent much of the first semester of 2021 re-adjusting the program strategy to ensure that business innovation, aimed at increasing farmer productivity, would result in lasting changes in the market system. The need for a strategy refresh was identified at the end of the previous reporting period following recognition that a blinkered focus on outreach meant the program was less likely to achieve systemic change. Long lasting change usually happens when the innovation introduced by PRISMA is adopted and institutionalised by the private sector and when farmers also permanently change the way they farm. The normal MSD logic is that systemic change will lead to outreach (as scale is reached). However, PRISMA had developed a logic that focussing on interventions with large outreach potential would lead to systemic change (refer to Figure 1).

The shock of COVID-19 on the agricultural system in 2020, with delays to supply chains and a drop in commodity prices, saw some behaviour of partners and farmers revert to the old ways of doing things, particularly at the farmer level. For example, maize farmers started to buy less amounts of hybrid maize seeds as

the price for their maize crop reduced. This gave the program the trigger it needed to question the program logic. At the end of 2020 it was clear that PRISMA needed further work in ensuring a clear pathway towards systemic change in each of the sectors it works in.

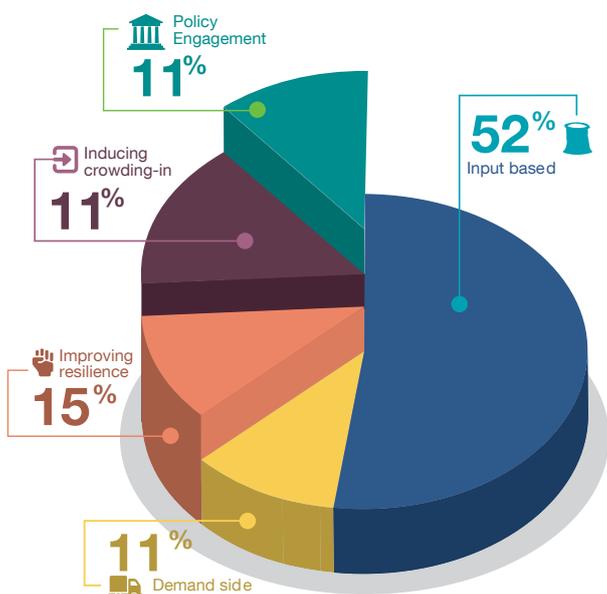
Figure 1: PRISMA program logic



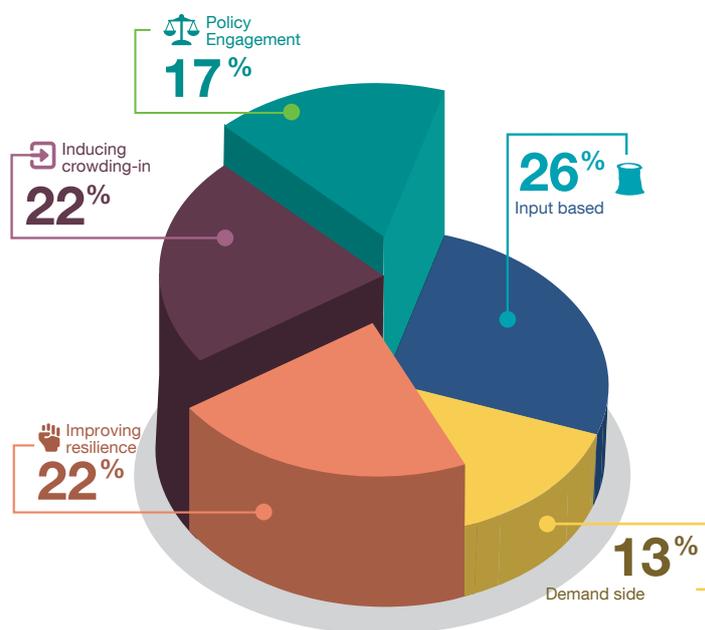
The first quarter of semester one and much of quarter two, 2021 were spent returning to the diagnostic analysis in each of the commodity markets, and inter-connected markets (what PRISMA calls cross-sectors). The aim was to identify new opportunities to address under-performing functions that prevented poor men and women farmers from actively engaging and prospering in the market. So, for example, in the maize sector in Java and NTB initial analysis addressed poor quality seeds with good agricultural practices and improved agricultural input. After the strategy re-refresh, maize will now also look at developing interventions on improving access to off-taking services and post-harvest practice. This means that maize farmers will not only have improved crop production, but they will be able to sell their harvest.

The revised Market System Strategies (MSS) identify a broader and deeper range of partners and interventions areas that, if implemented correctly, will lead to more resilient and inclusive markets by the end of December 2023 (refer to Annex 1 for more details). Figure 2 shows the profile of the overall portfolio prior to the strategy re-refresh. It shows that prior to the re-refresh the program had a deep reliance on input-based interventions (up to 52% of all interventions) with little focus on initiatives to encourage crowding-in, demand-side activities, or an integrated approach to strengthening the business enabling environment (i.e., regulations and policies impacting the market). The post-re-refresh profile shows a more balanced portfolio (input-based interventions now accounting for only 26% of the portfolio) and one focussed on building resilience in the market by addressing both supply side and demand-side weaknesses. This will be key to a recovery strategy against likely on-going impacts of COVID-19.

Figure 2: PRISMA sector strategy refresh



Composition of interventions before strategy refresh



Composition of interventions after strategy refresh

# 2.1

## PRISMA's Semester Progress

Due to the on-going impact of COVID-19, PRISMA is reviewing its projections on a regular basis. The projections in this section are reflective of changes as per June 30th 2021. Further analysis was completed in July to factor in the continuing COVID-19 impact and propose an attainable range for outreach. However, the more recent restrictions in Indonesia as a result of the Delta variant may further impact these projections going forward.

### 2.1.1 KEY PERFORMANCE INDICATORS

#### **Outreach**

During the reporting period, 48,870 households (HHs) benefitted<sup>2</sup>, which brought the total to 473,700 HHs, a surplus of 9,732 HHs from the trajectory. The contributing sectors include Innovative Finance, Maize, Mechanization, and Peanuts (see Annex 2).

As of 30 June 2021, all completed and ongoing interventions are projected to reach 935,806 households by the end of the program. Following the strategy refresh and factoring in COVID-19 impact on projections, PRISMA is expected to reach between the range of 841,000 to 1,002,000 households by 2023.

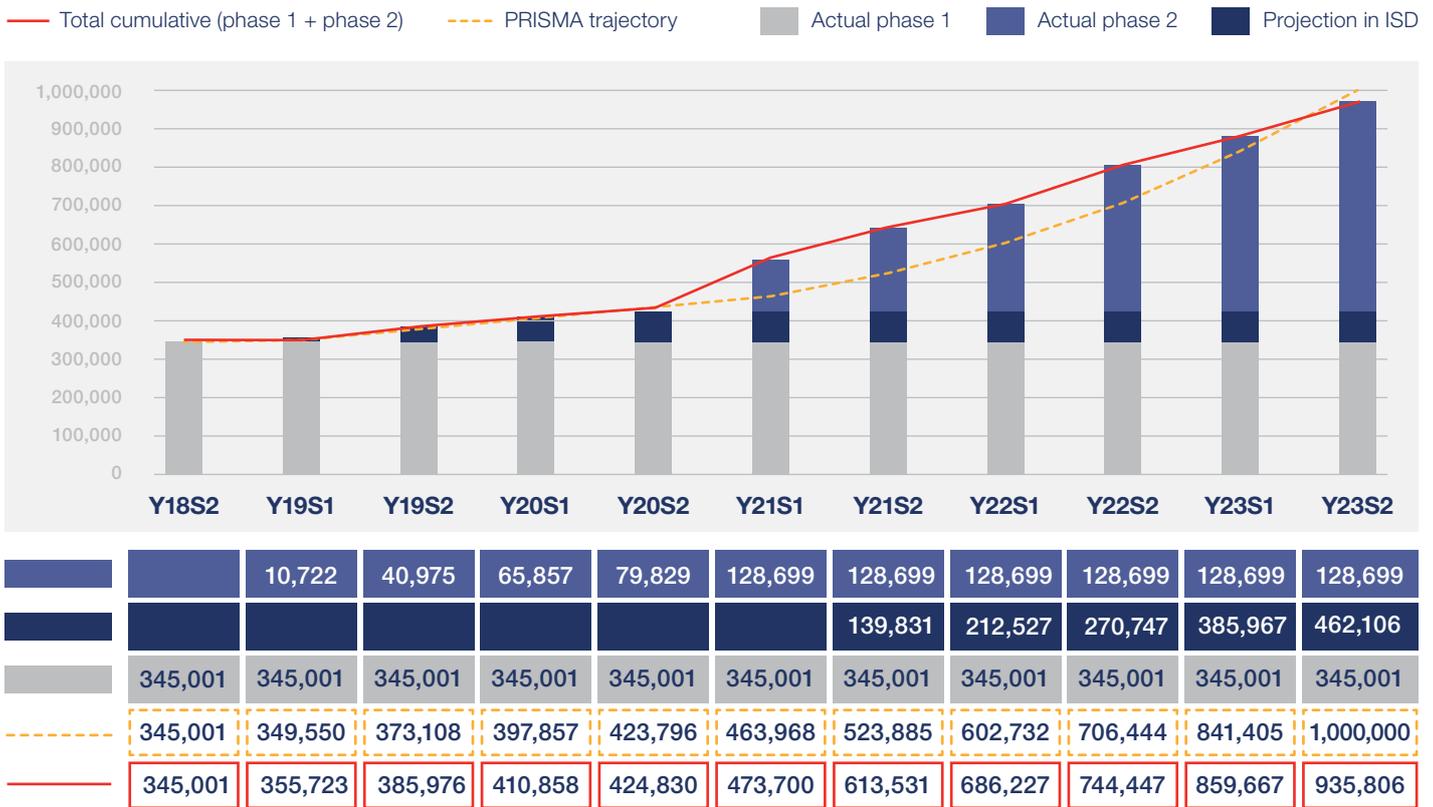
Six impact assessments were completed this semester. The impact assessment for the Maize Madura intervention (with projection of around 70,000 HH as benefit) is still delayed due to the prevailing lockdown. A further six impact assessments planned this semester have also been delayed to next semester. While alternative methods for remote impact assessments have been developed, challenges in reaching farmers via phone survey remain. In addition, delays in activity implementation also contributed to changes in impact assessment plans. PRISMA is currently conducting a thorough review of planned assessments for the next semester.

#### **Partnership outreach and wider market outreach**

This semester, total outreach comprised 52 per cent Wider Market households (WM) compared to 16 per cent reported last semester, bringing the cumulative figure for WM to 37 per cent of total outreach. An increasing trend in WM outreach illustrates that the innovations introduced by the program are commercially viable and being adopted by the wider market actors. This is a critical indicator of good progress to wider systemic change.

<sup>2</sup> 12,186 HHs < \$2.5 PPP and 22,845 HHs < \$5.5 PPP

Figure 3: PRISMA outreach trajectory and interventions



### Net attributable income change

In this semester, the cumulative average Net Attributable Income Change (NAIC) per farmer household is 219 per cent, 10 per cent lower than last semester (229 per cent). It is expected that this number may continue to decline due to the change in PRISMA's outreach calculation method. On top of that, the areas targeted by PRISMA's intervention are starting to include more developed areas, such as the case of Maize East Java (6 per cent NAIC), and the innovations are starting to focus on the supporting functions, such as the case of Mechanisation (19 per cent NAIC). This also contributes towards the reduction of the cumulative NAIC percentage.

The cumulative NAIC this semester is IDR2.36 trillion or approximately AUD236 million. This equates to an income increase of IDR4,477,012 (AUD448) per HH for 473,700 HHs in Indonesia.

### Other key performance indicators

Despite the continued impact of COVID-19, PRISMA and its partners made reasonable progress against all key performance areas, including an increase in the number and turnover of ISPs providing additional and improved services. There were also increases in the number of intervention partners and overall investment from partners. During this period greater focus was placed on KPI 09, 10 and 11, which are the KPIs that are closely related to signs of systemic change. During the period PRISMA strengthened its collection and validation of these KPI and we will be well placed to present Systemic Change Stories focused in the next reporting period. The details of progress against the remaining KPI can be found in Annex 2 and summarised in Table 1 below.

## Value for money

Against the total intervention costs, investment per HH improved and currently stands at AUD147.07 per HH. Social return on investment and investment leveraged by sector experienced a slight decrease to 3.39 and 1.72 respectively. Investment leveraged by partners, increased slightly from 0.21 to 0.23. The total intervention cost includes salary (implementation and monitoring staff), travel costs and direct intervention costs.

The ratio of cost-sharing (partner investment against PRISMA direct intervention costs) improved to 52:48, indicating increased partner investments. It brings the Investment Leverage to 1.11 which is higher compared to the last three years. The increase is an indication that partners have more buy-in with the business models and are willing to invest more.

Figure 4: PRISMA partnership outreach and wider market outreach

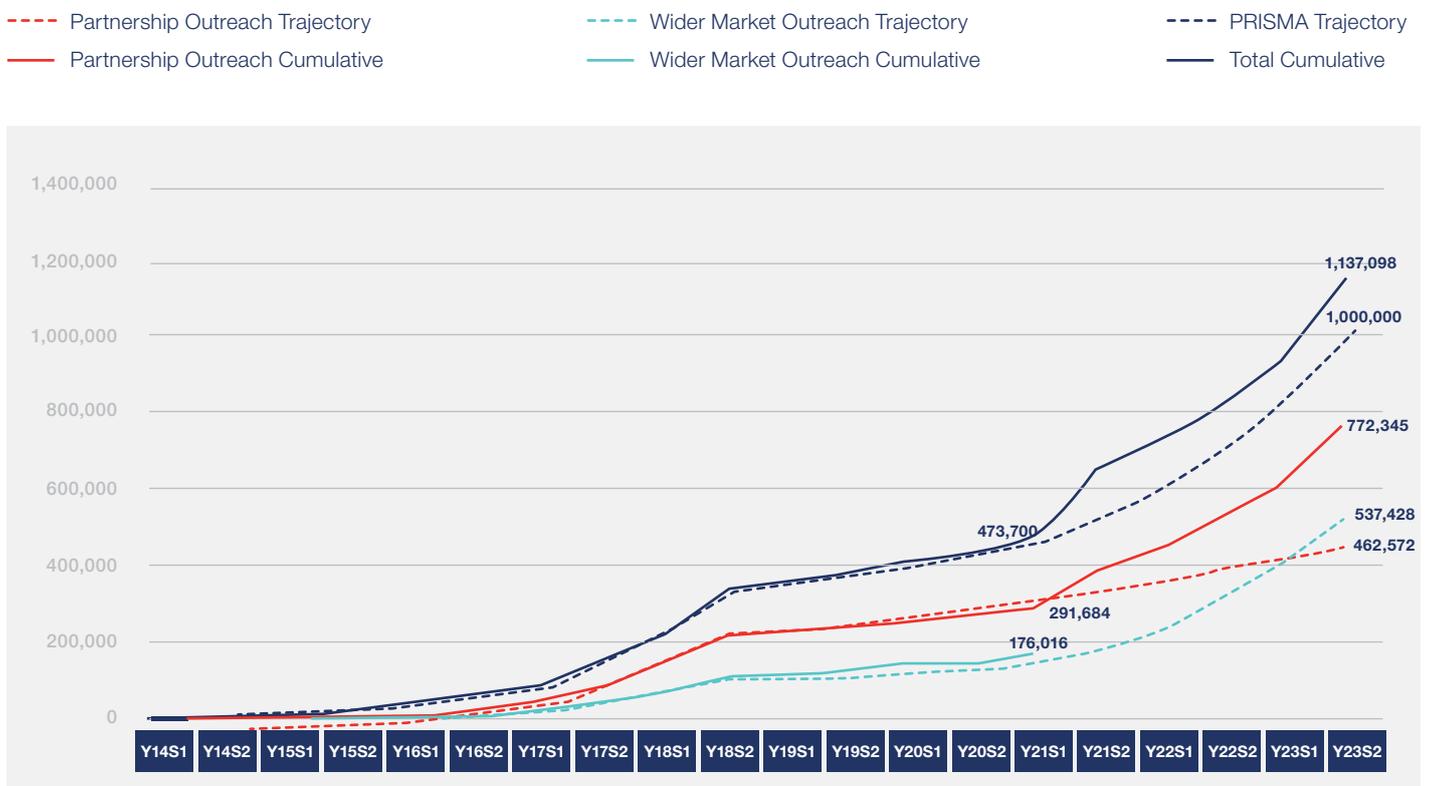


Table 1: PRISMA key performance indicators

KPI Indicator		Actual January-June 2021	Actual up to January-June 2021
KPI1	Number of farm HH who increase their income due to PRISMA Interventions	48,870	473,700
KPI1a	Number of farm households under extreme poverty (\$2.50PPP poverty line) with increased net-incomes	12,186	177,473
KPI1b	Number of farm households under \$5.50PPP poverty line with increased net-incomes	22,845	300,402
KPI2	Net attributable additional income for targeted All farm HH in IDR	54,992,299,045	2,358,326,552,277
KPI2a	Net attributable additional incomes of farm households under extreme poverty (\$2.50PPP poverty line) in IDR	17,526,905,389	876,851,200,243
KPI2b	Net attributable additional incomes of farm households under \$5.50PPP poverty line in IDR	28,485,533,034	1,476,036,628,549
KPI3	Number of Intermediary Service Providers (ISP) providing additional/improved access to innovation to farmers	296	11,704
KPI4	WEE effectiveness within PRISMA innovations	1.11	1.55
KPI5	Value of additional turnover of ISPs in IDR	53,752,692,023	960,278,000,680
KPI6	Number of intervention partners (private sector and public sector)	7	219
KPI7	Value of additional turnover of Private Sector Partner (PSPs) in IDR	88,501,462,678	202,244,881,584
KPI8	Value of attributable additional and/or more inclusive investment by public and private sector in IDR	39,912,779,879	1,195,154,287,583
KPI8a	Value of attributable additional and/or more inclusive investment by public and private partners in IDR	20,407,821,766	162,706,104,902
KPI9	Number of crowding-in businesses/ institution induced by PRISMA-2	6	15
KPI10	Number of responding businesses/ institution induced by PRISMA-2	18	68
KPI11	Number of Policy Engagement	19	48
Access	Number of Farm HH who get access or information about the innovation from AIP-Rural	65,113	1,251,978
User	Number of Farm HH who adopt/use or information about the innovation from AIP-Rural	52,291	675,614



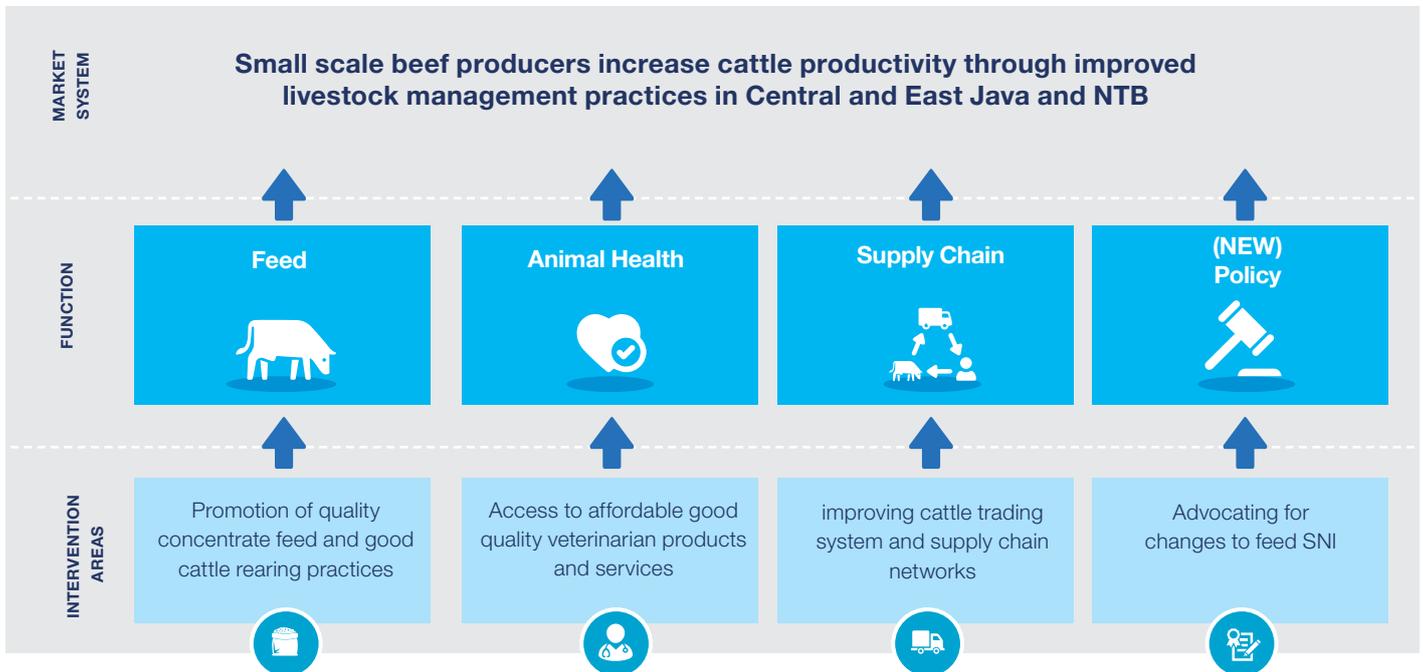
2.2

## **Portfolio Development and Analysis**

Domestic beef consumption in Indonesia consistently exceeds supply so beef has to be imported. East and Central Java are the largest cattle-producing provinces with approximately 1.4 million smallholder beef producers. However, cattle production is low.

