



Indonesia *Newsletter*

ACIAR Partnerships Model: A Unique and Efficient Way of Working Together

The way ACIAR program partnerships develop and are maintained encapsulates ACIAR's business model. The ACIAR partnership model is distinctive. ACIAR's mission 'is to achieve more productive and sustainable agricultural systems, for the benefit of developing countries and Australia, through international agricultural research partnerships'.

The 'ACIAR model' has involved bringing collaborating institutions together for long periods to work on a common problem—quite often for a six to eight year period, or sometimes longer. The staff from the collaborating organisations in Australia and the partners in the developing country usually also work on the ACIAR project alongside their main employment, with the intention that the aims of the ACIAR work complement those of their main jobs. This is distinct from the common 'donor project' modality of

establishing project offices staffed by foreign and local consultants and secondees who are specifically engaged on the program for the period of the project. This is evolving, admittedly, as more donors now work within government systems and provide budget support for particular programs.

Over the past couple of years, ACIAR program modalities and partnerships have evolved in response to a number of changes in our internal and external environment, including feedback from the international stakeholder survey and the earlier Australian stakeholder survey.

Some of the key drivers of change have been:

- changes in the international development assistance and agricultural research landscapes, increasing the emphasis on partnerships;
- feedback from ACIAR's international stakeholders relating to their changed needs;
- changes to the institutional environment for Australian researchers; and
- changes in institutional environments for development partners researchers.

In response, some changes to ACIAR's modalities include:

- a move to more specific, targeted consultation processes;
- fewer larger projects;
- a greater focus on adoption of research results, leading to



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- greater interdisciplinary effort in problem solving;
- more senior project staff and managers based in-country; and
- a greater number and wider range of partnerships with AusAID, other donors, NGOs and the private sector.

The changes ACIAR is making are still 'work in progress' and we are trying to learn from the design and implementation of each major activity.

ACIAR has an important role to play in taking promising agricultural practices from research through to a 'pilot' or 'proof of concept' stage that demonstrates significant benefits to target stakeholders. As a small and specialised agency, focussing on agricultural research for

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development, we require partnerships to extend or apply results of successful projects and programs on a large scale. Partners here are varied. They can be government extension systems or they might be NGOs. Private sector involvement is becoming increasingly important too. ACIAR and its partners

also need to think about how to do simple monitoring of effectiveness within the projects that goes beyond ex ante cost-benefit analysis.

ACIAR also develops partnerships with other donors and development banks and this trend will continue because of the increasing focus of the

world community on food security and the higher profile ACIAR is getting from having larger projects. Establishing and maintaining donor relations takes time and resources but is critical if we are to seek opportunities to maximise the effects of projects.

Fellowships and Trainings

John Allwright Fellowship

- **Tarunamulia**, a researcher at the Research Institute for Coastal Aquaculture (RICA) has been successful in his application to study for a doctorate degree (PhD) at the University of New South Wales under the John Allwright Fellowships Program 2009.
- **Istriningsih**, a research worker at the Indonesian Centre for Agricultural Technology Assessment and Development (ICATAD), who is currently involved in ACIAR-SADI, will study for a master degree at the University of Queensland.

John Dillon Fellowship

Three Indonesian scientists were successful in being awarded John Dillon Fellowships for short (six weeks) courses. They are:

- **Wahida Maghraby**, a researcher at the Indonesian Centre for Agro-Socio-Economics and Policy Studies, Bogor
- **Marsetyo**, a lecturer at the University of Tadulako, Central Sulawesi
- **Handoko Widagdo** of the World Education, Jakarta

These three scientists will take part in the research management course at the Mount Eliza Business School in Melbourne from February to April 2009.

This will be followed by visits to the ACIAR headquarters in Australia as well as visiting other research centres there.

Cross Program Training

- A training course on Communicating Science (Part 2) held in Makassar (13-18 October 2008) for 21 participants from ACIAR-SADI (BBP2TP and BPTPs) and FORDA. The course

was facilitated by Dr Paul Holford and Dr Paul Parker (University of Western Sydney) and Dr Argono Rio Setioko (Balitnak, Ciawi).

- Seven (7) researchers from FORDA (Forestry Research and Development) have the opportunity to join the other 17 colleagues from SADI projects and take part in the training course in Research Design, Data Analysis and Interpretation for Adaptive Research in Makassar. The course will be conducted by Longbin Huang and Olena Kravchuk of the University of Queensland.



Partners in Protecting and Improving Cocoa

Project: Improving cocoa production through development of pest/disease-resistant genotypes and integrated management

Theme: Adapting smallholder management practices to reduce vulnerability and improve profitability

The issue

Cocoa is the main source of income for over one million farm households in Indonesia and contributes export earnings in excess of US\$1.4 billion per year.

