

MIDTERM EVALUATION OF THE 2022-2026

**DGD-FUNDED PROGRAMME IMPLEMENTED BY
RIKOLTO**

Indonesia - Cocoa/Coffee

Country Report

ADE Local Evaluator: W. Aris Darmono

July 2025

TABLE OF CONTENT

Locally Led, Collaboratively Designed: A Grounded Approach to Learning and Evaluation.....	1
Acknowledgements	2
Executive summary	3
1. Introduction and background	7
1.1 Overview of Rikolto International.....	7
1.2 Overview of the Cocoa - Coffee and Rice Programme in Indonesia	7
1.3 Scope and Objectives of the Outcome Level Evaluation	10
2. Evaluation Methodology	11
2.1 General approach.....	11
2.2 Documentation review	11
2.3 Additional qualitative data collection	13
2.4 Participatory approach and sensemaking workshop	13
3. Findings of the Evaluation	15
3.1 Effectiveness of the Interventions.....	19
3.1.1 Sustainable Production Base.....	19
3.1.2 Inclusive Market	23
3.1.3 Enabling Environment	26
4. Potential Sustainability of the Interventions	29
4.1 Sustainability of impacts.....	29
4.2 Potential for scale-up.....	30
5. Lessons Learned from Programme Implementation to date	32
6. Conclusions	34
7. Recommendations.....	39

List of Figures

Figure 1. Coffee-Cocoa ToC	15
----------------------------------	----

List of Tables

Table 1. Documents Consulted in the Mid-Term Review	12
Table 2. Itinerary.....	13
Table 3. Coffee-Cocoa Programme Interventions, Outputs, Immediate and Intermediate Outcomes	15
Table 4. List of Coffee-Cocoa Programme's FOs, Numbers of Farmer's Group and Members During Midterm Review	17
Table 5. SPB Indicators Analysis – Coffee	19
Table 6. SPB Indicators Analysis – Cocoa	21
Table 7. Inclusive Market Indicators Analysis-Coffee	23
Table 8. Inclusive Market Indicators Analysis-Cocoa	25
Table 9. Enabling Environment Indicators Analysis-Coffee	26
Table 10. Enabling Environment Indicators Analysis-Cocoa	27

List of Abbreviations

BDS	Business Development Services
CSP	Cocoa Sustainability Partnership
DGD	Directorate-General for Development Cooperation (Belgium)
EE	Enabling Environment
EUR	Euro (currency)
FGD	Focus Group Discussion
FO	Farmer Organization
FOs	Farmer Organizations
GF4C	Good Food for Cities
GPD	Global Programme Director
GST	Global Support Team (Rikolto)
ha	Hectare
IB	Inclusive Business
ICS	Internal Control System
IDR	Indonesian Rupiah (currency)
JSF	Joint Strategic Framework
JSG	Joint Strategic Goals
KII	Key Informant Interview
MEL	Monitoring, Evaluation, and Learning
MI	Market Inclusion
MSP	Multi-Stakeholder Platform
MSH	Multi-Stakeholder
MTE	Mid-Term Evaluation
mt	Metric Ton
NBMP	National Business Model and Plan
PES	Payment for Ecosystem Services
SCOPI	Sustainable Coffee Platform of Indonesia
SDG	Sustainable Development Goal
SFS/IB	Sustainable Food Systems / Inclusive Business
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure
SPB	Sustainable Production Base
SRP	Sustainable Rice Platform
ToC	Theory of Change
VSLA	Village Savings and Loan Association

Locally Led, Collaboratively Designed: A Grounded Approach to Learning and Evaluation

The **midterm Outcome Assessment** are part of Rikolto's broader learning journey. They serve three objectives: to ensure accountability to donors, partners, and target groups; to foster internal learning and reflection; and to improve Rikolto's MEL system and reporting practices.

To implement the assessments, Rikolto partnered with ADE to co-design a practical and innovative methodology adapted to the available time and resources. A key feature of this approach was the engagement of local consultants in each of the 17 countries where Rikolto operates. These consultants worked closely with Rikolto's country teams to jointly carry out the assessments. ADE provided methodological guidance and remained available throughout the process for support and consultation.

This setup reflects a shared commitment to decolonizing evaluation practices and promoting local ownership. No international travel was involved, which not only reduced the environmental footprint but also aligned with our goal of building internal capacity through a learning-by-doing approach.

The assessments drew on three sources of information: existing Rikolto internal documentation and monitoring data; qualitative discussions with Rikolto's implementation staff; and conversations with few key external stakeholders during short field visits.

We recognize that this approach came with several limitations:

- **Time constraints:** The assessments were conducted within a very limited number of working days, restricting depth of inquiry and refinement of the reports beyond the consultants' initial work—at times further affected by unforeseen circumstances, such as regional conflict or personal setbacks.
- **Internal data dependency:** Most of the information came from Rikolto which may introduce bias.
- **Variability in MEL quality:** The availability, consistency, and quality of monitoring data varied across countries and programmes.
- **Limited stakeholder reach:** Consultations with external stakeholders were selective and brief, meaning some perspectives may not have been fully captured.
- **Diverse consultant experience:** The local consultants brought different levels of familiarity with evaluation methodologies, which influenced the depth of analysis and consistency across reports.

To address these challenges, several mitigation strategies were put in place:

- **Critical reflexivity:** ADE and Rikolto actively encouraged local consultants and teams to apply a critical lens—challenging assumptions, seeking diverse viewpoints, and acknowledging bias.
- **Capacity support:** ADE provided hands-on methodological support where needed, including templates, guidance materials, and feedback loops—to the extent allowed by available resources.
- **Strengthening MEL systems:** During the design and baseline phases, ADE offered targeted recommendations to enhance Rikolto's MEL framework and data collection processes.
- **Strategic stakeholder selection:** External stakeholders were carefully selected to represent diverse perspectives, using a mix of online and offline engagement to optimize time and resources.

These reports are the result of a collaborative effort between national consultants, supported by ADE and Rikolto's country teams, supported by Rikolto's Global Support Team (GST). They reflect our collective commitment to learning, improvement, and accountability.

Acknowledgements

The evaluator extends profound gratitude to the dedicated Rikolto Indonesia Team—Ade Budi, Riandi, and Nadhifa—for their unwavering support, logistical coordination, and deep contextual insights throughout the mid-term evaluation process, particularly during field visits across East Nusa Tenggara (Districts of East Manggarai, Ngada, and Ende) and the sensemaking workshop in Bali. Special recognition is due to the CC implementing partners, ASNIKOM (coffee cooperative) and SIKAP (cocoa cooperative), whose leadership teams and members generously shared their experiences, challenges, and successes, providing invaluable qualitative data that enriched this assessment. This evaluation further acknowledges the openness and collaboration of 394 farmer groups and 9,966 smallholder farmers across nine Farmer Organizations, whose resilience and adoption of sustainable practices lie at the heart of the programme’s achievements.

Appreciation is also extended to local government officials in East Nusa Tenggara, South Sulawesi, West Sulawesi, and Jambi; private sector actors engaged in inclusive business models; women and youth entrepreneurs driving market innovation; and members of Multi-Stakeholder Platforms (MSPs), including the Sustainable Coffee Platform of Indonesia (SCOPI) and Cocoa Sustainability Partnership (CSP), whose collective commitment to sustainable value chains strengthened the evaluation’s policy and investment insights. The evaluator also thanks Rikolto’s Global Support Team (GST) for methodological guidance and ADE’s international experts for their collaborative framework. Finally, the Progreso Foundation’s emerging partnership exemplifies the stakeholder synergy essential to scaling impact—this report stands as a testament to the power of united action toward equitable, climate-resilient food systems in Indonesia.

Executive summary

Introduction

This midterm evaluation assesses the progress of Rikolto's DGD-funded programme (2022–2026) in Indonesia's Cocoa and Coffee sector, implemented across 9 Farmer Organizations (FOs) in the provinces of East Nusa Tenggara, Jambi, South Sulawesi, and West Sulawesi. The programme aims to build resilient, sustainable, and inclusive coffee-cocoa value chains by focusing on three interconnected domains: Sustainable Production Base (SPB), Inclusive Markets (MI), and Enabling Environment (EE). Aligned with SDG 2 (Zero Hunger) and national priorities, the initiative targets 30,000 smallholder farmers (including Rice farmers) by 2026, with midterm results reflecting significant strides in farmer adoption of sustainable practices, market linkages, and policy influence.

Methodology

The evaluation employed a mixed-methods approach, combining quantitative analysis of Rikolto's indicator workbooks with qualitative insights from field visits, Key Informant Interviews (KIIs), and Focus Group Discussions (FGDs). Data collection occurred in April 2025 across project sites in East Nusa Tenggara province (Districts of East Manggarai, Ngada and Ende), engaging 59 farmer groups and 1,522 farmers. Stakeholders included FO leaders, private sector actors, women and youth entrepreneurs, and local officials. A participatory sensemaking workshop in Bali validated findings and refined recommendations.

Key Findings

1. Sustainable Production Base (SPB): Adoption and Challenges

The program has demonstrated remarkable success in enhancing the Sustainable Production Base for both coffee and cocoa. A significant strength lies in the substantial income improvements for farmers, with coffee farmers achieving an average net income of EUR 2,557 per hectare, notably surpassing both their mid-term (EUR 2,205) and end-line (EUR 1,250) targets. Similarly, cocoa farmers exceeded their targets, reaching EUR 2,121 per hectare. These gains indicate successful adoption of climate-smart practices and improved market linkages, incentivizing farmers to continue sustainable methods. Furthermore, the program has excelled in environmental sustainability, evidenced by the massive expansion of land under agroforestry. For coffee, agroforestry expanded to 12,368 hectares, a remarkable 251% above its mid-term target, while for cocoa, it reached 10,523 hectares, 163% above its target. This signifies widespread adoption of regenerative practices that enhance biodiversity, soil health, and climate adaptation. Despite these impressive achievements, challenges persist. Adoption is growing, but not yet sufficient to overcome systemic agronomic and climate constraints. For cocoa, potential low yields driven by aging trees, disease outbreaks (like *Phytophthora pod rot*), erratic rainfall, and prolonged dry spells continue to impact both the quantity and quality of beans available for sustainable markets. While agroforestry adoption is high, the costs associated with rehabilitating aging monoculture plots (€800/ha) often exceed smallholder capacity, posing a barrier to further improvement and consistent supply.

2. Inclusive Markets (MI): Strengths and Gaps

Women's entrepreneurship showed strong results in the coffee sector, with 12 women-led businesses supported, exceeding the target by 171%. In contrast, cocoa fell behind, reaching only 86% of its target for women-owned enterprises. Cocoa excelled in consumer access, enabling 47,046 individuals to buy sustainable products (313% of target). However, youth inclusion remains uneven: youth led business achieved 75% of the target in coffee and 87% in cocoa. Market linkages showed divergence—coffee surpassed targets for inclusive business practices (180%), but cocoa underperformed (67%). Coffee's low consumer access to sustainable products (51% of target) further highlighted disparities in market reach.

3. Enabling Environment (EE): Policy and Investment Momentum

The program has demonstrated strong influence in fostering a supportive policy and financial landscape for both coffee and cocoa. For both commodities, it achieved 100% of its mid-term and end-line targets for "Number of new initiatives to promote Sustainable Food Systems/Inclusive Business (SFS/IB) from supported multi-stakeholder organizations" and "Number of regulatory measures relating to sustainable food system or inclusive business practices under consideration, adopted or implemented as a result of Rikolto's support". This indicates a robust capacity to influence the policy and initiative environment. The "Amount of new investments into SFS/IB" significantly exceeded targets for coffee (438% of mid-term target, €219,230 leveraged) and surpassed targets for cocoa (127% of mid-term target, €253,956 leveraged), demonstrating strong financial mobilization. The program also successfully established and strengthened multi-stakeholder platforms (MSPs), meeting 100% of its mid-term target and surpassing its end-line target by 167% for coffee and achieving 100% for cocoa. Rikolto's ability to orchestrate multi-level coalitions, leveraging commercial finance and partnering with platforms like CSP to influence provincial subsidies for organic inputs, has been a core strength.

