

Year	2017	2019	2021
	MPIG AFB: 2.99 KBA: 1.49 PPKT: 1.33 Barokah: 0.44 LTB/KCP Merangin: 1.66		MPIG AFB: 2.11 KBA: 1.91 PPKT:1.77 Barokah: 3.00 LTB/KCP Merangin: 2.34

PROGRESS ANALYSIS: Farmer organisations have encouraged members to apply GAP, GEP and GPP to increase coffee production and quality while maintaining environmental sustainability so that the coffee produced can meet market demand standards. However, if we look at the survey score from the farmer survey, there was a decrease in five of the six indicators with exception of farmers in Jambi (Barokah and LTB). The factors that influenced them were:

1. Shade trees and coffee trees in the farms are getting old and are being or have not been rejuvenated.
2. In some areas, there was a long dry season, which caused drought, for example, Flores, while in Toraja the rainfall was very high.
3. Farmers have not been able to fully adapt to climate change, therefore, there is necessity to empower farmers to learn about climate change from Meteorological, Climatological, and Geophysical Agency (BMKG) website.
4. Poorly maintained soil conditions worsened the conditions. For example, not sufficient land enforcement in slope areas through e.g. terraces and growing plants to help preventing erosion. In rocky areas like in North Toraja (PPKT), terraces are rarely applied.
5. Farmers have never counted how much water is used in the farm and for coffee processing.
6. Farmers' knowledge to maintain sustainable production needs to be refreshed.
7. Farmers started to apply good farm practices but still at small scale, in a small part of their farm. Therefore, changes at the farm level are not yet visible. Also some innovations are still at experimental stage such as done by KBA that process water used for pulping and washing into liquid fertilizer for coffee plants.
8. Regarding carbon emissions during processing and transportation, most farmers live in a remote area. They depend on motor vehicles, i.e., motorcycles, cars and pickups that consumes a lot of and mainly non-renewable fuel. The use of renewable fuel and electricity is still uncommon in Indonesia, even more in rural areas.
9. Income from horticulture is important to meet the daily needs for farmers in Enrekang (KBA) and Kerinci (Barokah). Unfortunately, the use of chemical inputs for horticulture affect coffee trees that are grown together (also consequently no shading trees).

The current situation in Indonesia is changing in rainfall patterns or weather (i.e., heavy rainfall, long draught). Heavy rain facilitates the spread of pests and diseases, damage to flowers. The long dry season makes coffee trees unable to produce coffee bean. The coffee farmers practice agroforestry and pruning to increase production as well as to adapt extreme weather patterns. Pruning shade trees is necessary to make the farmland not too moist due to sunlight exposure. The farmers also implemented a biopore system to improve water and air circulation in the soil.

TRIANGULATION: PPKT covers Tana Toraja and North Toraja regions. Though Buntu Ledo Farmer Organisation is located in Tana Toraja, their farmers are not PPKT members. There is no one to train Buntu Ledo farmers on GAP and GEP. Because of that, Ontosoroh (their buyer) requested PPKT's cadres to conduct training for Buntu Ledo farmers. In areas where there is no

intervention, farmers will not be able to do GAP and GEP individually. Our works will still be relevant to our impact indicators when climate-smart practices are well integrated into the farmer field school as the changing weather severely affects the physiology of plants.

Pathway of Change: Intervention II – Ultimate Outcome 2

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OTUCOME	ULTIMATE OUTCOME
Enabling FOs to enhance their business capacities that comply with sustainability standards and market demands for the welfare of FOs' members.	Organising capacity building activities for FOs on a business plan, accounting, and bookkeeping.	FOs produce a business plan and apply good financial and bookkeeping system to increase the business profit.	FOs have documents as a business analyst tools for monitoring, evaluation, and lobbying with key stakeholders.	FOs enhance their business growth and they are able to access capital from member, institutional (financial institutions and governments) and outside commercial sources of funding to finance their businesses.
	Supporting FOs to develop financial self – sufficiency model.	FOs have strategy to increase the contribution of the members to finance FO business.	The capital of FO from their members increases.	
	Obtaining information on existing financing facilitating and schemes from financial institutions.	Rikolto and FOs knows the facts and data related to the impact/effects of the lending schemes on FO's businesses	FOs present bankable credit requests to financial institutions and financial institutions modify their credit offers to meet FOs' needs	
	Facilitating business meetings between financial and government institutions and FOs.	FOs understand requirements to access available credit schemes and financial institutions know the scale of business, business potential and financial needs of FOs	FOs present bankable credit requests to financial institutions and financial institutions modify their credit offers to meet FOs' needs	
	Supporting FOs to collaborate with Village-	Models of partnership between FOs	The sustainability and synergy of the partnership	

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OTUCOME	ULTIMATE OUTCOME
	Owned Enterprises (BUMDES)	and BUMDES are established.	between FOs and BUMDES are achieved.	
	Supporting partners to receive additional services (capacity building, tools, capital, etc) from private sectors (buyers).	FOs receives additional services from private sectors (buyers)	The quality and the quantity of the FO's products improve.	

EFFECTIVENESS

EVOLUTION OF THE RELEVANT OUTCOME INDICATORS

Year	2017	2018	2019	2020	2021
Indicator 2.2.1: Numbers of FOs that have a good accounting and bookkeeping system (digitalized database)					
Target		1	3		6
Achieved	0	1	5		
Indicator 2.2.4 (4b): Number of FO partners having transparent premium distribution and profit sharing					
Target	1	2	3		6
Achieved	0	2	2		
Indicator 2.2.8: Value of loans accessed by FOs in USD					
Target	40,000	40,000	80,000		130,000
Achieved	36,409	89,062	102,212		

PROGRESS ANALYSIS: Rikolto engaged other service providers to support FOs in financial management. Three FOs are using two different apps. Unfortunately, the transfer of knowledge from one app developer to PPKT and ASNIKOM was not sufficient to enable FO use it. Barokah only recently received the financial software to help record the business finance. The accounting policy is still to be developed.

In general, a commercial recording is done either in a computer (Excel-based), complemented by manual ones. The financial records are reported annually to members and the data used to calculate profit sharing to members who pay membership fees and sell to FOs.

All FOs (except in relatively newly established FO in Merangin) have been facilitated to make a business plan and make a realistic annual target. More practices are needed to make a feasible business plan that they follow strictly.

3 FOs accessed credit from CU Kopkardios, BRI and Bank NTT. The other FOs received offers from financial institutions; however, they did not take it due to the difficulty to meet the criteria, primarily collateral, and the small volume of sale which gives concern on the ability to pay the

interest. They rely on internal capitalization from the existing business and membership fee or advance payment made by a buyer. However, it is not easy to make members invest in paying membership fees unless they see real benefits. The low farmer's income also contributes to this situation.

TRIANGULATION: Trust built by Barokah to the buyer through consistent performance to meet the requested quality and quality made the buyer willing to pay significant advance. The same is true for the three financial institutions that continue to provide loans to FOs. Building trust and interests of farmers to FOs are essential through the strategies to offer higher than the market price and to give annual profit shares. However, the absence of financial policy in Barokah led to a score of 3.2 in their first SCOPE Insight assessment. Nevertheless, Barokah that was established in 2018 showed its promising business performance.

PPKT scores high (4.1) on Financial Management of the SCOPE Insight assessment. PPKT and its members continue to commit to run collective marketing of Toraja Arabica coffee. At the Fourth Annual Member Meeting, PPKT agreed that in 2019 they would not access credit. Members also decided to invest in the cooperative to overcome the lack of capital by doubling the membership fees. They have agreed that for each transaction, PPKT deducts IDR 6,000/ litre of wet parchment to be paid in December.

RELEVANCE

EVOLUTION OF THE RELEVANT IMPACT INDICATORS - 2

Year	2017	2019		2021
Indicator	Baseline	Target	Observed	Target
Share of income derived from quality food sales to the total household income	55%	65%	62.4%	65%

Source: Farmer Survey.

PROGRESS ANALYSIS: Capacity building for strengthening farmer organisations enables them to increase capacity to be professional business entity. Rikolto connects FO with important buyers who increasingly push FO to meet market demand standards and innovate to follow existing trends.

TRIANGULATION: The Ngada government released Regulation No. 6/2016 to protect the identity of Flores Bajawa arabica coffee and consequently the farmers. Government also discourage traders to bring cherry coffee outside the district, so that the value addition can still be done by farmers. However the latter has not been included in the regulation. The intention is also to make the MPIG-AFB Cooperative controls the implementation of these regulations.

Farmers could become professional business organisations when they have trusted buyers who buy regularly, being transparent and give inputs on improving the quality of the product/business relation. Bank NTT provides credit to bankable farmer organisations to improve their working capital and fund core businesses.

