

**AIP-PRISMA:**  
Delivering  
innovative solutions for  
farmers & businesses  
in eastern Indonesia



Photo: AIP-PRISMA/Danumurthi Mahendra

A tomato farmer in Malang Regency smiles as he shows off his harvest. Tomato is one of the many sectors which PRISMA works in.

PRISMA works in agriculture sectors including food crops, horticulture, livestock, plantations, and fisheries, such as:

- |           |        |
|-----------|--------|
| Shallots  | Peanut |
| Chilli    | Mango  |
| Maize     | Beef   |
| Soya bean | Tomato |

**Who we are**

The Australia-Indonesia Partnership for Promoting Rural Income through Support for Markets in Agriculture (AIP-PRISMA) is a multi-year program that is a part of the Government of Indonesia’s midterm development strategy to accelerate poverty reduction through inclusive economic growth. With the support of the Government of Australia, the program aims to achieve a 30% increase in the net incomes of 300,000 male and female smallholder farmers in eastern Indonesia by June 2017. PRISMA has an objective to increase the competitiveness of market players in the agriculture sector, particularly smallholder farmers by:

- Improving the productivity of the agriculture sector,
- Improving access to agricultural inputs and post-production markets,
- Promoting and fostering innovation, and
- Improving the local business enabling environment.

PRISMA is a team of market development advisors that builds on many years of experience of well-established and successful works in Indonesia and other developing countries.

We partner with key market stakeholders such as the local and national governments, the private sector, business associations, non-profit organisations and research institutions. Through these partnerships we help spur growth along the value chain by reducing barriers and constraints within the agriculture sector. This program focuses on agriculture sectors that are the main source of income for a large number of smallholder farmers and have strong growth potential.

PRISMA works in East Java, West Nusa Tenggara and East Nusa Tenggara, Papua, and West Papua.

**What we offer**

- Innovative and sustainable business solutions, and co-investment in implementing these solutions to reduce the investment risk for burgeoning private sector players in Indonesia.
- Mediation between market players of all sizes (e.g. farmers, traders and business membership associations) and smallholder farmers to foster more profitable and effective working relationships.
- Support for the Government of Indonesia’s role in their efforts to increase competitiveness of agricultural commodities in order to accelerate rural economic development.
- Identification of sectors with the greatest potential for growth and outreach to smallholder farmers, their constraints, and the most effective market actors to facilitate growth with.
- Assessments on growth-constraining factors in the agriculture sector.
- Facilitation in improving markets’ efficiency without replacing market actors or distorting market relationships.



## AIP-Rural:

Comprehensive and sustainable solutions for the prosperity of smallholder farmers

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

Steady economic growth over the past 15 years has significantly contributed to improving the quality of life for millions of Indonesians. And yet, this growth has been uneven: more than 100 million Indonesians still live in poverty on less than \$2 a day<sup>1</sup>.

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

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

Our programs include:

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

PRISMA is a program dedicated to supporting the Government of Indonesia's mid-term development strategy to eradicate rural poverty. The program aims to improve agricultural competitiveness—productivity, profit, access to new or better markets, and innovation—for rural farmers. PRISMA aims to achieve a 30% increase in the net incomes of 300,000 male and female smallholder farmers in eastern Indonesia by 2017.

### **Tertiary Irrigation Technical Assistance (TIRTA)**

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

### **Applied Research and Innovation Systems in Agriculture (ARISA)**

ARISA is a partnership between Indonesia's Agency for the Assessment and Application of Technology (BPPT) and Australia's science and technology think tank, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), that aims to disseminate applied and adaptive research in agriculture that will have practical and significant impacts on the incomes of farmers. Its goal is to support innovations that can increase the incomes of 10,000 small farmers in eastern Indonesia by the end of 2018.

### **Strengthening Access to Finance in Rural Agriculture (SAFIRA)**

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

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