4. Sustainability and Scalability

Midterm evaluation findings indicate that the sustainability of the Coffee and Cocoa Programme is strongly underpinned by four key pillars: economic viability, environmental resilience, social and institutional integration. **Economically**, the program delivered significant income gains for farmers €2,557/ha for coffee and €2,121/ha for cocoa which incentivize sustained adoption of climate-smart practices. In addition, the successful mobilization of commercial finance such as €476,515 leveraged for coffee, signal growing investor confidence and reduces long term reliance on donor funding. **Environmentally**, the expansion of agroforestry has been a major achievement, with 12,368 ha for coffee and 10,523 ha for cocoa) both exceeding midterm target. These efforts contribute to increased enhances biodiversity and improve climate resilience. However, the impact is at risk if production and market bottlenecks such as cocoa's low volume of sustainably sold produce (90.58 mt against 500 mt target) are not addressed through improved post-harvest system. **Socially**, the program has made notable strides in women's inclusion, with coffee exceeding its women led business target by 171%. However, youth engagement remains a concern, especially in coffee where only 75% of the youth inclusion target was met. This highlights the need for more tailored strategies to engage young people meaningfully. **Institutionally**, several cooperatives such as ASNIKOM and SIKAP have achieved "bankable" status, demonstrating strengthened governance and financial capacity. Nonetheless, their continued technical reliance on Rikolto for technical support points to the need for a phased exit strategy. Meanwhile, the achievement of 100% of regulatory targets reflects strong policy alignment and embeds sustainability principles into national frameworks, offering a solid foundation for long term impact.

The programme demonstrates strong potential for scaling up, driven by its proven success in income generation, widespread agroforestry adoption, and market inclusion development, alongside robust commercial investor interest (e.g., Progreso Foundation partnerships). These achievements position the program as a compelling model for sustainable agribusiness development. However, scaling this model effectively will require overcoming several critical barriers. First, highlighted by cocoa's low volume of sustainably sold produce (only 18% of the target) must be targeted investments in infrastructure such as fermentation units and quality control systems. Second, inclusivity gaps require youth-specific initiatives (e.g., land access schemes). Third, replication of women's success in cocoa; and market diversification is essential to reduce reliance on niche buyers. Strategic scale-up should prioritize phased expansion in similar regions, blended finance models to de-risk adoption, and policy advocacy leveraging regulatory successes (e.g., lobbying for agroforestry subsidies). By addressing these gaps, the programme can serve as a blueprint for sustainable agribusiness transformation across Indonesia and beyond.

Conclusions

The midterm evaluation confirms that the programme has been highly effective in improving farmer livelihoods and promoting environmental sustainability. Notable achievements include surpassing income targets for both coffee (€2,557/ha vs. €2,205 mid-term) and cocoa (€2,121/ha vs. €1,975), driven by the adoption of climate-smart practices and dynamic agroforestry models (12,368 ha for coffee, exceeding targets by 251%). These environmental and economic gains were further amplified by strong financial leverage (e.g., €476,515 mobilized for coffee—476% above target) and robust policy, with 100% achievement in regulatory measures and multi-stakeholder platforms (MSPs). Inclusivity outcomes were also promising: women-led businesses in coffee exceeded expectation (171% of target), and cocoa reach (47,046 individuals—313% above target). Collectively, these outcomes reflect the programme's strong alignment with SDGs 2, 5, and 13, validating its holistic approach to economic justice, gender equity, and climate resilience.

However, several critical gaps threaten the long-term sustainability and scalability of the programme.

Cocoa's sustainably sold volume remains alarmingly low (90.58 mt vs. 500 mt target), highlighting not only post-harvest and market access challenges but also deeper structural issues in the production system. Low yields are driven by aging cocoa trees, limited adoption of good agricultural practices, disease outbreaks, and the growing impacts of climate change, including erratic rainfall and prolonged dry spells. These factors reduce both the quantity and quality of beans available for sustainable markets. Youth engagement remained inconsistent with only 75% of the coffee target achieved. Market access disparities persisted, with coffee underperforming in sustainable product accessibility (51% of target). The programme's reliance on niche buyers (e.g., ASNIKOM's Dutch contract) and technical dependence of cooperatives on Rikolto poses risks to long-term autonomy. Endline targets for several indicators (e.g., land under agroforestry) were significantly exceeded mid-term, suggesting initial targets were set too low. To secure lasting impact, the programme must prioritize post-harvest infrastructure, diversify markets, deepen youth/women inclusion, and transition institutional ownership to local stakeholders. Addressing these gaps will be pivotal for scaling the model beyond Indonesia.

Recommendations

To accelerate progress:

Sustainable Production: Focus on yields and prioritize post-harvest capacity building and market alignment for cocoa, particularly addressing the critically low volume of sustainably sold cocoa (18% of mid-term target). Invest in targeted training, fermentation infrastructure, and quality control systems for farmers and cooperatives like SIKAP. Simultaneously, scale up successful agroforestry models (251% beyond target for coffee) by integrating climate-resilient practices (e.g., shade-grown cocoa, drought-resistant coffee) and exploring carbon credit incentives to boost environmental and economic gains.

Market Inclusion: Bridge youth engagement gaps and replicate women's success by launching tailored initiatives: (1) For youth, develop mentorship programs, land-access schemes, and entrepreneurship grants (e.g., for cocoa processing startups) to address lagging participation (coffee: 75% of target); (2) For women, leverage proven models (171% beyond target in coffee) by offering low-collateral loans and leadership training in cocoa. Diversify market pathways—expand partnerships with domestic mid-tier buyers to absorb sustainable volumes and reduce reliance on niche exports.

Enabling Environment: Capitalize on regulatory wins (100% achievement) and investment leverage (438% beyond target) to address evidence-sharing gaps (75% of target): Systematize data collection on income gains (e.g., EUR 2,557/ha from coffee) and agroforestry co-benefits (carbon sequestration, biodiversity) to advocate for national policy reforms (e.g., subsidies for sustainable inputs). Strengthen MSPs as platforms

for scaling innovations, and pilot blended finance (public-commercial partnerships) to de-risk post-harvest infrastructure investments.

Lessons Learned

Direct connections between farmers and high-value markets (e.g., specialty coffee, fermented cocoa) significantly boost incomes and incentivize sustainable practices. However, overreliance on niche buyers poses risks if demand fluctuates. For example, ASNIKOM's contract for 50 tons/year with a Dutch buyer demonstrates success, but cocoa's low sales volume (18% of target) highlights vulnerability. Programs must prioritize long-term contracts while diversifying markets—tapping into domestic mid-tier buyers or regional brands—to absorb larger volumes and mitigate dependency on single buyers.

While farmers mastered cultivation, post-harvest gaps (e.g., inconsistent quality, limited fermentation capacity) hindered market readiness and reduced sales of sustainable produce. Simultaneously, inclusivity outcomes were uneven: women-owned businesses thrived (exceeding targets by 171% in coffee), but youth engagement lagged (75% in coffee). Addressing these requires dedicated resources—training and infrastructure (e.g., fermentation units) for post-harvest quality, alongside youth-specific initiatives (e.g., land access, mentorship) and replicable models for women's entrepreneurship. Without tailored interventions, environmental and social gains remain fragile.

1. Introduction and background

1.1 Overview of Rikolto International

Rikolto, an international NGO with over 50 years of experience, is a key partner for farmer organizations (FOs) and food system stakeholders across Africa, Asia, Europe, and Latin America. Operating through five regional offices, Rikolto has been at the forefront of initiatives aimed at fostering sustainable incomes for farmers and ensuring nutritious, affordable food for all. By establishing connections between smallholder farmer organizations, companies, authorities, and various actors in both rural and urban settings, Rikolto has been implementing innovative approaches to accessing, distributing, and producing high-quality, nutritious food, with a commitment to leaving no one behind. Through their global network, they seek to inspire others to tackle with them the inter-related challenges of food insecurity, climate change, and economic inequality.

In 2021, Rikolto launched its [2022-2026 strategy](#). This strategic plan aims to empower consumers in at least 30 major and intermediate cities to access affordable and nutritious food, sustainably produced by more than 300,000 smallholders associated with over 250 FOs or related groups (e.g., VSLA, women groups). The global strategies for **Sustainable Rice, Cocoa and Coffee and Good Food for Cities (GF4C) programs** seek change in three key food system domains: **Sustainable production, Inclusive markets, and Enabling environments**. While building upon the successes of the 2017-2021 program, this strategy represents a deliberate shift towards a **holistic food system perspective**.

Recognizing the importance to actively engage with stakeholders in areas linked to their core business, such as economic returns, nutrition, health, social inequality, and urban governance, Rikolto is fostering collaborations critical to delivering their mission of sustainable farmer incomes and accessible, nutritious food for all. Rikolto's programs will launch innovative initiatives in these domains, aimed at inducing structural changes to address the intricate challenges within food systems. Emphasizing on **gender and youth**, they are also committed to **reducing biodiversity loss, mitigating environmental damage, addressing the impacts of climate change**, and bolstering food system resilience in the face of shocks and crises.

The launch of this new strategy aligns with a substantial organizational transformation marked by Rikolto's decentralization. In 2022, a pivotal shift occurred in the main programme management structure as it transitioned from regional offices to global programs: Sustainable Rice, Cocoa & Coffee, and GF4C. These programs, spearheaded by representatives from each regional team and a Global Programme Director (GPD), have played a central role in designing the new strategy and will continue to lead programme management globally. This ensures strategic alignment across all countries of operation, incorporating local nuances, fostering internal learning, and leveraging evidence generated worldwide in influential global spaces. Moreover, the responsibility of MEL now falls under the role of the country and regional directors.

1.2 Overview of the Cocoa - Coffee and Rice Programme in Indonesia

Coffee, cocoa, and rice are strategic commodities for Indonesia, and major sources of livelihoods and jobs. Indonesia is currently the sixth largest global producer and a major exporter of cocoa and coffee. Meanwhile, rice is a staple food for about 80% of Indonesians, and almost all production is dedicated to serving domestic markets. Production, processing, and trading of the three commodities provides jobs and livelihoods for millions of households, particularly in rural areas where many live close to or below the poverty line.

However, many producers are trapped in poverty, unsustainable practices, and low productivity and incomes. Coffee and cocoa productivity is a fraction of that in other major producing nations; quality also suffers due to poor farming and processing practices. Rice farmers meanwhile face low margins and limited landholdings that provide poor returns. Smallholders lack access to quality inputs, extension services, and

finance. Poor production practices, including overuse of agrochemicals, monocropping, and overuse of water degrade the environment, contribute to climate change, and undermine resilience to risks like drought or extended heavy rainfall. With low prices for crops, and subsidies for agrochemicals, producers lack incentives to adopt sustainable practices.

Smallholders are marginal participants in the value chains, with limited access to markets or bargaining power. Although most smallholders are members of FOs such as farmer groups and cooperatives. FOs have limited business and management capacity to support access to services like training, finance, aggregation, or to facilitate access to markets. Value chains are disorganised and inefficient, with many intermediaries. Buyers find it hard to source products meeting their requirements, and producers lack bargaining power and market information. As a result, farmers receive the least benefits of additional value in the chain.

Women and youth have limited access to decision-making, training, finance, and economic opportunities. Key issues include women’s marginalisation in decision making at household and FO levels, and limited access to trainings, finance, and economic opportunities; the same applies to youth. There is no equal playing ground for women and youth in the value chains, nor in access to and control over the benefits of participation.

Although national policies favour environmental sustainability and ‘fair growth’ there is little effective action. For rice, the government focuses almost exclusively on availability and access for consumers. Meanwhile, national policies and initiatives for coffee and cocoa (such as the Cocoa Roadmap) focus on productivity and exports. Support is not well targeted and does not meet the needs of farmers and FOs or address the environment and climate resilience. Local governments have limited capacity to provide extension or other support. There is a weak enabling environment and lack of ‘push’ for more sustainable food systems.