Rikolto has linked farmer organisations with important buyers and key actors in the coffee value chain. Without Rikolto's support, partners will have limitations in networking. Some factors that affect the impacts are:

1. Positive:
 - Cooperation of various stakeholders, namely Rikolto, the Government, financial institutions and farmer organisations.
 - Continuous motivation eventually raises the courage of farmer organisations to take credit to meet the capital of cooperative purchases, which can improve cooperative business.
 - Innovation for alternative payment models to farmers to improve FO's working capital.
 - Encouraging participation of members in collective marketing by giving them more benefits such as higher price (compared to that paid to non-members) and annual profit sharing.
2. Negative: Farmer organisations have limited number of capable human resources to manage the business. Only Barokah and PPKT that have permanent staff in managing the business operation.

Pathway of Change: Intervention II – Ultimate Outcome 3

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
Enabling FOs to enhance their business capacities that comply with sustainability standards and market demands for the welfare of FOs' members.	Organise capacity building on market intelligence for each commodity.	FOs have market information and know how to read FO's position in the domestic and global markets.	FOs are able to develop collaboration with and gain business commitment from value chain stakeholders.	FOs have wider market and more assorted income sources
	Organise capacity building on business communication (leadership, language, contract negotiation, networking, etc) for FO's management team.	FO's management teams improve their business communication and have better knowledge of negotiation techniques and strategies.	FOs' management teams demonstrate more professionalism and are able to negotiate with buyers.	
	Organise capacity building on innovative marketing	FO are able to implement an innovative marketing to sell their product attractively.	The sales of FOs' products increase.	
	Supporting FO to participate in local and international	FOs participate in local and international events.	FOs' products are acknowledged as high-quality product.	

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
	events to promote their products.			
	Organise capacity building activities on integrated business models related to agriculture (diversification)	FOs know how to diversify their business unit and they diversify their business units innovatively.	FOs' receive additional income from their integrated business.	

EFFECTIVENESS

EVOLUTION OF THE RELEVANT OUTCOME INDICATORS

Year	2017	2018	2019	2020	2021
Indicator 2.3.1 (1b): Number of farmers (FOs' members) selling through collective marketing					
Target	Coffee: 3380 (Sulawesi: 850 ; NTT: 2500 ; Jambi: 30)	Coffee: 3600 (Sulawesi: 850; NTT: 2500; Jambi: 250)	Coffee: 4320 (Sulawesi: 1020 ; NTT: 3000 ; Jambi: 300)	Coffee: 1000	Coffee: 1150 (Sulawesi: 500, NTT: 300, Jambi: 350)
Achieved	Coffee: 1673 (Sulawesi: 1071; Flores: 442 ; Jambi: 160)	Coffee: 1779	Coffee: 977 (Sulawesi: 450, NTT: 225, Jambi: 302)		
Indicator 2.3.2: Numbers of long-term business contracts/MoUs FOs have with the buyers					
Target	4	5	8		11
Achieved	5	8	9		
Indicator 2.3.4 (2): Average income of farmers from quality food sales (in USD/per ha)					
Target			IDR 15,200,000 (USD 1,100)		USD 1,200
Achieved	IDR 14,369,102 (USD 1,006)		USD 1,124.52		

PROGRESS ANALYSIS: Rikolto played key roles in connecting the FOs to buyers, providing capacity building in production and business, thus the FOs could deliver quality product. The number of buyers of FOs was consistent, consisting of buyers purchasing in large amount such as MTC and those purchasing below 500kg per order such as domestic roasters and cafes in major cities in Indonesia. They paid higher than the market price for quality coffee. Price and terms negotiation with the big buyers usually takes place before the main harvest while buyers with a smaller amount often accept the price offered by FOs without much bargaining. The engagement of buyers with FOs varied from having a written contract, commitment letter, and purchase order to placing order via WhatsApp Messages and phone calls. These recurrent buyers have trust in the flavour and taste of the coffee.

FOs diversified the buyers and kept business relation with both types of buyers to enlarge the sales volume and reduce risks. They have built up a good reputation and developed their brand. Since the last couple of years, promotion of their good quality has been conducted via participation in coffee auctions, coffee competitions, coffee exhibitions and coffee grading, in addition to individual approach to potential buyers. Some processing techniques were employed to bring out distinctive flavours to appeal to buyers. Barokah in 2019 has used five different processing techniques, including the latest ones 'wine' and 'blue honey'. The later attracted much interest from their buyer from Belgium (32Cup).

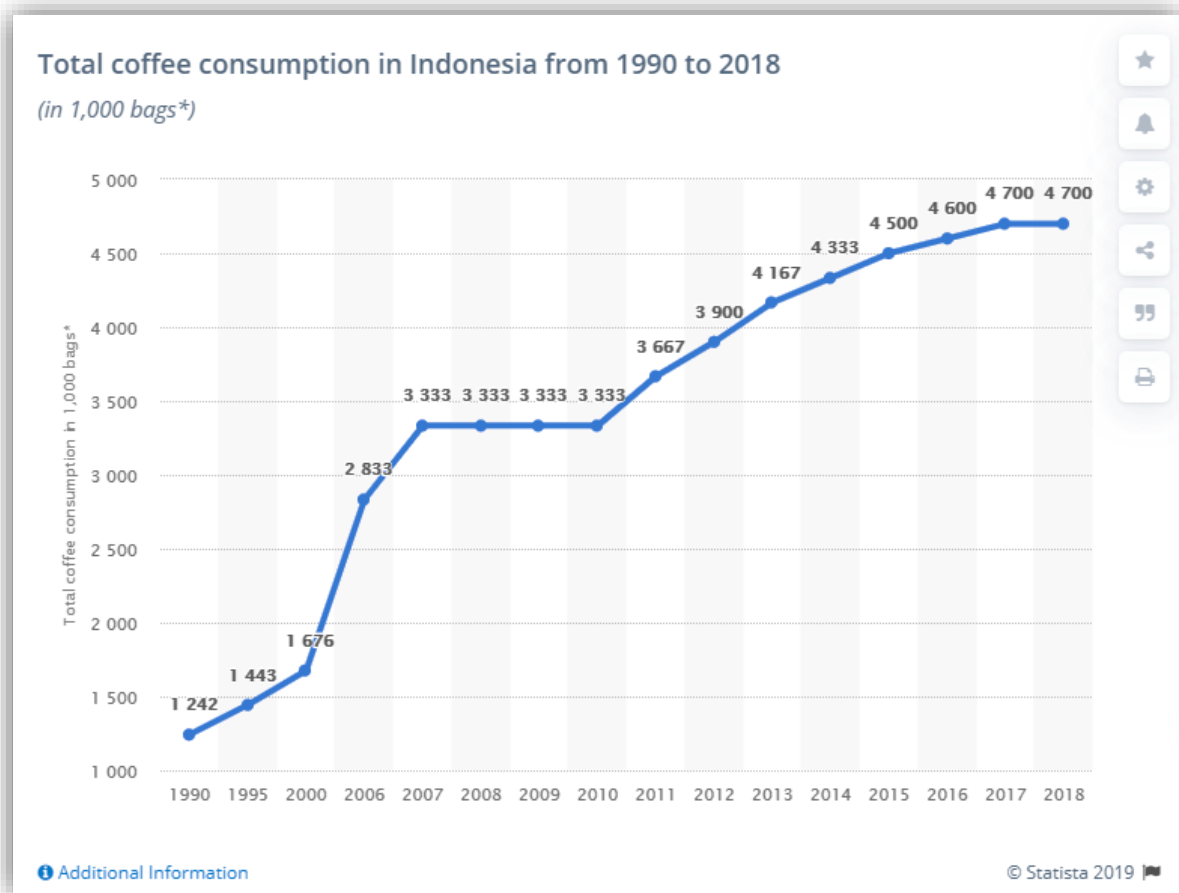


Figure 7. Coffee consumption in Indonesia 1990 - 2018.

TRIANGULATION: Figure 7 represented coffee consumption in Indonesia growing quadrupled since 1990 (Figure 7)²⁰. Indonesia experienced the third wave of coffee consumption where more artisanal coffee shops multiply (double in the last five years – 2018) to cater for consumers who are interested in the speciality, single-origin and locally produced coffee. The market is expected to increase annually by 11.1% (CAGR 2019-2023).

The SCOPE Insight assessment showed a high grade (above 4) for the market dimension of Barokah. There is high demand for Barokah’s specialty coffee. The brand has been built through several marketing strategies such as participation in coffee competition and auctions, introduction in coffee exhibitions and local, national and international level, as well as through social media.

²⁰ Retrieved from <https://www.statista.com/statistics/314982/indonesia-total-coffee-consumption/>

PPKT still implemented a centralised processing unit and one-door collective marketing. Thus, the quality could be easily controlled, and PPKT products had one quality. This cooperative marketed finished products in the form of specialty coffee green bean, roasted bean, and ground coffee. PPKT establishes active communication with existing buyers and continues to seek new buyers through exhibitions and coffee events. To create inclusiveness, PPKT marketed specialty coffee and sell them as single origins, depending on the name of the area, namely: Gasing, Sesean, Gandang Batu, Kapala Pitu, Sapan, Pulu-Pulu, and Perindingan. The coffee brand is "Saleco" and PPKT has 7 single origins.

