



**International
Finance Corporation**
World Bank Group



SUPPLY CHAIN EFFICIENCY IMPROVEMENT AGRIBUSINESS LINKAGES PENSA

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Background

- International Finance Corporation (IFC) Advisory services has a donor funded operation for Program for Eastern Indonesia Small Medium Enterprise Assistance focus on Agribusiness Linkage with cocoa as one of the main commodity

Project objective:

Improving cocoa farmer income of the existing income through supply chain efficiency by transferring market signal on quality and price to farmers

IFC's Technical Assistance and Advisory Services

| Business Enabling Environment | Value Addition to Firms | Environmental and Social Sustainability | Infrastructure | Access to Finance |
|---|--|---|--|--|
| <ul style="list-style-type: none"> • Diagnostic • Policy and legislation • Cross-border • Subnational • Industry-specific • Dispute resolution • Business advocacy | <ul style="list-style-type: none"> • Corporate governance • Entrepreneurship • Business service providers • Small business linkages (supply chain) • HIV/AIDS • Gender • Direct assistance to small and medium enterprises • Grassroots organizations | <ul style="list-style-type: none"> • Sustainable energy • Biodiversity • Cleaner technologies and production • Sustainable investing • Social responsibility | <ul style="list-style-type: none"> • Health and education • Infrastructure | <ul style="list-style-type: none"> • Banking • Nonbank financial institutions • Housing and property finance • Securities markets • Microfinance • Trade finance • Credit bureau • Insurance • Municipal finance • Sustainable finance |

Background

- Project duration: 48 months
- The project implemented by IFC
- Total fund 450,000 USD
- Expected Benefits: High quality beans produced by farmers as a result of remunerative price for best quality will lead to sustainable best quality of beans supply to Industry

- Assumptions:
 - Technical cultivation and farming system (on farm activities) well handled by other partners (Disbun, ACDI-VOCA, etc)
 - Exporters and Grinders willing to deal with farmers/farmers institution and provide best price for best quality
 - Farmers willing to explore new supply chain arrangement
 - Formal scheme for agro-inputs credits is available

Background

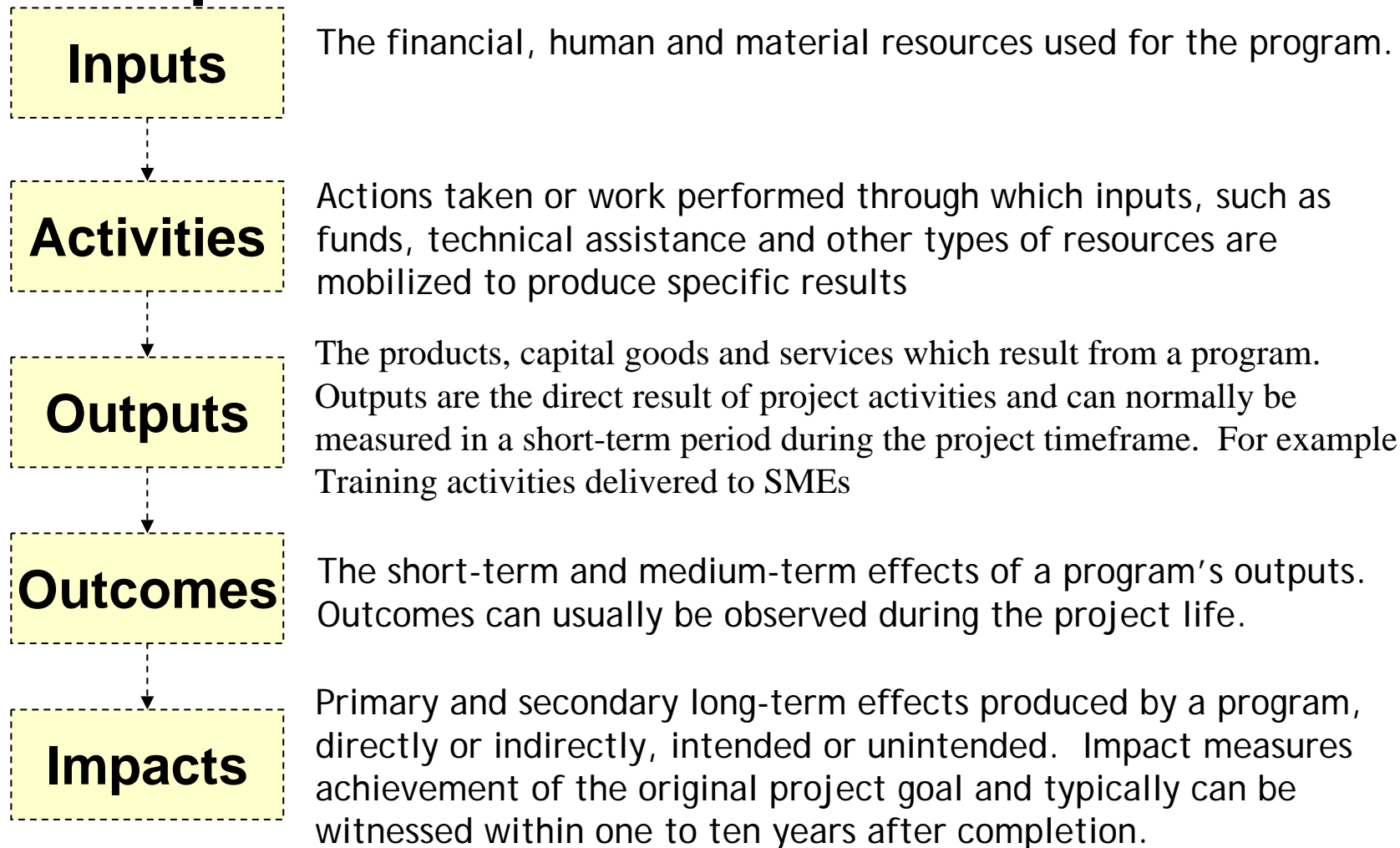
- Risk to project success:
 - Changes in the assumptions
 - Government policy that will change the existing free market to be controlled market and supply