**Constraints**

The cattle sector in East and Central Java operates under a low input-output production system resulting in suboptimal weight gain (less than 0.5 kg/day), long intervals between calving (12 to 18 months) and poor health conditions. This is because smallholder farmers rely on fodder rather than commercial concentrate feed, have limited access to affordable feed, and poor knowledge on livestock management practices. This is compounded by an ineffective cattle trading system.



**Indicator**



Cumulative outreach actual to June 2021 (HHs)  
**11,726**

Cumulative outreach projected to Dec 2023 (HHs)

**22,782**

Total NAIC to June 2021 (%)

**131%**

Total NAIC up to June 2021 (IDR)

**176.6 billion**

Total projected NAIC to Dec 2023 (IDR)

**238.9 billion**

**Value for Money (VFM)**



Investment leverage  
**0.58**



Investment per HH  
**AUD 448.83**



Social return  
**3.36**

PRISMA will address the market constraints by improving cattle production, productivity, and farm gate prices for small-scale farmers in East and Central Java by adopting good farm-level management and cattle business practices. This will be achieved through improved marketing strategies and expanded distribution networks (upstream and downstream), wide use of good quality and affordable cattle feed supported by improved national standards (SNI) by GOI.

## Market function 1: Good quality feed

Good progress was made this semester with feed interventions with PRISMA partners increasing sales by 20% despite the impact of COVID-19. Three key factors contributed to this achievement including:

- Intensive use of digital marketing;
- The expansion of new agents; and
- The domino effect of the Eid Adha ceremony in July 2021.

Three beef partners (KJUB Puspetasari, Fermen Hipro and Munir Jaya) continued independently expanding their digital marketing with customized content and videos to promote concentrate feed and knowledge dissemination to cattle farmers. There was also an expansion of feed agents and intensive digital promotion for concentrate feed to target the momentum of the Eid Adha celebration, which is a peak season for the live cattle sales in Indonesia.

This semester also saw new players entering the business, indicating good progress towards systemic change. Partners succeeded this period in diversifying their products for specific cattle groups and business segments. For example, as the market leader in the beef industry, KJUB Puspetasari launched three new products for beef and dairy cows. Fermen Hipro partnered with

the University of Gaja Madah (UGM) to develop new products to boost reproduction. And Munir Jaya reformulated its feed formula to be able to meet SNI quality and safety standards.

One of the notable advances this period is the new partnership with one of Indonesia's biggest player in the animal feed industry, PT Sreeya Sewu Indonesia. Cattle feed will now be a new market segment for this company with enormous potential to reach scale.

After a successful cattle feed trial in 2020 PRISMA is now positioned to roll-out a partnership with another large company, PT Sinta Prima (a market leader in the feed industry for aquaculture). This will be progressed next semester.

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## Market function 2: Animal health

The synergy between nutrition and health is a crucial factor to optimising cattle productivity. Since July 2020, PRISMA has undertaken research in this area with partner RAD. However, the impact of COVID-19 on data collection and analysis remained a challenge during this period and the data report will only be completed in July 2021. This data will serve as the basis for designing a new intervention plan in animal health.

---

## Market function 3: Supply Chain

The live cattle market is a new intervention area about to be explored by PRISMA. The current on-line platform for cattle is not optimal due to seasonality of supply. This area will be explored in the next semester to identify potential opportunities.

## Market function 4: Policy advocacy

Large feed companies struggle to produce feed at affordable prices for smallholder farmers due to issues related to sourcing affordable raw materials at competitive prices. However, the SNI for feed has a low tolerance for changes in feed composition resulting in feed being 20% more expensive than it needs to be. Changes to the SNI through research and policy advocacy would enable greater access of affordable concentrate cattle feed to smallholder farmers. This area will be explored in the next semester after PRISMA encouraged PISAgro to endorse a review of the standards.

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### Challenges and Learning

COVID-19 remained the major challenge for the beef sector this semester with the need to reassess assumptions and projections as part of the strategy refresh. The team learned that the feed market can be easily disrupted by fluctuating raw material supply and market conditions for live cattle and that it is important to identify additional suppliers for existing raw materials or their substitution. This is also why policy advocacy to change the SNI is now a new intervention area being assessed.

The team also learned from putting on a systemic change lens that unless the downstream live market constraints are addressed it is unlikely that the interventions trying to change farmer behaviour to use concentrate feed will be sustainable in the long run. There will be little incentive to use concentrate if traders continue to use estimated weight as a basis for cattle sales. This is why this functional area has been added to the beef strategy.

## 2.2.2

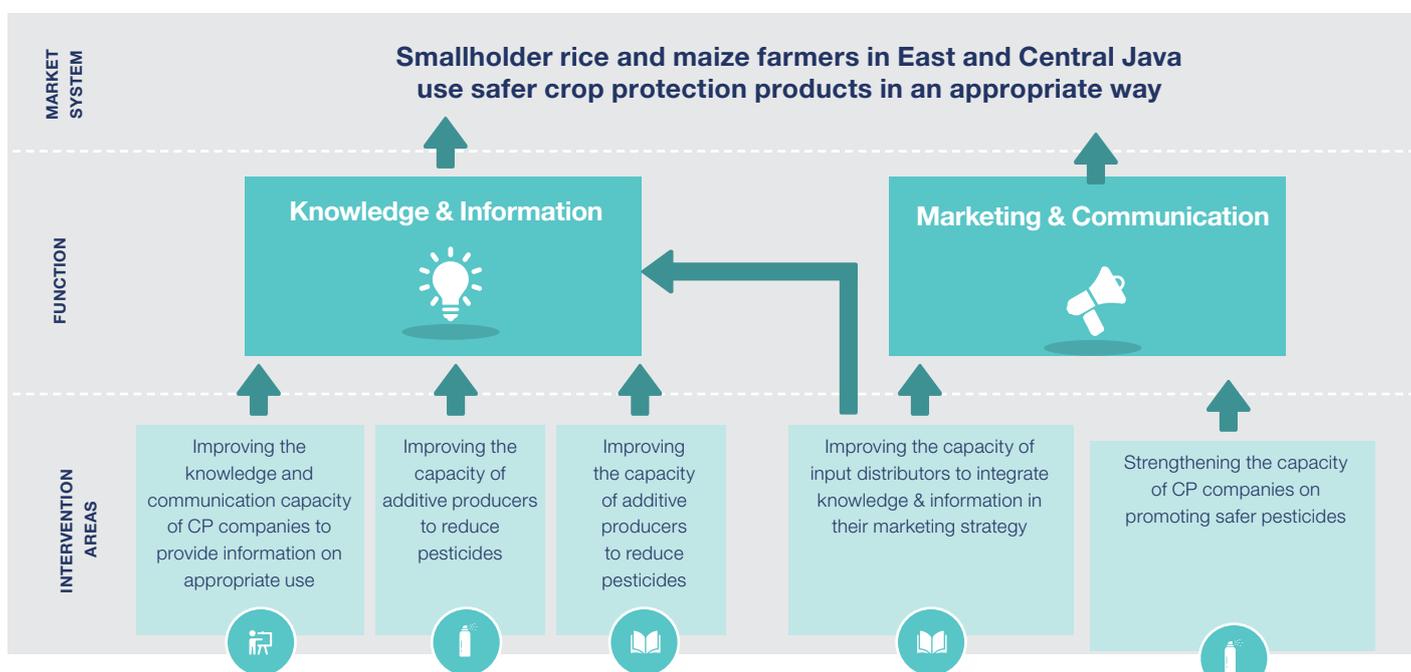


# CROP PROTECTION

Crop protection is the chemical, physical, mechanical, genetic, and biological methods designed to prevent damage and death of crops. The crop protection sector focuses on reducing eventual losses in farmer yield caused by pest and disease attacks.

## Constraints

Seventy seven percent of the 5.2 million women and men rice farmers in East and Central Java experience harvest loss due to pests and diseases attacks despite 86% of them using pesticides. Similarly, 54% of the 700,000 women and men maize farmers in East and Central Java use pesticides, but 51% of them are still losing their harvest due to pests. The main reason for the continued loss of crops is a lack of knowledge in identifying pest and disease, incorrect dosing and application and poor pest and disease management. Lack of good extension services to rural farmers is also an issue.



### Indicator



Cumulative outreach  
actual to June 2021 (HHs)  
**63,419**

Cumulative outreach  
projected to Dec 2023 (HHs)

**107,543**

Total NAIC  
to June 2021 (%)

**44%** ↑

Total NAIC  
up to June 2021 (IDR)

**422.82 billion**

Total projected NAIC  
to Dec 2023 (IDR)

**570.44 trillion**

### Value for Money (VFM)



Investment leverage  
**3.26**



Investment per HH  
**AUD 39.11**



Social return  
**17.05**

## Market function 1: Marketing and communication

PRISMA crop protection partners faced increasing difficulties reaching farmers in 2020 due to COVID-19. PRISMA supported partners PT FMC, PT Agricon, and PT UPL to strategically trial online marketing. During this semester, support of these strategies has continued with some modifications based on results from the previous semester. These strategies are well on the way to being institutionalized, with webinars, online talk show series, and farmers' IT applications becoming the new norm.

To reach farmers who could not independently join the online events due to lack of the necessary gadgets, reception issues, and technological gaps, PRISMA supported PT FMC and PT Agricon to conduct 'watch parties'<sup>3</sup>. Partners have accessed more than 1 million farmers through this hybrid innovation of online and offline attendance. PT FMC further took this innovation forward by creating an 'edutainment' web series<sup>4</sup> on crop protection.

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## Market function 2: Knowledge and information

The impact of COVID-19 on the crop protection sector has been more pronounced in 2021 compared to 2020. With decreases in crop prices, some farmers lack the incentive to apply crop protection or have cut corners to save costs. To better understand farmers' preferences and practices, especially during the pandemic, PRISMA supported PT FMC in designing and conducting research into farmer behaviour around the use of pesticides. The research results will be used to create better communication products and how best to deliver the message to both women and men farmers.

---



### Challenges and learning

PRISMA's research indicates that the drop in maize and rice price will not impact farmer habits in the long term. Still, it may impact the rate of uptake of intervention ideas in the short to medium term.

The team is also facing delayed partnership progress due to the pandemic and struggle to find new partners due to difficulty building trust via online method, especially for an entirely new partner.

<sup>3</sup>Watch parties are "online-offline hybrid events" to facilitate farmers who can't join the online events due to technological gap, device ownership, quota availability, limited connectivity

<sup>4</sup>FMC First episode can be viewed here: <https://www.facebook.com/FMC.Indonesia/posts/1585066868368727>



## Constraints

Domestic milk production in Indonesia is an underperforming sector supplying only 20% of consumption. East and Central Java, comprising 100,000 dairy farmers account for 67% of this production. This is due to lack of access to: good quality feed; pharmaceuticals and veterinary services; dairy breeds that are appropriate for the climatic conditions.



### Indicator



Cumulative outreach actual to June 2021 (HHs)

-

Cumulative outreach projected to Dec 2023 (HHs)

**3,890**

Total NAIC up to June 2021 (IDR)

-

Total NAIC to June 2021 (%)

-

Total projected NAIC to Dec 2023 (IDR)

**47.7 billion**

### Value for Money (VFM)



Investment leverage

-



Investment per HH

-



Social return

-

## Sector vision

PRISMA will address market constraints by adopting good management and business practices at the farm level in the areas of feed, pharmaceuticals, and breed. It will also expand distribution networks by the private sectors and encourage strong government policy support.

---

### Market function 1: Feed

Most feed partners have had successful on-line marketing campaigns since the on-set of COVID-19, but feed sales remain the same as 2020. Nufeed produced five videos on feeding practice, milking practice, pen management, water provision and reproductive management with 3,500 viewers on YouTube and subsequently shared on other platforms. Next semester will look at targeting the over 50's farmers who have less access to ICT.

Good progress was made in engaging new partners with two other major companies coming on board. The first is PT Sinta Prima (an aquaculture feed market leader looking to diversify) and the other, PT Agroveta Husada Dharma, is a subsidiary of Kalbe Farma, a large enterprise in the field of nutrition and animal health. The arrival of these two players will improve competition in the sector and increase the ability of the sector to reach scale. The partnerships will commence next semester.

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### Market function 2: Animal health

No major progress during this semester. The program has approved a partnership with Medion, a market leader in animal pharmaceuticals in Indonesia following a successful trial on the drug Mastigrin to treat antibiotic residue and bacteria content of milk. The partnership kicks off next semester.

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### Market function 3: Policy

This is a new function coming out of the strategy refresh. As with the beef cattle feed, PRISMA has encouraged PISAgro to endorse the review of the SNI for dairy feed commencing next semester. PRISMA will also begin to explore advocacy for changes in regulations on dairy breeds to allow for breeds suitable for tropical climates. This area will be further explored next semester.

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### Challenges and learning

COVID-19 impacts on the dairy sector have been greater this semester compared to last semester because agents have not been able to get to the field and an aging farmer population has not benefited from the social media campaign because they are not tech savvy. This has led to a lower conversion rate compared with extension services. This may result in sluggish performance going forward. The team will work with the feed companies to determine contingency plans.

## 2.2.4

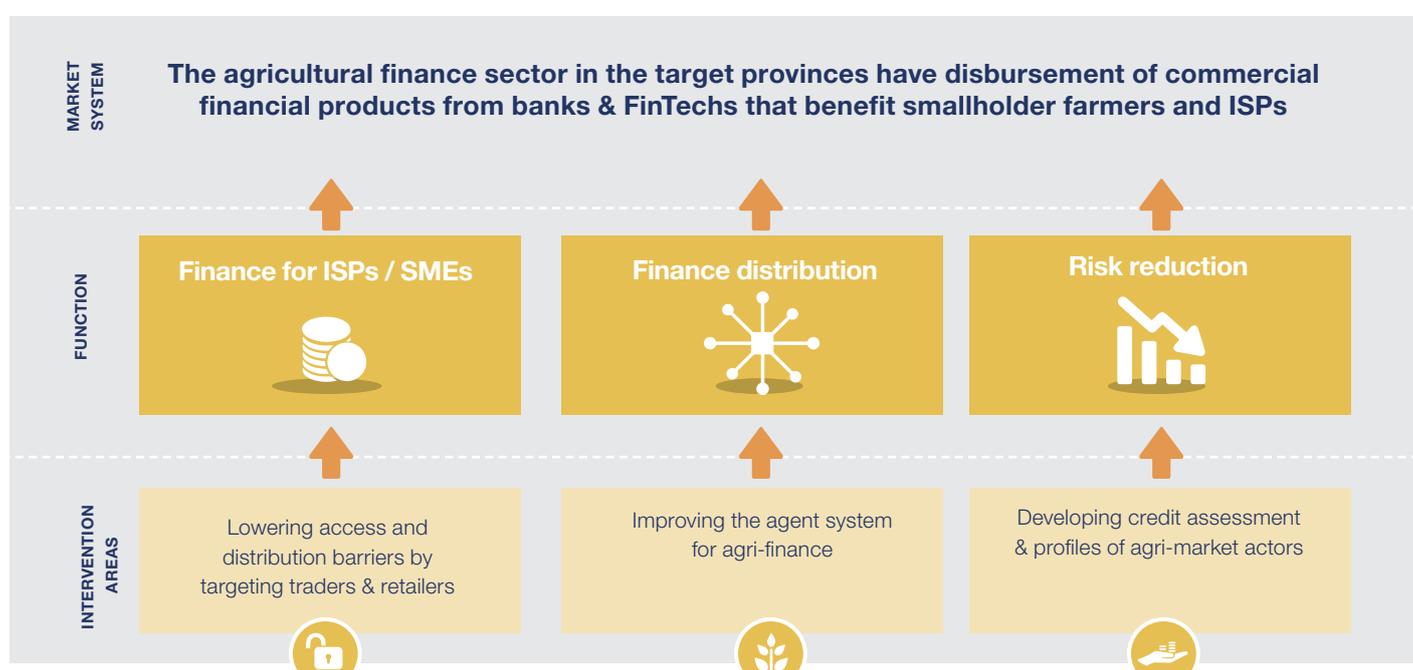


# FINANCE

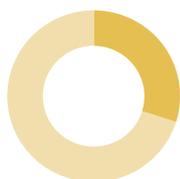
The PRISMA strategy facilitates finance (most commonly loans) for input retailers and traders (what PRISMA calls intermediary service providers (ISP)) to the benefit those businesses, business owners and farmers.

### Constraints

Despite the increasing growth of loan disbursed over the year in Indonesia, agriculture financing only accounts for 7.3 percent of the bank loan portfolio and only 28 percent of those goes to agriculture Small and Medium Enterprise (SME) borrowers. This is caused by lack of commercial interest from financial institutions due to high transaction cost, limited availability of credit history data, and limited access or information about suitable financial products and services.