Despite the challenges, growing demand opens opportunities to promote more inclusive and sustainable value chains. Strong domestic demand for organic and ‘healthy’ rice suggests good market potential for rice produced using the new Sustainable Rice Platform (SRP) standard. Local and international demand for quality, sustainably produced coffee and cocoa also creates opportunities to explore new business models and is generating momentum for platforms such as the Sustainable Coffee Platform of Indonesia (SCOPI) and the Cocoa Sustainability Partnership (CSP), which promote public-private partnerships, innovation, learning, programmatic alignment, and policy dialogue.

This programme builds on Rikolto’s work with the support of the DGD to promote sustainability and inclusion in the Indonesian rice, coffee, and cocoa sectors. Since 2017, Rikolto has supported 15,151 farmers in 12 FOs to adopt sustainable production practices and standards and gain improved access to markets, while promoting a supportive enabling environment with strong multistakeholder (MSH) platforms. In this programme (2022 – 2026), Rikolto is upscaling this work to 30,000 farmers in 19 FOs. The previous FOs were assessed in organisation’s maturity by the end of 2021, and they will continue to expand the number of their members in this programme. Rikolto also built on lessons from the 2017-2021 programme, adopting more focus on landscape approaches and scaling up PES (payment for ecosystem services), promoting the new SRP (Sustainable Rice Platform) standard, expanding our work across value chains to better connect producers to markets, and introducing a greater focus on youth and women entrepreneurship.

The programme contributes to JSG (Joint Strategic Goals) 3 in the JSF (Joint Strategic Framework) Indonesia 2022-2026: “CSOs contribute to a comprehensive agenda of economic justice towards promoting sustainable agriculture and entrepreneurship.” The programme outcome is that the rice, coffee, and cocoa sectors in Indonesia are resilient, sustainable, and inclusive, contributing to living income for producers and

agribusiness entrepreneurs, including women and youth, while increasing the availability of sustainably produced food products on the market. To reach this outcome, Rikolto promotes change in three inter-related domains, as outlined in the JSF:

1. Sustainable Production Base (SPB): Rice, coffee and cocoa production are more environmentally, socially, and economically sustainable. Smallholders will gain increased productivity, incomes, and (climate) resilience by adopting smart sustainable production models and practices that enable them to meet market standards for quality and sustainability. The use of sustainable production practices and standards will reduce negative environmental impacts including GHG emissions, excessive water use, and overuse of agrochemicals. FOs that can provide professional services and access to markets will strengthen the position of smallholder farmers.

2. Market Inclusion (MI): Resilient FOs/SMEs including marginalised groups i.e., women, youth and smallholders actively participate in inclusive markets. Smallholder farmers and SMEs, including women and youth, will access decent profits and jobs through inclusive business models and relationships with private chain actors. Private chain actors will gain improved access to reliable supplies of quality, sustainable products, according to the demanded/required quantity, quality, and continuity.

3. Enabling environment (EE): Better governance of the rice, coffee, and cocoa sectors. Inclusive MSPs will enable key stakeholders to play an effective role in sustainable and equitable sector development. Evidence for impact will be used to convince national and local governments and private chain actors to develop more conducive policies and targeted support such as financing schemes that enhance the overall sustainability of the sectors.

The underlying causal hypothesis is that (1) when smallholder production models and practices are more environmentally, socially and economically sustainable; (2) when FOs and SMEs, including women and youth, can participate more efficiently in markets based on inclusive business (IB) relationships with private chain actors, and; (3) when sustainability and inclusion are supported through better governance of the rice, coffee, and cocoa sectors, in which stakeholders at all levels can participate in developing common agendas, standards, and initiatives; then the sectors will be more sustainable, inclusive and resilient to provide living incomes from the farming system and improve the availability of sustainable food products for consumers.

The programme is operating at local and national levels, covering value chains for rice, cocoa and coffee in the eight provinces of; Jambi (coffee); Central Java (rice); East Java (rice); South Sulawesi (cocoa, coffee, rice), West Sulawesi (cocoa), and East Nusa Tenggara (cocoa, coffee).

At the local level, it supports the piloting and upscaling of sustainable production practices by farmers, FOs and SMEs, and the establishment of IB relationships with private chain actors such as processors, traders and retailers. These interventions are carried out in association with local governments, research institutes and Business Development Services (BDSs) providers or Small and Medium Enterprises (SMEs). To promote a conducive enabling environment, Rikolto and its partners will engage in national multi-stakeholder initiatives and platforms that promote the development and adoption of sustainable production standards and practices and market inclusion principles, and advocate for policies and programmes that contribute to sector development. The programme will also contribute to sector-wide change by engaging at the global level through engagement in the specific commodity platforms such as the Sustainable Rice Platform (SRP), the Global coffee partnership platform and World Cocoa Foundation partnership meetings.

The principal contribution to SDGs is to SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. The programme contributes to target 2.3, to double productivity and

incomes of small-scale food producers, including women and family farmers by 2030, through measures that include access to inputs, knowledge, financial services, markets and opportunities for value-addition and non-farm employment. It also contributes to target 2.4, to ensure sustainable food production systems and resilient agricultural practices that increase productivity and production, maintain ecosystems, improve land and soil quality, and strengthen capacity for adaptation to climate change and disasters.

Promoting the inclusion and equality of vulnerable groups or individuals has been a starting point for the design of this programme, which identifies smallholder farmers, women and youth as key groups at risk of being left behind in existing commodity chains. Empowerment and inclusion are key considerations in the proposed interventions on capacity building, business development, advocacy, and learning. Rikolto will strive to promote meaningful participation. This will be reflected in indicators for participation, but also through efforts to ensure that women and youth are represented in decision-making in FOs and in enterprise activities. The programme will also support greater representation and attention to the needs of smallholders, women and youth through the development of IB relationships, and in MSH initiatives and platforms, while at the same time stressing the responsibilities of public authorities and businesses to address power imbalances.

In addition to contributing to SDG 2, the programme has multiple co-benefits relating to other SDGs. These include SDG 1 on ending poverty, which is addressed through promotion of decent work and living incomes as well as efforts to build resilience. It is relevant to SDG 5, especially target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life and to SDG 8, especially target 8.5 on productive employment and decent work for all women and men, including young people and people with disabilities. Sustainable production practices and standards also have co-benefits relating to SDG 12 on ensuring sustainable consumption and production patterns, including 12.2 on sustainable management and efficient use of natural resources; 12.3 on food waste and food losses; 12.4 on sound and safe management of chemicals and wastes; and 12.5 on GHG reduction. Support for multi-stakeholder partnerships at local, national and international levels is also highly relevant to SDG target 17.16.

1.3 Scope and Objectives of the Outcome Level Evaluation

In 2024-2025, ADE has conducted the mid-term evaluation of the DGD programme per outcome (Outcome Assessment report) in close collaboration with Rikolto. Three of the OECD-DAC evaluation criteria were assessed through these Outcomes Assessment: Effectiveness and Sustainability.

- Effectiveness was assessed for all outcomes and in all countries.
- Sustainability was assessed only for one selected country per outcome.

Each of the three OECD criteria will be assessed by ADE local consultant using available Rikolto documentation and data, complemented by field visits to collect additional qualitative data through Key Informant Interviews (KIIs) and Focus Group Discussions (FGD) with relevant stakeholders.

The local consultant's work also entailed capacity building for Rikolto's local teams, including understanding of the evaluation methodology, data interpretation and analysis, and sensemaking. Each local consultant submitted one (or more) Outcome assessment report per DGD Outcome following the template (in Word format) prepared by Rikolto's GST.

2. Evaluation Methodology

Coffee-Cocoa and Rice Programme is one of the outcomes in Indonesia, but due to the operational reasons, commodity business process and the nature of the outcome harvesting, Cocoa and Coffee assessment and report is separated from Rice report.

2.1 General approach

The methodological approach for the Outcome Assessments was based on the information available in the indicator workbooks and available key documentation, complemented by KIIs and FGDs with Rikolto's local teams, regional directors, GPD and the GST, as well as relevant external stakeholders such as FOs, partners, multistakeholder platform members, and other external partners the local consultant sees as relevant. The indicator workbooks will be populated based on the data collected by Rikolto's local teams. Rikolto's GST ensured that they follow the guidelines and recommendations provided by ADE at the design and baseline phases regarding i) indicator definition and computation, ii) data collection, iii) data analysis, and iv) reporting and learning. ADE was available for discussions with Rikolto GST and local teams if further guidance is needed.

ADE, in collaboration with Rikolto, developed standardized Key Informant Interviews (KIIs) and Focus Group Discussion (FGD) guides to collect additional qualitative information. These standardized data collection tools were developed in a participatory manner with Rikolto's GST. Once drafted, they were sent to ADE's local consultants and Rikolto's country teams for inputs on how to fine-tune these data collection instruments to local contexts and to specific programmes. This participatory approach ensured appropriation by local Rikolto teams and ensure that the data collection tools are harmonized across the countries.

2.2 Documentation review

The methodological approach for outcome assessments is a structured process that leverages completed Indicator Workbooks (revised versions) and relevant documentation, including strategic documents, such as the ToC, programme outlines, progress reports, annual donor reports i.e., DGD, E4I products, MSP assessments, and NBMP assessments. A folder with selected documents to include in the review was shared with each local expert by Rikolto's GST. Rikolto's local teams were available to answer any question raised by the local consultant during his review (e.g., why some targets have not been reached, why some indicators have not yet been completed, etc.).

Based on the Indicator Workbooks and available documentation, the local evaluation team conducted the midterm Outcome Assessments following a Word template structured around the two OECD-DAC criteria: effectiveness and sustainability.

○ Effectiveness

The Outcome Assessment report first presented the programme ToC, the country target groups, and main stakeholders, before diving into the evolution of the common indicators and the programme-specific indicators per pillar compared to baseline and target values.

To analyse the effectiveness of the outcome, the local consultant critically reviewed the values and targets of each indicator, identify discrepancies, and analyse trends. More specifically, the local consultant carefully analysed:

- the evolution of the indicators compared to their baseline values,
- the midterm values compared to their target values the midterm values vis-à-vis endline target values set by Rikolto teams.

The local consultant included tables, graphs and diagrams to present the results. Qualitative information and narrative descriptions of change compiled by Rikolto teams in the Indicator Workbooks were used to contextualize the quantitative results and understand the evolution of the indicators.

Table 1. Documents Consulted in the Mid-Term Review

No	Documents
Priority Document	
1	DGD programme documents
2	Co-funding project documents
3	Indicator workbook
4	Baseline data and Reports
5	Summary of innovations (E4I cases)
6a	Donor reports for DGD project
6b	Donor reports of co-funding projects
7	SROI Assessment reports and data (not relevant for Indonesia Cocoa-Coffee)
Supplementary Document	
8	Farmer survey report and dataset
9	SCOPEinsight report
10	MSP Assessment report
11	NBMP summary report
12	Annual Progress reports
13	Annual workplans_DGD
14	Annual Workplans_co-funding projects
15	2021 endline evaluation for DGD Programme
16	Evaluation of co-funding projects
17	Any other documents

○ Sustainability

The local consultant engaged in collaborative reflection with Rikolto's staff to assess the sustainability of Rikolto's interventions, with a specific focus on two critical components:

- **Longevity of Impact:** The consultant evaluated whether the positive impacts of Rikolto's interventions are poised to endure beyond the conclusion of Rikolto's direct involvement. This involves probing whether the communities or beneficiaries served will continue to benefit and thrive after Rikolto's direct interventions cease.
- **Potential for Scaling Up:** Additionally, the consultant analyzed the likelihood of external stakeholders adopting and expanding upon Rikolto's interventions. This assessment explored the readiness and receptiveness of external actors to integrate and replicate successful strategies implemented by Rikolto.

To address these inquiries comprehensively, the consultant primarily draw insights from various sources, including:

- DGD Annual Progress Reports (section Sustainability):
- Direct Discussions with Rikolto's teams
- Additional Data Collection from programme partners and external actors.

By synthesizing information from these diverse sources, the consultant generated a comprehensive understanding of the sustainability landscape surrounding Rikolto's interventions, thereby facilitating informed decision-making and strategic planning for the second half of the programme.

