

Indonesia: Income-generating project for marginal farmers and landless -RIGP-Phase III

Item	Assessment Remarks	Rating
Country& Project Name	Indonesia: Income-generating project for marginal farmers and landless -RIGP-Phase III	
Loan No.:	548-ID	
Project Id.:	1024	
Board Date	25 November 1997	
Effectiveness Date	25 December 1997	
Original Closing Date	30 September 2005	
Final Closing Date	31 December 2006	
Total Project Cost USD(M)	USD 103.5 million	
IFAD loan USD (M)	USD 24,9 million	
Cofinanciers (if any)	Asian Development Bank- ADB - USD 78.6 million	
Implementing Agency	Agency for Agricultural Education & Training/ Agency for Agricultural Human resources Development (AAHRD) and the Bank Rakyat Indonesia (BRI)	
Principal Components	The objective of the project was to develop a sustainable and participatory system to increase beneficiaries' self-confidence and increase their income till overcoming the poverty line. Project components were: 1) self-help group development; 2) microfinance services; and 3) institutionalisation and building management capacity.	
Project Performance		
Design	The third phase of the project built upon the results and lessons of the second one, which had highlighted the need for the groups to increase savings, to further focus on empowering the poor, and increase the participatory character of the credit services.	5
Implementation	The project was executed by a project development unit at the national level, 12 project implementation units at provincial level and 127 project implementation units at district level. It seems that data on M&E were entered in a Monthly Report System in the project's head office. Implementation was slowed down by a late start (6 months after effectiveness), changes in the start of fiscal year, and availability of counterpart funding.	4
Relevance	The PCR does not assess relevance per se but since the project was a third phase a strong relevance must have been found by all parties involved.	5
Effectiveness	The PCR reports that the project objective as stated in the Logical Framework has been achieved both quantitatively and qualitatively, and that 85% of self-help group (SHG) member no longer live below the poverty line. The type of data provided and the very poor quality of the report do not facilitate an assessment of this statement. According to the PCR, a report of the Bogor Agricultural University reports that the credit system applied to the RIGP groups demonstrated that the credit system applied to the groups has performed better than other charity programmes in terms of group responsibility and group capacity in assessing credit. The SHG have proven that they have the capability to manage their loan through their saving-lending activities and other economic activities in rural areas.	5
Efficiency	Some information on efficiency can be derived only in relation to the analysis the PCR makes of the project use of human resources. The project used a great number of consultants, both national and international, none of whom seem to have performed their duties satisfactorily (PCR definitions are "less satisfied" and "less optimum"). The recruitment of NGOs for support to tsunami victims appears not to have taken place among other reasons because of delays in approving the 2005 budget.	NR
Partner Performance		
IFAD	The only information provided is that since IFAD did not have a residence mission to Indonesia, communication with IFAD was done through ADB's resident mission. Not rated.	NR
Cooperating Institution	No information available. Not rated.	NR
Government	Not much data are provided on government's performance. The PCR reports that the project made agreements when needed with Ministries to enhance performance. Other data on government performance refers to delays in project effectiveness due to unavailability of counterpart funds. Information on the performance of the executing agencies is not provided, if not for the fact that AAHRD and BRI are reported to have complied with their task as per loan covenants.	4
NGO/Other	The Bank Rakyat Indonesia seems to have played an important and efficient role in facilitating SHG's credit schemes and supporting their small businesses.	5