Apart from diversifying the processing techniques, some FOs have made product diversification by selling roasted and ground coffee and 'ordinary' quality coffee though the volume is still limited. A couple of ideas have been expressed, for instance, to make Café business. In the end, the FOs decided to concentrate on the core business due to limited resources.

Pathway of Change: Intervention IV – Ultimate Outcome 1

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
Supporting national commodity platforms and international clusters to facilitate/mediate all commodity stakeholders to develop innovative, inclusive and profitable business models and sustainable agriculture practices.	Supporting partners (commodity platforms) in the study to identify and assess innovative business models and good agriculture practices that are suitable and profitable for FOs	Partners (commodity platforms) have common strategies on business models for FOs that bring about better income for farmers	Partners (commodity platforms) encourage their members to support FOs in applying innovative and profitable business models	Members of commodity platforms practice/adopt business values that ensure smallholder farmers earn a regional minimum wage in the respective chains
	Participating in the commodity platform and clusters' work in influencing the international agenda on value chain	Rikolto in Indonesia and the partners know how to improve the program design and implementation and to contribute to the national and clusters' work	Rikolto in Indonesia provides evidence to be used by the government and clusters to influence the national and international agenda	

EFFECTIVENESS

EVOLUTION OF THE RELEVANT OUTCOME INDICATORS

Year	2017	2018	2019	2020	2021
Indicator 4.1.1: Numbers of evidence shared					
Target	1	2	3	11	12
Achieved	0	6	10		
Indicator 4.1.2: Number of innovations generated, adopted and shared					
Target	1	2	3		8
Achieved	-	-	6		

PROGRESS ANALYSIS: To promote changes at the sector level, Rikolto has collaborated with Sustainable Coffee Platform Indonesia (SCOPI) and Specialty Coffee Association Indonesia (SCAI). Members of these platforms are coffee stakeholders consisting of private actors, farmer organisations/ groups, NGOs, government, knowledge institutes, etc. Several initiatives have been done to increase production at the farm level. Firstly, training for master trainers aimed to enable more farmers to apply standardised curriculum. Secondly, capacity-building activities were carried out to meet the growing demands of distinctive flavours and quality coffee. Thirdly, multi-stakeholder meetings intended to increase access to financial institutions and buyers, and encourage the local government's engagement to promote coffee from their regions.

TRIANGULATION: Rikolto became a silver sponsor of Indonesia Roasting Championship 2019, an annual event organised by SCAI to encourage talented roasters to compete in national scale competitions and to measure the ability of roasters from various regions to sharpen skills and gain experience in professional competition. The 8th Micro Lots Coffee Auction 2019 was held with the support of Rikolto to introduce the best variety of Indonesian specialty coffee to coffee communities both at home and abroad. Besides, this coffee auction facilitated the meeting between Indonesian coffee farmers and exporters led to a good business relation with additional economic value through the quality of coffee produced.

RELEVANCE

EVOLUTION OF THE RELEVANT IMPACT INDICATORS – 1 & 4

Year	2017	2019	2021
Indicator	Baseline	Target	Observed
Number of indirect end beneficiaries: farmers affected by changes in public/private policies through commodity platforms	SCOPI: 38,100	SCOPI: 50,000	SCOPI: 78,450
Number of indirect end beneficiaries: members of household farmers affected by changes in public/private policies	137,703	184,971	254,526
			Target
			SCOPI: 80,000
			260,000

Source: Commodity Platform Report.

PROGRESS ANALYSIS: Commodity Platforms collaborate with stakeholders in the coffee value chain to support farmer organisations in conducting good coffee agricultural practices and

business models that benefit all parties in the coffee value chain. Rikolto contributed to developing the National Coffee Curriculum for both Arabica and Robusta concerning GAP, GPP and GEP from which the farmer members of SCOPI receive various relevant training and capacity building they needed as coffee farmers based on the curriculum.

TRIANGULATION: Rikolto provides inputs to commodity platforms about conditions that occur at the base or farmer level. In addition to contributing to the drafting of the National Curriculum for coffee cultivation (Sustainable Robusta and Arabica Coffee). Some contributing factors affect the achievement of impact as follows:

1. Positive: engagement in commodity platforms provides opportunities to collaborate with various actors in the coffee value chain and collectively promote ideas to the government.
2. Negative: (i) Competing interests between members of the commodity platforms cannot be avoided. The platform agenda can be influenced by parties who occupy certain positions on the platform which are sometimes less supportive to sustainability agenda and promotion of smallholder farmers. (ii) Commodity platform does not raise the profile of smallholder farmers where it should be one of the platform's primary focus.

SUSTAINABILITY – COFFEE

TECHNICAL: Women and youth are actively involved in the farmer field school, both as participants and as trainers. Some farmers who are upgraded to become trainers for other farmers are Mama Reti and Yansen in Bajawa, Mama Rensi in Manggarai, and Ibu Hasna and Ibu Dita in Toraja. Women and young people who have reached Q graders are Yansen in Bajawa and Sherly in Toraja. Women's farmer groups are actively involved in the business in and outside the farm. Their understanding of coffee, from farms to end-users, has provided a complete perspective and experience for women and young people on how coffee businesses should be managed.

FOs have a system that can guarantee the quality of coffee following the market's required standards. They also have key farmers who are able to train members in conducting proper coffee cultivation, supported by the Curriculum and Training Manual for Robusta and Arabica Sustainable Coffee Cultivation (NSC-R and NSC-A). The results of this training become one of the essential pillars for the operation of the coffee quality assurance system by FOs and eventually in gaining stakeholder confidence to FOs.

SOCIAL: FOs have begun to increase its efforts towards programme that focus on involving women and young people. Examples are field school activities in vocational schools and Catholic Youth organisations. In this training, FOs become places of internship, practice, as well as research for school children and students.

The quality assurance system has enabled FOs to interact with coffee businesses at the national and global levels. FOs have even been connected with other stakeholders through events organised by SCOPI and SCAI and became members of SCAI. In a short time, FOs have built credibility in the eyes of business people, NGOs, governments, financial institutions, research institutions, and other institutions.

FINANCIAL: The credibility has been built to deliver FOs into profitable and bankable business units. As result, Primary cooperatives who are member of MPIG-AFB in the last couple of years received loans from Bank NTT. Purchase contracts between buyers and FOs can be made collateral in banks. Coffee business people also do not mind giving down payment which can be used by

FOs as working capital. The high trust of Sucafina (formerly MTC) to Barokah has led to a decision of providing very high (75%) advance payment.

ENVIRONMENTAL: Sustainable coffee cultivation standards from SCOPI and SCAI ensure the sustainability of the environment in coffee production. Farmers can manage their coffee plantations well and can increase farm productivity more sustainably. One example is making *rorak* (holes between coffee plants) for organic fertiliser applications. Integration of livestock with coffee is also carried out. In this scheme, coffee waste becomes animal feed, and livestock manure is used as fertiliser for coffee plants. There is less use of external input and farmers can produce coffee more sustainably while meeting market demand for sustainable products.

EXIT STRATEGIES - Structural Change Agenda II

SECTOR	EXIT STRATEGIES	ENABLING FACTORS	ACTIONS (SPEED-UP/MAINTAIN)
COFFEE	<ol style="list-style-type: none"> 1. Rikolto empowers the Farmer Organisations (FOs) to become a reliable organisation led by an independent management team. 2. Rikolto connects the FOs with other enabling actors that can provide support for FOs' business. 3. Rikolto ensures that 75% of FOs' members are actively involved in cooperative business activities. 4. Encourage women and youth to involve in farm activities by letting experts managing the coffee estate. 5. Develop new women and youth-led business model. 6. Organisational capacity building in marketing will significantly assist in maintaining recent deals and finding new buyers. 7. Encourage financial institution to finance FOs business. 8. Encourage FOs to be actively involved in platform organisation (SCOPI and SCAI) activities and take benefit from that. 9. We are strengthening the agroforestry concept acceptance in all level of stakeholders to ensure the sustainability of environmental carrying capacity. 	<ol style="list-style-type: none"> A. Network with various actors i.e., private sectors, governments, and other business development services. B. There is open access to gardens for youth and women. C. There is a high market demand for speciality coffee sold by FOs. D. Farmers and farmer organisations can innovate in coffee cultivation and processing, for example, by doing various types of processing so that they can meet market trends. E. FOs have a system that guarantees the quality of coffee products according to standards. F. There is a sufficient human resource capacity possessed by the FO to be able to manage FO (new dealing and maintaining relations with buyers) organisations and businesses. G. FOs have been able to meet all the requirements set by financial institutions to be able to access credit, for example, by having collateral. 	<ul style="list-style-type: none"> o To speed up the work by establishing a strong network with other supporting parties for on-farm and off-farm activities; advocating policy changes regarding coffee business. o Promoting tangible (i.e., taste and flavour) and intangible (i.e., cultivation method) factors affecting the quality of coffee through the creation of a sharp brand image. o Encourage farmer organisations to regenerate potential human resources to be able to manage farmer organisations and business organisations. o Encourage a platform to support increasing the capacity of farmers in their cultivation, processing and business. o Encourage farmer organisations to be actively involved in the formulation of regional government regulations such as Regents and prepare farmer organisations to be part of the implementation of local government regulations. o There is an implementation of agroforestry farming at field school.