WHY IS M&E IMPORTANT to PENSA?

It is a system for reporting and communicating the results of our work (to management and donor)

- It is the principle means by which our key stakeholders read our progress (and it may determine future PENSA funding sources)
- It is a management tool to support decision making (closed or hold risky project)

The Logic of the Developmental Results Chain



- Access to Finance (A2F)
- Access to Market (A2M)

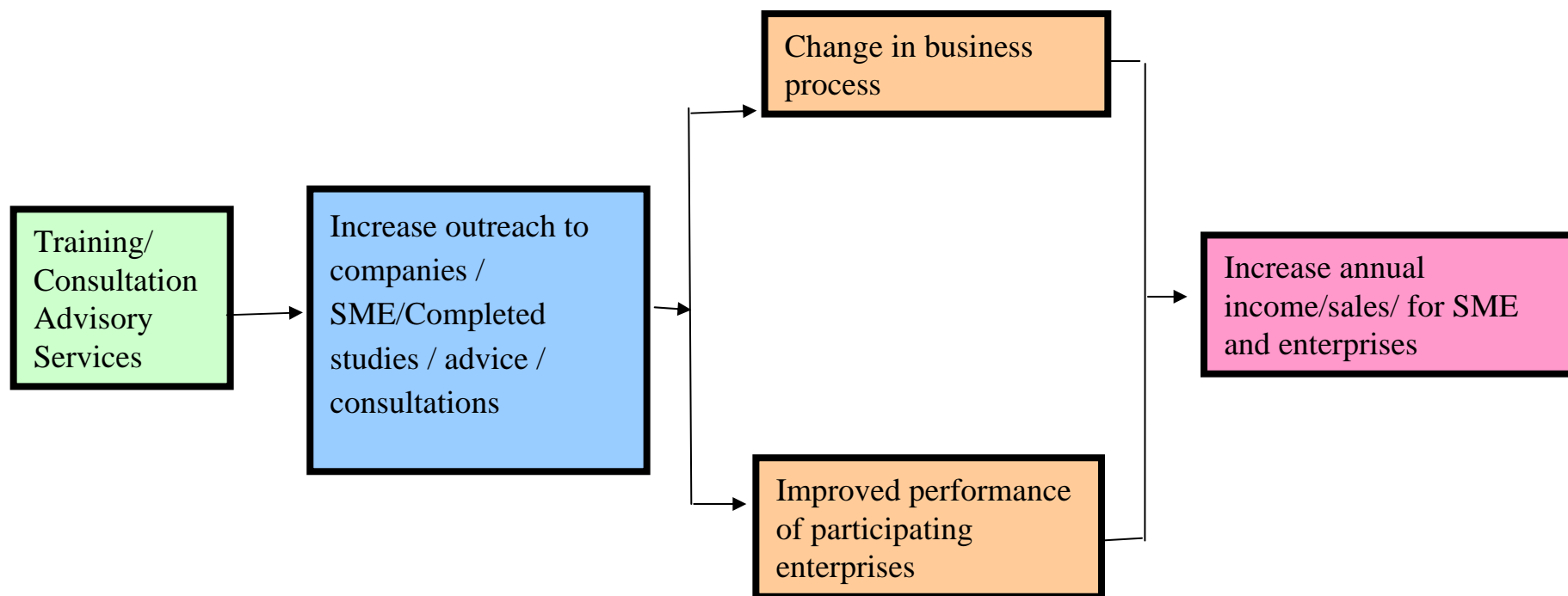
M & E FRAMEWORK

ACTIVITIES

OUTPUT

OUTCOMES

IMPACT



INDICATORS for INPUTS

| | |
|--|--|
| Program expenditure from PENSA budget | |
| Contribution from partners: Cash (USD) | |
| Contribution from partners: In Kind | |
| | |

INDICATORS for ACTIVITIES / OUTPUTS

| | |
|---|--|
| # of participant in training events | |
| # SME (Farmers, FGs/Coops/Traders) participant in training events. | |
| # intermediary organization participant in training events. | |
| # government official participant in training events. | |
| Ratio of men to women participant in training events. | |
| % of training participants rating PENSA intervention as Good or Excellent | |
| # SME participants in TA/Advisory services. | |
| # intermediary organization participants in TA/Advisory services. | |
| # government official participants in TA / Advisory services. | |
| # of instances in training courses/TA-advisory services provided | |
| | |

INDICATORS FOR OUTCOMES

| | |
|--|--|
| # participating SMEs with increased access to credit | |
| # of new SME contracts signed with large firms | |
| Total value of SME contract signed with large firms (US\$) | |
| % farmer price of FOB export price using improved marketing channel (if channel viable) | |
