

# MANAGEMENT RESPONSE



Regional office / cluster: Indonesia / Rice

**Title evaluation report: Mid Term Review Report for Indonesia 2017-2019**

Date of the Management Response: 15 May 2020

Staff involved in the Management Response: Nana Suhartana and Erwina Putri, Prima Interpares, Catur Utami Dewi

Cleared by: Chris Claes

<b>Evaluation recommendation / point of attention 1</b>	Rikolto will continue to bring up the issue of youth and women involved in agriculture and its business. Young people and women are interested in engaging in cooperative activities because, in addition to learning, they can get financial benefits. With their intensive involvement in the cooperative business unit, they are expected to become the successor to the management of the cooperative and make the cooperative business even more significant.			
<b>Management response</b>	<b>Accepted</b> The involvement of youth and women in Rikolto's partners activities is in line with Rikolto's strategy. The partners can benefit from their direct involvement to support the business.			
Key action(s)	Time frame	Responsible	Tracking	
			Status	Comments
1.1 Farmer Youth Camp <i>The partners have held Farmer Youth Camp since the last few years, with a different theme every year, with the aim of introducing sustainable agriculture and its business (on- and off- farm) to young generation.</i> 2018 : organic agriculture 2019 : business marketing 2020 : Internal Control System (ICS) 2021 : agriculture business	2017 -2021	Rice Sector Manager	On going	

1.2. ICS Training for young farmers <i>The partner cooperatives will train young people in ICS. The training aims at attracting these young people to be part of the ICS Team of the cooperatives.</i>	2020	Rice Sector Manager	To be done	
1.3. Postharvest training for organic rice and product development (rice-based products) for women groups <i>The training has begun since 2019 where they were trained to produce rice derivative products that have economic value e.g., rice crackers (karak).</i>	2020	Rice Sector Manager	On going	
<b>Evaluation recommendation / point of attention 2</b>	Equipment granted by the government, especially rice milling units, proves that they will be faster to be able to be independent. There was a significant increase in production and marketing of the ownership of the rice mill unit. The availability of production equipment will increase the desire of cooperatives to continue producing rice.			
<b>Management response</b>	<b>Accepted</b> The presence of rice milling unit (RMU) assists the partner's business in terms of production and quality control. The support from the government has boosted the partner's confidence to improve its business unit.			
Key action(s)	Time frame	Responsible	Tracking	
			Status	Comments
2.1 Maintaining good relation with local/national governments and buyers and facilitate partners to fulfil the criteria to receive grant (equipment) <i>Good relation established with the key stakeholders i.e., governments and buyers will ease the process to get assistance from them. For instance, Rikolto regularly updates programme progress to the government at the local and national levels. Partners should be able to fulfil the criteria to receive grants such as legal documents to operate as a business entity, administrative and financial documents, ownership of land (for RMU facility grant), etc.</i>	2017-2021	Rice Sector Manager	On going	
<b>Evaluation recommendation / point of attention 3</b>	The cooperative business is still at an early stage, and they do not have the strength to enlarge their business. Loan capital becomes a critical need to make the cooperative more independent. Strengthening financial administration capacity of the organisation is essential to be done.			
<b>Management response</b>	<b>Accepted</b> One of the main obstacles for cooperatives in accessing loans to financial institutions is the lack of cooperatives' ability to			