The livelihood of Indonesia's cocoa producers is now being threatened by declining quality and productivity of cocoa crops, caused by increasing pressure from pests and disease, ageing tree stock and diminishing soil fertility.

Farmers are experiencing losses of up to 50% of the production they might have had if those pests and diseases were properly managed, and if good farming practices were consistently employed. For the average smallholder, a 25% loss from pests/disease can lead to significant income loss of approximately US\$500 per year.

Earlier research has identified simple better management practices (BMPs) with the potential to manage major pest and disease problems.

However, the uptake of these practices by farmers has been slow, possibly because they have not had access to productive and disease/pest-resistant plant varieties.

Productive pest/disease-resistant clones are an important entry point for farmers to implement better management practices.

A previous ACIAR project in Sulawesi developed an approach that could be used by farmers and extension officers to select varieties of cocoa with a more pest and disease-resistant genetic makeup.

In the initial project, a number of genotypes with potential resistance were identified. However, it was found that more resistant genotypes generally produced low yields and/or poor quality beans.

To help farmers find plant varieties that were both productive and pest and disease resistant, a broader approach was needed.

This ACIAR-SADI research activity has been implemented in conjunction with a range of partners.

A new ACIAR-SADI research activity commenced in 2007 to:

- evaluate potential productive, disease/pest-resistant clones in the field
- investigate the economic and social factors that impact on farmers' willingness to implement these practices



The research partnership involves:

- two provincial Assessment Institutes for Agricultural Technologies (BTPPs)
- the Indonesian Coffee and Cocoa Research Institute
- the Indonesian Biotechnology Research Institute for Estate Crops
- three Estate Crop Extension Services
- Latrobe and Sydney universities in Australia
- Mars Symbioscience.

The research and extension partnership has established six trials testing various clones on farms across Sulawesi. Five of these trials use top-grafted seedlings planted onto cleared farmland as part of a process of farm rehabilitation. The test clones will be assessed to provide performance data across various locations.

Corporate partner Mars Symbioscience (a division of global

food company Mars) is a major buyer of cocoa and is encouraging helping smallholder farmers to think of their farms as businesses and to see the link between productive, high-quality crops and increased returns.

Farmers have been involved in selecting, implementing and comparing various options for cultural control of pests and diseases. With their new knowledge of grafting techniques and access to superior plant varieties, the program is enabling farmers to establish their own commercial nurseries, often with the support of commercial partners in the cocoa-improvement program, such as the International Finance Corporation and the Mars food company.

Research into turning prunings and other vegetative waste from cocoa

gardens into nutritious compost is also adding a new commercial element to smallholder cocoa production.

Emerging impacts

If farmers can achieve productive, pest and disease-free farms, the potential returns from cocoa are high. World prices are escalating and Sulawesi farmers currently receive a high proportion of their crop's export price (approximately 85%, compared with less than 50% for their counterparts in Ghana).

Improving cocoa production through more productive and pest/disease-resistant crops and implementation of BMPs will have long-term benefits for farmers, exporters and the Indonesian economy.

Future directions

The Indonesian Government has recently announced a three-year program to commence in 2009, which will renew, rehabilitate, intensify and expand cocoa farming in Sulawesi.

This program aims to increase the productivity and quality of Sulawesi cocoa by improving crop management, pest/disease management and postharvest management.

The program will replace up to 70,000 hectares of cocoa, rehabilitate another 140,000 hectares, intensify farming on 300,000 hectares — bringing the total planted area to around 900,000 hectares of productive cocoa.

The ACIAR–SADI research activity will have a significant impact on the direction and implementation of this program.

Through additional funding from AusAID, ACIAR–SADI is helping a Cocoa Sustainability Partnership workshop how the national program might be implemented.

As SADI's block grants for villages program expands its activities, it is expected that many farmers will want to direct their grants towards revitalising their cocoa gardens.

With this partnership approach, the Government's ambitious targets can be achieved.



New Financial Model, Where Are We At ?

As most of our readers are aware, the Indonesian Ministry of Finance (MoF) is setting up a new system to improve the transparency and reporting of grants and loans related to aid and development activities. This new system is being introduced in all ministries. Managers of ACIAR funded projects need to be aware of it. With every new system there is a transition period—which we are currently experiencing—when all partners are learning about the new procedures and delays are inevitable.

This new system has four steps:

There is a preliminary step: ensuring that the Indonesian official signing the grant documents has the relevant authority to do so from the MoF. The preliminary step is an administrative procedure and few of our current project should be concerned about it.