SECTOR	EXIT STRATEGIES	ENABLING FACTORS	ACTIONS (SPEED-UP/MAINTAIN)
		<p>H. There are government regulations in favour of coffee farmers as an example of rules for the protection of local speciality coffee with the stipulation of coffee buying and selling regulations.</p> <p>I. There is a platform that has provided direct and broad access to FOs for programmes on the platform and the network to platform stakeholders.</p> <p>J. Farmers accept agroforestry practices.</p>	

VII.3 CINNAMON/PES

DGD Outcome Indicators - Result 2²¹

Year	Year 1 - 2017	Year 2 - 2018	Year 3 - 2019	Year 4 - 2020	Year 5 - 2021
Indicator 1a: Volume of quality food sold through collective marketing by farmers of partners in Sulawesi, NTT and Jambi (in tons , per year)					
Target	Cinnamon: 200 (Jambi)	Cinnamon: 50 (Jambi)	Cinnamon: 100 (Jambi)	Cinnamon: 25	Cinnamon: 200 (Jambi)
Achieved	Cinnamon: 2.2 (Jambi)	Cinnamon: 0.06	Cinnamon: 3.4		Cinnamon: 2.2 (Jambi)
Indicator 1b: Number of farmers of FOs selling through collective marketing					
Target	Cinnamon: 80 (Jambi)	Cinnamon: 30 (Jambi)	Cinnamon: 150 (Jambi)	Cinnamon: 50	Cinnamon: 100
Achieved	Cinnamon: 5 (Jambi)	Cinnamon: 189	Cinnamon: 47		
Indicator 1c: Average volume of quality food per farmer of partners sold through collective marketing action mechanisms (in tons)					
Target	Cinnamon Kerinci: 2 ton	-	Cinnamon: 0.9 ton		Cinnamon: 0.3 ton
Achieved	Cinnamon: 0.72 ton	-	Cinnamon: 0.10 ton		
Indicator 2: Average income of farmers of partners from quality food sales (in USD, per ha, per year)					
Target			Cinnamon: IDR 60,000,000 (USD 4,300)		Cinnamon: 2,100 (USD)
Achieved	Cinnamon: IDR 58,735,987 (USD 4,112)		Cinnamon: 2,045.71 (USD)		
Indicator 4a: Number of FO partners having fully functioning ICS/IMS					
Target			1		1
Achieved			1		
Indicator 4b: Number of FO partners having transparent premium distribution and profit sharing					
Target			1		1
Achieved			1		

²¹ The targets in year 5–2021 have been revised based on the achievement in 2019 and current condition of the programme.

Pathway of Change: Intervention I – Ultimate Outcome 1

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
Enabling environment for gender sensitiveness and youth inclusiveness of the value chain.	Organise popular events to introduce sustainable agriculture and inclusive business practices to youth and women	Youth and women have better knowledge on sustainable agriculture and inclusive business practices.	Participation of women and youth on sustainable agriculture production and business increases.	More youth and women are involved in a sustainable value chain.
	Document and share learning and evidences on youth and women inclusiveness.	A compilation of women and youth participation and innovation on sustainable value chain is documented and shared.		
	Organise skill development for youth and women.	Youth and women are able to take an active role in sustainable agriculture practices and FO business.	Youth and women become a driver of FO business	
	Develop business models for youth and women.	New business models are developed.	The income of the youth and women from agriculture business increases.	
	Support FOs to make inclusive policies toward women and youth at the FO level.	FOs stipulate more inclusive policies towards women farmers and youth and broader access for young and women farmers to involve in FO business.	More young people and women farmers are involved at FO managerial team.	

EFFECTIVENESS

EVOLUTION OF THE RELEVANT OUTCOME INDICATORS

Year	2017	2018	2019	2020	2021
Indicator 1.1.2: Percentage of youth who are involved in FO daily practices, becoming staff and governing members of FOs.					
Target	-	-		38%	42.5%

Achieved	-	25.71 %	26.47 %		
Indicator 1.1.4: Percentage of women who are involved in FO daily practices, becoming staff and governing members of FOs.					
Target	-	-		70%	72.5%
Achieved	-	62.86%	67.65%		

PROGRESS ANALYSIS: Rikolto's strategy is to strengthen and enhance FO's business by elevating the interest of women and youth in inclusive cinnamon business. In this case, the FO partner, TAKTIK, focuses on the cinnamon stick and cinnamon bark business. The business succeeded in gaining the interest of women and youth to get involved in the cinnamon value chain. Moreover, in capacity building activities, Rikolto always encourages women and youth to join the activities so that they can learn about the practice of inclusive business directly.

These experiences gave them a better sense of the business. They are actively involved and have responsibilities in the TAKTIK. From all 34 staffs, 9 are youth. They become secretary, treasurer, ICS coordinator and work in cinnamon processing unit. Holding these positions help the youth to gain more experience to be future decision-makers. More than half of the 34 staffs are women. There is an increase in the number of women working in the FO from 21 people in 2018 to 23 people in 2019. Most of them are involved in the quality control team and cinnamon grading team. FO's regulation supports the involvement of women by adopting shorter working hours (8 AM to 3 PM). By applying this regulation, women still have time to take care of their household.

TRIANGULATION: TAKTIK signed a contract with Tripper to supply organic cinnamon when it has been successfully obtained TAKTIK certified. To meet the rising market demand, TAKTIK employed more women staff for its production unit, meaning more opportunities for women to involve in the value chain.

RELEVANCE

EVOLUTION OF THE RELEVANT IMPACT INDICATORS – 1a

Year	2017	2019		2021
Indicator	Baseline	Target	Observed	Target
Number of direct end beneficiaries: farmers producing quality/sustainable food/agricultural commodities*)	261	500	953	1100
*) disaggregated by sex and age				

Source: Partner Report.

PROGRESS ANALYSIS: Rikolto undertook selective farmers' strategy and accommodating TAKTIK in institutional strengthening so that it could become one of the influential actors in the cinnamon chain in this region. Capacity strengthening includes increasing the capacity of TAKTIK's agricultural businesses, membership management, and the ICS team. Rikolto also facilitates TAKTIK members with proper technical enhancement through GAP and GEP training. Rikolto supported TAKTIK in building a business network, encouraged them to think in wider scope (landscape), and get involved in conservation forums around Kerinci Seblat National Park (TNKS).

The private sector has understood the context of PES so that in 2019 some of them were actively involved in environmental services to support the national park sustainability. For example, Tripper paid incentive for ecological services in exchange for cinnamon products they buy. Figure 8 shows the current condition of the cinnamon value chain integrated with the PES initiative from which the multi sectoral collaboration was established.