	prepare accountable business financial statement. Therefore, it is critical to increase the capacity of the coop's management in financial administration.			
Key action(s)	Time frame	Responsible	Tracking	
			Status	Comments
3.1 Financial and Administrative Training/Technical Assistance <i>Financial administration training is to enable the cooperatives to make basic business financial reports, which are important for being able to access capital from financial institutions.</i>	2020-2021	Rice Sector Manager	On going	
3.2 Creating Business Plan <i>It aims to make a professional cooperative business plan. This is important because the business plan is one required document to access loans from financial institutions.</i>	2020	Rice Sector Manager	On going	
<b>Evaluation recommendation / point of attention 4</b>	The limited number of staff and the courage to go directly to the end-user becomes an obstacle because they have a lot of work to take care of their business. Organisational capacity building in marketing will significantly assist in finding new buyers. Rikolto encourages the involvement of young people to help marketing in the local market and other marketing models.			
<b>Management response</b>	<b>Accepted</b> The cooperatives are planning to reach consumers directly by using its own brand. This is impossible if only done by existing human resources. Therefore, the coops will embrace the youth to run the business and design the most appropriate marketing system.			
Key action(s)	Time frame	Responsible	Tracking	
			Status	Comments
4.1 Youth marketing training for local markets. <i>The aims of the training is to empower youth to manage and involve in the FO's business, particularly in product marketing at the local level.</i>	2020	Rice Sector Manager	On going	
4.2 Exhibition <i>The partners will actively participate in the exhibition to reach broader buyers or other parties, which will eventually benefit the cooperative business.</i>	2017-2021	Rice Sector Manager	On going	
4.3 Social media to promote the product	2019-2021	Rice Sector Manager	On going	

<i>Online marketing managed by youth is a way to reach broader consumers.</i>					
<b>Evaluation recommendation / point of attention 5</b>	Advocacy to adopt SRP by the Government.				
<b>Management response</b>	<b>Accepted</b> Rikolto has been working towards Sustainable Rice Platform together with other partners to influence private actors and governments to adopt the SRP standards.				
Key action(s)	Time frame	Responsible	Tracking		
			Status	Comments	
5.1 SRP Indonesia working group workshop <i>Several parties being interested in the establishment of SRP Chapter in Indonesia will conduct workshops. They consist of SRP members and other key stakeholders.</i>	2020 - 2021	Rice Sector Manager	On going		
5.2 Multi stakeholder workshop on SRP rice value chain	2020 - 2021	Rice Sector Manager	On going		
5.3 Policy brief <i>It is a rice policy study in Indonesia linked to sustainable rice.</i>	2020 - 2021	Rice Sector Manager	On going		
5.4 Healthy rice consumer workshop <i>A product campaign to link sustainable rice producers to consumers.</i>	2020 - 2021	Rice Sector Manager	On going		
5.5 Lobby and advocacy government bodies and private sector on rice quality and distribution from private sector and government	2020 - 2021	Rice Sector Manager	On going		
5.6 Dissemination of SRP Standard to Private Sectors <i>It is to attract private sectors to adopt SRP standards to their internal policy.</i>	2020 - 2021	Rice Sector Manager	On going		
5.7 Production of Communication Material for Media campaign on SRP	2020 - 2021	Rice Sector Manager	On going		
<b>Evaluation recommendation / point of attention 6</b>	Policy advocacy with the local government, so they provide deep wells and reservoirs. This policy will ensure the availability of water for farmers and encourage increased rice productivity per hectare.				

<b>Management response</b>	<b>Partially accepted</b> The government in local and national has a plan to renovate the irrigation system. Rikolto will rather support the policy implementation than involve in policy advocacy process.			
Key action(s)	Time frame	Responsible	Tracking	
			Status	Comments
6.1 Support of government initiatives to install deep wells and renovate the irrigation system	2020-2021	Rice Sector Manager	On going	
<b>Evaluation recommendation / point of attention 7</b>	We are strengthening the rice processing business unit. Diversification of cooperative products consisting of rice and processed rice will provide better business opportunities. Processed rice production will increase the efficiency and effectiveness of rice utilisation, increase the employment of women and youth, and positively change the cooperative business balance.			
<b>Management response</b>	<b>Accepted</b> The cooperatives are expanding the products market, not only in rice but also in other rice-derived products in order to strengthen the business. This has been done by involving youth and women in the business activities.			
Key action(s)	Time frame	Responsible	Tracking	
			Status	Comments
7.1 Training in quality rice processing	2020-2021	Rice Sector Manager	On going	
7.2 Establishment of fertiliser and seed business unit <i>In the agricultural business, the availability and quality of inputs play an important role. Thus, the cooperatives also develop the fertilizer and seed business as an integrated system in rice business.</i>	2020-2021	Rice Sector Manager	On going	