- Step 1 Project registration
- Step 2 Registration in DIPA (in the Indonesian budget)
- Step 3 Seek permission to open an official account
- Step 4 Reporting all expenditure

Most of our projects are currently at step 1. During this time, the Indonesian Collaborating Organisation sends a registration form to the MoF. The form should include the name of the project, the collaborating institutions, the grant value for each institution and their in-kind contribution (also called counter budget). The MoF then registers the projects and sends back a registration number to the relevant agencies.

Once step 1 is completed, projects receive a registration number (currently 20 projects have received a registration number). In our experience, step 1 can take from two weeks to four months. Step 2 is a longer process and needs to follow the deadlines and procedures of the Indonesian budget process. For example, we have been told that the latest moment to include grants in DIPA for the next financial year is November. During step 2, the Indonesian Collaborating Organisation includes the grant value as well as the in-kind contribution in their budget and submits it to the relevant authorities for approval. None of our projects have completed this step.

Steps 3 and 4 are simple administrative exercises. Once

the grants and their counter budgets are registered in DIPA, permission is granted by the MoF to open an official account and the standard government reporting processes have to be followed.

The main difficulty that the projects have at the moment is related to step 3, and the fact that no new official accounts have been opened. This is because none of ACIAR-funded project have finalised step 2 and so can not move to step 3.

The current challenges faced by ACIAR-funded project are many. Two handicaps are that:

- The Australian and Indonesian financial years are not the same (the Indonesian financial year runs from January to December, whilst Australian financial year runs from July to June)
- The time needed to establish new procedures

We ask all project staff to be patient while this new system is being established. ACIAR, with the help of the Australian Embassy in Jakarta and AusAID are working together with the relevant Indonesian Authorities to solve some of the challenges.

New Publications

• Annual Operational Plan 2008–2009

The ACIAR Annual Operational Plan (AOP) is our key document for communication on operational issues with our partners and stakeholders. It is presented on a region and country basis, with priorities for each region or country grouped into research program areas along with detailed project listings. The AOP provides a focal point for project development according to these priorities. The AOP is the result of detailed consultations with partner countries, Australian organisations and government agencies.

The appendixes to the Plan provide a range of detailed information including material on the benefits to Australia from ACIAR-funded research, engagement with NGOs and community-based organisations

and various development indicators.

• Annual Report 2006–2007

ACIAR's Annual Report for 2006–07 outlines the Centre's research and financial performance during the past financial year. The report has been prepared in accordance with the relevant sections of the ACIAR Act 1982 and the Financial Management

and Accountability Act 1997 and meets all reporting requirements, as well as reporting ACIAR's performance against its 2006–07 Annual Operational Plan.

- Fact sheet: Fruit-fly research yields impacts in the Asia-Pacific region
- Fact sheet: SADI Programs



Personnel Changes

- **Drs Muchtar MSc** has succeeded **Dr Erwidodo** as the Director General of the Research and Development Department at the Ministry of Trade. Drs Muchtar formerly held several senior positions in the Ministry, including the Inspectorate General and the Expert Staff to the Minister. Meanwhile, Dr. Erwidodo was assigned to be the Indonesian Ambassador at the WTO Headquarter based in Geneva effective from October 2008.
- **Dr Achmad Poernomo** has been appointed the new Director of the Research Centre for Capture Fisheries under the Agency for Marine and Fisheries Research. He succeeds Dr Victor Nikijuluw, who was named as the new Director of Business and Investment at the Directorate General of Fisheries Product Processing and Marketing.

- **Dr Widodo Farid Ma'ruf** has been appointed the new Director of Product Processing at the Directorate General of Fisheries Product Processing and Marketing.
- There have been a major restructuring at Echelon III and IV levels at the Indonesian Agency for Agricultural Research and Development (IAARD) effective from 10 November 2008. Some of them who may relevant to ACIAR and SADI-SMAR projects are listed below:

1. **Dr. Ir. I Made Jana Mejaya, MSc.** (Head, Research Institute for Legumes & Tubers)
2. **Dr. Ir. Ahsol Hasyim, MS.** (Head, Research Institute for Vegetables)
3. **Ir. Arry Supriyanto, MS.** (Head, AIAT West Kalimantan)

4. **Dr. Ir. Nasrullah, MSc.** (Acting Head, AIAT South Sulawesi)
5. **Dr. Ir. Joko Triastono, MP.** (Acting Head, AIAT East Nusa Tenggara)
6. **Dr. Ir. Fadjry Djufray, M.Si.** (Acting, AIAT Papua)
7. **Dr. Ir. Hardiyanto, MSc.** (Head, Research Institute for Citrus and Sub-Tropics Fruits)
8. **Dr. Ir. Joko Pitono, MS.** (Acting, Head of Programming and Evaluation, ICATAD)

The next Newsletter will be published in January 2009 because of the festive season late in December. We would like to remind all project leaders to send us stories and updates about their projects for the newsletter.