### Indicator



Cumulative outreach actual to June 2021 (HHs)  
**14,054**

Cumulative outreach projected to Dec 2023 (HHs)

**49,344**

Total NAIC to June 2021 (%)

**72%** ↑

Total NAIC up to June 2021 (IDR)

**91.3 billion**

Total projected NAIC to Dec 2023 (IDR)

**219.5 billion**

### Value for Money (VFM)



Investment leverage  
**0.39**



Investment per HH  
**195.97**



Social return  
**3.32**

## Sector vision

PRISMA will address the market constraints by making the agricultural sector more attractive and commercially viable for banks and Financial Technology organisations (fintechs). This will be achieved by facilitating in-kind lending to ISPs as aggregators, improvement of agent distribution networks, and reducing real or perceived risk for financial institutions and fintechs to lend to agriculture.

### Market function 1: Finance for ISPs / SMEs

During this semester PRISMA partners were still able to expand their operations. With PRISMA's support Crowde opened one new branch in Lampung and further efforts went towards their expansion in East Java through socialisation with kiosks and farmers resulting in 30 new kiosk partnerships.

PRISMA partner Tanijoy expanded beyond farmer financing into ISP/SME financing by undertaking market assessments in Central and Java in preparation for a launch next semester.

A new partnership with PT Permodalan Nasional Madani (PNM), a state-owned non-bank financial institution, was brokered to expand their financing services in agriculture sector through SME lending. The team also introduced PNM to Pupuk Indonesia group (PIHC) for potential collaboration, which has been followed by further exploration with one of its subsidiaries, Petrokimia Gresik

#### Case Box 01

##### Financing women-owned SME's makes good business sense



In most agricultural sectors in Indonesia, women make up 50 percent of farmers. Women are also highly active SME owners, traders, and processors. However, many women agricultural entrepreneurs are unable to access loans for their businesses because formal financial institutions prioritise men as head of the family. Other barriers to finance for women is lack of availability of suitable financial loan products and because financial institutions perceive them to be a high-risk group.

At the beginning of this semester, PRISMA successfully connected Good Return, an Australian based impact investment company with CROWDE, an Indonesian peer to peer lending institution. Good Return provides a guarantee facility to CROWDE so they are able to reduce the risk in lending to women-owned agri-SMEs.

The loan guarantee facility has enabled CROWDE to provide access to financial loans to more women-led SMEs. As of May 2021, CROWDE has delivered AUD 178,533.85 in loans to 35 women-owned SMEs, consisting of traders and agriculture processors. To strengthen this effort, PRISMA has further deepened the support to CROWDE by supporting them in developing and promoting specific agricultural loan products for women-led SMEs. Through this initiative, better access to working capital will allow women to expand their businesses and increase their incomes.

Marinah is one agricultural SME processor that accessed capital through CROWDE. She had difficulties previously accessing capital because of the need for collateral. "Now the process is easy, and I don't have to have my husband sign", says Marinah. "Before I had to go to the city to find financing but was never successful because I didn't have collateral the bank needed", she says. "Now with this loan from CROWDE I have courage to develop my own business and this gives a chance to other female farmers and businesses like me".

## Market function 2: Finance distribution

PRISMA supports finance partners to utilize agent models to address high transaction costs in agriculture lending. BISI has expanded the YARO agent model through their collaboration with Bank Nasional Indonesia (BNI). Previously focused in Sumbawa, they started using the model with another branch of BNI in East Lombok and the model was copied by BISI in Central Java.

PRISMA also developed a new partnership with Remit Pro this semester with the objective to improve agent acquisition and retention. PRISMA will collaborate on a market assessment next semester to explore potential locations and agent segmentation.

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## Market function 3: Risk reduction

With PRISMA support, Tanijoy developed an agri-credit scoring system in previous reporting periods. During this period Tanijoy has partnered with two banks, BNI and Bank Syariah Indonesia, to provide loans to agriculture market actors in East and Central Java utilizing this credit assessment system.

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## Challenges and learning

Because of the impact of COVID-19 there is less interest by kiosks, traders or farmers to apply for lending due to market uncertainty. With the COVID-19 Delta strain this hesitancy may continue.

The finance sector is also reacting to COVID-19 with reduced disbursement of new loans by financial institutions in an effort to try to minimize risk of loan default. The agricultural sector is anticipated to have growth in 2020 and this may be a factor in finance institutions expanding their market to agriculture. In this area PRISMA would like to reinforce our efforts on agent network development in order to be able to get lending to those who need it, even with movement and social restrictions.

2.2.5

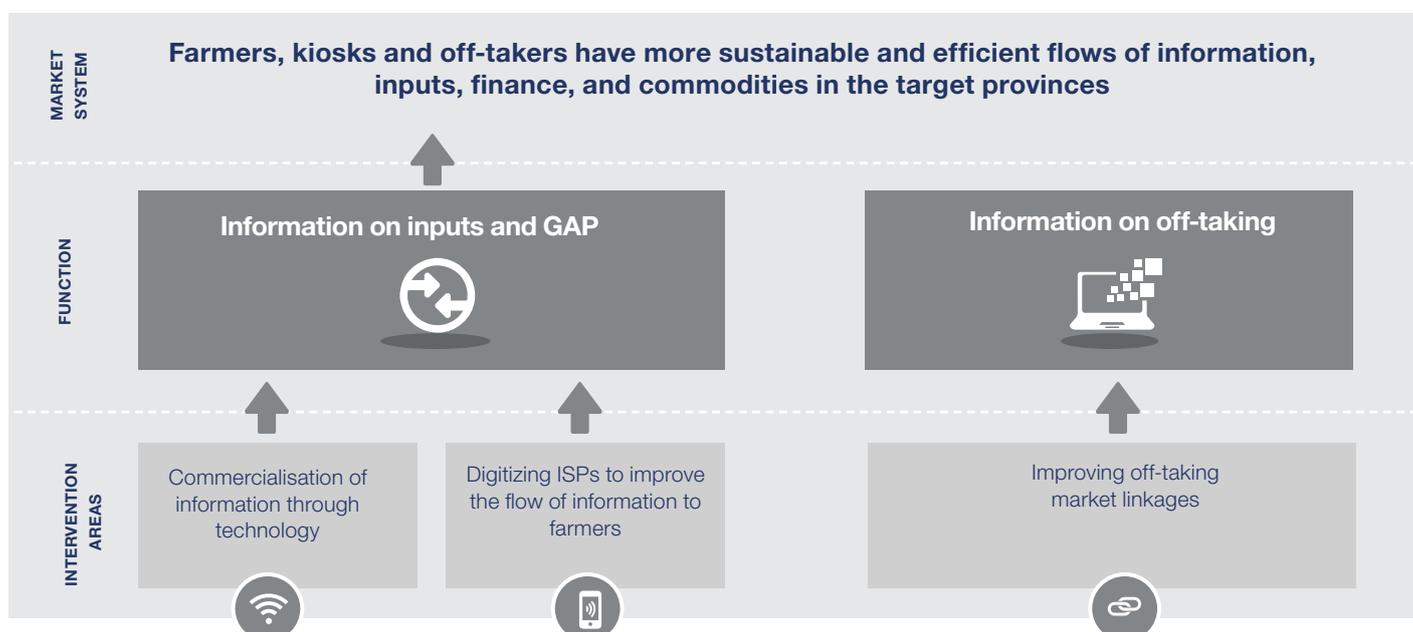


# INFORMATION, COMMUNICATIONS, TECHNOLOGY (ICT)

## Constraints

Millions of smallholder farmers in Indonesia have either limited or no access to ICT infrastructure to support their farming business activities. Although 92% of PRISMA’s working regions are covered by cellular network (outside Papua and West Papua), connectivity is limited so only 62% of farmers use mobile phones and only 12% use the internet. This is compounded by low levels of ICT literacy in the farming community.

Most tech start-ups have little to no agriculture knowledge. These companies are data-dependent, and they perceive that collecting data, especially in rural areas, which is scattered and widespread, is costly. As such, ICT solutions in agriculture are an untapped market.



Indicator	Cumulative outreach projected to Dec 2023 (HHs)	Total NAIC to June 2021 (%)
<p>Cumulative outreach actual to June 2021 (HHs) <b>2,349</b></p>	<p><b>24,720</b></p>	<p><b>64% ↑</b></p>
	<p>Total NAIC up to June 2021 (IDR) <b>9.8 million</b></p>	<p>Total projected NAIC to Dec 2023 (IDR) <b>60.0 million</b></p>

### Value for Money (VFM)



Investment leverage  
**0.11**



Investment per HH  
**256.36**



Social return  
**1.63**

## Sector vision

PRISMA will address the market constraints by leveraging agricultural kiosks and traders (ISPs) because these ISP are the last, most connected aggregation point for farmers in the rural areas. PRISMA will work with tech companies to increase the adoption of technology of kiosks and off-takers in order to improve the flow of information, goods, and services to farmers. This will be achieved through supporting kiosk digitization and the growth of digital off-takers in the market.

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## Market function 1: Information about inputs and GAP

PRISMA is supporting companies to expand and penetrate new markets by digitising ISPs to provide information to farmers on input products and better agricultural practices. This semester, PRISMA partnered with Sikumis to digitize and train agri-retailers in the use of the technology. Sikumis is now preparing the pilot project. PRISMA is also supporting HARA to train and reactivate their HARA Depo Kiosks that were deactivated as a result of COVID-19. These kiosks will be utilised as information hubs for farmers.

PRISMA also sees that some input companies have initiatives and/or willingness to digitize their retailers. The team ia currently exploring how this model can be scaled-up and how the digitization of kiosks can be accelerated. If this scale-up is possible it would have a positive impact on the entire agricultural system.

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## Market function 2: Information on off-taking

The prolonged COVID-19 pandemic has disrupted some agricultural activities, particularly supply chains. The demand for fresh produce fluctuates with periodic lockdowns. Restriction of movement has hindered traders from travelling and purchasing farmer's produce.

This semester, the ICT team supported partners TukangSayur and PanenID, both online off-taking platforms, to expand to new areas to address the challenges being faced by farmers as a result of COVID-19. For TukangSayur, this is done by improving their agent system and for PanenID, PRISMA recommended a B2C (Business to Consumer) business model where the company would sell directly to their target group. During this semester PRISMA connected both platforms with the local government of Central and East Java.

The team succeeded this semester in increasing traction for another low-tech market linkages solution through Viamo, a fast-growing social enterprise that works to provide public service information via mobile phones. The activities included SMS blasts and radio promotional activities. These initiatives with off-taking companies and Viamo are intended to help farmers secure their sales and be resilient to the changes in the market during and after the pandemic



## Challenges and learning

There are challenges working with start-up companies because of the need to build capacity in terms of agriculture. There are also challenges in shifting the focus of potential partners from purely collecting farmer data to digitalising ISPs.

As our ICT partners are emerging enterprises, some have limited resources and financial capacity. So, while they are willing to pivot their business models, scale-up is a challenge without having external actors to boost their growth. Going forward, the ICT sector will try to increase the diversity of the portfolios by also exploring more established companies.

In some interventions, ICT worked with local government to help in market linkages and leverage support for the partners. However, often the incentives of the partner and government incentives is different and so it is important to set the expectations of both sides ahead of time and determine guidelines before engaging with government bodies.

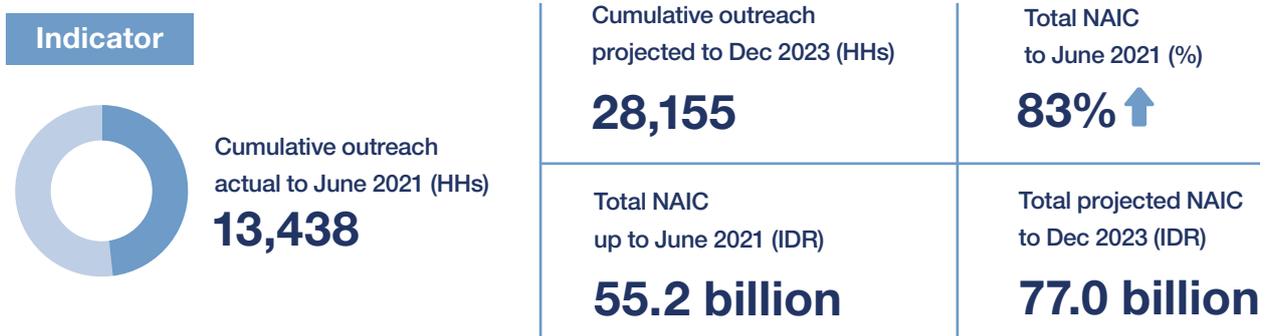
### 2.2.6



## IRRIGATION

In Phase 2, the irrigation sector, which is a cross-cutting sector, continued the work of TIRTA but with a change to the strategy of working directly with irrigation service providers to working with seed companies and technology providers to reach scale.

While the irrigation sector successfully supported PRISMA's maize nursery farmers with irrigation services as part of the maize intervention and connected the district governments in Pamekasan and Sumenap to precision groundwater technology for 157 villages, the lack of private sector investment outside of seed company PT Syngenta, indicated a lack of scale potential. As a result, the irrigation sector has been closed and merged into the maize sector.



### Value for Money (VFM)



Investment leverage  
**2.21**



Investment per HH  
**270.29**



Social return  
**1.52**

## 2.2.7 MAIZE JAVA

### Constraints

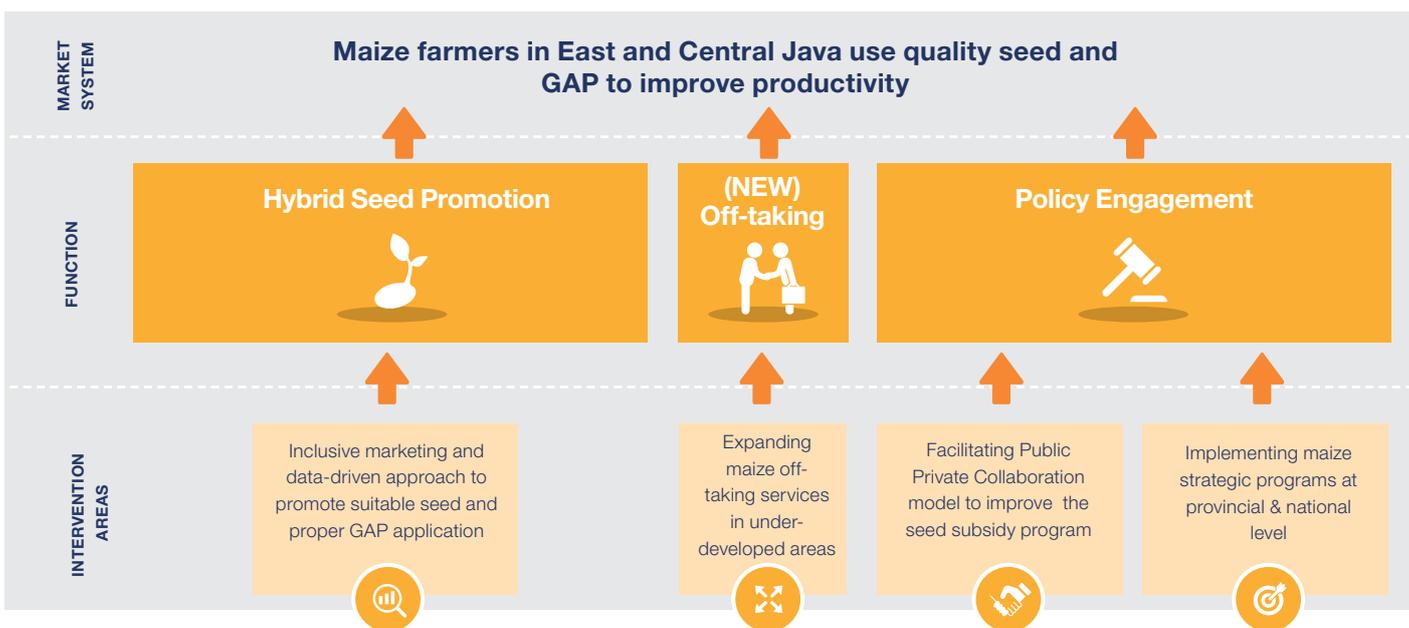
The maize sector in Java concentrated on the under-developed area of Madura and Central Java. Maize in East Java is a developed area. The constraints in both areas are slightly different.

#### Under-developed Area

Farmers in Madura and some niche areas in Central Java lack access to commercial hybrid seed products and knowledge about benefits and GAP associated with hybrid seed. They also lack skill and facilities for post-harvest handling. Seed companies lack incentives to penetrate the areas and large off-takers or feed mills do not share post-harvest handling information and quality requirement due to limited intermediary networks.

#### Developed Area

While farmers in East Java mainland already use hybrid seed, they do not have access to drought tolerant varieties in dryland areas. Limited information on market potential and lack of irrigation services also restricts seed companies and other market actors from investing in these dryland areas. Some areas lack access to off-taking service for farmers.



Indicator	Cumulative outreach projected to Dec 2023 (HHs)	Total NAIC to June 2021 (%)
 <p>Cumulative outreach actual to June 2021 (HHs) <b>106,113</b></p>	<p><b>204,140</b></p>	<p><b>177% ↑</b></p>
	<p>Total NAIC up to June 2021 (IDR) <b>121.1 billion</b></p>	<p>Total projected NAIC to Dec 2023 (IDR) <b>208.4 billion</b></p>

### Value for Money (VFM)



Investment leverage  
**2.11**



Investment per HH  
**33.30**



Social return  
**3.43**

## Sector vision

The underperforming maize farmers in East Java and Central Java will increase production and productivity through adoption of improved seed (particularly seed suitable for dry season and upland areas) and other inputs, application of GAP and have improved access to off-taking services through collaboration between private players and government programs.

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## Market function 1: Hybrid seed promotion

In the previous semester, PRISMA supported Corteva to identify entry points to expand its market in dryland areas along with a marketing plan and communication strategy to address COVID-19 restrictions. In this semester PRISMA supported Corteva to conduct product evaluation and customer satisfaction surveys using PRISMA's remote impact assessment approach, which showed 42,800 HH across East Java and Central Java have already benefitted from using the new variety after only one season. PRISMA also supported BISI in initiating a market research about farmers' behaviour to inform promotion strategies, but the roll-out has been delayed slightly.

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## Market function 2: Off-taking service

In supporting the off-taking function this semester, PRISMA is supporting PT Seger Agro Nusantara (SAN), one of the leading off-takers for maize, to expand its market linkage and to increase maize grain procurement from the dryland areas. A study is planned to develop an effective logistic and supply chain strategy for increasing procurement of quality maize from the area.

To engage more market players, PRISMA also started approaching other off-takers during this semester and an initial pitch has been made with PT Charoen Pokphand Indonesia (CPI) for Central Java.<sup>5</sup>

To address lack of traceability and efficiency in the maize supply chain, which is creating a high price disparity between farmgate and end buyer, PRISMA is working with the PISAgr Corn Working Group members to secure a funding proposal from Grow Asia to trial a digital ecosystem<sup>6</sup> in the off-taking value chain. The ICT team in PRISMA is leading this initiative, with the support from the maize team. During this semester, PRISMA also explored opportunities for collaboration with two large corn wet milling processing companies, but this was deemed economically unfeasible.

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## Market function 3: Policy engagement

During this semester, PRISMA and DISTANBUN are finalising the partnering agreement, which has experienced some delays due to COVID-19 and staff changes within government.

PRISMA continues to support Bappeda in the preparation of the Maize Agribusiness Development Roadmap for Central Java. PRISMA has already participated and provided key inputs in several meetings conducted for the preparation of the roadmap during this semester.