2.3 Additional qualitative data collection

Based on the careful review of the Indicator Workbooks and Rikolto's documentation, the local consultant reflected, in close collaboration with Rikolto's local team, on additional qualitative data to be collected through a field visit to complement available information, mainly for the effectiveness and sustainability OECD-DAC criteria.

The local consultants used the FGD and KII guides prepared by ADE and GST. These guides were reviewed and adapted by the local consultant to match their needs and contexts.

Stakeholders included in the analysis were farmers, FOs, other partners, multistakeholder platform members, and other external partners the local consultant sees as relevant. Meetings with these stakeholders was set up by Rikolto's local team according to the availability of the stakeholders and team.

There are 9 FOs in Coffee-Cocoa Programme, but due to the time constrain and location distribution 2 FOs (Asnikom and Sikap) were selected to be the subjects of this MTR.

Table 2. Itinerary

Date	Activities
Thursday - April 3	Travel to Labuan Bajo - Ruteng, East Nusa Tenggara
Friday - April 4	Field visit and discussion with ASNIKOM (coffee) and SIKAP (cocoa)
Saturday - April 5	Field visit and discussion with farmers
Sunday - April 6	Travel from Ruteng to Bali
Tuesday - April 8	Discussion with Cocoa-Coffee Program Team in Denpasar
Wednesday - April 9	Sensemaking with Rikolto Indonesia Team in Bali Office
Thursday - April 10	Travel back to Jakarta

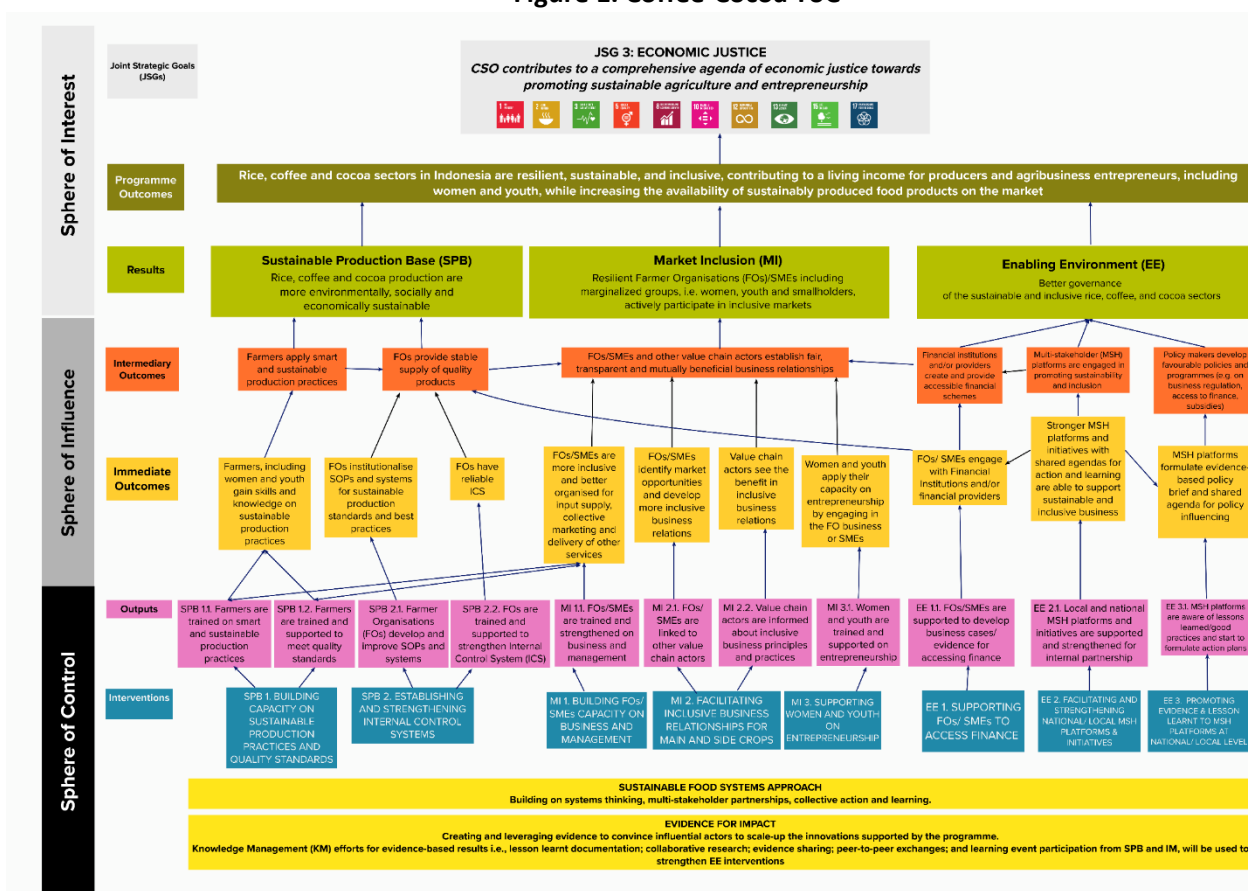
2.4 Participatory approach and sensemaking workshop

The local consultant conducted a participatory workshop with Rikolto's local team to review and validate the findings and develop key recommendations using a participatory approach. The participatory workshop for Coffee-Cocoa was held two times: one time during the field visit and the second time during the sense-making meeting in Rikolto's office in Bali. During the sense making meeting local evaluator and Rikolto Coffee-Cocoa Team working together in clarifying the field finding, the result of the analysis and recommendation development.

The draft of the Outcome Assessment report was sent to the country team before the workshop so that Rikolto's staff can take time to reflect on it and provide feedback before and/or during the workshop. The local evaluator incorporated workshop feedback into the report, including concluding remarks and recommendations.

3. Findings of the Evaluation

Figure 1. Coffee-Cocoa ToC



The Cocoa – Coffee Programme Outcome:” The coffee and cocoa sectors in Indonesia are resilient, sustainable, and inclusive, contributing to living income for producers and agribusiness entrepreneurs, including women and youth, while increasing the availability of sustainably produced food products on the market”.

To reach the programme outcome Rikolto structured the 8 interventions as follows:

Table 3. Coffee-Cocoa Programme Interventions, Outputs, Immediate and Intermediate Outcomes

Interventions	Outputs	Immediate outcomes	Intermediate outcomes	Key assumptions
Result 1: Sustainable Production Base (SPB). Cocoa-coffee production is more environmentally, socially and economically sustainable				
SPB 1: Building capacity on sustainable production practices and quality standards	SPB 1.1. Farmers trained on climate smart and sustainable production practices	Farmers, including women and youth gain skills and knowledge on sustainable production practices	Farmers apply climate smart and sustainable production practices	- Production/ markets are not affected by major natural, financial or other disasters - Inputs will be available and accessible
	SPB 1.2. Farmers trained and supported to meet quality standards			- With support, producers can access finance

				- FOs will be organized the importance of including women and youth
SPB 2. Establishing And Strengthening Internal Control Systems	SPB 2.1. Fos develop and improve Standard Operating Procedures (SOPs) and systems	Farmer Organisations (Fos) institutionalise SOPs and systems for sustainable production standards and best practices	Fos provide a stable supply of quality products	- Economic, social and environmental benefits will persuade farmers to adopt sustainable production practices and quality standards - Access to markets will be organized for producers to adopt standards
	SPB 2.2. Fos are trained and supported to strengthen Internal Control System (ICS)	Fos have reliable ICS		- Continued/ growing demand for quality sustainable rice/coffee/cocoa - Consumers and market actors be organized and trust sustainability standards and assurance mechanisms
Result 2: Market Inclusion. Resilient Farmer Organisations (Fos)/SMEs including marginalized groups i.e., women, youth and smallholders actively participate in inclusive markets				
MI 1. Building Fos/ SMEs capacity on business and management	MI 2.1. Fos/SMEs are trained and strengthened on business and management	Fos/SMEs are more inclusive and better organized for input supply, collective marketing and delivery of other services	Fos/SMEs and other value chain actors establish fair, transparent and mutually beneficial business relationships	- FO leaderships will commit to better services for their members - Fos will commit to measures to ensure inclusion of women and youth - Private companies, buyers are willing to form long term relations with farmers - Farmers will honour supply contracts.
MI 2. Facilitating inclusive business relationships for main and side crops	MI 2.1. FOs/SMEs are linked to other value chain actors	FOs/SMEs identify market opportunities, and develop new business relations	FOs/SMEs and other value chain actors establish fair, transparent and mutually beneficial business relationships	- Inclusive business models will create incentives (win-win scenarios) for all actors in the chain and can be replicated by others
	MI 2.2. Value chain actors are informed about inclusive business principles and practices	Value chain actors see the benefit in inclusive business relations		
MI 3. Supporting women and youth on entrepreneurship	MI 3.1. Women and youth are trained and supported on entrepreneurship	Women and youth demonstrate their capacity on entrepreneurship by engaging in the FO business or SMEs		- Youth and women will want to develop new business opportunities

Result 3. Enabling Environment. Better governance of the coffee and cocoa sectors				
EE 1. Supporting Fos/ SMEs to access finance	EE 1.1. FOs/SMEs are supported to develop business cases/ evidence for accessing finance	FOs/ SMEs engage with Financial Institutions and/ or finance providers	Financial Institutions and/or providers create and provide accessible financial schemes	- Financial institutions will be willing to adjust financial practices to accommodate specific producer business processes
EE 2. Facilitating and strengthening national/ local MSH platforms and initiatives	EE 2.1. Local and national MSH platforms and initiatives are supported and strengthened for internal partnership	Stronger MSH platforms and initiatives with shared agendas for action and learning are able to support sustainable and inclusive business	Multi-stakeholder (MSH) platforms are engaged in promoting sustainability and inclusion	- There will be continued and new public and private sector interest in working together to promote inclusion and sustainability standards and practices
EE 3. Promoting Evidence & Lesson Learnt to MSH Platforms at National/ Local Level	EE 3.1. MSH platforms are aware of lessons learned/good practices and start to formulate action plans	MSH platforms formulate evidence-based policy brief and shared agenda for policy influencing	Policy makers develop favourable policies and programmes (e.g. on business regulation, access to finance, subsidies, sustainable rice)	- National and local governments continue to prioritise coffee/ cocoa/ rice sectors - Climate change adaptation and mitigation will motivate policies and programmes to support sustainable production practices

During the mid-term review, Rikolto mainly works with 9 FOs, 394 farmer's groups, and 9.966 farmers to implement the programme interventions above.

Table 4. List of Coffee-Cocoa Programme's FOs, Numbers of Farmer's Group and Members During Midterm Review

FO	Number of Farmer's Group	Number of Farmers	Location
Benteng Alla	34	906	Enrekang, South Sulawesi
Masagena	78	2487	North Luwu, South Sulawesi
Cahaya Sehati	47	937	East Luwu, South Sulawesi
Mitra Agribisnis Mandiri	72	1418	Polewali Mandar, West Sulawesi
PPKT	88	1729	North Toraja, South Sulawesi
Sikap	21	500	Ende, East Nusa Tenggara
MPIG-AFB	5	537	Ngada, East Nusa Tenggara

Asnikom	38	1062	Ruteng, East Nusa Tenggara
Koerintji Barokah	11	390	Kerinci, Jambi

The 2022-2026 programme is the “third phase” for ASNIKOM (coffee farmer cooperative) and SIKAP (cocoa farmer cooperative) in working with Rikolto Indonesia. In the first and second phases, the focus of the programme was on improving plant cultivation practices. In the 2022-2026 phase, the focus on cultivation is still not abandoned, but a higher concentration is on post-harvest treatment of coffee-cocoa by farmers and marketing by ASNIKOM and SIKAP to local and global markets.

ASNIKOM and SIKAP consider that all matters related to plant cultivation have been completed in the second phase. Both in terms of cultivation practices with more environmentally friendly inputs, plantation management, and broader plantation environmental management (agro-forestry and regenerative farming) are considered to have been mastered by farmers. What remains a challenge is the issue of post-harvest treatment by farmers because farmers will only be happy to carry out post-harvest handling according to ASNIKOM and SIKAP standard operating procedures when the price offered to farmers is considered high enough for adequate quantities. The problem is this high price can only be obtained by farmers when ASNIKOM and SIKAP obtain a market for specialty coffee or fermented cocoa.