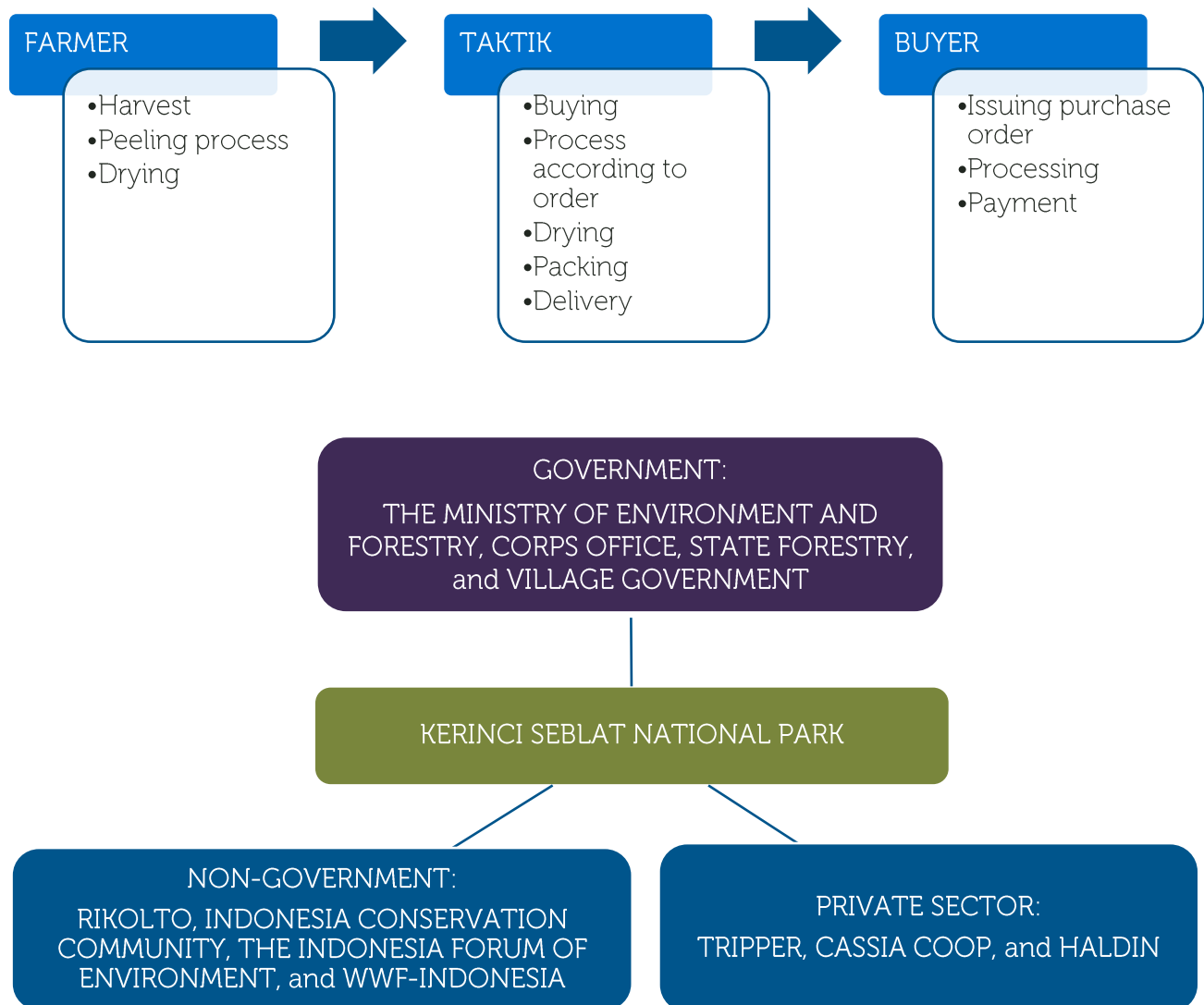


Figure 8. The cinnamon value chain integrated with the PES model.

TRIANGULATION: If Rikolto did not intervene in the working area of TAKTIK, the farmers would not get a better price like farmers in another area such as Lempur who receive IDR 500 less per kg. Farmers from other area also cannot produce the same quality sticks as TAKTIK, due to the absence of transfer of technology from their buyer. Apart from all that, the buffer zone in other areas is not maintained in the same way as TAKTIK's farmers do. Some internal and external factors that supported Rikolto's intervention in cinnamon value chain are listed below.

Internal Factor	External Factor
Cinnamon farmers have a desire to increase their income, and at the same time preserving area around TNKS.	Cinnamon prices tend to rise entice farmers' enthusiasm.

Internal Factor	External Factor
There is a Rikolto strategy that is linear to TNKS needs, such as protecting the buffer zone as an animal corridor by growing plants that are consumed by animals. Thus, animals will not enter the farm.	Government Regulation concerning the use of TNKS as an economic zone exists and is institutionalised at the various levels ranging from village, district and national.
There is a regular stakeholder meeting initiated by Rikolto that was used to share information about TNKS. Through it, TNKS constraints and problems can be overcome as early as possible.	Strategic planning comes from several conservation partners.
Knowledge transfer from Rikolto to TAKTIK members runs effectively.	

Pathway of Change: Intervention II – Ultimate Outcome 1

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
Enabling FOs to enhance their business capacities that comply with sustainability standards and market demands for the welfare of FOs' members.	Organise capacity building activities on IMS/ICS to ensure product traceability and sustainability compliance to increase productivity and add value to the products.	FOs have ICS/IMS teams with adequate knowledge on traceability and sustainability standards.	Members of ICS/IMS teams ensure that farmers meet sustainability verification criteria and produce required supporting documents.	FOs meet sustainability standards and market demands.
	Support FOs to organize capacity building activities for their members on Good Production Practices (GAP) and Good Processing Practices (GPP) that meet sustainability standards	Members of FOs know about practices to be applied to improve the quality and quantity of the product according to the sustainability standards.	Members of FOs apply GAP and GPP in their farm.	
	Facilitating partners (commodity platforms) to assess common criteria of sustainability	Partners (commodity platforms) document the common criteria of sustainability	Partners assist FOs in establishing IMS/ICS model(s) that meet these criteria.	

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
	standards adopted by various certification bodies and buyers.	standards seek approval from their members and share the results to FOs.		

EFFECTIVENESS

EVOLUTION OF THE RELEVANT OUTCOME INDICATORS

Year	2017	2018	2019	2020	2021
Indicator 2.1.2 (1a): Volume of quality food sold through collective marketing by farmers of partners in Sulawesi, NTT and Jambi (in tons , per year)					
Target	Cinnamon: 200 (Jambi)	Cinnamon: 50 (Jambi)	Cinnamon: 100 (Jambi)	Cinnamon: 25	Cinnamon: 50 (Jambi)
Achieved	Cinnamon: 2.2 (Jambi)	Cinnamon: 0.06	Cinnamon: 3.4		
Indicator 2.1.3 (1c): Average volume of quality food per farmer of partners sold through collective marketing action mechanisms (in tons)					
Target	Cinnamon Kerinci: 2 ton	-	Cinnamon: 0.9 ton		Cinnamon: 0.3 ton
Achieved	Cinnamon: 0.72 ton	-	Cinnamon: 0.10 ton		
Indicator 2.1.4 (4a): Number of FOs having fully functioning ICS/IMS					
Target	-	1	1	1	1
Achieved	1	1	1		

PROGRESS ANALYSIS: TAKTIK's ICS has been active since 2014 and has been able to prepare and manage the external audit to be granted organic certification from EU and USDA. However, the certificate holder was the buyer. In 2017, the partnership ended due to the financial issue of the buyer and it led to a business congestion of TAKTIK in 2018. In late 2018, Rikolto's support succeeded in connecting TAKTIK with the Ministry of Rural Development, which led to a commitment to support TAKTIK to gain organic certification, i.e., EU and USDA organic standards. After gaining organic certificate in 2019, TAKTIK signed contract with buyers (i.e., Tripper, Haldin, and AKP) and started rerunning the production unit in the mid of 2019. The result of average volume of quality food per farmer sold through collective marketing (Indicator 2.1.3/1c) was significantly lower as compared to 2017 result as the farmer survey was done earlier in the first quarter of 2019 while the production started in August 2019. Currently, many TAKTIK members are attending the farmer field school to enhance their knowledge of organic cinnamon management.

TRIANGULATION: TAKTIK has obtained USDA and European Union organic certifications and entered into an agreement with Tripper to supply 200 tons of cinnamon. Madral, the head of TAKTIK, mentioned that it took hard work, determination and clear vision to build TAKTIK. TAKTIK went through difficulties in the past. Madral pointed out they were able to overcome it because they put extra time and energy to solve the problems with the support of Rikolto.

RELEVANCE

EVOLUTION OF THE RELEVANT IMPACT INDICATORS - 3

Year	2017	2019	2021
Indicator	Baseline	Target	Observed
Increase in sustainable production index			
▪ Soil conservation	0.81	1.5	0.69
▪ Water management	0.83	1.5	2.06
▪ Resource management	2.63	2.7	2.49
▪ Climate change	2.53	2.6	0.60
▪ Biodiversity	2.09	2.3	1.65
▪ Landscape management	2.33	2.5	1.68

Source: Farmer Survey.

PROGRESS ANALYSIS: Rikolto introduced selective harvest strategy and accommodated TAKTIK to build capacity on sustainability. Sustainability training in organic fertiliser and pesticide is relevant and influences land fertility in Talang Kemuning area. Rikolto also facilitated TAKTIK members with related technical enhancements in the form of GAP and GEP training. In terms of institutional strengthening, Rikolto supported TAKTIK in promoting sustainability standards, including strengthening the ICS; thus, TAKTIK can carry out their functions and comply with organic certification standards. Total 340 TAKTIK member farmers have received organic certificates, which means they have fulfilled the requirements in the element of sustainability, such as the use of a sustainable environment and the preservation of biodiversity and ecosystems in Talang Kemuning. Water management in this region is still proper because of participatory tree planting.

There are 4 aspects in environmental sustainability index with lower score as compared to the previous survey in 2017 which are soil conservation, climate change, biodiversity, and landscape management. In 2018, TAKTIK faced difficulties in business after its buyer could not continue the purchase contract. Therefore, the organisation rather focused on rebuilding-up the business instead of environmental services conducted by its members. With a new contract signed in 2019, TAKTIK has refocused on both commercial and ecological services. Even the new buyer, Tripper, has involved in PES scheme by developing intercropping farms, which would lead to sustainable cinnamon production and improved farmer livelihood. Particularly in the climate change aspect, the farmers still highly depends on motor vehicles, i.e., motorcycles, cars, and pickups that consumes a lot of and mainly non-renewable fuel to collect raw material to TAKTIK's warehouse.