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Cofinancier(s)	The PCR reports that ADB did not delegate authority to its resident mission to Indonesia but maintained a centralised control over the project, which caused some delays. No other information was provided.	NR
Combined Partner Performance	<i>The PCR reports that ADB and IFAD often interpreted things differently and had different approaches also. There was no detailed information in relation to how partners performed together.</i>	NR
Rural Poverty Impact		
Physical Assets	The PCR provides no information on this. Not rated	NR
Financial Assets	The main aim of the self-help groups created by the project was savings. The credit provided to SHGs reached 368% of target, reaching 1,326 groups compared to a target of 360. Following the tsunami, one of RIGP activities became providing support to families affected by the disaster in different provinces. Such support, provided as grant, reached 8,400 families that were associated with 410 SHG. Nevertheless, the PCR is not fully clear on what was given as credit and what as grant, and it affirms the achievement of target for "credit donation". The project facilitated 161,529 Group Business Plans from 120,000 SHG targeted. SHG savings were deposited in Banks or saved in the group, and were used as business capital or other needs. Nevertheless, types of business run did not show changes in relation to generating income sustainably.	4
Food Security	Increases in food security could be assumed given for example that the PCRs reports 85% beneficiaries no longer under the poverty line and that part of beneficiaries' production reached the local market. Nevertheless the PCR provides no information on this. Not rated	NR
Environment	Only mention to the environment in relation to AAHRD and BRI, which should ensure that all activities funded under the project comply with the Borrower's applicable environmental guidelines. The PCR reports that this has been complied with. Not rated.	NR
Human Assets	Throughout the project 2,300 Field Extension Workers (FEWs) were trained. Up to 2004 a total 3,372 RIGP personnel (71%) had received basic training.	5
Social Capital and Empowerment	During the third phase of the project, the strengthening of SHGs was more focused on understanding the meaning of being a group member and of what the objective of being part of a group was. By December 2005 58,118 SHGs had been formed, reaching about 78% of the project target at appraisal and 84% of the target revised at Mid-Term (note that 37,350 of these groups had been created during the previous phase of the project). 161,529 Groups' Business Plans (GBPs) had been prepared, reaching 133% of target. By December 2005 a total of 13,962 had graduated. Criteria for SHG graduating are not very clear either: i) Grade A: the group was active and at least 5 years old; ii) Grade B: the SHG was active enough; and iii) C Grade: the group was less active and at least 6 years old. Groups that had accessed to RIGP credit at least 6 times also graduated. About half of all SHGs formed associated into associations composed of a minimum of 3 SHGs. According to the PCR, by the end of the project rural communities who had formed SHG had been capacitated by this experience and had increased their self-confidence and group management skills.	5
Ag. Productivity	No information provided. Not rated	NR
Institutions and Services	During this third phase of the project, the RIGP has collaborated with the Ministry of Health (to guide SHG families to use their increased income for health purposes), the Ministry of Social Affairs (training for advocacy of Cooperative Business Groups) and with NGOs (advocating for SHGs and strengthening project management team at district level). During the project the Ministry of Agriculture signed a Cooperation Decree with the Bank Rakyat Indonesia (BRI), for the provision of some microfinance services to project beneficiaries. Nevertheless, no information is provided on whether this collaboration had an impact on these institutions or their policies. Not rated	NR
Markets	The PCR reports that most of SGH's members have sold their produce at the local market (54%).	4
Rural Poverty Impact		4
Overarching Factors	For what can be guessed from a very bad PCR, overall performance appears partially satisfactory.	4
Innovation	Given that the project was a third phase, it is unlikely that it was very innovative. Nevertheless, the PCR provides no analysis on innovation Not rated	NR
Replicability and Scaling-up	No information in PCR. Not rated.	NR
Innovation, Replicability and Scaling-up		NR

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Sustainability and Ownership	The national and provincial project management have sought project sustainability through the creation of links between the project and the local government of the districts where the project is located. Districts have made funds available to this purpose in their budgets so they appear willing to continue carrying out project activities. As regards sustainability of SHG, the executing agency conducted some coordination meetings with local/provincial/regional governments which have agreed to continue carrying out the project, and have also committed to allocate a sufficient budget to this purpose. Local governments will continue to provide credit services through agreements with BRI. The central government will provide funding for monitoring and supervision of activities. BRI will continue to provide credit services till 2007.	5
Targeting	From the PCR information, targeting of beneficiaries, i.e. those SHGs that could benefit from capacity building activities, seem to have been selected using criteria such as: choosing a chairman; a participatory character whereby all members can participate; commitment to increase capacity of members; family integrity. Targeting criteria appear rather lousy.	2
Gender	According to initial design 60% of the SHG formed by the project were supposed to be women groups. The project reached an actual average of 30% of all groups being women groups across the provinces where the project was implemented. The PCR also affirms that the role of women groups in reducing poverty has been significant.	3
Overall Performance	The PCR provides very little information but the results it achieved appear to be sustainable and with a good level of ownership.	<u>4</u>
Estimated number of beneficiaries		
PCR Quality		
Scope	Although the PCR was produced in 2007, it does not follow the guidelines produced by IFAD in 2006, nor the previous template. Key impact indicators are under-assessed or not assessed at all.	2
Quality	The document is very badly written, using very poor English that often makes the text incomprehensible. Overall a very low quality.	2
Lessons	The PCR drives no lesson at all.	1