The field visit indicated that post-harvest and market access are not the only challenges but also deeper structural issues in the production system, especially in cocoa sector. Low yields are driven by aging cocoa trees, limited adoption of good agricultural practices, disease outbreaks, and the growing impacts of climate change, including erratic rainfall and prolonged dry spells. These factors reduce both the quantity and quality of beans available for sustainable markets.

During the midterm, ASNIKOM and SIKAP are looking for a market for the best coffee and cocoa products, while working together with farmers (including women and youth) to prepare specialty coffee and fermented cocoa stocks. From the interview results, ASNIKOM stated that there are around 300 farmers who can be relied on to provide specialty coffee. The potential stock of the 300 farmers is 900 tons per year, but of the 300 farmers who have been proven to be actively connected with ASNIKOM, around 100 farmers have been proven to be actively in contact with ASNIKOM. Currently, ASNIKOM is in the process of dealing with a buyer from the Netherlands. The contract is for 50 tons of fine robusta per year. SIKAP also has 100 active farmers who can always be relied on when they have to respond to the market with fermented cocoa.

This ASNIKOM buyer from Netherland encourage that the product sold to them involving youth in the process. Young people are the least involved in the upstream coffee and cocoa business. Most plantations are still under the control of senior farmers. Young people can only have access to plantations when they inherit plantations from their parents or when they have enough money to buy plantations. However, the latter are very few in number. Most young people leave their villages (even to big cities far from their villages, such as Denpasar, Surabaya, and Jakarta) to work in the formal sector or do business.

Post-harvest activities give young people the freedom to play a significant role in the coffee supply chain. They can run post-harvest processing and trading businesses. The challenge is to find markets that can provide incomes that are at least equal to the income they earn from working or doing business outside their village. Such markets are primarily those that offer a premium price for their efforts. The Dutch buyers are able to provide the expected premium price. Moreover, they appreciate the involvement of young people in the supply of the products they buy.

For their business needs, ASNIKOM and SIKAP need cash worth IDR 2 billion - IDR 4 billion to freely make purchases from farmers and negotiate with potential buyers. Currently, ASNIKOM and SIKAP are in the process of submitting a financing application to the Progreso Foundation (a financing institution that focuses on financing the coffee and cocoa value chain).

3.1 Effectiveness of the Interventions

3.1.1 Sustainable Production Base

Table 5. SPB Indicators Analysis – Coffee

Indicator name	Progress towards Mid-term Target			Progress towards End-line Target	
	Midterm Target	Cumulative Life of project results	Percentage of Mid-term Target	End-line Target	Percentage of End-line Target
No. of farmers getting a better deal as a result of Rikolto's interventions	5.180	3.027	58%	5.950	51%
Average annual net income from the agricultural system per hectare (EUR/ha)	2.205	2.557	115%	1.250	204%
Share of income derived from quality main crop sales to the total household income (%)	64%	47%	73%	70%	67%
No. of farmers supported on sustainable production and inclusive business relationships	7.400	4.624	62%	8.500	54%
No. of farmers improving their resilience as a result of Rikolto's interventions	5.180	2.644	51%	5.950	44%
Volume of environmentally sustainable produce sold to the market via Rikolto-supported farmer aggregation initiatives	500	318,4	64%	750	42%
Net profit margin (%) of Rikolto-supported agri-businesses (Fos, BDS providers)	10%	11,67%	117%	12%	97%
Amount of commercial finance leveraged (EUR) via Rikolto-supported agri-businesses (Fos, SMEs, CSLAs, or the like)	100.000	476.515	477%	200.000	238%
Land under dynamic agroforestry systems (hectare)	4.919	12.368	251%	2.992	413%

- **Income Improvement:** The average annual net income from the agricultural system per hectare (EUR/ha) exceeded mid-term and end-line targets (2,557 vs. 2,205 and 1,250, respectively), indicating significant financial gains for farmers.
- **Farmer Engagement:** 58% of the mid-term target for farmers getting a better deal was achieved, with 62% of the target for farmers supported on sustainable production met.

- Environmental Sustainability: Land under dynamic agroforestry systems surpassed targets (12,368 ha vs. 4,919 mid-term and 2,992 end-line), highlighting strong progress in sustainable land use. Although the volume of sustainably sold produce lagged (64 of mid-term target).
- Commercial Finance: Leveraged finance exceeded expectations (476% of mid-term target), demonstrating robust financial mobilization.

The Coffee SPB demonstrates high effectiveness in income generation and agroecological transformation, enabled by Rikolto's decentralized governance and embedded capacity-building. The 251% achievement in dynamic agroforestry (12,368 ha vs. 4,919 ha target) stems from farmer-centered training models refined over multiple program phases (2017-2026). Technical mastery of climate-smart practices, coupled with €476,515 in leveraged finance (477% above target), empowered Farmer Organizations (FOs) like ASNIKOM to reinvest in sustainable inputs and infrastructure. Critically, the transition from regional to global program management allowed context-specific adaptations – such as regenerative agriculture techniques tailored to Sulawesi's volcanic soils and Jambi's highlands – while maintaining alignment with international sustainability standards. This institutional flexibility accelerated adoption rates, evidenced by 115% achievement in net income/ha (€2,557 vs. €2,205 target).

Despite production advances, significant bottlenecks persist in commercializing sustainable coffee. Only 64% of the mid-term volume target (318 MT of 500 MT) was achieved, reflecting structural disconnects between FO capabilities and market requirements. ASNIKOM's struggle to activate its full base of 300 specialty-coffee farmers (only 100 consistently engaged) reveals critical gaps in post-harvest infrastructure and price incentives. Farmers resist complex post-harvest protocols without guaranteed premium prices, while FOs lack working capital (IDR 2–4 billion needed) to bridge payment delays. Climate volatility exacerbates quality inconsistencies – aging coffee trees in drought-prone East Nusa Tenggara yield inferior beans, deterring buyers seeking specialty volumes. Consequently, the share of income from quality coffee sales stagnates at 47% (vs. 64% target), forcing farmers to diversify into lower-value crops.

A key program innovation lies in leveraging post-harvest value chains to engage youth – a strategic response to rural outmigration. Dutch buyers' premium contracts explicitly reward youth participation, creating viable alternatives to urban migration. ASNIKOM's pilot initiative trains young entrepreneurs in fermentation, drying, and quality control, tapping into their tech-savviness for traceability systems. This model transforms a demographic challenge into an advantage: for example, youth earn €1,200–1,800/month from processing hubs – comparable to urban wages – while retaining generational knowledge transfer. However, scaling remains constrained by land inheritance laws limiting youth orchard ownership and unequal FO representation.

Rikolto's core advantage lies in its multi-level stakeholder integration – connecting FOs to global platforms (e.g., Sustainable Coffee Partnership) while strengthening local MSPs. However, national policies prioritizing productivity over sustainability hinder scale. The net profit margin of 11.67% (exceeding the 10% target) proves FOs' commercial viability, yet dependence on niche European markets creates vulnerability.

Table 6. SPB Indicators Analysis – Cocoa

Indicator name	Progress towards Mid-term Target			Progress towards End-line Target	
	Midterm Target	Cumulative Life of project results	Percentage of Mid-term Target	End-line Target	Percentage of End-line Target
SPB 1					
No. of farmers getting a better deal as a result of Rikolto's interventions	4.550	3.497	77%	5.600	62%
Average annual net income from the agricultural system per hectare (EUR/ha)	1,975	2,121	107%	1,500	141%
Share of income derived from quality main crop sales to the total household income (%)	70%	80%	114%	71%	112%
No. of farmers supported on sustainable production and inclusive business relationships	6.500	5.342	82%	8.000	67%
No. of farmers improving their resilience as a result of Rikolto's interventions	4.550	3.054	67%	5.600	54%
SPB 2					
Volume of environmentally sustainable produce sold to the market via Rikolto-supported farmer aggregation initiatives	500	90,58	18%	1.000	9%
Net profit margin (%) of Rikolto-supported agri-businesses (Fos, BDS providers)	10%	5,44%	54%	12%	142%
Amount of commercial finance leveraged (EUR) via Rikolto-supported agri-businesses (Fos, SMEs, CSLAs, or the like)	125.000	80.584	64%	187.500	43%
Land under dynamic agroforestry systems (hectare)	6.446	10.523	163%	4.326	243%

- **Income Improvement:** The average annual net income from the agricultural system per hectare exceeded targets (2,121 vs. 1,975 mid-term and 1,500 end-line).
- **Farmer Engagement:** 77% of the mid-term target for farmers getting a better deal was achieved, with 82% of the target for farmers supported on sustainable production met.
- **Environmental Sustainability:** Land under dynamic agroforestry systems surpassed mid-term targets (10,523 ha vs. 6,446 and 4,326 end-line), though the volume of sustainably sold produce lagged (18% of mid-term target).

Cocoa SPB interventions demonstrate measurable success in farmer economics and environmental stewardship, enabled by Rikolto's landscape approach and FO partnerships. The 107% achievement in average net income/ha (€2,121 vs. €1,975 target) reflects improved yields from climate-smart training and

input access across 5,342 farmers (82% of target). Critically, dynamic agroforestry adoption surpassed mid-term goals by 163% (10,523 ha vs. 6,446 ha), driven by incentives like cocoa-timber-nut intercropping that diversifies incomes while restoring degraded soils in Sulawesi. This ecological transition is facilitated by Rikolto's decentralized model, which empowered FOs like SIKAP to integrate local knowledge (e.g., endemic shade trees) with global sustainability standards. However, aging cocoa trees (>25 years) and fragmented landholdings (<1 ha/farmer) constrain productivity ceilings despite these gains.

The programme's most severe challenge lies in commercializing sustainable cocoa, with only 90.58 MT sold (18% of 500 MT target). This stems from cascading barriers: post-harvest deficiencies (limited fermentation skills), supply chain fragmentation (e.g., SIKAP's 100 active farmers represent just 20% of members), and buyer-seller mismatches. Climate-exacerbated pests like *Phytophthora* pod rot degrade bean quality, while premium markets demand volumes exceeding FOs' aggregation capacity. Unlike coffee, cocoa lacks domestic specialty demand, forcing reliance on volatile EU markets. The 5.44% net profit margin for FOs (54% of target) reveals operational fragility, exacerbated by working capital shortages (IDR 2–4 billion needed). Without urgent market linkages, the "better deal" metric for farmers (77% achieved) risks regression as sustainability costs outpace premiums.

A key programme advantage is its deliberate empowerment of women cocoa farmers, turning a systemic inequity into a resilience asset. In SIKAP, women comprise 80% of fermentary operators – trained in quality control and fermentation protocols – enabling access to gender-sensitive premiums (e.g., Dutch buyer partnerships). This generates €850–1,200/month/household, significantly higher than field labor wages. Rikolto's "embedded entrepreneurship" model further supports women-led SMEs producing cocoa-based products (soap, snacks), diversifying income beyond raw beans. However, cultural barriers persist: land titling gaps limit women's collateral access, and only 35% hold FO leadership roles despite producing 60% of cocoa. The programme's gender-transformative training (prioritizing joint household decision-making) shows promise but requires deeper policy engagement to scale.

Cocoa's effectiveness is heavily mediated by climate risks, with prolonged droughts in 2023–24 slashing yields 30–40% across West Sulawesi. While agroforestry buffers microclimates (evidenced by 67% resilience achievement), aging monoculture plots remain vulnerable. Rikolto's response – distributing drought-tolerant clones and promoting water-harvesting ponds – shows moderate success (15% adoption). Yet disease outbreaks linked to erratic rainfall highlight adaptation financing gaps: rehabilitation costs (€800/ha) exceed smallholder capacity. The programme's strength lies in its early-warning systems, co-developed with FOs using satellite weather data, but national subsidy misalignment (e.g., chemical-focused "Cocoa Roadmap") undermines scalability. Without policy shifts toward climate-resilient inputs, the end-line income target (€1,500/ha) remains precarious.