TRIANGULATION: Organically produced product brings positive impact both economically and environmentally. Cinnamon farmers see the benefits of implementing organic method and have a desire to be involved in local forums to preserve the national park. Strategies and activities of Rikolto are linear with the TNKS needs, such as maintaining the balance of the park's buffer zone through GEP training. Tripper, the private sector, appreciated TAKTIK to hold organic certification from EU and USDA and as a reward; they combine their business with TAKTIK with the PES model. In addition, village and district government collaborated with TAKTIK through BUMDES (village-owned enterprises) in Talang Kemuning to market organic cinnamon.

Pathway of Change: Intervention II – Ultimate Outcome 2 & 3

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
Enabling FOs to enhance their business capacities that comply with sustainability standards and market demands for the welfare of FOs' members.	Organising capacity building activities for FOs on a business plan, accounting, and bookkeeping.	FOs produce a business plan and apply good financial and bookkeeping system to increase the business profit.	FOs have documents as a business analyst tools for monitoring, evaluation, and lobbying with key stakeholders.	FOs enhance their business growth and they are able to access capital from member, institutional (financial institutions and governments) and outside commercial sources of funding to finance their businesses
	Supporting FOs to develop a financial self – sufficiency model.	FOs have strategy to increase the contribution of the members to finance FO business.	The capital of FO from their members increases.	
	Obtaining information on existing financing facilitating and schemes from financial institutions.	Rikolto and FOs knows the facts and data related to the impact/effects of the lending schemes on FO's businesses	FOs present bankable credit requests to financial institutions and financial institutions modify their credit offers to meet FOs' needs	
	Facilitating business meetings between financial and government institutions and FOs.	FOs understand requirements to access available credit schemes and financial institutions know the scale of business, business potential and financial needs of FOs	FOs present bankable credit requests to financial institutions and financial institutions modify their credit offers to meet FOs' needs	
	Supporting FOs to collaborate with Village-Owned Enterprises (BUMDES)	Models of the partnership between FOs and BUMDES are established.	The sustainability and synergy of the partnership between FOs	

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
			and BUMDES are achieved.	FOs have wider market and more assorted income sources
	Supporting partners to receive additional services (capacity building, tools, capital, etc) from private sectors (buyers).	FOs receives additional services from private sectors (buyers)	The quality and the quantity of the FO's products improve.	
	Organise capacity building on market intelligence for each commodity.	FOs have market information and know how to read FO's position in the domestic and global markets.	FOs are able to develop collaboration with and gain business commitment from value chain stakeholders.	
	Organise capacity building on business communication (leadership, language, contract negotiation, networking, etc) for FO's management team.	FO's management teams improve their business communication and have better knowledge of negotiation techniques and strategies.	FOs' management teams demonstrate more professionalism and are able to negotiate with buyers.	
	Organise capacity building on innovative marketing	FO are able to implement an innovative marketing to sell their product attractively.	The sales of FOs' products increase.	
	Supporting FO to participate in local and international events to promote their products.	FOs participate in local and international events.	FOs' products are acknowledged as high-quality product.	
	Organise capacity building activities on	FOs know how to diversify their business	FOs' receive additional income from	

INTERVENTION	OUTPUT	IMMEDIATE OUTCOME	INTERMEDIATE OUTCOME	ULTIMATE OUTCOME
	integrated business models related to agriculture (diversification)	unit and they diversify their business units innovatively.	their integrated business.	

EFFECTIVENESS

EVOLUTION OF THE RELEVANT OUTCOME INDICATORS

Year	2017	2018	2019	2020	2021
Indicator 2.2.2: Number of FOs that apply their business plan					
Target	-	-	1	1	1
Achieved	-	-	1		
Indicator 2.2.4 (4b): Number of FOs having transparent premium and sharing profit					
Target	-	-	1	1	1
Achieved	-	-	1		
Indicator 2.2.8: Value of loans accessed by FOs in USD (cumulative)					
Target				IDR 1000,000,000	IDR 1100,000,000
Achieved		0	IDR 900,000,000/ USD 65,708		

PROGRESS ANALYSIS: TAKTIK developed their business plan together with BUMDes Talang Sakti. They are now running the business plan together. TAKTIK always discusses with their partners and representatives of the farmer members about the price setting. This transparency is crucial for building trust with partners and farmers. With this information, partners and members can predict their profits and farmers can set targets for themselves. The hardship during the lack of buyer in 2018 and early 2019 brought negative impact to TAKTIK's that many members lost their trust and hope to TAKTIK.

In response to this problem, Rikolto has facilitated meetings for TAKTIK with financial institutions to get credit. However, this effort came to failure due to the inability to fulfil one of the requirements to get credit. The financial performance of FOs needs to be measured and proven stable for at least 6 months before financial institutions approve their credit application. Due to the lack of buyer in 2018, TAKTIK's cashflow performance became a failure factor. However, TAKTIK successfully gained a private (individual) investor that was willing to invest IDR 300,000,000. Besides, TAKTIK's membership in the Indonesian Farmers Alliance provided them with a loan of IDR 300,000,000 and additional loan from BUMDES of IDR 300,000,000.

TRIANGULATION: TAKTIK has built good relationship with multi stakeholder such as the private sector (Tripper), local institution (BUMDes) and Indonesian Farmers Alliance. It shows that the business capacity of TAKTIK is improved to enhance the business growth.

EVOLUTION OF THE RELEVANT IMPACT INDICATORS

Year	2017	2018	2019	2020	2021
Indicator 2.3.1. (1b): Number of farmers (FOs' members) selling through collective marketing					
Target	Cinnamon: 80 (Jambi)	Cinnamon: 30 (Jambi)	Cinnamon: 150 (Jambi)	Cinnamon: 50	Cinnamon: 100
Achieved	Cinnamon: 5 (Jambi)	Cinnamon: 189	Cinnamon: 47		
Indicator 2.3.2: Numbers of long-term business contracts/MoUs FOs have with the buyers					
Target			1		3
Achieved	-		2		
Indicator 2.3.4 (2): Average income of farmers from quality food sales (in USD/per ha)					
Target			IDR60,000,000 (USD4,300)		USD2,100
Achieved	IDR58,735,987 (USD4,112)		USD2,045.71		

PROGRESS ANALYSIS: After almost two years of status, TAKTIK's business begun again in mid-2019. Two buyers, Tripper and Haldin, have ordered 200 tons of cinnamon bark and 40 tons of cinnamon stick respectively. The target is to have 150 farmers participate in collective marketing; however, since the business was just starting again, there are only 47 farmers actively participating in collective marketing with TAKTIK. Different from other crops, cinnamon farmers harvest the whole plot every 10-15 years. So, not all farmers have cinnamon throughout the year. Also, TAKTIK has to compete with local traders who have big working capital and can influence local market price. In several occasions, farmers accepted the good price offered by TAKTIK but when local traders offered slightly higher price or paid an advance, farmers cancelled the sale to TAKTIK. The limited working capital making TAKTIK rely on loyal members. As the business just re-started, TAKTIK needs time to prove that joining the collective marketing of the organisation will bring about more benefits to the members. TAKTIK had shared this situation to Tripper, and the company agreed to shorten the term of payment after the product dispatched.

TRIANGULATION: TAKTIK received an achievement award from the Indonesian Ministry of Agriculture for their commitment in developing downstream business activities. This award marks an important milestone for the organisation on their journey to build sustainable value chains. The Head of TAKTIK Cinnamon Cooperative, Madral, received the award on the celebration of Plantation Day 2019. Through the award, the Ministry of Agriculture wanted to recognise and appreciate farmers and groups shifting to value-addition activities and product upgrading, particularly in their downstream activities.

RELEVANCE

EVOLUTION OF THE RELEVANT IMPACT INDICATOR - 2

Year	2017	2019		2021
Indicator	Baseline	Target	Observed	Target
Share of income derived from quality food sales to the total household income	5%	65%	33.2%	50%

Source: Farmer Survey.

EVOLUTION OF THE RELEVANT IMPACT INDICATOR – 4b

Year	2017	2019		2021
Indicator	Baseline	Target	Observed	Target
Number of indirect end beneficiaries: members of household farmers affected by changes in public/private policies	783	1,500	2500	3,300

Source: Partner Report.

PROGRESS ANALYSIS: Rikolto, with its institutional strengthening strategy, can direct TAKTIK to understand the concept of PES as a whole so that institutionally, TAKTIK is finally known as a business that balance economic and environmental purposes. This strategy can be proven through TAKTIK's economic achievement, both profit and non profit ones. Rikolto was also able to convince TAKTIK's business partners to participate in maintaining ecosystem balance through PES concept. Farmer survey 2019 indicated a decline in income compared to 2017. It has something to do with the harvest period of cinnamon trees (every 10-15 years). Sampled farmers may only harvest a few trees to sell to TAKTIK or they are not harvesting in 2019.