<sup>5</sup> Since PT CPI is the parent company of PT BISI, it was decided that for the time being the intervention idea will be carried out through existing partnership between PRISMA and PT BISI

<sup>6</sup> 'Digital ecosystem' means digitising agricultural data



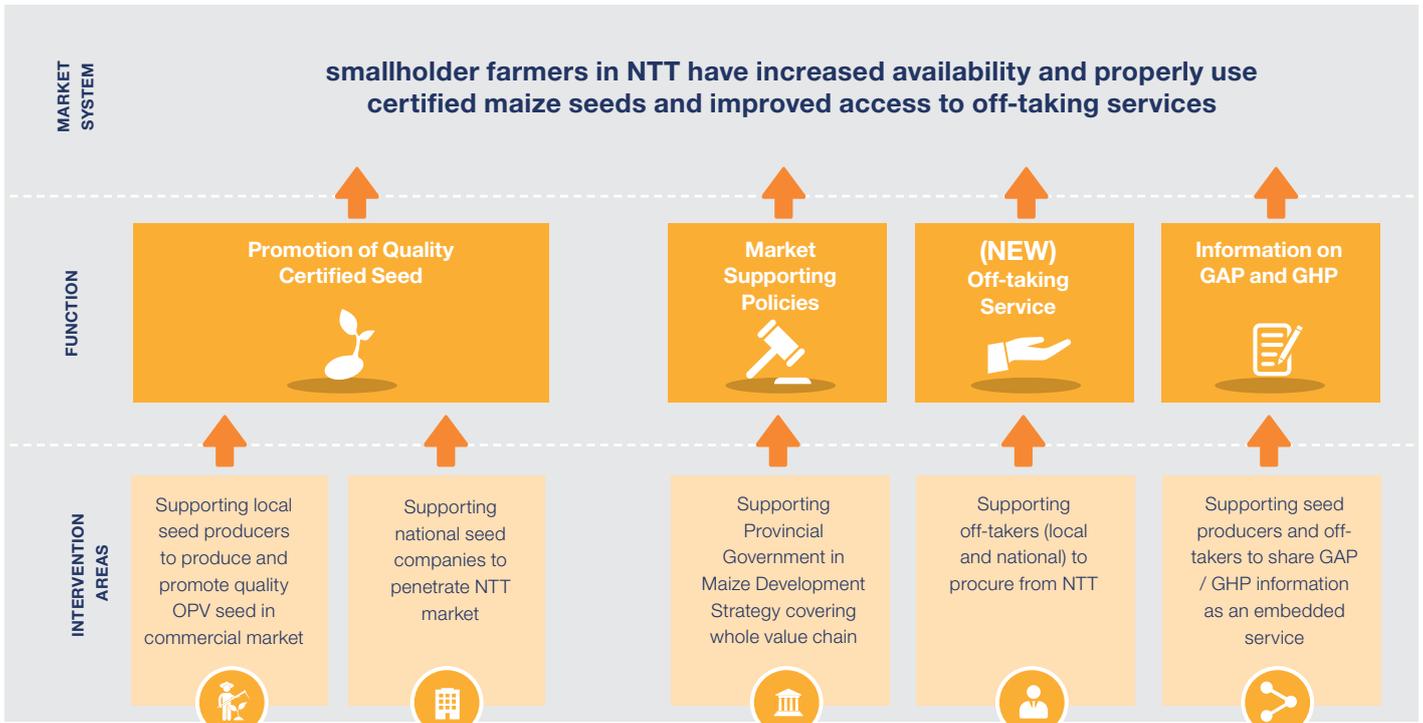
## Challenges and learning

Since maize grain demand for feed declined by approximately 50 percent last year, farmers reduced their investment and shifted to more affordable inputs. Overall sales of quality seed during the rainy season 2020/21 decreased by approximately 30 percent. The private sector has responded to this challenge by reducing their investment in marketing and promotion activities in underdeveloped areas and by refocusing on the advanced market. Partnership management is also constrained due to limited travel, causing many delays in decision making process especially when dealing with government officials at sub-national level.

2.2.8

# MAIZE NTT

Maize NTT is a separate market system to Java and NTB because it has different constraints. Most of the grain in NTT is used for human consumption and for feeding household livestock whereas in Java and NTB the maize goes to supply milling operations.



**Indicator**



Cumulative outreach actual to June 2021 (HHs)  
**35,736**

Cumulative outreach projected to Dec 2023 (HHs)  
**64,271**

Total NAIC up to June 2021 (IDR)  
**51.5 billion**

Total NAIC to June 2021 (%)  
**132% ↑**

Total projected NAIC to Dec 2023 (IDR)  
**123.2 billion**

**Value for Money (VFM)**



Investment leverage  
**3.48**



Investment per HH  
**80.50**



Social return  
**1.79**

## Constraints

Around 71% of the farmers (512,000 farmer HH) in NTT are involved in maize production. However, maize productivity in the province is very low, with an average of 2.5 MT per Ha, which is much below the national average of 5.23 MT per Ha. Farmers do not have access to information and knowledge on GAP. They also have limited access to certified seeds (either Open Pollinated Varieties - OPV or hybrid variety). Local seed producing nurseries mainly serve seeds for government subsidy program rather than invest to reach commercial farmers.

The maize downstream market in NTT is limited to local off-takers supplying the traditional market and independent livestock farmers. Bigger off-takers struggle to procure local maize because of limited availability and poor quality.

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## Sector vision

PRISMA aims to increase production and productivity of maize in NTT by improving the capacity of OPV seed producers (nurseries) for quality seed production and developing commercial seed market, facilitating local government in the development and implementation of their

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## Market function 1: Quality certified seed

Seroja Cyclone hit NTT in April 2021 causing harvest and seed inventory loss for several local OPV seed producers. PRISMA and the Provincial Agriculture Office have tried to link them to the PEN, however the interest rate was considered higher than the existing loan they could access from people's business credit (Kredit Usaha Rakyat / KUR) scheme. Despite this setback, seed producers have continued to produce certified seeds. Local seed producers no longer have problems sourcing stock seed as the training event conducted towards the end of 2020 provided linkage for alternative sources to procure stock seed.

Following an internal reorganization, Corteva has decided to focus on other maize producing areas and withdrew further investment for penetrating hybrid seed in NTT. However, PRISMA will explore collaboration and other national seed producers, including Corteva. During the reporting period, PRISMA has also supported the establishment of an Association of Seed Producers of NTT. The association, which currently has 13 members, aims to increase production and quality of locally produced OPV seed by strengthening collaboration among seed producers and advocating aspirations to local government.

## Market function 2: Market supporting policy

The government of NTT aims to increase production of maize in NTT to achieve: 1) self-sufficiency of maize in NTT for human consumption (7 percent); to fulfil raw material demand for the planned feed mill factory (54 percent); and 3) for inter-island export (39 per cent). PRISMA is supporting the Provincial Agriculture Office and the Assessment Institute for Agricultural Technology (BPTP) of NTT to develop and execute the Maize NTT Roadmap as a framework to achieve this maize production target.

This semester the Provincial Agriculture Office and BPTP initiated a WhatsApp platform for regular information sharing with local seed producers on seed subsidy requirements and stock seed production plan. The Provincial Agriculture Office also facilitated development of the downstream market by linking maize farmers to local off-takers. However, implementation of several activities in the roadmap, including capacity building for nurseries and farmers, have slowed down as the budget has been reallocated for managing COVID-19. PRISMA is currently in discussion to renew its MoU with agriculture office and BPTP to support the road map implementation.

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## Market function 3: Off-taking

PRISMA wants to channel maize produced in NTT to the main maize-demand centre in East Java. Big inter-island off-takers are expected to actively develop off-taking channels, expand their sourcing from NTT and provide Good Harvest Practice (GHP) to ensure maize produced by farmers meet the required quality parameters.

PT Seger Agro Nusantara (SAN) has invested to set up a warehouse on Timor Island, NTT by August 2021. This will help SAN to temporarily store procured maize prior to shipping to Java. SAN will start procuring supply from NTT by collaborating with local off-takers from the coming harvesting season.

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## Market function 4: Information on GAP and GHP

The majority of activities under seed promotion and off-taking service development include GAP and/or GHP information as embedded technical assistance. For example, during promotion of their OPV seed, local seed producers encourage farmers to use double track planting system for optimum productivity.

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## Challenges and Learning

COVID-19 remains a challenge for both intervention implementation and maintaining effective engagement with stakeholders, specially Gol agencies. In the next semester, PRISMA plans to adapt intervention strategies with its partners as a response to the changes of government budget allocation and travel restriction which is expected to continue for some period.

As the province is repeatedly experiencing climate related disasters, a strategy to increase local market actors' resilience towards climate change in NTT is crucial. PRISMA plans to design light touch initiatives such as introducing agricultural insurance products during networking events with farmers, off-takers, and seed producers going forward.

## 2.2.9

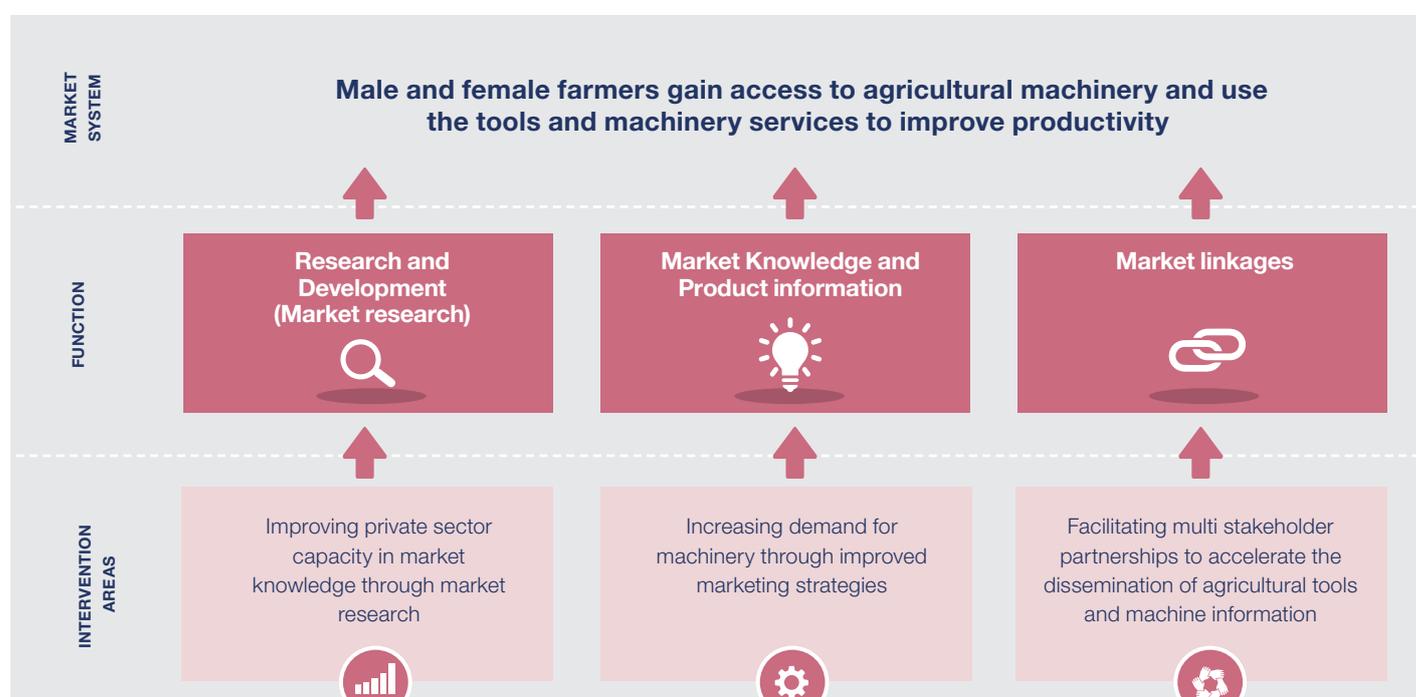


# MECHANISATION

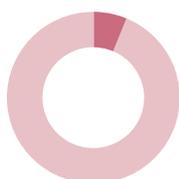
Mechanisation focusses on tools and small machines (e.g. planters and seeders) and large machines (e.g. combine harvesters and 4 wheels tractors) and advanced machinery (e.g. drone and automatic push feeding machines) for rice and maize in Central Java, East Java, and NTB.

## Constraints

Rice and Maize farmers in East and Central Java face labour scarcity problems that caused increased labour costs. The adoption of mechanized solutions is not widespread due to limited business knowledge and lack of market information from the machinery importers on machine suitability which reduces the opportunities for market penetration.



### Indicator



Cumulative outreach actual to June 2021 (HHs)  
**4,528**

Cumulative outreach projected to Dec 2023 (HHs)

**27,300**

Total NAIC to June 2021 (%)

**19% ↑**

Total NAIC up to June 2021 (IDR)

**7.16 billion**

Total projected NAIC to Dec 2023 (IDR)

**18.9 billion**

### Value for Money (VFM)



Investment leverage  
**3.66**



Investment per HH  
**68.82**



Social return  
**2.30**

## Sector vision

PRISMA's vision for the mechanisation sector is that agricultural tools and machinery services are more available and commonly used by farmers. This can be achieved by introducing the market to machinery services, conducting awareness campaigns, and revising distribution strategies for agricultural tools and machinery.

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### Market function 1: Research and development (Market research)

Research into the appropriateness of technology can be used for product development and market insight. This has been done effectively with a number of PRISMA partners (PT. Rutan, TAD, and Galaxy Partani Mas). This semester the same approach was used for prospective partners (CV. Agro Jaya and Sentragro). These companies consider the market data provided by PRISMA as their primary reference for product development and after-sales service strategy

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### Market function 2: Market knowledge and product information.

Most machine importers in Indonesia have limited market knowledge and rely on product availability from other countries. Because of the lack of knowledge, many imported machineries is not suitable to Indonesian conditions.

During this semester, mechanization partners continued their shift to online campaigns. PT. Rutan and PT. Galaxy Partani Mas now routinely uses PRISMA action research results to inform their marketing strategies. PT. Galaxy Partani Mas has sold ten machines through their online channel this semester.

PRISMA market insights were also used by partners for offline marketing. This semester CV. Agro Jaya. sold 15 Rice Combine Harvester and 10 4-Wheel Tractors in East Java which resulted in 7500 farmers having access to agriculture machinery services, which may trigger more business opportunities going forward.

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### Market function 3: Market linkage

PRISMA facilitates linkages between market actors to increase networks. During this semester PRISMA connected PT. Terra Agro Digital to promote their drone sprayer services to farmers of PRISMA partner, PT. Syngenta. IN this semester PRISMA also facilitated the collaboration between Galaxy Partani Mas and Nestle to do a small machinery trials with Nestle's Farmer networks. The feedback from these trials will allow importers to improve on product development.



### Challenges and learning

The mechanization sector relies heavily on field data and market insights. The collection of this information is significantly hampered by COVID-19 social restrictions.

## 2.2.10 MUNGBEAN

### Constraints

Over 102,000 metric tons (MT) of mung bean are imported to Indonesia because domestic productivity is low. The reason for this is the lack of high yield certified seed and poor GAP application and reliance on retained seed resulting in an average yield of 1.078 MT/Ha compared to optimum productivity of 2 MT/Ha with certified seed. There is a low rate of commercialization by foundation seed producers leading to insufficient availability in the market. This situation does not allow seed nurseries and producers to effectively multiply the production time for certified seeds.



#### Indicator



Cumulative outreach actual to June 2021 (HHs)  
**18,766**

Cumulative outreach projected to Dec 2023 (HHs)

**59,943**

Total NAIC to June 2021 (%)

**29% ↑**

Total NAIC up to June 2021 (IDR)

**9.6 billion**

Total projected NAIC to Dec 2023 (IDR)

**117.5 billion**

#### Value for Money (VFM)



Investment leverage

**0.27**



Investment per HH

**91.64**



Social return

**0.56**

## Sector vision

PRISMA will address the market constraints by adopting certified seed and GAP through improved marketing and encouraging additional mung bean seed players. PRISMA aims to improve downstream mung bean market development by connecting exporter/importer, food processors, government, and other private sector players.

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### Market function 1: Quality seed with GAP

Most marketing activities to disseminate GAP have been postponed due to the pandemic. However, PRISMA supported the development of digital marketing strategy for CV Semi, which has now been expanded by the company to Sumatera, Kalimantan, Sulawesi, and Nusa Tenggara. In the provision of good quality seed, PRISMA supported BALITKABI to conduct an online event to attract paddy, maize, soybean, and peanut nurseries to enter the mung bean seed market. All eleven nurseries attending the discussion showed interest in entering the business. This will be followed up next semester.

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### Market function 2: Foundation seed regulation

This is a newly identified area for PRISMA as part of the strategy refresh. There is increased demand for foundation seeds by seed producers, but BALITKABI has limited capacity to fulfill market demand and the provincial and district seed hall (*balai benih*) producers have not had success in seed propagation. Some of these problems could be solved through adjustments to government regulations that will improve coordination. This will be explored by PRISMA going forward.

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### Market function 3: Downstream market

This is a newly identified area for PRISMA as part of the strategy refresh. The downstream market for mung bean has shown growth as additional players enter the market, and export demand has increased. The export in 2020 saw an increase of 37% from the previous year. Several food processors have also considered local mung beans as their ingredients, replacing the imported ones. PRISMA will continue observing and monitoring this market function for opportunities.

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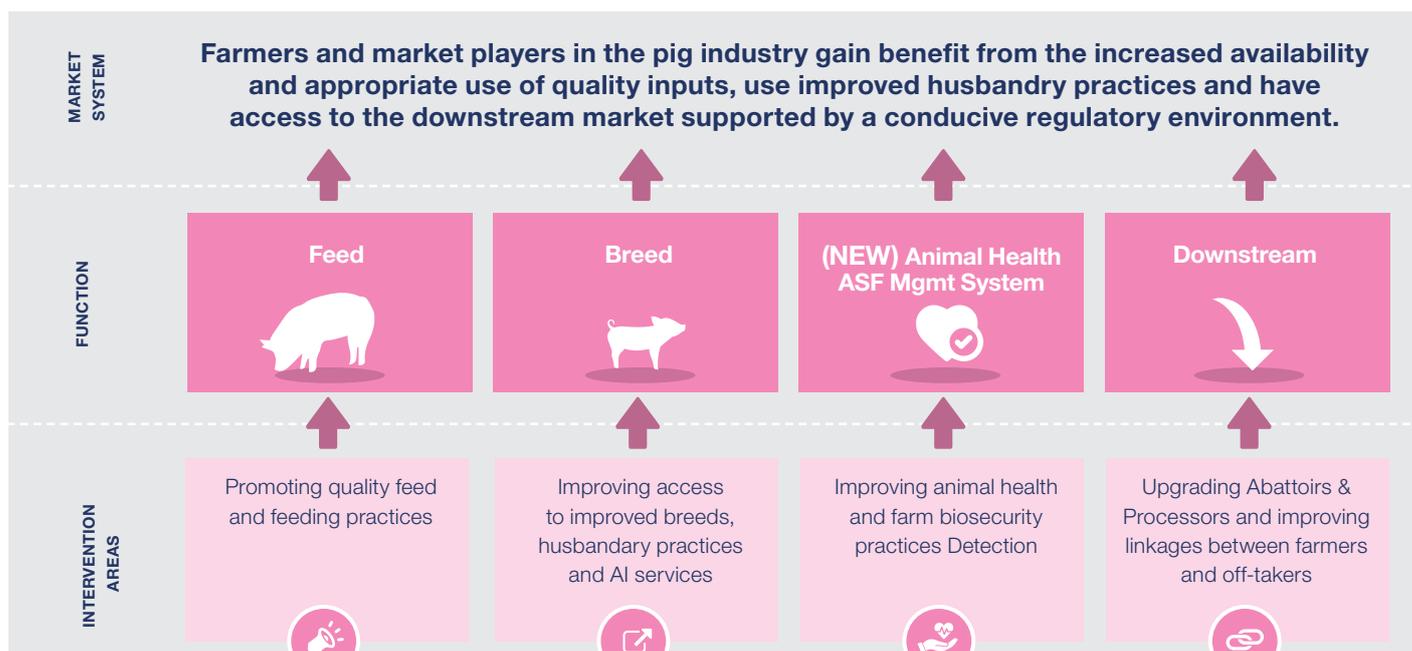


### Challenges and learning

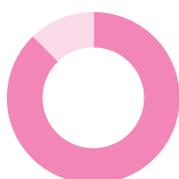
One key challenge for the mung bean sector is the ongoing impact of COVID-19 in disseminating quality products and information to meet the needs of smallholder female and male farmers. Digital marketing approaches face challenges due to technological issues, infrastructure availability, and network reception. Some partners do well with online-offline hybrid, but other partners face difficulty as they have limited field staffs to facilitate the meetings.