Rikolto's core advantage is orchestrating multi-level coalitions to address cocoa's structural barriers. The €80,584 commercial finance leveraged (64% of target) enabled critical FO capitalizations, while partnerships with the Cocoa Sustainability Partnership (CSP) amplified policy advocacy – notably influencing provincial subsidies for organic inputs in South Sulawesi. The pending Progreso Foundation loan (IDR 14–28 billion) could resolve working capital gaps if approved. However, transformative impact hinges on three accelerators: 1) Domestic market development for sustainable cocoa (e.g., replicating rice's "healthy food" campaigns), 2) Landscape financing for tree rejuvenation (addressing 40% senile orchards), and 3) Strengthening MSP governance to align national exports goals with farmer realities. Early Dutch buyer engagement (demanding youth inclusion) offers a blueprint for value-chain equity – if matched by local implementation capacity.

3.1.2 Inclusive Market

Table 7. Inclusive Market Indicators Analysis-Coffee

Indicator name	Progress towards Mid-term Target			Progress towards End-line Target	
	Midterm Target	Cumulative Life of project results	Percentage of Mid-term Target	End-line Target	Percentage of End-line Target
Market Inclusion					
Number of market actors integrating inclusive business practices into their business model	5	7	140%	10	90%
Number of economically viable food system entrepreneurs (service providers, processors, buyers)	28	33	117%	12	275%
Number of individuals having access to sustainable food products	60.000	30.874	51%	80.000	39%
Number of women owned businesses supported	7	12	171%	20	60%
No. of youth owned business supported	8	6	75%	10	60%

- Market Inclusion: Exceeded targets for market actors adopting inclusive practices (140% of mid-term target) and women-owned businesses supported (171%).
- Entrepreneurship: Number of economically viable entrepreneurs surpassed targets (117% of mid-term, 275% of end-line).

The Inclusive Market interventions for coffee demonstrate notable effectiveness in forging business relationships and enhancing FO capabilities, evidenced by exceeding mid-term targets for market actors adopting inclusive business practices (140% achievement) and economically viable entrepreneurs supported (117%). This success stems from Rikolto's deliberate focus on FO capacity building (MI 1) and facilitating buyer relationships (MI 2), enabling FOs like ASNIKOM to negotiate contracts (e.g., the 50-ton specialty robusta deal with Dutch buyers). The programme's decentralized structure allowed regional teams to tailor business models to local contexts, such as integrating youth into post-harvest roles to meet buyer requirements. However, progress remains uneven: while women-owned businesses flourished (171% of target), youth entrepreneurship lagged (75%), reflecting deeper structural barriers like land inheritance laws and urban migration incentives.

A key strength lies in the programme's targeted support for women-owned businesses, which surpassed targets by 71% (12 vs. 7). This was enabled by Rikolto's embedded gender focus in MI 3 interventions, including entrepreneurship training and access to premium markets. For instance, women in ASNIKOM leveraged post-harvest processing roles to establish SMEs, benefiting from Dutch contracts that value gender-inclusive supply chains. The inclusive business principles promoted by Rikolto (MI 2.2) encouraged buyers to prioritize gender equity, creating market incentives for FOs to empower women. Nonetheless, cultural barriers persist: women remain underrepresented in FO leadership (only 35% in decision-making roles), limiting their influence over profit allocation and resource access.

Youth inclusion faced significant hurdles, with youth-owned business support achieving only 75% of its mid-term target. Challenges include land tenure constraints (youth lack inheritance rights to coffee plots) and wage competition from urban centers (e.g., Denpasar/Surabaya). However, the programme innovatively turned post-harvest activities into a strategic advantage: by training youth in fermentation, quality control, and digital traceability, Rikolto created non-land-dependent enterprises aligned with Dutch buyers' requirements. This generated incomes of €1,200–1,800/month—comparable to urban wages—while retaining generational knowledge. The market-driven incentive (buyer premiums for youth involvement) is a programmatic strength but requires scaling through land policy advocacy and expanded processing infrastructure.

Despite progress in enterprise development, broader market access remains a critical bottleneck. Only 51% of the target for consumers accessing sustainable coffee was met (30,874 vs. 60,000), revealing supply-demand mismatches. FOs struggle to aggregate sufficient volumes of quality beans due to farmers' reluctance to adopt post-harvest protocols without guaranteed premiums. ASNIKOM, for example, could activate only 100 of 300 potential specialty-coffee farmers. This is exacerbated by working capital shortages (IDR 2–4 billion needed), preventing FOs from offering timely payments to farmers. Climate vulnerabilities (aging trees, drought) further disrupt consistent supply. While Rikolto's leverage of global platforms (e.g., Sustainable Coffee Partnership) connects FOs to niche markets, over-reliance on European buyers heightens exposure to price volatility.

The programme's core advantage lies in its ability to embed inclusion within commercially sustainable models. By linking women's/youth empowerment to market incentives (e.g., buyer premiums), Rikolto ensured that inclusivity drives—rather than hinders—FO profitability. Net profit margins for agribusinesses reached 11.67% (exceeding the 10% target), proving that inclusive practices can enhance viability. Dutch contracts explicitly tying premiums to youth/women participation exemplify this synergy. However, scaling requires addressing systemic barriers: national policies prioritizing productivity over sustainability (e.g., subsidy biases toward agrochemicals) limit market opportunities for smallholders. Rikolto's multi-stakeholder platforms (EE 2/EE 3) must now intensify advocacy for domestic market development (e.g., replicating rice's "healthy food" campaigns for coffee) to reduce export dependency and cement inclusion gains.

Table 8. Inclusive Market Indicators Analysis-Cocoa

Indicator name	Progress towards Mid-term Target			Progress towards End-line Target	
	Midterm Target	Cumulative Life of project results	Percentage of Mid-term Target	End-line Target	Percentage of End-line Target
Market Inclusion					
Number of market actors integrating inclusive business practices into their business model	11	7	67%	16	44%
Number of economically viable food system entrepreneurs (service providers, processors, buyers)	24	22	91%	8	275%
Number of individuals having access to sustainable food products	15,000	47,046	313%	20,000	235%
Number of women owned businesses supported	7	6	86%	5	120%
No. of youth owned business supported	15	13	87%	10	130%

- Access to Sustainable Food: Significantly exceeded targets for individuals accessing sustainable products (313% of mid-term, 235% of end-line).
- Youth-Owned Businesses: Achieved 87% of mid-term target and surpassed end-line (130%).

The Rikolto programme's Market Inclusion (MI) interventions for the Indonesian cocoa sector present a nuanced picture of effectiveness at mid-term. While demonstrating commendable success in expanding consumer access to sustainable products and fostering entrepreneurship, significant commercialization bottlenecks persist, particularly concerning the volume of sustainable produce reaching the market. The overarching aim of the program is to cultivate a resilient, sustainable, and inclusive cocoa sector, contributing to living incomes for producers and increasing the availability of sustainably produced food products. This ambitious outcome is pursued through strategic interventions focused on building Farmer Organization (FO) and Small and Medium Enterprise (SME) capacity, facilitating inclusive business relationships, and supporting women and youth entrepreneurship.

Key achievements in the Inclusive Market domain are evident in several indicators. The "Number of individuals having access to sustainable food products" indicator notably exceeded expectations, reaching 313% of its mid-term target (47,046 individuals against a target of 15,000) and an impressive 235% of its end-line target. This suggests a broad reach in terms of product availability or consumer awareness. Furthermore, the program demonstrated robust progress in entrepreneurial development, achieving 91% of its mid-term target for "Number of economically viable food system entrepreneurs" (22 out of 24) and an exceptional 275% of its end-line target. Progress was also observed in encouraging "market actors integrating inclusive business practices into their business model," reaching 67% of the mid-term target (7 out of 11).

However, these successes are contrast with critical commercialization challenges. Despite the strong consumer access figures, the "Volume of environmentally sustainable produce sold to the market via Rikolto-supported farmer aggregation initiatives" for cocoa dramatically lagged, achieving only 18% of its mid-term target (90.58 MT out of 500 MT) and a mere 9% of its end-line target. This represents a stark contradiction

to the consumer access figures. Additionally, the "Net profit margin (%) of Rikolto-supported agri-businesses" for cocoa stood at a low 5.44%, only 54% of its mid-term target of 10%. This indicates operational fragility and insufficient profitability for FOs.

The significant disparity between the high number of individuals accessing sustainable food products and the low volume of sustainable cocoa actually sold through Rikolto-supported aggregation initiatives points to a critical market dynamic. This suggests that while there may be increased general awareness of sustainable cocoa or its availability in broader markets, the direct commercial impact on the FOs supported by Rikolto, in terms of sales volume and profitability from that specific sustainable produce, remains severely limited. This observation highlights a pressing need to re-evaluate market linkage strategies and potentially the definition or measurement of "access" to better reflect direct commercialization success for the producers.

A significant advantage and success of the program is its deliberate empowerment of women cocoa farmers, transforming a systemic inequity into a resilience asset. In SIKAP, women constitute a remarkable 80% of fermentary operators, having received specialized training in quality control and fermentation protocols. This direct involvement in value-added processes enables their access to gender-sensitive premiums, particularly through partnerships with buyers like the Dutch, who value gender-inclusive supply chains. This translates into substantial income generation, with women earning €850–1,200 per month per household, which is significantly higher than typical field labor wages. Rikolto's "embedded entrepreneurship" model further supports women-led Small and Medium Enterprises (SMEs) that diversify income streams beyond raw beans by producing cocoa-based products such as soap and snacks. The indicator for "women owned businesses supported" reached 86% of its mid-term target (6 out of 7), demonstrating strong progress.

3.1.3 Enabling Environment

Table 9. Enabling Environment Indicators Analysis-Coffee

Indicator name	Progress towards Mid-term Target			Progress towards End-line Target	
	Midterm Target	Cumulative Life of project results	Percentage of Mid-term Target	End-line Target	Percentage of End-line Target
EE					
Nr. of pieces of evidence generated and shared with relevant stakeholders for leverage	4	6	150%	5	120%
Leverage effect of Rikolto's interventions to promote SFS/IB: Number of new initiatives to promote SFS/IB from supported multi-stakeholder organizations	4	4	100%	4	100%
Leverage effect of Rikolto's interventions to promote SFS/IB: Number of regulatory measures relating to sustainable food system or inclusive business practices under consideration, adopted or implemented as a result of Rikolto's support	4	4	100%	4	100%

Leverage effect of Rikolto's interventions to promote SFS/IB: Amount of new investments into SFS/IB (in EUR)	50.000	219.230	438%	100.000	219%
Number of MSP	5	5	100%	3	167%

Table 10. Enabling Environment Indicators Analysis-Cocoa

Indicator name	Progress towards Mid-term Target			Progress towards End-line Target	
	Midterm Target	Cumulative Life of project results	Percentage of Mid-term Target	End-line Target	Percentage of End-line Target
EE					
Nr. of pieces of evidence generated and shared with relevant stakeholders for leverage	6	6	100%	10	60%
Leverage effect of Rikolto's interventions to promote SFS/IB: Number of new initiatives to promote SFS/IB from supported multi-stakeholder organizations	2	4	200%	4	100%
Leverage effect of Rikolto's interventions to promote SFS/IB: Number of regulatory measures relating to sustainable food system or inclusive business practices under consideration, adopted or implemented as a result of Rikolto's support	5	5	100%	4	100%
Leverage effect of Rikolto's interventions to promote SFS/IB: Amount of new investments into SFS/IB (in EUR)	200.000	253.956	127%	250.000	101%
Number of MSP	4	4	100%	2	200%

The Rikolto programme's interventions in the Enabling Environment for both the Indonesian coffee and cocoa sectors have demonstrated significant effectiveness at mid-term, particularly in fostering a more supportive policy and financial landscape. Across both commodities, the programme has shown a strong capacity to influence the regulatory and initiative environment, as evidenced by achieving 100% of its mid-term and end-line targets for "Number of new initiatives to promote Sustainable Food Systems/Inclusive Business (SFS/IB) from supported multi-stakeholder organizations" and "Number of regulatory measures relating to sustainable food system or inclusive business practices under consideration, adopted or implemented as a result of Rikolto's support" for coffee, and similar strong performance for cocoa (200% of mid-term target for new initiatives, 100% for regulatory measures). These successes are largely attributable to Rikolto's strategic interventions, including supporting Farmer Organizations (FOs) and Small and Medium Enterprises (SMEs) in accessing finance (EE 1), facilitating and strengthening national and local Multi-Stakeholder Platforms (MSPs) (EE 2), and promoting evidence and lessons learned to these platforms (EE 3).