| Production volumes of fermented beans by participating farmers (tons) | |
| # hits of sms | |
| % participants reporting that skills/knowledge learned during PENSA intervention have been applied | |

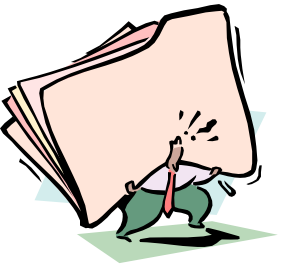
INDICATORS for IMPACTS

- Increase in farmer income in target areas
- Annual revenue of enterprises (USD)

CHALLENGES

- Data Collection
- Source of data : farmers, industries
- Changing in the strategy of the organization, donor.

M&E as a fundamental component of Project Management (I)



Planning

Implementation

Closing

M&E

- Develop indicators and targets
- Identify how data will be collected
- Take baseline measurements

- Collect data on project outputs and outcomes
- Collect data on 3rd parties
- Prepare quarterly reports and donor reports

- Identify lessons learned
- Project Closing Report
- Undertake research to assess outcomes

Staff responsible for M&E

- Program Manager
- Project Manager (BDO)
- Program M&E Coordinator (x6)
- PENSA M&E Coordinator

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Tools & Documents

- TAAS-PDS Early Review
- TAAS-PDS Approval
- TAAS-PDS Supervision
- Budget in KPMG format
- Physical Project Control File
- Electronic Project Control File
- MOUs, TORs, etc

- Internal M&E reporting
- Bi-annual donor reporting
- Third-party database
- Meeting minutes
- Event attendance records
- Event feedback forms
- Project Amendment Approval Form

- Project Completion Report
- Outcome Assessment

Project Control File

- Meeting minutes
- Event attendance records
- Event feedback forms
- Log Book
- Questionnaire
- Third-party database : Bank, industry, provider



THANK YOU