## 2.2.11 PIGS

Pig farmers in NTT do not have access to quality breeds or good husbandry practices, including farm management and breeding, including artificial insemination. Although good feed is available, there is limited access and limited information for farmers in using concentrate feed. Pig health products are not easily available and African Swine Fever (ASF) outbreaks continue without good animal health practices in place. On the off-taking side there are limited processing businesses and limited information regarding traders.



### Indicator



Cumulative outreach actual to June 2021 (HHs)  
**125,596**

Cumulative outreach projected to Dec 2023 (HHs)

**141,651**

Total NAIC to June 2021 (%)

**412% ↑**

Total NAIC up to June 2021 (IDR)

**712.7 billion**

Total projected NAIC to Dec 2023 (IDR)

**732.7 billion**

### Value for Money (VFM)



Investment leverage  
**14.67**



Investment per HH  
**35.41**



Social return  
**16.03**

## Sector vision

PRISMA aims to increase productivity of smallholder pig farmers in NTT by providing farmers with better access to information about good pig husbandry practices, improved pig breeds and breeding systems, quality feed and balanced feeding practices, and the use of biosecurity measures and animal health to respond the ASF virus outbreak. Furthermore, the sector will continue its recovery by developing linkages to downstream markets and advocating for a conducive regulatory environment.

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## Market function 1: Feed

Like other sectors, COVID-19 forced all partners (PT. Sinta Prima, PT. Panca Patriot, PT Sreeya Sewu, and PT. Sinar Indochem) to move to new online strategies of promotion and market penetration. PT. Sinta Prima is currently developing digital promotion in the form of educational videos, which will be completed next semester. PT. Sinar Terang Madani was the exception and faced difficulties maintaining their market share and presence in NTT due to internal restructuring (pig feed now less than 1%) and financial issues caused by COVID-19.

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## Market function 2: Breed

Several PRISMA partners such as CV. Tiba Mori Go and CV. Kame Adonara Farm experienced difficulties during this period because they were affected by the ASF outbreak so the planned activities, such as improving breed quality, providing AI services and some capacity building, could not be carried out.

CV Mitra Jaya and Mesang Valley Farm were able to carry out their activities such as a trial of imported fresh semen, training for farm staff, developing a pig recording system, and implementing biosecurity SOP. PRISMA partners received technical assistance from a Short-Term Adviser who assisted all breed partners in improving their farm management. These farms will become good examples of successful husbandry practices in NTT.

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## Market function 3: Animal health – ASF management system

One of the factors causing ASF to spread rapidly in NTT is the lack of knowledge and information and poor animal disease detection. During this period PRISMA initiated the ASF Social Awareness Campaign in collaboration with the government, private sector, associations, universities, NGOs and other market actors. The sub-contractor (PT. Tiga Ide Pariwara) will implement the campaign next reporting period.

To improve long-term change in managing ASF, PRISMA collaborated with the Australia Indonesia Health Security Partnership to pilot the use of an ASF diagnostic tool (LAMP) this semester. This equipment will demonstrate the value of improved diagnostic testing and improve the government's ability to carry out early detection for infectious diseases in pigs, especially ASF. This will be supplemented with capacity building to increase knowledge, skills, and expertise of government staff (veterinary field workers, laboratory technical personnel) as well as for other related parties such as partners private or university.

## Market function 4: Downstream processing

The downstream pork market has been significantly impacted by COVID-19 and the ASF outbreak during this semester. The demand for smoked pork (se'i), and other processed pork meat decreased and the price of pork products increased due to limited pig supply. PRISMA will start working on this market function next semester or early 2022.



### Challenges and learning

One of the key challenges for the pig sector is re-distribution of partner and government budgets towards COVID-19 responses leading to a reduction in activities.

Although ASF cases in NTT are decreasing, the unavailability of ASF vaccine, limited access to ASF-free live pig sources and the improper restocking procedures could trigger another outbreak that would hinder the recovery of the pig sector.

## 2.2.12 POULTRY

The poultry sector commenced during the end of PRISMA Phase 1 with a feasibility study to investigate the use of native chickens. In 2019 market analysis was undertaken in several provinces and at the end of 2019 an opportunity was identified for KUB native breed of chicken in partnership with PT Sumber Unggas Indonesia. While PRISMA successfully increased the consumption of native chicken in NTT by doubling sales, the impact of the pandemic on the partner's rate of business growth, and the lack of other private sector investment outside of the single partner indicated a lack of scale potential. As a result, the poultry sector has been closed. Next semester a lesson learned document will be produced.

Indicator	Cumulative outreach projected to Dec 2023 (HHs)	Total NAIC to June 2021 (%)
 <p>Cumulative outreach actual to June 2021 (HHs)</p> <p>-</p>	<b>76</b>	-
	Total NAIC up to June 2021 (IDR)	Total projected NAIC to Dec 2023 (IDR)
	-	<b>14.4 million</b>

### Value for Money (VFM)



Investment leverage

**0.02**



Investment per HH

-



Social return

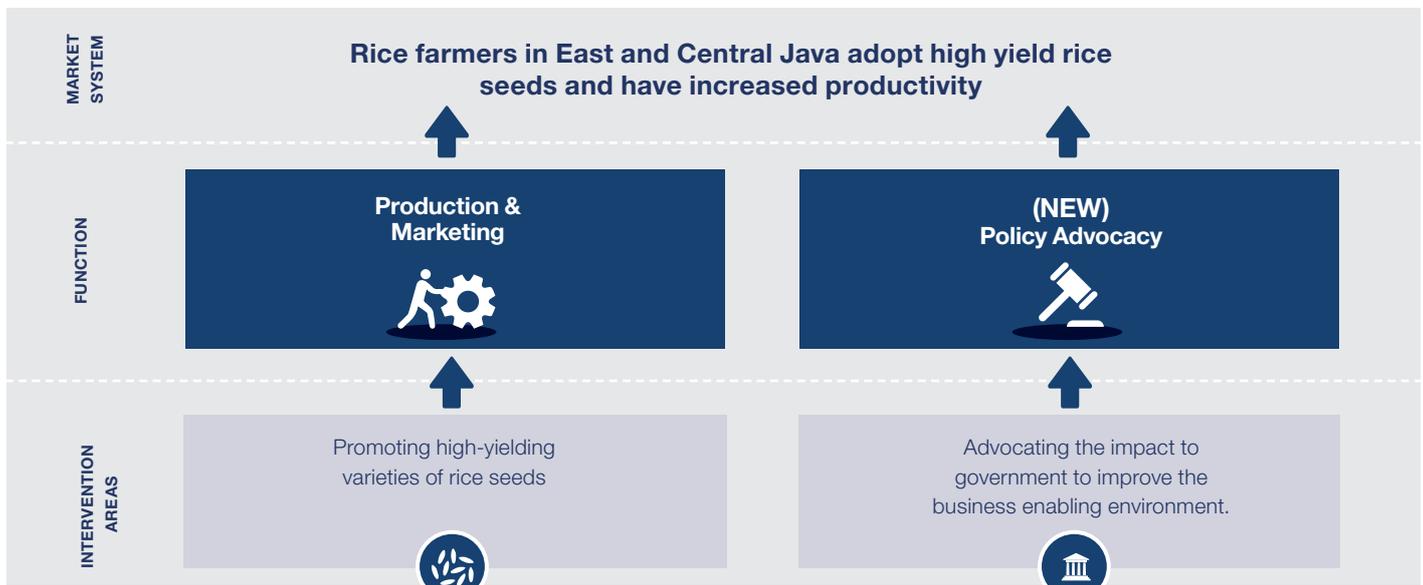
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## 2.2.13 RICE

East and Central Java Rice are the two largest rice producers in Indonesia with more than 5 million small scale farming households<sup>7</sup> contributing more than 35% of the total national rice production.<sup>8</sup>

### Constraints

Although Indonesia is the third largest rice producer in the world, the productivity level is low averaging 5.11 tons/ha instead of the optimum level of 9 tons/ha. This is because farmers use retained seeds (seeds from their previous crop) which produce increasingly lower quality crops. Only 52 percent of farmers use certified seeds, but these seeds are dominated by older inbred varieties which have low productivity and low resistance to pests and diseases. The reason for this is lack of access to high yield seeds, the lack of information of good agricultural practices, and a reliance of subsidised seed of poor quality.



#### Indicator



Cumulative outreach actual to June 2021 (HHs)  
-

Cumulative outreach projected to Dec 2023 (HHs)

**26,370**

Total NAIC to June 2021 (%)

-

Total NAIC up to June 2021 (IDR)

-

Total projected NAIC to Dec 2023 (IDR)

**61.4 billion**

#### Value for Money (VFM)



Investment leverage

**0,14**



Investment per HH

-



Social return

-

<sup>7</sup> BPS, Inter-Census Agricultural Survey (Sutas), 2018

<sup>8</sup> BPS, Harvest Area and Rice Production in Indonesia, 2020

## Sector Vision

PRISMA will increase the productivity of rice smallholder farmers in East and Central Java by progressively shifting the use of old seed varieties to the new high-yielding seed varieties (inbred and hybrid). This will be achieved through partnering with private and public sectors to produce, promote, and educate farmers on the benefits of using high-yielding rice seed varieties.

## Market Function 1: Production & Marketing

During this semester, PRISMA partnered with PT. Agrosid, PT. Corteva and PT. Botani to produce and promote high-yielding seeds (hybrid and inbred) in Indonesia. COVID-19 did halt several critical production activities including PT. Corteva's research plan to identify seeds production areas. The company is now renewing its organisational structure and revisiting its strategy on rice seeds.

After the successful completion of PT. Agrosid first product trial the company had difficulty accessing trial farmers for the second trial due to social restrictions. PRISMA spent the time supporting PT Agrosid's organizational transformation, such as adopting remote monitoring for demo plot and incorporating COVID-19 safety protocols for field activities. In the coming semester, the partnership will continue to the second production trial.

### Case Box 02 Journey to Scale



PRISMA has been working for seven years now with a range of private sector partners to change the way they do business that will benefit poor farmers. This change will only occur if the private sector moves from the pilot phase and adopts the new business model as part of their on-going business plan. Once this is done, the next stage to ensure sustainable outcomes in the market is for other businesses to see the benefits and then copy the model independently.

The problem is that this scale-up doesn't happen on its own. Efforts need to be made by companies to promote the approach. So, how do you get other companies to pay attention? Well, one way that succeeded for one of our rice seed partners, PT Botani, was to have their work praised by the President of the Republic of Indonesia.

PRISMA has been working with farmers to address rice seed quality and help farmers to improve productivity. In April 2021, PRISMA partnered with PT Botani, a national rice seed producer, to promote a new paddy variety called IPB3S. This variety's productivity averages 7 tonnes per hectare, which is much higher than the 5.63 tonnes per hectare achieved by poor quality seeds.

The collaboration with PT Botani involved establishing demonstration plots and conducting educational activities for farmers as the cultivation technique for IPB3S seeds is slightly different to that of common paddy variety seeds.

By end of April 2021, the demonstration plots were showing good progress; one particularly strong performer in Malang produced 8.5 tonnes on one hectare of land, representing 30% increase in productivity compared to other local varieties.

The success led to the head of the District in Malang to invite President Joko Widodo to visit the plots during his tour of South Malang. President Widodo noted the impressive performance of IPB3S and expressed his support for policies designed to improve Indonesia's ability to produce sufficient food domestically. This caught the attention of Bappenas and now IPB3S is on the lips of influencers.

IPB University, who developed the rice variety and licensed it to PT Botani is planning a follow-up meeting with President Widodo. But for PT Botani they are now further down the line towards embedding the model. This semester invested in new strategic level management staff to move from pilot to sales. This is a positive step towards systemic change.

## Market Function 2: Policy Advocacy

Rice is a highly regulated commodity where the GoI plays a significant role in the supply of rice seed through the free seeds program. Advocating field evidence on the impacts of high-yielding rice seeds on farmers' productivity and livelihood could nudge the government to adjust their seed provision criteria, and eventually increase the proportion of high-yielding seed varieties in the market.

This semester, PRISMA worked with a Short-Term Advisor (STA) to establish connections with key rice market players, such as state-owned enterprises, to gather evidence on constraints related to GoI rice regulations. Next semester the program will begin producing articles, case studies and policy briefs to influence a change in the choice of variety on the free seed program. This work will require a long-term timeframe.



### Challenges and Learning

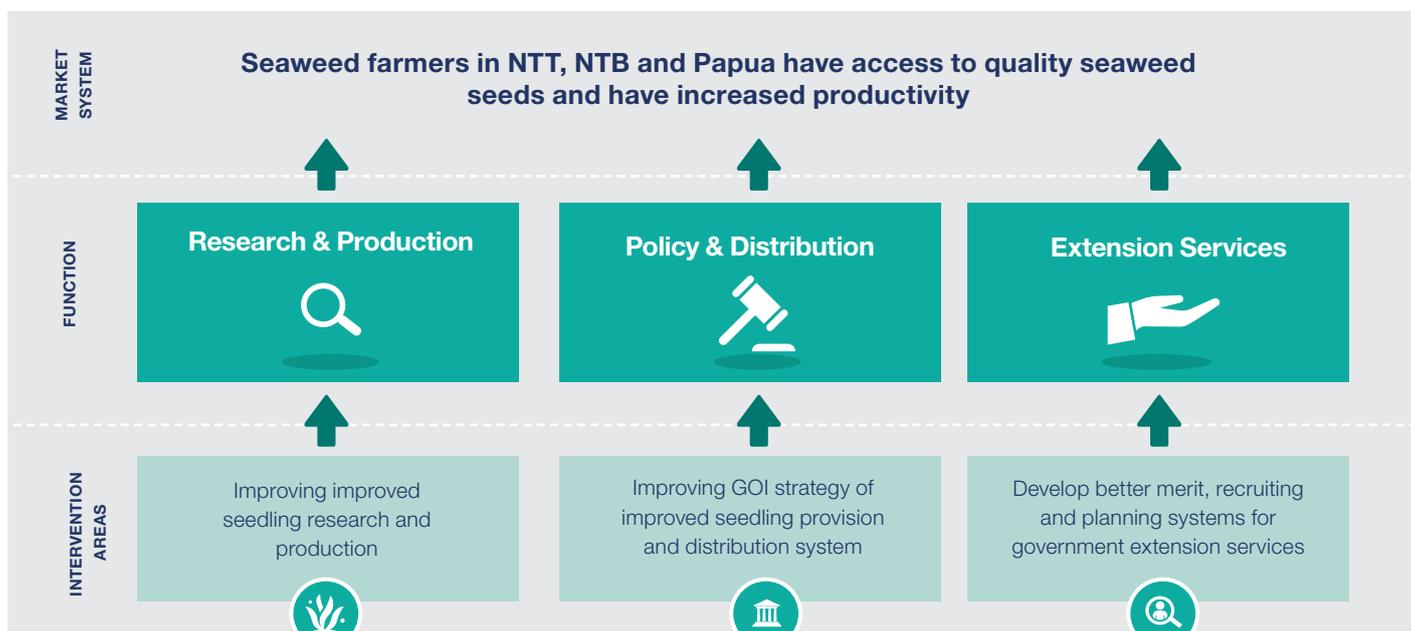
The impact of COVID-19 resulted in a massive reduction of the GoI free rice seed budget. This change has shaken national supply and demand for rice seeds, negatively impacting private sector actors who usually sell seeds in the government market. On the one hand, this budget adjustment is likely to increase the market share of certified seeds in the free market, thus providing a better opportunity to introduce new high-yielding seed varieties. In a worse-case scenario, the reduction of free seeds may see farmers returning to using retained seeds among farmers. This provides room for PRISMA partners to impact the market.

The challenge and potential risk for the program is if the free market for certified seed begins to grow but is then disrupted by rebound budgets for a free seed program, thereby reverting to a highly regulated market system. This is why policy engagement is important to progress.

## 2.2.14 SEAWEED

### Constraints

Main constraints in seaweed are the substandard quality of improved seedlings due to lack of research, low budget and poor infrastructure coupled with poor management of seaweed development centres. Several quasi-public research institutions have attempted to address the issue of poor-quality seedlings through the creation of tissue culture seaweed seedling but have resulted in subpar performance. Another major constraint is unsustainable government grant programs and the absence of permanent nurseries. The grants have become entrenched and there is little prospect for private investment in the sector.



#### Indicator



Cumulative outreach actual to June 2021 (HHs)  
**1,510**

Cumulative outreach projected to Dec 2023 (HHs)

**9,979**

Total NAIC to June 2021 (%)

**11% ↑**

Total NAIC up to June 2021 (IDR)

**540.0 million**

Total projected NAIC to Dec 2023 (IDR)

**18.3 billion**

#### Value for Money (VFM)



Investment leverage  
**0.61**



Investment per HH  
**1,859.48**



Social return  
**0.02**

## Sector vision

PRISMA will address farmer constraints through the use of, and better access to, improved seedlings and seedling cultivation techniques. To achieve this, PRISMA and implementing partner, Kalimajari, supports the Directorate General of Aquaculture (DGoA) of the Ministry of Marine Affairs and Fisheries (MMAF) to improve efficiency and effectiveness of the seaweed seedling grant distribution and standard operating procedures (SOP) and influence policy making. PRISMA also supports improving seedling R&D (Research & Development) to ensure stronger partnerships between stakeholders and better access to improved seedlings

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## Market function 1: Research & production

This semester PRISMA and Kalimajari assisted the DGoA and its R&D centers to produce 3 new varieties of improved seaweed seedling<sup>9</sup>. These new seedling products, methods, and sources will provide new options for farmers suitable to the relevant area.

In addition, this semester Balai Takalar R&D center on Lembongan island conducted research to support the seedling development by identifying the survival rates of the various strains of seaweed. The result of the research will be applied to select acclimatisation areas in the dispersal process of new improved seedlings later this year.

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## Market function 2: Policy & distribution

During this semester, PRISMA and Kalimajari facilitated a workshop attended by R&D centres, local government, the private sector, and legislative members on seaweed development in Teluk Saereri, Papua. The workshop resulted in a collaboration in pilot activities for seaweed seedling provision, raw and dry seaweed off-taking models, and opportunities in other aquaculture commodities – such as fish.