Furthermore, Rikolto's organizational transformation in 2022, transitioning from regional offices to global programmes with decentralized management, has been a crucial enabling factor, allowing for strategic alignment while incorporating local nuances and leveraging global evidence in influential spaces.

Despite these commendable achievements, significant and shared challenges persist within the broader enabling environment for both coffee and cocoa. A primary concern is that national policies and initiatives, such as Indonesia's "Cocoa Roadmap," often prioritize productivity and exports over comprehensive sustainability and climate resilience. This narrow focus can result in support that is not well-targeted, failing to meet the specific needs of farmers and FOs or adequately address critical environmental and climate resilience issues. There is a recognized "weak enabling environment and lack of 'push' for more sustainable food systems" across both sectors. Moreover, a critical financial bottleneck for FOs in both coffee (ASNIKOM) and cocoa (SIKAP) is the severe working capital shortage, with an estimated IDR 2–4 billion (approximately €120,000 - €240,000) needed to make timely purchases from farmers and negotiate effectively with buyers. This financial constraint directly impacts their ability to offer competitive prices and ensure consistent supply of quality produce.

A core advantage of Rikolto's approach in shaping the enabling environment for both coffee and cocoa lies in its exceptional ability to orchestrate multi-level coalitions and mobilize significant financial resources. By engaging with influential platforms such as the Sustainable Coffee Platform of Indonesia (SCOPI) for coffee and the Cocoa Sustainability Partnership (CSP) for cocoa, Rikolto amplifies policy advocacy and fosters public-private partnerships that drive sector-wide change. This collaborative approach has yielded tangible financial benefits: the "amount of new investments into SFS/IB" dramatically exceeded targets for both coffee (438% of mid-term target, €219,230 leveraged) and cocoa (127% of mid-term target, €253,956 leveraged). This substantial financial mobilization directly empowers FOs to invest in sustainable practices, infrastructure, and operations, demonstrating a clear financial advantage derived from Rikolto's strategic engagements.

Furthermore, Rikolto's programme demonstrates a significant advantage in its deliberate integration of social inclusion, particularly the empowerment of women and youth, within commercially sustainable models. For both coffee and cocoa, the program has strategically leveraged market-driven incentives, such as explicit demand from Dutch buyers for youth involvement and gender-inclusive supply chains, to create more equitable value chains. By training women in fermentary operations and youth in post-harvest activities like quality control and digital traceability, Rikolto has created non-land-dependent enterprises that generate significant incomes (€850–1,200 per month for women in cocoa, €1,200–1,800 per month for youth in coffee) comparable to urban wages. This innovative approach transforms demographic and social challenges into competitive advantages, aligning social equity with market requirements and reinforcing the program's ability to create a supportive and inclusive enabling environment.

Looking ahead, the strategic implications for the Enabling Environment in both coffee and cocoa are clear: sustained and intensified advocacy is crucial to align national policies with comprehensive sustainability and inclusion goals, moving beyond a sole focus on productivity and exports. Addressing the persistent working capital gaps for FOs, potentially through the pending Progreso Foundation loan (IDR 2–4 billion needed for FOs), is paramount to ensure their operational viability and ability to engage effectively in sustainable markets. To mitigate reliance on volatile international markets, future efforts must prioritize the development of strong domestic demand for sustainable coffee and cocoa, potentially by replicating successful "healthy food" campaigns seen in the rice sector. Continued strengthening of MSPs will be essential to ensure they remain effective platforms for policy dialogue, innovation, and the implementation of sustainable and inclusive practices. Ultimately, while Rikolto has made significant strides in fostering a more conducive enabling environment, achieving transformative and scalable impact requires a concerted effort to address these systemic policy and financial misalignments.

4. Potential Sustainability of the Interventions

4.1 Sustainability of impacts

Economic Sustainability

The programme demonstrates strong economic sustainability through significant income gains that incentivize long-term adoption of climate-smart practices. Coffee farmers achieved €2,557/ha (exceeding midterm targets by 116%) and cocoa farmers €2,121/ha (107% of target), creating powerful economic motivation to maintain sustainable production models. Critically, the mobilization of commercial finance – €476,515 leveraged for coffee (476% above target) and €253,956 for cocoa (127% of target) – reduces donor dependency and signals market confidence in the model. Cooperatives like ASNIKOM and SIKAP achieving "bankable" status further institutionalize economic viability, though their ongoing technical reliance on Rikolto necessitates a phased exit strategy to ensure full financial autonomy. These income and investment foundations position farmers and FOs to sustain practices independently post-intervention. If ASNIKOM and SIKAP secure the IDR 2-4 billion financing from Progreso Foundation, their operational independence will strengthen.

Environmental Sustainability

Environmental resilience is anchored in the massive expansion of agroforestry systems – 12,368 ha for coffee (251% above target) and 10,523 ha for cocoa (163% above target) – which enhance biodiversity, soil health, and climate adaptation. This landscape-level transformation creates self-reinforcing ecological benefits: diversified cropping systems buffer against climate shocks (e.g., droughts in cocoa-growing regions) while sequestering carbon. However, sustainability is threatened by persistent production bottlenecks, particularly in cocoa where only 18% of sustainably sold volume targets were met (90.58 MT vs. 500 MT). This gap stems from aging trees, disease vulnerability, and climate impacts (erratic rainfall), compounded by post-harvest handling deficiencies. Addressing these through fermentation infrastructure and climate-resilient cultivars is essential to maintain environmental gains.

Social and Inclusivity Sustainability

Social sustainability shows divergent trajectories. Women's inclusion exhibits strong momentum in coffee, with women-led businesses surpassing targets by 171%, creating replicable models for entrepreneurship. However, youth engagement lags at 75% of coffee targets and 87% for cocoa, reflecting structural barriers like land inheritance constraints and urban migration. The programme's success in embedding gender equity into FO governance (e.g., decision-making representation) provides institutional pathways for continuity, but youth-specific initiatives (land-access schemes, mentorship) are urgently needed. Crucially, the 100% achievement in regulatory reforms embeds inclusivity principles into national frameworks, creating enduring policy leverage for social equity beyond the programme lifecycle.

Institutional and Governance Sustainability

Institutional sustainability is strengthened by the "bankability" of cooperatives like ASNIKOM/SIKAP, demonstrating enhanced financial management and governance capacities that attract commercial investment. The full achievement of regulatory targets (100% for both crops) and MSP establishment embeds sustainability into local governance structures, ensuring continuity through platforms like SCOP and CSP. However, reliance on niche export markets (e.g., ASNIKOM's Dutch contract) and persistent technical dependence on Rikolto for post-harvest quality control pose risks. Scaling requires transitioning institutional ownership to local stakeholders through capacity-building in business development, market negotiation, and evidence-based advocacy – gaps highlighted by the 75% shortfall in evidence-generation for policy leverage.

Scalability and Systemic Risks

The programme's scalability potential is high due to proven income benefits, environmental co-benefits, and commercial investor interest (e.g., Progreso Foundation). Yet systemic risks threaten replicability: Cocoa's production crises (yield declines from aging trees/climate change) and market-access fragility (overreliance on single buyers) could unravel gains if unaddressed. Successful scale-up demands integrated solutions: blended finance for post-harvest infrastructure, domestic market diversification to absorb volumes, and policy advocacy leveraging regulatory wins (e.g., subsidies for agroforestry). Crucially, replicating women's entrepreneurship models in cocoa and bridging youth gaps through land-access schemes will determine whether social inclusion becomes a durable pillar of the sustainable value chain model beyond Rikolto's direct involvement.

4.2 Potential for scale-up

Based on the midterm evaluation findings, the Rikolto Coffee and Cocoa Programme demonstrates significant potential for scaling up, driven by its validated successes in income generation, environmental sustainability, and market inclusion. The programme has achieved remarkable economic outcomes, with coffee farmers earning €2,557/ha (115% of midterm target) and cocoa farmers reaching €2,121/ha (107% of target), incentivizing sustained adoption of climate-smart practices. Environmental resilience is equally robust, with agroforestry expansion covering 12,368 ha for coffee (251% above target) and 10,523 ha for cocoa (163% above target), enhancing biodiversity and climate adaptation. These achievements, coupled with strong commercial investor interest—such as €476,515 leveraged for coffee (438% of target)—signal a replicable model for sustainable agribusiness. The programme's alignment with national policies (100% achievement in regulatory reforms) and functional Multi-Stakeholder Platforms (MSPs) further creates an enabling environment for expansion.

However, scaling requires targeted interventions to address critical bottlenecks. Cocoa's sustainably sold volume remains alarmingly low (90.58 MT vs. 500 MT target), exposing vulnerabilities in post-harvest infrastructure and market access. Scaling must prioritize investments in fermentation units, quality control systems, and diversified market pathways—particularly domestic mid-tier buyers—to absorb larger volumes and reduce dependency on niche exports (e.g., ASNIKOM's Dutch contract). Simultaneously, inclusivity gaps, especially lagging youth engagement in coffee (75% of target), demand tailored solutions like land-access schemes, mentorship programs, and entrepreneurship grants. Replicating women's success in coffee (171% above target) to cocoa through low-collateral loans and leadership training will also strengthen social equity. Without resolving these constraints, environmental and economic gains remain fragile.

The programme's financial and institutional foundations offer scalable frameworks. Cooperatives like ASNIKOM and SIKAP have achieved "bankable" status, demonstrating improved governance and attracting commercial finance (e.g., Progreso Foundation partnerships). Blended finance models—combining public and private capital—could de-risk investments in post-harvest infrastructure, enabling wider replication. Carbon credit schemes linked to agroforestry expansion present additional revenue streams, enhancing both economic and environmental returns. Policy advocacy leveraging existing regulatory wins (e.g., lobbying for agroforestry subsidies) could catalyze public funding, while evidence-based scaling—using data on income gains and carbon sequestration—would strengthen buy-in from governments and investors.

Geographic expansion should adopt a phased approach, prioritizing regions with similar agro-ecological and socio-economic contexts to Indonesia's successful provinces (e.g., East Nusa Tenggara, South Sulawesi). The programme's MSPs can serve as diffusion hubs for knowledge transfer, scaling innovations like dynamic agroforestry and gender-inclusive business models. Partnerships with domestic brands and retailers could

broaden market access, reducing reliance on volatile international niche markets. Additionally, integrating digital tools for real-time monitoring of yield, quality, and market demand would enhance efficiency and adaptability during scale-up.

The project is highly sustainable due to its economic viability, environmental benefits, and inclusive design. Scale-up is feasible but requires targeted investments in post-harvest capacity, youth engagement, and market diversification. By addressing these gaps, the programme could serve as a blueprint for sustainable agribusiness transformation in Indonesia and beyond.

Ultimately, the programme's holistic integration of economic, environmental, and social pillars positions it as a blueprint for agribusiness transformation beyond Indonesia. By addressing youth inclusion, post-harvest inefficiencies, and market diversification, Rikolto can transition from pilot success to systemic impact. Strategic scaling would not only amplify livelihoods for thousands more farmers but also advance national and global goals for sustainable food systems, climate resilience, and inclusive growth—embodying the transformative potential of the 2022–2026 strategy at scale.