TRIANGULATION: Institutionally TAKTIK will not be able to become cinnamon business player. If there is no Rikolto's intervention, TAKTIK will only become a local cinnamon collector, selling and buying in smaller amount without prioritising environmental concepts. Some internal and external factors influencing Rikolto's works in enhancing the business capacity of the TAKTIK are listed below.

Internal Factor	External Factor
There is a business strategy developed by Rikolto through a business plan facilitation.	Global market demand and supply.
There is a regular meeting between Rikolto and TAKTIK management to review each stage of the business plan.	Increasing prices.
TAKTIK members are committed to producing cinnamon by paying attention to environmental standards.	Supporting climate.
There was coordination between the parties conducted by Rikolto, such as regular meetings with the private sector, village offices, district governments, and other	

strategic partners to share business and environmental information.	
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SUSTAINABILITY – CINNAMON/PES

TECHNICAL: Cinnamon bark that has been harvested from the stem must still be processed to meet specific buyer standards. 'Dispute' about the moisture level of cinnamon might happen because it influences the price. The situation can be overcome by applying agreement on cinnamon processing techniques. TAKTIK can select personnel who are then given training by buyers on cinnamon processing so that they can meet specific cinnamon requirements.

SOCIAL: Farmer organisations must have multiple buyers to secure their businesses. A stable farmer organisation and good relations with members and with buyers are crucial. A guarantee for the procurement of farmers' product is necessary to sustain the business. On the other hand, buyers will be interested in buying if farmers can provide sustainably produced products. Besides, it is also essential to build partnerships with other enabling actors such as Barokah and the Kerinci Forest Management Unit to deliver their environmental services.

FINANCIAL: TAKTIK can work out payment schemes that better support their operations by providing cinnamon quality assurance to buyers. Without TAKTIK, buyers will need to mobilise more resources to obtain cinnamon from farmers or smaller collectors/traders and to guarantee the quality. For buyers, it is far more strategic to deal with TAKTIK who provided a guarantee of quality and volume following an agreement. This circumstance can be the basis for seeking a mutually beneficial payment scheme. Financial support from financial institutions will become a necessity when TAKTIK has become a credible institution in the cinnamon industry.

ENVIRONMENTAL: Environmental sustainability is the most crucial factor in 'forest farming' activities. The nature of 'forest cultivation' is to maintain their carrying capacity for as long as possible. But this cannot be done individually. It is better if the determination to conserve is in the minds of all stakeholders, especially those who have the potential to maintain a balance between the farmer's welfare and environmental sustainability. Therefore, Rikolto also promotes the issue for a balance approach to the village governments with the expectation that the environmental protection is included in the village medium-term development plan so that villages can be the main and foremost actors in environmental preservation.

EXIT STRATEGIES - Structural Change Agenda II

SECTOR	EXIT STRATEGIES	ENABLING FACTORS	ACTIONS (SPEED-UP/MAINTAIN)
CINNAMON/ PES	<ol style="list-style-type: none"> 1. Rikolto ensures the availability of valid and reliable measurement tools for PES's business model. 2. We are preparing a strategy for institutionalising the Rikolto programme into the village programme through facilitation. We are also actively involved in the village medium-term development plan so that ownership of environmental preservation can be transferred to the village, and villages can make intensive efforts on environmental issues through conservation in the KSNP area. 3. Do more expose programmes to the private sector so that it is expected that more private sectors will understand the context of PES so that it is integrated into the calculation of the private sector business. 4. We are increasing FO capacity in stock management and dealing. 	<ol style="list-style-type: none"> A. Develop close collaboration with local government, private sector, conservation and agriculture experts. B. There is a database of farmers to be informed about industry and market needs as well as information needs for conservation or landscape platforms. C. Updated environmental impact map. D. Establish Kerinci Seblat National Park (TNKS) conservation forum at the national level. E. Village regulations related to conservation. F. Enough quality control is available. 	<ul style="list-style-type: none"> o To speed up the work for formulating the measuring devices. o Involved in farmer database creation, advocacy to village government institutions, and formulation and regular data collection. o Advocacy of institutions in village government related to the programme. o Hold a PES workshop by inviting private sector and experts (environmental and social economy). o Collaborate with buyers to transfer knowledge to designated personnel to be quality control. o Provide leadership training for tactics to have the ability to deal with the private process, especially determining their capacity.

VIII. LESSONS LEARNT

From Rikolto's 2017-2021 Strategy

I - Main Innovations Adopted by Other Actors

INNOVATIONS: Food waste is an important issue but does not receive sufficient attention. Indonesians are not aware that we are the second biggest contributor to food waste in the world, while malnutrition stands at a high rate. Taking up this particular and strategic topic for awareness-raising has differentiated Rikolto from other actors. It became a good entry point to reach communities, food industry and government alike to support issues raised by Food Smart Cities (FSC) programme. Rikolto has connected actors and transformed awareness into actions through activities that promote circular economies such as redistribution of food excess and urban farming.

The activities of the green circular economy are well-integrated to existing government programmes such as Kampong Responsive Gender and Urban Farming by women-led groups in Solo. The Women and Children Empowerment Agency in Solo will allocate their budget for supporting this initiative, targeting new additional 100 women in 2020. Meanwhile, in Depok, private sectors have adopted food waste reduction practices. The Association of the Food Services Industry provides food at Warung Suka-Suka, a food stall targeting low-income people, where they can pay as they like. Moreover, Hotel Santika will donate 50 meal packages every day, starting from November 2019.

Farmer organisations (FOs) integrated strengthening strategies have been employed, which consist of technology proven sustainable production. Some of these strategies include good agricultural practices, processing, animal integration, agro-forestry, rice intensification, and marketing. They were complemented by facilitating access to services and linkages to government support programmes. Its results (shorter and more inclusive value chain, higher farmers' income, strengthened farmers' collaboration, consistent supply of quality products) have been showcased prominently during the series of events celebrating 70 Years of Relationship between Belgium and Indonesia, which has been organised mainly by Rikolto. Our results and strategies received recognition from many actors. The Ministries of Village Development and Agriculture have expressed their commitments to document the achievement and lessons from the models we applied and wish to replicate them elsewhere. They also requested Rikolto to facilitate FOs to reach more farmers and to share experiences and the know-how for further scaling up in other areas and introducing SRP in Indonesia in collaboration with GIZ and ICCO – elaborated in point two below.

CONDITIONS FOR ADOPTION: Communication through workshops, seminars, platform meetings, field visits, websites, social media, publications, researches/studies, manual development has been effectively used to expose, share and promote Rikolto's approach and results to other actors. Adoption takes place when the supporters, value chain actors, and actors in the enabling environment are convinced, committed and taking actions by adjusting their programmes. It also requires the commitment of communities/ target groups and the presence of local champions.

CONTRIBUTION TO ACCESS TO HEALTHY FOOD, INCLUSIVE BUSINESS AND FARMER'S INCOME: We are scaling up proven technologies/strategies/approaches that contribute to providing more volume and continuous supply of quality food. Additionally, more inclusive value chain whereby producers' position is strengthened, more transparent relations among chain actors, and impacting on better production, price and sustained trading for farmers.

II - Pilot Intervention's Contribution to Sector Transformation

At the production base, some relevant evidence includes FOs to become business entities. This situation shortened the value chain and resulted in better prices for farmers. Through certification and FO internal control systems, farmers can meet the market demand for better quality and sustainable food. The role of women and youth are acknowledged in business operation and quality control. In the public sector governance, policy advocacy at local and national levels finally had the results. First, Ngada District Government stipulated a regulation for one door coffee marketing through Cooperative MPIG Bajawa. Second, Agencies and Ministries provide the cooperative with infrastructure, machines, working capital and training. Third, lobbying at the National Development Planning Ministry (BAPPENAS) resulted in the involvement of Rikolto and FSC partners members in SDG #2 platform to end hunger. Fourth, evidence from the programme locations convinced BAPPENAS to include food waste issue in the National Medium-Term Development Plan 2020-2024.

Contribution towards sector alignment and accountability was conducted via participation in three commodity platforms: Cocoa Sustainability Partnership (CSP) for the cocoa sector, Sustainable Coffee Platform Indonesia (SCOPI) for the coffee sector in general and Specialty Coffee Association Indonesia (SCAI) for speciality coffee. Together with platform members (private actors, knowledge institutes, government, FOs), Rikolto contributed to the development of national standardised cultivation methods and curriculums for cocoa and coffee. Rikolto and the platform members are also promoting the provision of better inputs that meet the soil condition and ecology; national standard quality for workers in the cocoa sector; regulation on cocoa fermentation; and the promotion of origins of coffee, etc.