To elevate the pilot projects nationwide, DGoA together with PRISMA held a seaweed workshop in June 2020 attended by Development Centres and the heads of research units across Indonesia resulting in a final draft of the industry's standard reference for efficient seaweed distribution. It is hoped this will reduce damage of seaweed through transportation by up to 40 percent. The workshop led to pre-discussions on improving Technical Instruction (Juknis) for seaweed grant recipients.

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## Market function 3: Extension services

It is too early to observe changes in the extension service function.

<sup>9</sup> (1) Saccol seedling propagation via tissue culture method (2) An all-new spore hatching technique of wild E. Cottonii; and (3) Strain selection method.



## Challenges and learning

COVID-19 has caused a 37 percent decline in seaweed price (on average) and sharp price fluctuations. Exporters have exited the trade lines and logistics are strained due to various pandemic related restrictions. Additionally, a major budget refocus of the government has caused a halt on the dispersal of grants for 2021. This highlights the issue of a sector reliant on government subsidies and the challenges for sustainable outcomes in this sector.

The lack of private sector investment in the sector and the reliance on government grants means the prospect of wider systemic change in this sector is unlikely. As a result, PRISMA will continue to monitor the sector for a further six months, but if private investment cannot be drawn into the sector in a sustainable way, PRISMA is likely to drop this sector.

## Case Box 03

### “We succeed because we fail” – lessons learned from the seaweed sector



In March 2014, PRISMA began its first intervention in the Indonesian seaweed sector. The sector was chosen as part of the design for PRISMA for its pro-poor and scale potential. Having assessed the market system, the team identified that the reason the market was not working properly was poor cultivation methods and issues with post-harvest processing. PRISMA attempted to address this by supporting CV Evadian, to establish a processing facility on Flores. However, the investment did not continue after three failed seedling cycles.

PRISMA tried again on Rote Island, having found another interested investor. However, the success was localized and small and because there weren't any processors that could be enticed to the area, was not scalable.

In 2017 PRISMA tried working directly with processors in NTT but had limited success with only 1,500 farmers receiving an 11 percent net income increase. The team determined that farmers could not gain increased incomes by addressing post-harvest quality.

In 2018, PRISMA tried again by change course and addressing the input function of the market by looking to improve the quality of seedlings. Most of the research and development in seaweed is undertaken by the Ministry of Marine and Fisheries. In fact, most of the seaweed seedling market is highly reliant on government grants and subsidies. Farmers rely on national, provincial and district level grants in the form of seed and lines. Investment assistance to processors is provided through the Ministry of Marine and Fisheries. Low interest loans have been set up by government to encourage private sector investment. Subsidized marine tolls were also introduced to reduce transport costs.

By the time of Phase 2 in 2019 PRISMA was supporting the Ministry of Marine and Fisheries to improve the planning of the grant program, assist the government technical implementation units with nurseries, and improve the recruitment process for government extension workers. While the intervention has led to three new improved seedlings with higher productivity the question still needs to be asked - will the change likely reach scale and be sustainable? Unfortunately, the answer is no.

MSD programs usually work with the private sector because it is industry that plays the core market function of buying and selling and can drive growth. Market functions don't tend to last when market actors fail to respond and rely heavily on unsustainable public funding. A stark example of this is when the COVID-19 pandemic hit, government grants for seaweed were halted as funding was channelled to higher priority areas.

As part of the strategy refresh the team looked closely at the seaweed sector. It's clear that the program failed to notice a few red flags:

1. When the business models failed at proof of concept, the program still hung on
2. The program became too focused on the partner's problem, in this case the Ministry of Marine and Fisheries, rather the problem in the wider market
3. The program never took a helicopter view of the intervention, thinking that lack of investment would allow time to discuss improvements in government SOP and policies, rather than seeing the government subsidies as part of the problem rather than the solution
4. Because the sector was involved at a national policy level, it received attention and the usual questions regarding pathways to scale were never asked.

These points illustrate the importance of regularly returning to the constraints analysis to critically assess where an intervention is going. Systemic change doesn't just happen. The road to long-lasting change needs to be mapped out and planned for. This is why strategy refreshes need to be part of the on-going monitoring process.

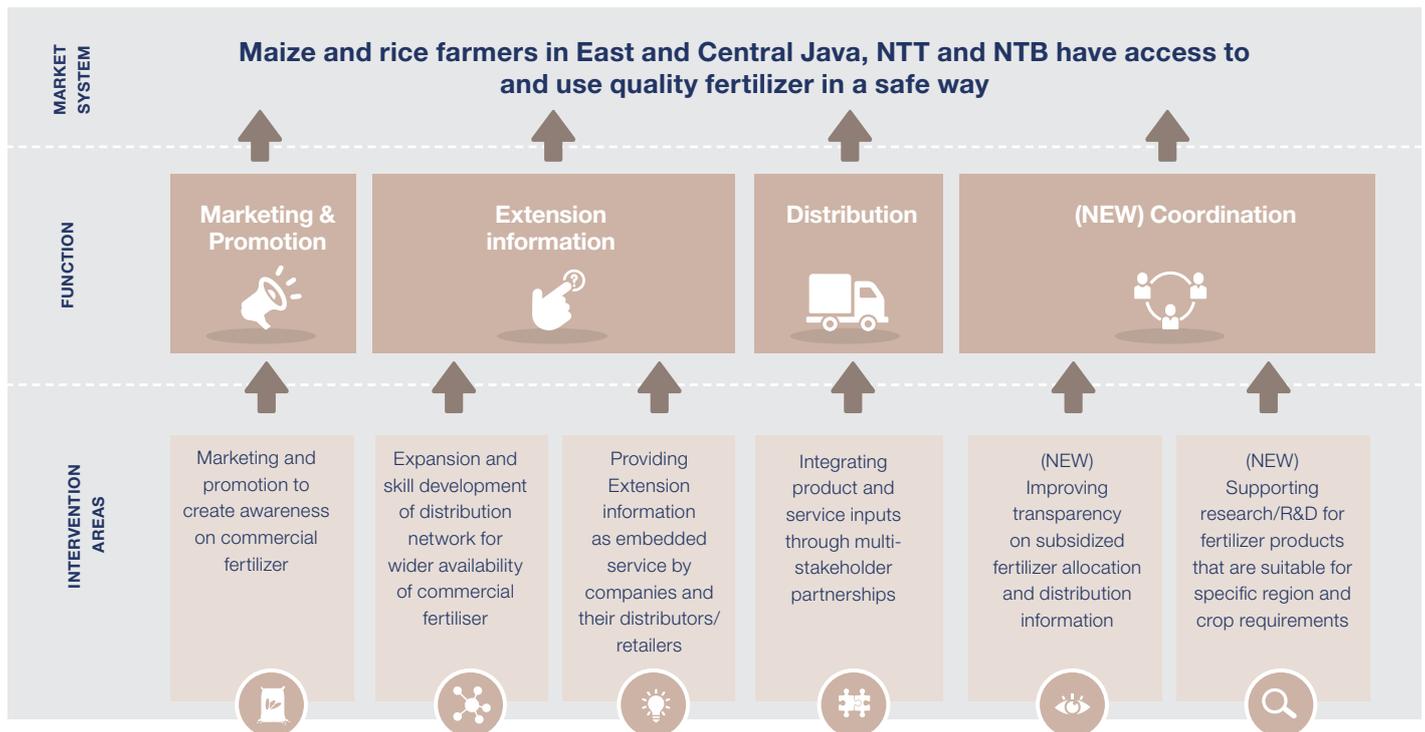
Admitting failure is not always easy, but the seaweed intervention gives us a very good learning model on how to better plan for systemic change in other sectors.



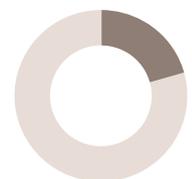
# SOIL TREATMENT

## Constraints

The major constraints in the fertilizer sector include: 1) Lack of access to fertilizer (both subsidized and commercial) due to poor distribution networks, lack of market intelligence and high prevalence of subsidies; 2) Farmers' lack of awareness on proper application of fertilizer and lack of extension services, including GAP; 3) Lack of coordination among key market actors; 4) lack of efficiency in subsidy; 5) Lack of information about market segmentation and farmers' needs



### Indicator



Cumulative outreach actual to June 2021 (HHs)  
**21,225**

Cumulative outreach projected to Dec 2023 (HHs) <b>98,476</b>	Total NAIC to June 2021 (%) <b>23% ↑</b>
Total NAIC up to June 2021 (IDR) <b>89.9 billion</b>	Total projected NAIC to Dec 2023 (IDR) <b>257.4 billion</b>

### Value for Money (VFM)



Investment leverage  
**1.38**



Investment per HH  
**41.98**



Social return  
**10.09**

## Sector vision

PRISMA will work with private and State-Owned Enterprise (SOE) fertilizer producers to ensure that over 200,000 farmers in East Java, Central Java, NTT and NTB have increased income due to availability and proper application of fertilizer products. Fertilizer producers, distributors/retailers will offer a variety of fertilizers through smart marketing and promotional strategies and provide information on GFP.

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## Market function 1: Marketing and promotion

Good progress was made in this function this reporting period. Pupuk Kalimantan Timur (PKT) was adjusting to a major organizational restructure with their holding company, Pupuk Indonesia, taking over the commercial fertilizer business functions of PKT. This has led to some adjustment of planned partnership activities. PKT continued its field activities in East Java conducting 58 farmer meetings across 10 districts and 2 harvest days to educate farmers on proper use of commercial fertilizer.

Meanwhile, PKT continued to implement its flagship program, Agrosolution, that was developed with support of PRISMA. Agrosolution is a new business model based on the concept of multistakeholder partnership and aims to provide farmers better access to inputs, services, and GAP by involving multiple market actors, such as seed companies, off-takers, financial institutions. If successful, this model has strong capacity to broaden and deepen the innovations within the market system, leading to more sustainable outcomes. During this period, other PRISMA partners including Saprotan Utama Nusantara (SUN), new partner PT. Bio Agromitra Indonesia (BAI), and Agrotama Tunas Sarana (ATS) conducted some field activities but focused on piloting digital marketing strategies with the companies.

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## Market function 2: Extension information

During this period PKT provided extension information during their farmer meetings (see section above). PRISMA supported PKT in leveraging Government extension officers (PPL) by conducting knowledge transfer activities at the PPL offices during the pandemic restriction period. SUN shared information and answered.

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## Market Function 3: Distribution

As part of the strategy to improve availability of quality fertilizer, PRISMA supported new partner BAI this semester to transition from a Business to Business (B2B) company to a B2C company. PRISMA also supported BAI to identify new distributors in the region, but this work slowed as a result of new social restriction imposed during the semester.

## Market Function 4: Coordination

To address the challenge of limited integration between private market actors, fertilizer companies and the government, PRISMA is working to facilitate coordination between market actors. During this semester, PKT has signed agreements for Agrosolution in three districts in East Java. Other market actors involved in this agreement are BASF (Pesticide company), Jasindo (Insurance), BRI (Financial Institution), and Perpadi (off-taker). PKT is also working with private extension services (PT. Srikandi Kriya Mandiri) who plays a dual role of disseminator of technical knowledge and as an off-taker for staple crops.

Another initiative to facilitate collaboration between SUN and seed companies was postponed due to the social restrictions this period. Towards the end of the reporting semester, PRISMA started exploring opportunities for improved collaboration and information sharing on subsidy allocation and distribution between Gol and fertilizer companies, which will allow the private sector to know where best to invest. This will continue next semester.



### Challenges and learning

Reaching farmers digitally remains a challenge in areas with poor connectivity. The fluctuation in exchange rate and increase of logistic cost due to the pandemic may also impact on fertilizer costs going forward.

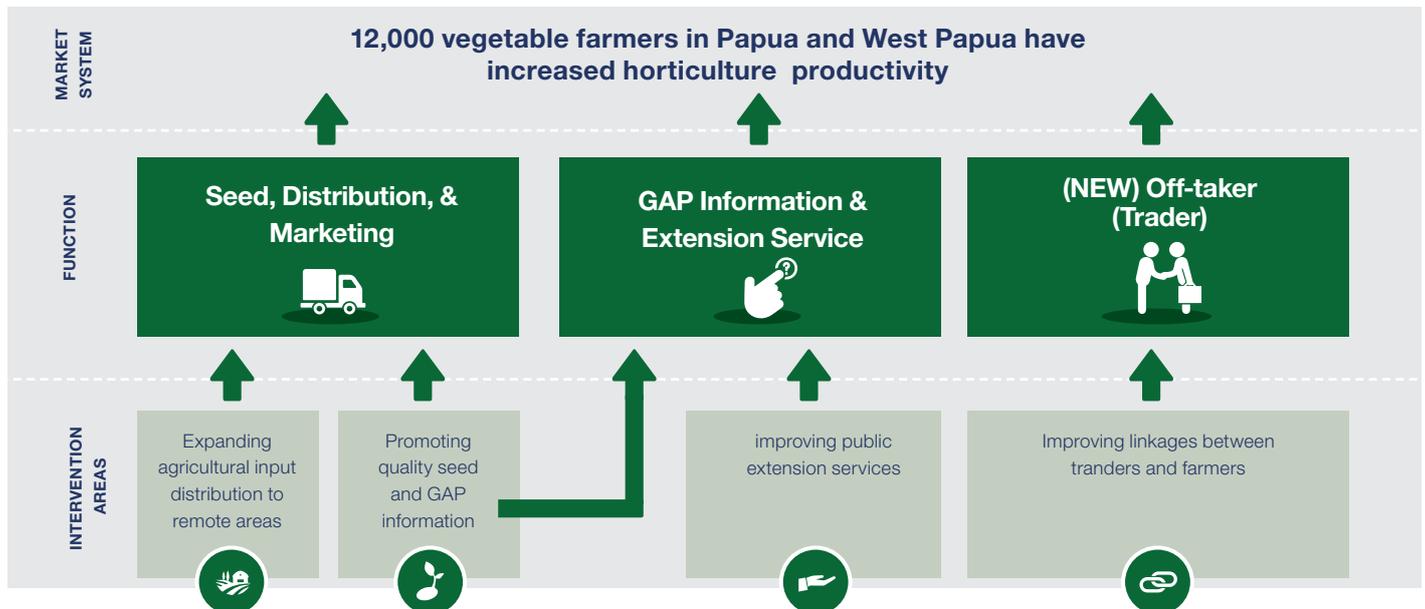


## VEGETABLES IN PAPUA AND WEST PAPUA

In Papua and West Papua, the vegetable sector involves approximately 225,000 households which comprises indigenous farmers (85%) and transmigrant farmers (15%). Particularly in areas that are predominantly indigenous Papuan, women play a critical role in almost all agriculture production activities from land preparation through to harvesting

### Constraints

The quantity of vegetables produced in Papua and West Papua fulfils less than 65% of total demand (110,000 tonnes) in both provinces. Local farmers are unable to reach higher productivity due to the use of low-quality inputs, poor agriculture practice, and lack in access to market information, particularly for women. There is also limited understanding of the market potential, local culture and logistical challenges for the private sector making them hesitant to invest in the region. Geographic remoteness also impacts distributions channels, access to public and private extension services, and efficient supply chains and off-takers.



#### Indicator



Cumulative outreach actual to June 2021 (HHs)  
**6,883**

Cumulative outreach projected to Dec 2023 (HHs)

**11,164**

Total NAIC to June 2021 (%)

**11% ↑**

Total NAIC up to June 2021 (IDR)

**16.3 billion**

Total projected NAIC to Dec 2023 (IDR)

**28.6 billion**

#### Value for Money (VFM)



Investment leverage  
**0.41**



Investment per HH  
**268.30**



Social return  
**0.88**

## Sector vision

PRISMA aims to address the market gap in Papua and West Papua by improving farmers' access to high-quality vegetable seeds and GAP knowledge. This will be done by working with seed producers, government, and off-takers to develop territorial management strategies to address the constraints.

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## Market function 1: Seed, Distribution, and marketing

Papua and West Papua comprises both highland and lowland regions and vegetable seeds need to suit the geography of each. This semester work continued with PT East West Seed Indonesia (EWINDO) and an additional partnership was signed with PT Agrosid to promote lowland vegetable seeds. Another partnership is in progress with PT Tani Murni Indonesia which will focus on highland vegetable seeds, the area where most indigenous farmers are located. Having additional private sector partner coming into the sector will help improve resilience.

COVID-19 social restrictions continue to disrupt activities resulting in the slower than expected uptake of high-quality vegetable seed. PRISMA has supported partners to adapt their marketing strategies, both online and offline, and strengthen their distribution networks. For example, PRISMA facilitated partners to continue field activities during COVID-19 by applying appropriate health and safety protocols as a new norm. Significant progress has been made in introducing an ethnographic cluster-based marketing approach to EWINDO and PT Agrosid as the basis for on-going marketing strategies for Papua and West Papua. This means that strategies can be fine-tuned based on ethnographic norms.

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## Market function 2: Information and extension service

Farmers find it difficult to get access to information on GAP because of the low capacity and limited numbers of private and public extension workers. This semester PRISMA continued to support EWINDO business model to improve productivity of vegetable farmers by providing extension services to sell better quality seeds with embedded GAP services. EWINDO product promoters conducted information sharing sessions, exposure visits, and one-day promo events to showcase EWINDO's seeds (Panah Merah) with GAP information and extension services to farmers. PT Agrosid are identifying field staff candidates and will undertake training next semester.

This semester PRISMA explored multistakeholder collaboration between the private and public sectors to improve the public extension services capacity-building system.

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## Market function 3: Off-taking

The off-taking market function was recently added into PRISMA's vegetable sector strategy for Papua and West Papua. Based on PRISMA early observation, the challenges for local production to fulfil demand is because farmers do not have information on market demand, such as vegetable varieties, volume, price, etc.

An initial assessment has shown that the biggest off-taker for vegetables in Papua is PT Freeport Indonesia (PTFI), a big mining company in Papua. In June 2021, PRISMA had a fruitful initial meeting with PTFI, which led to several follow-up actions such as introducing PT Pangan Sari (the catering provider for PTFI) to PRISMA and assessing a potential partnership to support PTFI's in sourcing vegetables locally. The vegetable sector team is undergoing planning to conduct an off-taking market assessment in Papua and West Papua in the next semester.



## **Challenges and learning**

As noted above, COVID-19 lockdowns are impacting extension services and roll-out of activities, particularly in the highlands. These require different approaches to those implemented in other areas in Java and Eastern Indonesia.

The team has learned that ethnographic groups in Papua and West Papua are organised differently to political borders. Each ethnic group has specific cultural norms, ways of organising themselves and challenges. By factoring these into marketing strategies, the private sector can better focus and align the needs of the ethnographic groups.

## 2.3

# Challenges and learnings

### 2.3.1 IMPACT OF COVID-19

The main challenge to the program is the impact resulting from the on-going COVID-19 restrictions in Indonesia. As noted in the sector progress sections, the main impact for PRISMA is the pace and scope of intervention implementation. Due to WFH conditions, the program's ability to collect field information has shrunk significantly, and this influences the ability of the program to add value and bring credibility to deal-making. Limited cash flow and the Delta strain have made small and medium enterprises become more risk-averse and less likely to invest in new innovations. As a result PRISMA could only start 56% of the planned interventions this semester.

