

Program Profile



Photo: AIP-Rural/Nina FitzSimons

AIP-Rural:
Comprehensive and
sustainable solutions
for the prosperity of
smallholder farmers in
eastern Indonesia

WHO WE ARE

The Government of Indonesia partners with the Government of Australia to launch a new initiative, which boosts smallholder farmers' incomes: the Australia-Indonesia Partnership for Rural Economic Development (AIP-Rural). Eastern Indonesia, where 60-80% of farmers are poor or near poor, are the main focus area of the AIP-Rural program.

Steady economic growth over the past 15 years has significantly contributed to improving the quality of life for millions of Indonesians. And yet, this growth has been uneven: a significant number of Indonesians still live in poverty on less than \$2 a day¹.

AIP-Rural is a suite of programs that improves smallholder farmers access new markets, better inputs, knowhow and technology, irrigation and small loans. Its goal is to achieve a sustainable 30% increase in the net incomes of 1,000,000 smallholder farming households in eastern Indonesia by 2022. AIP-Rural operates in East Java, West Nusa Tenggara, East Nusa Tenggara, Papua and West Papua.

The program focuses on agricultural sectors that have strong growth potential and are the main source of income for a large number of smallholder farmers. All of this is done through co-investing in new business models with local, regional, national, and international market players to create business models that improves the agriculture sector's competitiveness, especially smallholder farmers.

Our four programs are:

Promoting Rural Income through Support for Markets in Agriculture (PRISMA)

PRISMA is a program with the main focus of supporting the Government of Indonesia's mid-term development strategy to eradicate rural poverty. The program aims to improve agricultural competitiveness—productivity, profit, access to new or better markets, and innovation—for rural farmers. PRISMA aims to achieve a 30% increase in the net incomes of 300,000 smallholder farming households in eastern Indonesia by the program's end.

¹ World Development Indicators: Poverty headcount ratio at \$2 a day (PPP) (% of population): <http://data.worldbank.org/indicator/SI.POV.2DAY/countries/ID?display=graph>



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Tertiary Irrigation Technical Assistance (TIRTA)

TIRTA is a program that aims to improve smallholder farmers' access to irrigation. It supports the creation of tertiary irrigation schemes that is managed by water users association (HIPPA) and local investors (lead farmers or local entrepreneurs). The program's goal is to increase the net income of 10,000 smallholder farming households by 60% through the improvement of the efficiency, technical and economical viability of at least 35 tertiary irrigation projects.

Applied Research and Innovation Systems in Agriculture (ARISA)

ARISA is a partnership between Indonesia's Ministry of Research, Technology, and Higher Education (RISTEKDIKTI) and Australia's science agency, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) that aims to disseminate applied and adaptive research in agriculture that will have practical and significant impacts on the incomes of farmers. Its goal is to support innovations that can increase the incomes of 10,000 smallholder farming households in eastern Indonesia by the end of 2018.

Strengthening Agricultural Finance in Rural Areas (SAFIRA)

SAFIRA is a program that improves smallholder farmers' access to essential financial services, such as business and investment capital loans. The program facilitates a financial service model that can answer to farmers' specific needs through a partnership between formal and informal financial institutions in rural areas. The program also expands smallholder farmers' financial access through key market stakeholders (including but not limited to input retailers, collectors, traders and manufacturing companies) in the value chain.

HOW DO WE WORK