For rice, our work at FOs level for baseline, pilot, and soon starting the 'project' on Sustainable Rice Platform (SRP) has been used as evidence to promote SRP in Indonesia. Rikolto is among the few organisations which have implemented SRP and are involved in the SRP initiative at international level. Together with GIZ and ICCO, Rikolto engaged BAPPENAS to include other key actors. Rikolto builds up the credibility through experiences in implementing SRP, active engagement in SRP, good network with BAPPENAS and other like-minded actors. We share common goals in achieving food and nutrition security, more sustainable rice production and improved income of farmers. The work is in progress towards the direction of an SRP Indonesia Chapter that implies institutionalised setup at all level, from sector alignment until the organisation of the service sector.

CONDITIONS FOR CONTRIBUTION: Rikolto has built up a good reputation and an extensive network. Understanding of the sector and in-depth knowledge of the situation on the ground provides unique positions for Rikolto to engage in the initiatives to improve the industry.

Overall, the strategy to facilitate a linkage between different actors offers a faster way to sector transformation and complementarity of efforts. Work to enable FOs to meet the standards and volume is required to prove their importance in the sector and to earn respect from the other actors. Changes at the sector level contribute to a more significant impact on the whole industry, affecting the actors, processes and enabling environment.

III - Contribution to Sustainable Food System

REDUCE THE ENVIRONMENTAL IMPACT: Rikolto has promoted sustainable agriculture practices (at cultivation, post-harvest, processing levels) since many years and continues to introduce new technologies around this principle. Most of our partners have complied with sustainable and organic standards and consequently rewarded with premium prices by their buyers. The new

programme component of payment for ecosystem services in Jambi gives a new dimension to the extent that the sustainability practices can bring about more incentives to farmers beyond value chain benefits. Specific tools to measure and document the environmental effects need to be developed to promote this further.

GENERATE EMPLOYMENT AND IMPROVE INCOME: FOs have engaged 250 people in their operation (45% are women, and 40% are people below 35 years old). Women and youth receive more prominent roles in FOs and farmers selling through collective marketing benefitting from higher prices (between 6%-12% higher than market prices) and share of FO profits and services. Rikolto facilitates FOs to link with markets that they can feasibly deal with in terms of quantity and quality measures, and the market players (buyers) adhere to inclusive business practices.

IMPROVE FOOD AND NUTRITION SECURITY AND HEALTHY DIETS: The compliances with organic standards for rice and cinnamon contribute to the provision of healthy food to both the consumers and the producers. To reach lower-income consumers and for practical business operation, rice FOs diversify their products by selling medium quality organic rice. The price remains higher than the conventional rice but reachable for middle-income consumers. For food and nutrition security purposes, Rikolto also encourages coffee, cocoa and cinnamon farmers to grow (local) food crops, as intercrops and in their garden. This initiative is mainly for their consumption and for them to sell when they produce more. From the consumption side, the FSC programme has promoted healthy diets to schools and public audiences as well as urban farming to women groups. The circular economy based on food waste will contribute to reducing environmental impact, improving nutrition security and income.

The strength of Rikolto is the unique capacity to engage and facilitate various actors to support sustainable food production and consumption. The scale of the changes Rikolto wants to achieve is big with limited resources. Rikolto could not have done these alone. However, without the strategic facilitating role played by Rikolto, these actors would work in silos. As results, progress would have been much slower or failed because of counterproductive measures.

IV - Cluster Contribution to Changes in Sustainable Food Systems

NECESSARY INPUTS/EVIDENCE ALREADY PROVIDED BY RIKOLTO IN INDONESIA: FSC Cluster has documented models developed in Indonesia such as a school canteen, food sharing, urban farming-circular economy model, and lobby at the city and national level government. These can be used as evidence for the campaign, advocacy and learning purposes at the cluster level. The baseline and pilot work of SRP at the regional level has been driven and used by the Rice Cluster to positioning Rikolto International in the SRP Platform.

CONTRIBUTION OF INTERNATIONAL CLUSTER TO CHANGES IN THE REGION: The future engagement of the Director of Food and Agriculture of BAPPENAS in the FSC Cluster Workshop in December will give a boost in both directions – more prominent importance/ positioning of the cluster for engaging high ranking national level authority and more support from BAPPENAS to the regional FSC work after knowing the international context of the FSC work in Indonesia. Likewise, for the Rice programme. The prominent position occupied by the Rice Cluster Coordinator as Treasurer of SRP helps Rikolto in Indonesia to get easy access to SRP Secretariat services. This condition has helped to position Rikolto in Indonesia to BAPPENAS and other actors in the context of institutionalising SRP in Indonesia (see also chapter Structural Change Agenda I).

IX. UP-SCALING

SCA	Commodity	What to Upscale	Actors & Roles
SCA 1	Rice	Youth Inclusion in Sustainable Rice Production and its Business	<ul style="list-style-type: none"> ➤ Young people/farmers : to participate in capacity building activities and business management ➤ Farmer Organisations : to facilitate capacity building related to sustainable agriculture and business for youth in the form of interactive training; to provide job/opportunities for youth to involve in the organisations ➤ Local Governments : to provide infrastructures and facilities; to facilitate capacity building activities
		Innovative Marketing e.g., online marketing, product diversification; certified product	<ul style="list-style-type: none"> ➤ Young people/farmers : to involve in business activities including marketing ➤ Farmer Organisations : to engage with key stakeholders; to run and create innovation in the business ➤ Local Governments : to provide infrastructures and facilities; to transfer knowledge and update information regarding current market situation ➤ Private Sectors : to create alternative channels to purchase product and conduct business ; to provide market for the certified product
	Food Smart City	Multi-stakeholder forum to influence the stipulation of sustainable urban food policy	<ul style="list-style-type: none"> ➤ Local NGOs : to empower communities and drive the movement ➤ Universities : to support research in food waste management, sustainable production and consumption ➤ Local grassroots community : to do action and build evidence at the grassroots level e.g., urban farming, food donation ➤ Local Governments : to provide infrastructures and facilities; to provide incentives for private sectors implementing sustainable practices; to institutionalise sustainable production and consumption into their policies ➤ Private sectors (i.e., Hotels, Restaurants, Catering, Food Service Providers, Retailers) : to institutionalise sustainable practices including food waste management into their internal policy; to provide edible food excess for

			food sharing/donation/distribution activities ; to campaign sustainable consumption towards their consumers
SCA 2	Cocoa	Agroforestry-based Farms	<ul style="list-style-type: none"> ➤ Cocoa Doctors : to facilitate farmer field school in agroforestry and to provide technical assistance ➤ Farmer Groups : to participate in agroforestry training and implement the model ➤ Local Government : to support the provision of shades trees and infrastructures that are suitable for agroforestry model development and to facilitate the farmer field school together with Cocoa Doctors ➤ Private Sectors: to provide incentives to farmers supplying sustainably-produced products from agroforestry farms; to buy the products from the farmers
		Collaboration between Farmer Organisations and Local Institution i.e. BUMDes (Village-Owned Enterprises) to develop commodity-based business	<ul style="list-style-type: none"> ➤ Young people/farmers : to involve in business activities ➤ Farmer Organisations : to engage with stakeholders and run the business ➤ BUMDes : to link with market and run business together with farmer organisations ➤ Local Governments : to provide infrastructures and facilities ➤ Private Sectors / Investors : to invest and provide market
	Coffee	Youth and Women Inclusion in Coffee Business	<ul style="list-style-type: none"> ➤ Young farmers and Women Groups : to involve in on-farm and off-farm activities of the farmer organisations ➤ Farmer Organisations : to facilitate capacity building related cultivation, processing, and business management for youth and women in the form of interactive training ➤ Local Governments : to provide infrastructures and facilities; to facilitate capacity building activities
		Innovative Marketing through coffee processing diversification	<ul style="list-style-type: none"> ➤ Young people/farmers and Women Groups : to involve in business activities from processing to marketing ➤ Farmer Organisations : to engage with key stakeholders; to run and create innovation in the business ➤ Local Governments : to provide infrastructures and facilities; to transfer knowledge and update information regarding current market situation

			<ul style="list-style-type: none"> ➤ Private Sectors : to provide market and conduct business
	PES-Cinnamon	Payment for Ecosystem Services Model	<ul style="list-style-type: none"> ➤ Local NGOs : to provide capacity building to farmers; to collaborate with research institutions/universities in conducting environmental-related studies ➤ Universities/Research Institutions: to research the impact of sustainable practices implemented by farmers on environment e.g., biodiversity, carbon emission reduction, etc. ➤ Farmer Organisations : to engage with key stakeholders; to empower farmers to implement sustainable agricultural practices ➤ Local institutions e.g., BUMDes : to link with market and run business together with FOs ➤ Local Governments : to provide infrastructures and facilities; to provide incentives to the farmers delivering services of environment protection ➤ Private Sectors / Investors : to provide incentives to farmers conducting ecosystem services; to provide market for sustainably-produced products