#### Impact on staff

COVID-19 not only impacts partners and the business environment, but also people. PRISMA has been in WFH conditions now since March 2020. Many staff have to juggle work with on-line schooling supervision. Some PRISMA staff and/or their families have contracted COVID-19 with devastating impacts for some. Globally WFH conditions have impacted mental health and led to what has been termed as the 'Great Resignation', with staff leaving their jobs. This has also occurred in PRISMA. The recent change to the manpower legislation may also impact staff retention with severance payments no longer incentivising staff to remain until program end. Staff retention will remain an issue for the program going forward.



## 2.3.2 STRATEGY REFRESH

The strategy refresh enabled the team to pause and reflect on systemic change and what needed to be done in their respective sectors to achieve this. This led to the identification of new opportunities and areas to improve sustainability and build resilience to shocks (refer to Annex 1). However, teams will need to assess the feasibility of new opportunities and areas by relying on smart data collection methods that are not dependent on traveling to the field. This is critical to pilot new interventions this year and capture results to inform scale-up strategies within the next year.

### **Measuring systemic change**

Following the MSS, sector teams will need to own the identification and development of systemic change indicators for respective sectors. This will be essential so teams understand their strategies and what they need to measure to be able to show systemic change progress against planned market changes. RML will support the sector teams in capturing and consolidating necessary information for systemic change. This will progress in the next semester.

### **Communicating systemic change**

While the MSS exercise has been completed for all sectors, PRISMA will need to improve the communication of the MSS strategies and, in particular, progress towards systemic change to external audiences. This means collating and interpreting information in a simplified way needs to be prioritized. Telling the story of systemic change is not just about writing skills – that's the easy part. The difficulty is in using tools to identify systemic change (such as the AAER framework) and take seemingly disparate pieces of information and show how these contribute to making a more resilient market. It is therefore crucial that the Program get agreement from DFAT for an experienced and strategic Head of Communications with significant experience in market systems development.

### **Culture change**

Prior to the strategy refresh outreach for the program was the golden chalice. All interventions were designed to achieve the greatest possible outreach. This had merit during Phase 1 when the aim was to prove the concept of MSD. Following phase one, there needs to be a re-focus on systemic change. While the management team is leading the way, it may take some time for this culture shift to happen both within the team and with external stakeholders including DFAT.

## 2.4

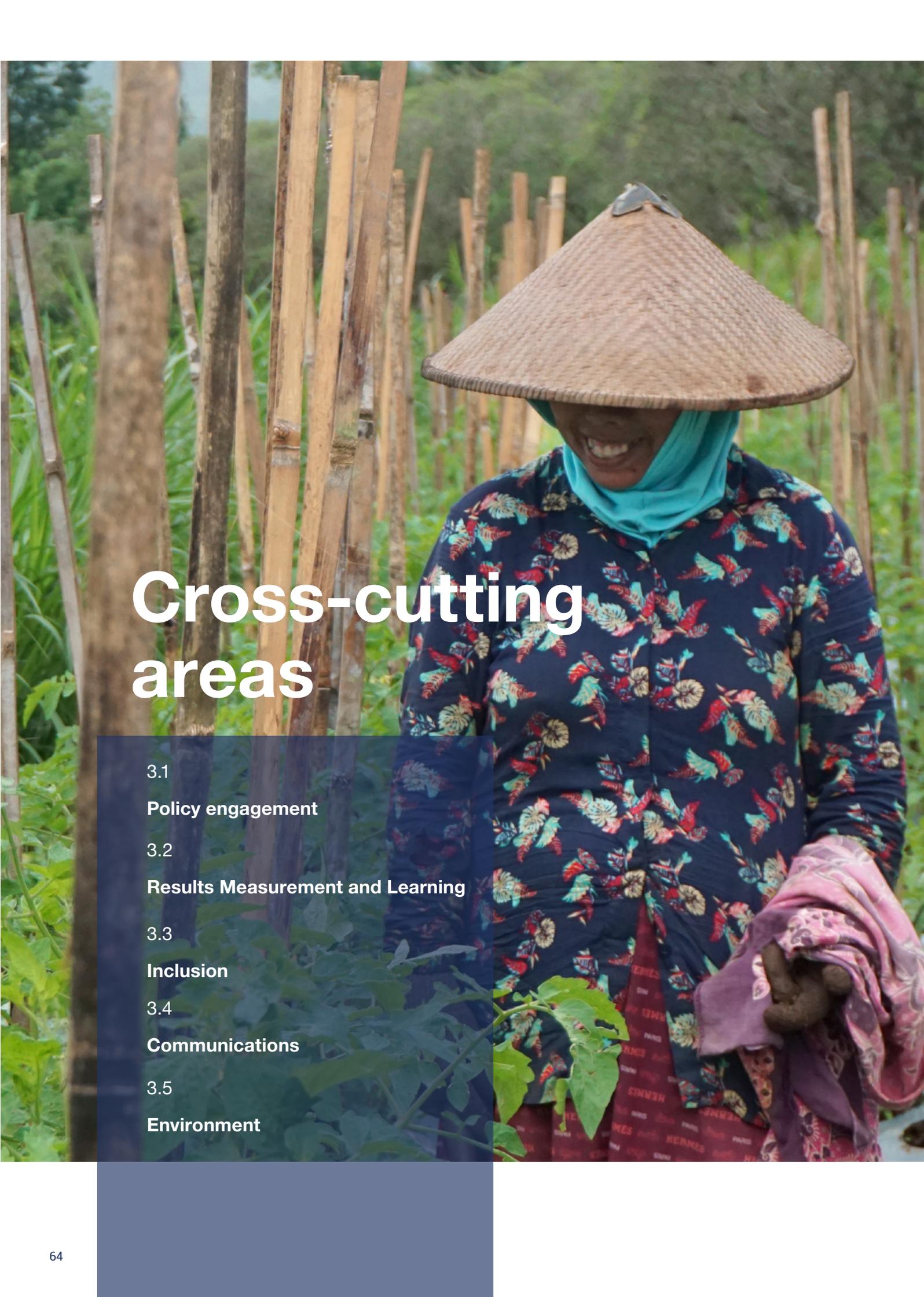
# Management response

The most significant management response has been the strategy refresh. In a nutshell, the program had an over-reliance on input-based, single partner interventions because of the focus on outreach. From a sustainability perspective, not enough of the underperforming functions in the market were being addressed. If PRISMA only focusses on the agricultural input market to increase farmer productivity without addressing other functions - such as how to link farmers to off-takers and how to ensure that government regulations can support the changes - then interventions are unlikely to reach the scale needed for long-lasting development outcomes. Particularly with the impact of COVID-19, there is a greater chance that businesses and farmers will revert to the old way of doing business. This would result in potential EOPO not being achieved. So, in order to better ensure EOPO and building resilience in the face of COVID-19, the strategy refresh was crucial.

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In terms of addressing remaining program challenges going forward PRISMA Management will undertake the following steps:

- PRISMA will continue exploring alternative strategies to address how to bring new partners on board during COVID-19. The results of the ITF study will contribute to this. In addition, PRISMA will triangulate information from sector experts, third party assessments and primary data (whenever possible) to analyse market insights. Data collection from market actors i.e., kiosks, private sector and extension workers, will be coordinated and collated by the ITF to provide customized insights for potential partners.
- The CTO will work with the teams, and particularly new HOP to continue to review the MSS to identify and assess feasibility of newly identified intervention areas.
- The Management Team are seeking assistance in the form of advanced clinics to review the approach to measuring and reporting systemic change. Further STA will be explored, if needed.
- The program will explore options with DFAT on ways to capture impact from the last agricultural season in 2023 and consolidate PRISMA's effort at improving systemic change within the best performing sectors. Discussions will continue with DFAT on how to address these in the calculations against which the Project and Outcome Performance Assessments are made.
- Palladium will provide clear justification for an ARF Head of Communications with MSD experience. If this is not approved, then PRISMA will not be well placed to deliver the Communication Strategy as envisaged and expectations will need to be adjusted.
- Capacity building for teams on systemic change will continue.
- Palladium will engage with DFAT Finance on the issues related to the new Manpower Laws and the implications on that for the program.
- PRISMA will continue with its staff retention policy to discourage further resignations.



# Cross-cutting areas

3.1

**Policy engagement**

3.2

**Results Measurement and Learning**

3.3

**Inclusion**

3.4

**Communications**

3.5

**Environment**

# 3.1

## Policy engagement

Agriculture and poverty are interlinked. A large percentage of rural poor in Indonesia depend on farming for food, income, and jobs. As outlined in this report, rural men and women are often held back by limited access to functioning agricultural markets, including poor policies and weak agriculture-related public institutions. Where regulatory issues emerge as a constraint in a particular sector, these are addressed by the PRISMA team as part of the MSS (refer also to Section 3.2).

Policy engagement, particularly at the sub-national level, is seen as being a crucial part of ensuring a well-functioning agricultural market. However, PRISMA is not designed solely as a policy reform program and therefore the scope of the work needs to be well defined and pragmatic. This semester there was a change to the policy engagement strategy, which was endorsed by DFAT, and the establishment of a dedicated team headed by a new Head of Policy Engagement recruited in June 2021.

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Going forward with the new 'systemic change' lens, the PRISMA policy unit will focus on four key areas related to policy engagement, namely:

- At the sub-national level based on the constraints analysis of the sector/ cross-sector teams and identified in the MSS. Progress against this is reported in the sector updates.
- At the national level for key, but focussed, opportunities for policy reform that will address identified constraints at the sub-national level.
- The broader sharing of lessons and PRISMA experience among key stakeholders and a broader audience as part of an influencing agenda.
- Supporting DFAT with Bappenas engagement in a focussed way on key strategic priorities that fit within PRISMA's scope of work.

During this period progress was made on better defining the scope of the four-tiered strategy and beginning to engage with Bappenas on a plan to address their food estate agenda.

During the next reporting period, a number of initiatives identified under the policy engagement umbrella, such as the Bappenas Facebook platform, will need to be revisited in terms of efficacy in meeting the systemic change agenda.

## 3.2

# Results Measurement and Learning

During this semester work was undertaken with all sector teams to reassess projections against a continued COVID-19 background. Based on experience from last semester, where only six interventions managed to measure actual numbers to prove outreach was achieved out of 15 planned impact assessments, a cautious approach will need to be taken.

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As part of the strategy refresh the team started to explore new opportunities that would improve scale and overall sustainability, including off-taking. An off-taker survey was undertaken this period covering East and Central Java, NTT and NTB. The results of the survey will be used to inform sectors that are exploring off-taking as part of the revised MSS.

During this period RML conducted QGIS training for staff resulting in 12 sector-specific thematic maps to be used to improve partner pitching and deal-making. The maps contain business intelligence information presented in a geographical format that will support partners strengthen their operations and overall strategies. PRISMA is piloting its GIS system (PRISMA WebGIS), which contains various market and intervention data to improve partner communication.

### 3.2.1 NUTRITION

This semester, several impact assessments have tested nutrition-related questions, focusing on assessing the portion of productivity that leads to household consumption. The existing data has shown that only a few sectors impact consumption from on-farm production, and the attribution is still not considered significant enough. Due to the limitation of the remote impact assessment methods, PRISMA could not capture the impact from increase income to better spending on food. The team will prepare simple questions for the next impact assessment to identify early signs of impact on better food spending and prepare a documentation system in the PMT.

### 3.2.2 SYSTEMIC CHANGE

PRISMA has revisited all sector strategies to better identify and plan towards systemic change, as reflected in the new MSS. PRISMA reflected on its systemic change progress tools and determined the quantitative nature of the framework did not sufficiently explain the systemic change story and progress. PRISMA will be building on the MSS to identify relevant qualitative and quantitative indicators and information needed for each sector to identify changes at all levels, and methods to capture these. It is expected that evidence of systemic change will be ready to report next reporting period.

## 3.3

# Inclusion

Over a year into the COVID-19 pandemic, Gender and Social Inclusion (GESI) strategies remain integral to PRISMA's work with the private sector partners, with a more rigorous focus on measuring both quantitative and qualitative impact of our interventions on women.

During this semester PRISMA's substantial work on Women Sales Agents advanced with a third learning publication on "Adapting the agent model to be more inclusive and effective for the agriculture sector <sup>10</sup>" which identifies practical design considerations for inclusive agricultural agent models. Building on these learnings, two new partnerships in Mung Bean and Mechanisation sectors are now incorporating women agent models. PRISMA conducted a qualitative follow-up assessment to assess how women agents were performing their roles and what constraints they faced<sup>11</sup>. The assessment found that the demand for agricultural products is gradually increasing. Despite limited mobilisation, most agents were more familiar with work from home, utilising their social media for online promotion with consistent support in digital marketing trainings from the company. The increase of workload in the household was not as significant as women were supported by their family members. PRISMA will continue to capture and share learnings to further enhance and promote women sales agent models.

PRISMA deepened its analysis of impact assessment results captured across the ICT, innovative finance, peanut, mechanisation, and maize sectors. Based on the analysis, PRISMA's interventions had a strong positive impact on improving access to inputs and financial services; access to skills and markets linkages; and economic advancement. PRISMA found that its interventions and business models by design could impact WEE directly.

### Case Box 04 HARA's Women Agents Experience Positive Impact



PRISMA has worked together with HARA since 2019 to reach rural farmers through a digital data exchange initiative. For operational activities, HARA hired men and women agents to collect farmers' data, provide financial service information and help farmers borrow and return loans.

Based on the latest impact assessment (2021), women agents received a 100 percent satisfaction rate on both data collection tasks and on loan application tasks. All women agents reported increased income and improved knowledge by working as agricultural agents. More than half of them have also reported feeling more confident and trusted to make decisions, both in the household and work environment. This may explain why women agents felt their workload was still manageable despite COVID-19 increasing their household burden.

<sup>10</sup>[https://aip-prisma.or.id/data/public/uploaded\\_file/vsLV\\_12.03.21\\_women-agent-2\\_rev\\_12mar2021.pdf](https://aip-prisma.or.id/data/public/uploaded_file/vsLV_12.03.21_women-agent-2_rev_12mar2021.pdf)

<sup>11</sup>As the assessment was conducted remotely, there were several challenges such as limited time of interview and many of the agents were reluctant to be involved in the assessment. Hence, the sample size was limited. However, PRISMA only reports findings that can be generalized for learning purposes.

# PRISMA shows women using pig feed gain remarkable benefits

## BACKGROUND

**50%**

of the NTT pig farming population are women



What PRISMA and its partner feed companies did with women farmers :



Improved women's participation in the marketing events



Produced smaller packages



## Recommendations for businesses



Target women farmers in addition to men farmers



Promotional events and training help women to make informed decisions when buying pig feed



A strong women farmers' community can be utilised to develop a women agent network scheme



Make women's aspirations or household needs a key message for promotion



Community empowerment can help to:

- Improve women's access to pig feed
- Ensure business resilience
- Provide support as an opinion leader or a marketing platform

## Impact on women pig farmers



Pig feed use leads to a better financial cycle due to faster pig growth, improving women's contribution & control of the household's welfare.



The benefits gained from using pig feed encourage women to share their experience and information, empowering other women to benefit too.



Less time spent preparing feed: decrease from 5-6 hours into 15-45 minutes per day.

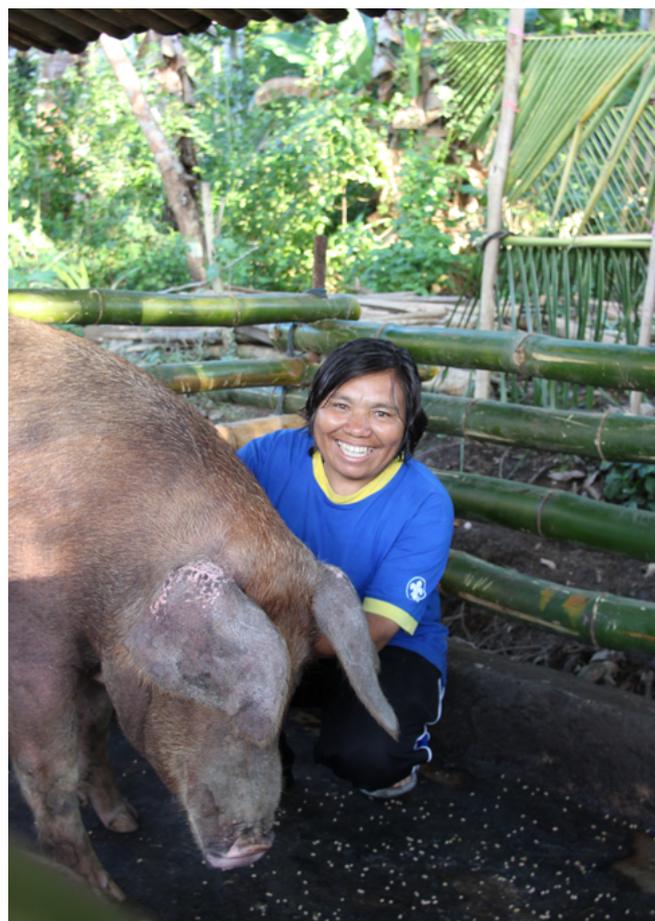


More time for other productive work & community-social work.

Through a more refined gender measurement strategy, PRISMA also captured positive unintended impact in the mechanisation sector (see Case Box 5), as well as impact for women agents from ICT (see Case Box 4). However, challenges remain in reaching women through remote surveys. The team has updated its strategy on data collection to improve the ability to reach more women, but this will require constant revision.

PRISMA's qualitative framework to better capture broader WEE impact was piloted in the Pig Sector in NTT. The objective of the study was to determine whether pig feed use translated into women's agency and empowerment. Findings from the study presented in the infographic above include valuable learnings for the team and for improving the strategy on customer retention for businesses.

In order to better understand the role of youth in agriculture, a Youth Behavioural Study was completed in the last semester. As well as accessibility constraints to services and knowledge, it found that youth farmers can contribute to market resilience because of their familiarity with online platforms, openness to innovation, and likeliness to be early adopters. PRISMA will further explore the potential business cases for moving forward.



PRISMA continued to share its experiences with other programs and private sector businesses on inclusion. This semester PRISMA was invited to speak at three Grow Asia's events on gender mainstreaming. PRISMA also led learning sessions within Swisscontact's internal GESI Community of Practice and Palladium's Inclusivity working groups.

PRISMA's work with indigenous communities expanded with new partners entering the Papua and West Papua and adopting PRISMA's marketing strategy based on ethnographic clustering.

In the next semester, PRISMA will continue to expand its work on the women's sales agent models and discuss this as part of its overall GESI strategy revisit planned for 2021. Measuring the impact of our work on women will remain a focus through regular assessments. Finally, identifying feasible options for youth engagement and disability inclusion will also be prioritised.

#### Case Box 05

The positive impact of using agriculture machinery for women farmers



PRISMA supports PT Rutan, an agriculture machinery company, to promote its combine harvester to farmers in East Java. This is achieved with better online and offline marketing strategies combined with building linkages between machinery service providers, rice collectors or brokers, and farmers. A WEE assessment conducted by PRISMA showed that women farmers had more access to machinery services and using the machines saved around IDR 1,100,000 in harvesting costs each season. 78 percent of women said they had earned more income while 95 percent of women said they had reduced their workload during harvest by up to three days because they no longer needed to prepare meals for labourers or collect lost paddy grain. PRISMA will continue to capture the impact of this intervention on women farmers.

## 3.4

# Communications



The Communications strategy was updated this semester in light of the program’s strategy refresh process and the strategic communications review conducted at the end of 2020. The revised strategy highlights PRISMA’s approach towards strategic communications and acts as a tool to support the program to get the most out of its expertise and generate a high level of impact by updating and streamlining communications processes and products.

However, the execution of this strategy faced some setback due to delays in recruitment of the new Head of Communication (HoC) and changes in the communication team. Modest progress was made in the development of a visual communication strategy and initiating stakeholder analysis to identify an appropriate product-mix relevant for PRISMA audiences. Success of the communications strategy is contingent upon DFAT approving an Aid Adviser Remuneration Framework (ARF) placing for the new HOC.

Meanwhile, the team continued to provide Communications support to PRISMA through:

- Supporting Maize NTT team in the development of the strategic document “Tactical Steps in NTT Maize Development”. The document was released by the provincial government in early 2021 and was disseminated offline. See the following story [here](#).
- Finalising the publication of The Direct Sales Agent Study in March 2021. See following [document](#).
- Supporting the Bappenas Facebook platform team to conduct a webinar series on Sustainable Irrigation Service Business Model.

## 3.5

# Environment

In line with PRISMA Environmental Protection Strategy, PRISMA did a total of 28 environmental assessment on interventions this period. No interventions were assessed as having a high environmental impact or high exposure to environmental/climatic risk.

The assessments noted the presence of positive impact in eight interventions. These are Beef ( 2 interventions), maize (1 intervention), vegetable (2 interventions), Mechanization (2 interventions) and Seaweed (1 intervention). Two interventions out of the eight had multiple potential positive impacts because they applied more than one appropriate climate-smart agricultural practice.

Last semester soil treatment was identified as a sector with potential significant negative impact. During this semester, the team worked with partners PT PKT and PT Saprotan Utama to develop mitigation strategies, including enhancing the monitoring process of the product storing and application and within their capacity development plans for farmers.



# Operations and Finance

4.1

**Human resource management**

4.2

**Operations**

4.3

**Risk Management**

# 4.1

## Human resource management

### Locally engaged staff

The program experienced the need to backfill roles, including management roles, over the reporting period. Staff promotions were postponed last year due to the start of the pandemic. This semester focus was placed on internal recruitment and development within the program through a new open, fair, and merit-based promotions policy. Four national staff were promoted to Management Team roles. Three to Heads of Portfolio roles, and another staff member to Head of Policy Engagement.

Moreover, four staff were promoted to Principal Business Consultant roles and 13 staff were promoted from to Senior Business Consultant roles. One staff was promoted within the Operations and Finance team.

The eighth round of cohort recruitment was conducted in March and their onboarding occurred in May 2021.

Annual staff performance appraisals were also conducted this reporting period. Sixteen resignations were received during the period, including two HOPs<sup>12</sup>. Most resignations were from the portfolio of the resigning HOPs.

### Long-Term Advisers

During the reporting period, the Project Director and Technical Director led the recruitment of the vacant CEO position. The preferred candidate at the end of the merit-based selection process was the current-COO, Nina FitzSimons. Her nomination was approved by DFAT, and she formally commenced as CEO on 1 May 2021.

Three expatriate LTAs who were repatriated at the start of COVID-19 remain out-of-country. Of these, two re-deployment requests were submitted to DFAT for consideration and discussions continue. The program is keen to get key Portfolio Advisers back in-country to support implementation teams. As soon as it is safe to do so, the office will look at the next stage at re-opening to improve staff motivation and enable partner meetings to commence.

### Capacity Building

The capacity development plan for PRISMA staff was updated in January 2021 to support the PRISMA strategy refresh. This included online trainings, webinars and learning sessions focused towards the newer recruits as well as the broader implementation and operations teams. The Market Systems Development orientation and refresher sessions were initiated by Springfield Centre in May 2021. The Revised Partnership Guidelines were socialised through a series of sessions with the implementation staff beginning in May 2021. The Results Measurement and Learning team provided trainings to staff on Data Science Basic, Data protection, Data for Decision Making and a Results Measurement refresher. Learning sessions on working with local government, GESI and Operations Management also took place during the reported period.

<sup>12</sup>Eleven staff accepted other jobs and 5 accepted scholarships for further study

## 4.2

# Operations

### **Working from home**

During this reporting period, the program continued to operate under its COVID-Safe Plan. At the end of the reporting period, the Delta strain saw lockdown conditions return for Java and the program moved back to having all staff WFH. Mental health initiatives continued during the reporting period.

### **Workflow processes**

Within the reporting period, an internal asset audit was conducted. Timestamped photographic evidence was used as the basis of verification. Areas for strengthening were recommended and is currently being implemented, particularly around asset storage in offices and using asset-tagging through a barcoding software.

DFAT's due-diligence assessment of Palladium, tested PRISMA's gift registry processes and samples of the registry were supplied to the auditors.

### **Contracting and procurement**

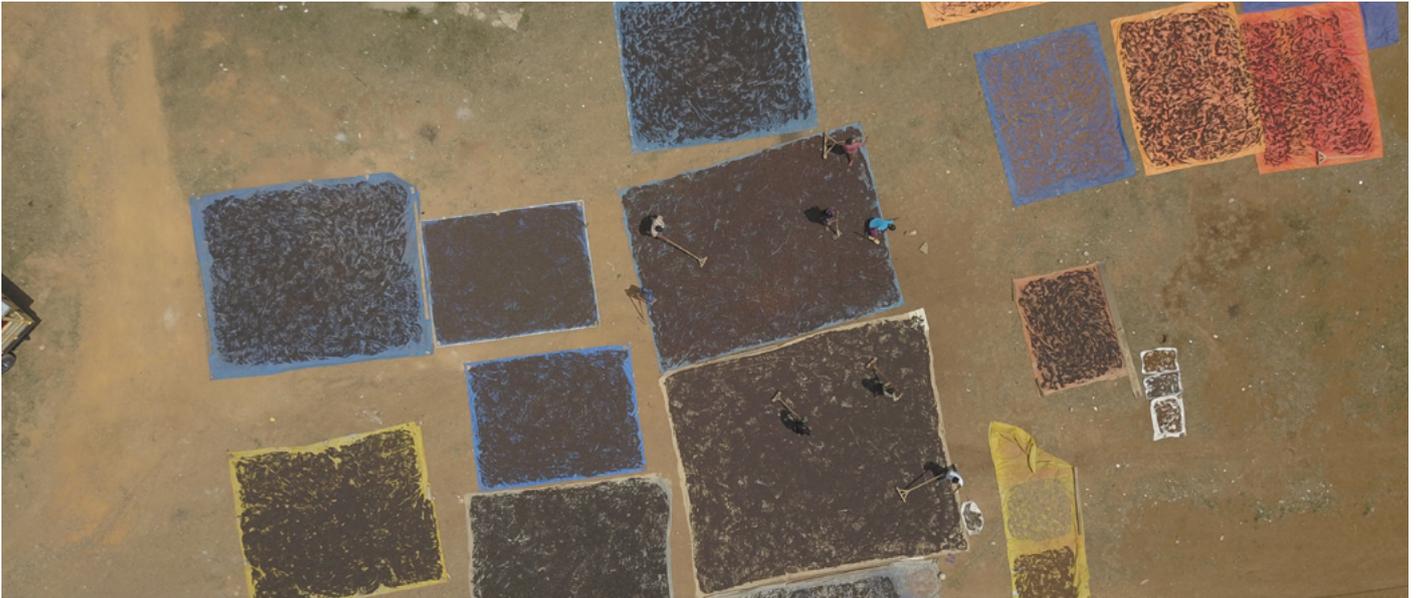
In the reporting period, all active agreements were updated with suppliers, to be align with Palladium's standard suite of agreement templates. Particularly, the use of Palladium's Collaboration Agreements, that replaces a previously bespoke, Partnership Agreement template for PRISMA.

### **MIS**

This semester, two knowledge management modules were added in the Project Management Tool (PMT), three modules to manage administrative risks in SHIELD, and a simple portal in Power BI. The aim of the knowledge management modules is to better enable staff to store, search and distribute knowledge related to impact assessment and market research in one central database.

## 4.3

# Risk Management



The impact of COVID-19 remains an on-going challenge for the program, including having a potential impact on end of program targets. The revision to sector MSS will go a long way to ensuring program outcomes will be sustainable and scale will be achieved.

The revised risk management matrix is included in Annex 5. Some of the new risks identified in the previous semester continue. For others, the risk profile has changed, and mitigation measures have been revised. The main changes to the risk profile this semester include:

- On-going uncertainty of the Delta variant and how this may impact agricultural markets going forward. While the program is better placed now to adjust implementation approaches, it will mean on-going volatility in budget forecasting.
- Delays in securing a Head of Communications due to Head Contract amendments, which has knock-on effects for the recruitment of the rest of the communications team and roll-out of the strategy.
- Staff retention against what economists are terming the 'Great Resignation' – a global trend of resignations as a result of the pandemic. While it seems counterintuitive to resign during a global pandemic, people are reassessing priorities, following dreams, and finding employers who are a better fit. Much work has been done in the last six months to improve program culture, workplace conditions, and address mental health impacts on PRISMA, but the risk of further resignations remains.
- Being able to re-deploy expatriate staff against the associated policies and rules providing dis-incentives for staff to return. This impacts on team dynamic, team morale and continuity, particularly when there are significant differences in time zones.

## Annex 1

# PRISMA Portfolio Profile



Definition of types of interventions in the Portfolio Profile pie chart.

**Input based:** Partnerships with Agri-input companies to promote an input and or improved services for the smallholders.

**Demand side interventions:** Interventions or a set of activities aimed at improving the off-taking market systems.

**Improving resilience:** Interventions or a set of activities aimed at improving the capacity of the market actors to withstand stress and shocks i.e., ability to persist in an uncertain time.

**Inducing crowding-in:** Interventions or a set of activities to encourage the wider adoption or copying of an innovation (i.e., products, services, processes etc.).

**Policy engagement:** interventions or engagement with policymakers (i.e., government ministries and departments) and/or policy influencers (i.e., think tanks, civil society, associations) to contribute to policy formulations, improvements, and implementation). This is mainly at sub-national level with a few exceptions.

The following table provides a summary of new functions that will be explored as a result of the Strategy reset and areas that have been strengthened, in terms of improving resilience and wider systemic change (crowding-in).

	Sectors	New opportunities (Exploring)	Planned interventions to improve resilience	Policy engagements	Inducing Crowding-in
	Beef	• Policy • Off-taking	✓	✓	✓
	Crop Protection	• Extension services • Policy • Off-taking	✓	✓	Existing
	Dairy	Policy	✓	✓	✓
	Innovative Finance	rural or ISP finance (new strategy)	✓	-	Existing
	ICT	Kiosk digitalisation	Existing	-	Existing
	Maize	Off-taking	Existing	Existing	✓
	Mechanisation	Distribution	✓	✓	✓
	Mung bean	• Off-taking • Embedding nutrition • Policy	✓	✓	✓
	Pig	• AI (breed) • ASF detection • Downstream	✓	✓	✓
	Rice	Policy engagement	Existing	✓	✓
	Seaweed	-	-	Existing	✓
	Soil Treatment	• Policy engagement • Stakeholder coordination	Existing	✓	✓
	Vegetables	Off-taking	✓	-	✓

How to read this table:

- **New opportunities** generally mean a new functional area that is being explored as part of the MSS. If it is a new functional area then this is noted in the MSS infographics in Section 2.2. In some instances, it may refer to a new approach, such as embedding nutrition in the Mung Bean Sector. However, in most instances it is a new functional area.
- **Planned interventions to improve resilience.** Refer to the definition above the table. If there is a 'tick' this means there are new interventions following the strategy re-refresh to improve resilience. If there is the word 'existing' it meant that the sector already included interventions addressing resilience. If there is a blank (-) this means that this area is not being addressed as part of the strategy.
- **Policy Engagements.** Refer to the definition above the table. If there is a 'tick' this means there are new interventions addressing policy. If there is the word 'existing' it meant that the sector already included interventions addressing policy. If there is a blank (-) Inducing crowding in. Refer to the definition above the table. If there is a 'tick' this means there are new interventions inducing crowding-in. If there is the word 'existing' it meant that the sector already has measures in place to induce crowding-in. If there is a blank (-) this means that this area is not being addressed as part of the strategy

## Annex 2

# Detailed Performance Against Key Indicators

### KPI01 Outreach

Detailed contribution to KPI1 this period is as follows:

#### Maize EJ 42,812 HHs

This is the first time the Maize sector generated outreach from mainland East Java. Initially Maize EJ was not prioritised and PRISMA was looking for appropriate model and opportunity as farmers there are generally more advanced than Madura farmers, and the market is more well established. The additionality from PRISMA was a comprehensive market assessment that led to the launch of P21 Bison seed. P21 Bison seed is proven superior to competitor seeds with productivity up to 6.8 Ton/Ha.

#### Mechanization EJ 4,528 HHs

This is the first set of results from Mechanization sector since established in the beginning of phase 2. PRISMA's partner, PT. Rutan managed to develop a network of ISPs that provide harvesting services to rice farmers in East Java. By using this service, rice farmers can reduce the cost of harvesting.

PRISMA aims to benefit more farmers from the Mechanization Sector by intervening in other agricultural practices besides harvesting and also targeting maize farmers in addition to rice farmers through its partnerships with PT. Terra and PT. Galaxy, which are expected to deliver results in the upcoming semester.

#### Innovative Finance EJ 1,000 HHs

The impact assessment for Crowde's farmers last semester was further analysed. The result was an additional of 1,000 chili farmers from East Java and Lampung area who also benefitted from the loan scheme.

#### Peanut EJ 45 HHs and CJ 485 HHs

These peanut farmers benefitted from supplying peanuts to Garuda Food, an off taker and food processor, and from the introduction to good quality peanut seeds. PRISMA decided to conclude its activities in the peanut sector last semester due to limited feasibility to engage more off-takers and low opportunities for import reduction, as initially planned.

Subsector contributing to positive NAIC	NAIC per HH <sup>13</sup>
Innovative finance - EJ	IDR 15,258,878
Mechanization - EJ	IDR 1,582,608
Maize - EJ	IDR 375,483
Peanut - EJ	IDR 1,210,442
Peanut - CJ	IDR 1,214,442

The cumulative NAIC this semester is IDR 2.36 trillion or approximately AUD 236 million. This equates to an income increase of IDR 4,477,012 (AUD 448) per HH for 473,700 HHs in Indonesia.

<sup>13</sup>The results are only from Impact Assessment that were conducted in this semester

### KPI3

Number of Intermediary Service Providers (ISPs) providing additional or improved access to innovation to farmers.

There are 296 new ISPs identified in the first semester of 2021 which have provided services to PRISMA's farmers and benefited from that, bringing the cumulative to 11,704 ISPs. Beef sector contributed 177 ISPs, maize sector contributed 93 ISPs, and the remaining 26 ISPs are from Peanuts, Mung Bean, and Irrigation.

### KPI4

WEE effectiveness within PRISMA innovations.

The WEE effectiveness indicator currently stands at 1.55, 0.11 reduction from previous semester. WEE Effectiveness evaluates women's engagement in PRISMA activities in comparison with women's general involvement in the sector. A high ratio indicates more women are participating in the activities as per the impact assessments conducted. PRISMA is building on its WEE impact analysis and will determine an appropriate indicator based on the data being collected.

### KPI5

Value of additional turnover of intermediary Service Providers (ISPs) in IDR.

The additional turnover of ISPs for the first semester of 2021 is IDR53,752,692,023 (AUD5,375,269). It mostly came from maize sector with IDR47,434,989,506 (AUD4,743,498). The rest came from Mechanization, Mung Bean, and Peanut. Cumulatively, PRISMA has increased the ISP turnover to IDR 960,278,000,680 (AUD 96,027,800)

### KPI6

Number of intervention partners (private sector and public sector).

PRISMA contracted 7 new private sector partners; PT. Botani Seed Indonesia for Rice, PT Permodalan Nasional Madani for Innovative Finance, PT Wahana Duta Jaya Rucika for Irrigation, PT Agrotama Tuans Sarana and PT Bio Agromitra Indonesia for Fertilizer, PT Sikumis Bangun Indonesia for ICT, and CV Agro Jaya for Mechanization. In total, PRISMA has worked with 182 private sector partners (17 state-owned enterprises) and 37 government institutions.

### KPI7

Value of additional turnover of Private Sector Partners (PSPs).

The additional turnover of partner for the first semester of 2021 is IDR88,501,462,678 (AUD8,850,146), bringing the cumulative to IDR 202,244,881,584 (AUD 20,224,488). This is higher than the ISPs' turnover due to Maize NTB intervention whose business model is a direct selling from the partner to the farmers without involving ISP. This intervention contributed IDR33,813,900,000 (AUD3,381,390) additional partner turnover.

## KPI8

Value of attributable additional and/or more inclusive investment by public and private sector in IDR.

This semester the investment made by private and public sectors (Partners, ISPs, and Farmers) is IDR 39,912,779,879 (AUD 3,991,278), a 396% increase compared to last semester. Out of IDR 39,912,779,879, PRISMA partners contributed to IDR 20,407,821,766 whereas ISPs invested IDR 6,691,740,000. These investments reflect optimism from the private sector. This contributes to the total of IDR 1,195,154,287,583 (AUD 119,515,429)

## KPI8a

Value of attributable additional and/or more inclusive investment by public and private partners in IDR.

PRISMA's private and public partners invested IDR 20,407,821,766 (AUD 2,040,782) in this semester. This is a sharp increase from last semester, indicating business confidence from partners and additional investments in research, surveys and product development.

## KPI9

Number of crowding-in business/institutions induced by PRISMA.

PRISMA has found evidence of six businesses crowding-in in the crop protection, Beef, ICT and Mung Bean sectors.

## KPI10

Number of responding businesses/institution induced by PRISMA.

Eighteen businesses responded across four sectors: crop protection, finance, dairy, and mung bean. The largest contributors to the responding indicators are innovative finance (12 businesses), crop protection (3 businesses), and mung bean (2).

## KPI11

KPI11 Number of Policy Engagements.

At the national level, PRISMA has engaged with Bappenas and Ministry of Marine Affairs and Fisheries (MMAF) and PISAgro. With Bappenas, engagement is active in six areas: ICT, maize off taking, Rice - with emphasis on NutriZinc, series of irrigation that covers aspects such as pump effectiveness, sustainable groundwater and irrigation services; Pig ASF campaign collaboration and commodity prices and analysis. In the seaweed sector, PRISMA continues to engage with research institutions under the Ministry of Marine Affairs and Fisheries on the production and distribution of seedlings. Engagement also enhanced with PISAgro on Closed-Loop Maize Farming Ecosystem and SNI for Cattle Feed. Relationship with CIPS, a national agriculture think-tank, was enhanced as PRISMA was invited to provide input into their food policy paper that will be submitted to key agri-sector stakeholders in the second half of 2021.

At the provincial and districts level, engagement took place in the following sectors: ongoing collaboration process on Maize road map with provincial Agriculture office in Central Java, collaboration on linking maize farmers to local off takers in NTT, effective water detection testing with the Bappeda of Sumenep district, and linkages to an ICT agriculture provider with Government of East Java to Support agricultural SMEs during the pandemic.



# PRISMA Progress Report

January - June 2021