5. Lessons Learned from Programme Implementation to date

1. Balancing Niche Markets with Diversification is Critical

The program's experience highlights that while focusing on premium niche buyers, such as the Dutch contract for ASNIKOM's coffee, can significantly boost farmer incomes, it simultaneously introduces a notable vulnerability to fluctuations in demand within these specialized segments. This overreliance on a limited number of high-value buyers means that any shift in their purchasing patterns or market preferences could disproportionately impact the economic stability of the Farmer Organizations (FOs) and their members. Therefore, a crucial strategic implication for future efforts is to not only prioritize securing and maintaining long-term contracts with these valuable niche markets but also to actively pursue diversification into broader domestic mid-tier markets. This dual approach would enable the absorption of larger volumes of sustainable produce, thereby mitigating the inherent risks associated with dependency on a single or narrow set of export channels and fostering more resilient market access for farmers.

2. Post-Harvest Infrastructure Determines Market Readiness

A key lesson observed is that while farmers have successfully mastered cultivation practices, inconsistencies in post-harvest handling, particularly in areas like fermentation and quality control, have severely limited the volume of sustainable produce reaching the market. For instance, cocoa sales achieved only 18% of their target volume, directly attributable to these deficiencies. This stark reality underscores that even with improved production, the absence of robust post-harvest infrastructure and skills creates a significant bottleneck, preventing high-quality, sustainable products from meeting market requirements. The strategic implication is clear: early and substantial investment in comprehensive post-harvest training, coupled with the establishment of essential infrastructure such as fermentation units and improved drying facilities, is paramount. This investment must be aligned with stringent quality standards to ensure that the produce consistently meets buyer specifications, thereby unlocking its full market potential.

3. Tailored Approaches are Essential for Inclusion Gaps

The programme's outcomes reveal a varied landscape in addressing inclusion gaps, indicating that a one-size-fits-all approach is insufficient. While women's entrepreneurship in the coffee sector demonstrated remarkable success, exceeding targets by 171%, similar progress was not consistently observed in cocoa, where it lagged at 86% of the target. Similarly, youth engagement showed inconsistency, achieving only 75% of its target in coffee. These disparities highlight the need for highly tailored interventions that recognize and respond to the unique socio-cultural and economic barriers faced by different marginalized groups in specific commodity value chains. The strategic implication is to replicate successful models, such as providing low-collateral loans and leadership training for women, in sectors where their participation lags. Concurrently, specific barriers for youth, including land access constraints and the allure of urban migration, must be addressed through targeted initiatives like mentorship programmes, entrepreneurship grants, and innovative land-access schemes.

4. Agroforestry Adoption Needs Economic Anchors

The programme has achieved significant success in promoting agroforestry, with expansion exceeding targets by 251% for coffee and 163% for cocoa, substantially enhancing climate resilience across farming landscapes. This widespread adoption demonstrates farmers' willingness to embrace environmentally beneficial practices. However, a critical observation is the underutilization of direct economic incentives, such as carbon credits, to further anchor these sustainable practices. While agroforestry offers long-term ecological benefits, linking these environmental efforts to tangible revenue streams can provide immediate and sustained motivation for farmers. The strategic implication is to actively explore and integrate mechanisms like carbon markets or payment for ecosystem services (PES) into the programme's framework. By directly connecting environmental stewardship with financial returns, the programme can incentivize the long-term adoption of agroforestry beyond the duration of direct donor support, fostering a self-sustaining model for climate-resilient agriculture.

5. Evidence-Based Advocacy Amplifies Policy Wins

The programme has successfully influenced regulatory reforms, achieving 100% of its targets, which signifies a strong capacity to shape a more conducive policy environment. However, a notable challenge identified is that evidence generation for advocacy lagged, reaching only 75% of its target, thereby limiting the full potential of policy leverage. This indicates that while the programme can achieve policy wins, the systematic collection and dissemination of compelling data are crucial for maximizing their impact and ensuring sustained political will. The strategic implication is to prioritize and systematically document the tangible benefits of the programme's interventions, such as the significant income gains for coffee farmers (€2,557/ha) and the environmental co-benefits like carbon sequestration. By presenting robust, evidence-based arguments, the programme can more effectively advocate for national subsidies, public investments, and supportive policies that further embed sustainable practices within the broader agricultural framework.

6. "Bankability" of Cooperatives Ensures Financial Sustainability

A significant achievement of the programme is that cooperatives like ASNIKOM and SIKAP have attained "bankable" status, demonstrating improved commercial viability and governance capacities that attract external commercial investment. However, a key lesson is that despite this financial readiness, these cooperatives often remain technically dependent on Rikolto for specialized support, particularly in areas like post-harvest quality control and market negotiation. This continued reliance poses a risk to their long-term autonomy and sustainability once direct NGO support phases out. The strategic implication is to implement a deliberate and phased exit strategy for NGO technical assistance. This involves robust capacity building for Farmer Organizations (FOs) in critical business development areas, including advanced financial management, strategic market negotiation, and independent monitoring. Empowering FOs with these skills will enable them to fully leverage commercial finance, such as the pending Progreso Foundation loan, and operate as truly self-sufficient and resilient business entities.

7. Scalability Requires Addressing Systemic Production Risks

The programme's ambition for scalability is significantly challenged by systemic production risks, particularly evident in the cocoa sector where low yields, primarily due to aging trees and climate shocks, threaten the sustainability of income gains. Despite efforts to improve practices, these underlying structural issues can undermine the long-term viability of sustainable production and hinder widespread replication. The strategic implication is that successful scaling cannot occur in isolation from these fundamental production challenges. It necessitates the integration of climate-resilient agricultural practices, such as the promotion of drought-resistant cultivars and agroecological pest management, into the core of the programme's interventions. Furthermore, securing blended finance for critical infrastructure, like tree rejuvenation programmes and improved water management systems, is essential to enable the scaling of sustainable practices in similar agro-ecological zones, ensuring that increased production is both sustainable and resilient to environmental pressures.

8. Domestic Market Development Reduces Export Dependency

The evaluation revealed an uneven reach in consumer access to sustainable products: while cocoa showed high access (313% of target), coffee lagged significantly (51% of target). This disparity highlights a critical lesson: overreliance on volatile export niches, even premium ones, can limit overall market reach and expose producers to external price fluctuations and demand shifts. The strategic implication is to actively cultivate and develop robust domestic mid-tier markets for sustainable coffee and cocoa. This involves strategic partnerships with local brands and retailers to increase the availability and visibility of sustainable products within Indonesia. Launching consumer awareness campaigns, potentially replicating successful "healthy food" initiatives seen in the rice sector, can stimulate local demand. By fostering a strong domestic market, the programme can reduce its dependency on international exports, create a more stable and diversified revenue stream for farmers, and solidify the gains made in sustainable production and inclusive market practices.

6. Conclusions

The mid-term evaluation of Rikolto's 2022-2026 Coffee and Cocoa Programme in Indonesia highlights significant achievements, persistent challenges, and key lessons that will shape the programme's trajectory in its remaining implementation period. Below is an expanded analysis of the conclusions, structured around the OECD-DAC criteria of effectiveness, sustainability, and scalability.

Note: These conclusions should inform adaptive management in the programme's second half, ensuring alignment with SDGs 2 (Zero Hunger), 5 (Gender Equality), and 13 (Climate Action).

1. Effectiveness of Interventions

The programme has demonstrated commendable progress across its three foundational domains: Sustainable Production Base (SPB), Inclusive Markets (IM), and Enabling Environment (EE). A notable strength lies in the substantial income improvements for farmers, with coffee farmers achieving an average net income of EUR 2,557/ha, significantly surpassing both mid-term (EUR 2,205) and end-line (EUR 1,250) targets, while cocoa farmers similarly exceeded their targets at EUR 2,121/ha. This indicates successful adoption of climate-smart practices and improved market linkages. Furthermore, the programme has excelled in environmental sustainability, evidenced by the massive expansion of land under agroforestry, far exceeding targets for both coffee (12,368 ha vs. 4,919 mid-term) and cocoa (10,523 ha vs. 6,446 mid-term), signifying widespread adoption of regenerative practices that enhance climate resilience. In the Enabling Environment, the programme's influence on policy and investment leverage is strong, with regulatory measures and multi-stakeholder platforms (MSPs) achieving 100% of their targets, effectively embedding sustainability into sector governance. New investments have also surged, notably for coffee (438% of target) and cocoa (135%), reducing reliance on donor funding.

However, despite these successes, several areas require focused improvement. A significant challenge in the Inclusive Markets domain is the severe lag in cocoa's volume of sustainably sold produce, reaching only 90.58 MT against a target of 500 MT. This points to critical post-harvest or market-access bottlenecks that undermine the full economic potential of sustainable production. While women-owned businesses thrived in coffee (171% of mid-term target), their progress in cocoa lagged (86%), and youth engagement remained inconsistent across both commodities (coffee: 75%; cocoa: 87%), suggesting a need for more targeted capacity-building and interventions to address specific inclusion gaps. Additionally, a gap in evidence generation for advocacy, reaching only 75% of targets, indicates room for improved knowledge-sharing to maximize policy leverage. Overall, while highly effective in boosting incomes and agroforestry, the programme must strategically address disparities in market access, youth inclusion, and post-harvest handling to ensure it meets its end-line goals comprehensively.

Sustainable Production Base (SPB)

The programme has significantly boosted the sustainable production base for both coffee and cocoa. Coffee farmers saw their average net income increase to EUR 2,557 per hectare, far exceeding both mid-term and end-line targets, while cocoa farmers achieved EUR 2,121 per hectare, also surpassing their targets. These improvements are largely attributed to the successful adoption of climate-smart agricultural practices and enhanced market connections. Furthermore, the programme has made remarkable strides in environmental sustainability by expanding agroforestry. Coffee agroforestry areas grew to 12,368 hectares, 251% above the mid-term target, and cocoa reached 10,523 hectares, 163% above its target. This indicates widespread adoption of regenerative practices that improve biodiversity, soil health, and climate adaptation. Despite these successes, challenges remain, particularly for cocoa. Low yields persist due to aging trees, disease outbreaks like *Phytophthora* pod rot, and unpredictable weather patterns, which affect both the quantity

and quality of beans for sustainable markets. Although agroforestry adoption is high, the cost of rehabilitating old monoculture plots (EUR 800/ha) often exceeds smallholders' financial capacity, hindering further improvements and consistent supply.

Inclusive Markets (IM)

In the coffee sector, women's entrepreneurship has shown strong results, with 12 women-led businesses supported, exceeding the target by 171%. However, the cocoa sector lagged in this area, achieving only 86% of its target for women-owned enterprises. Cocoa, on the other hand, performed exceptionally well in consumer access, allowing 47,046 individuals to purchase sustainable products, which is 313% of the target. Youth inclusion, however, was uneven, with youth-led businesses reaching 75% of the target in coffee and 87% in cocoa. Market linkages also varied; coffee surpassed its targets for inclusive business practices (180%), while cocoa underperformed (67%). Additionally, coffee's low consumer access to sustainable products (51% of target) highlighted disparities in market reach.

Enabling Environment (EE)

The programme has significantly influenced the policy and financial landscape for both coffee and cocoa, successfully fostering a supportive environment. It achieved 100% of its mid-term and end-line targets for new initiatives promoting Sustainable Food Systems/Inclusive Business (SFS/IB) and for regulatory measures related to sustainable food systems or inclusive business practices, demonstrating a strong ability to shape policy and initiatives. Furthermore, new investments in SFS/IB remarkably exceeded targets for coffee (438% of mid-term target, leveraging €219,230) and surpassed targets for cocoa (127% of mid-term target, leveraging €253,956), showcasing robust financial mobilization. The programme also successfully established and strengthened multi-stakeholder platforms (MSPs), meeting 100% of its mid-term target and exceeding its end-line target by 167% for coffee and achieving 100% for cocoa. Rikolto's strength lies in its ability to coordinate multi-level coalitions, attract commercial finance, and collaborate with platforms like CSP to influence provincial subsidies for organic inputs.

2. Sustainability of Impacts

The long-term viability of the programme's impacts is underpinned by a combination of economic, environmental, social, and institutional strengths, though certain risks necessitate ongoing attention. Economically, the high profitability achieved by farmers, exceeding targets, creates a strong incentive for the sustained adoption of improved practices, fostering an inherent economic sustainability. The successful mobilization of commercial finance, such as EUR 476,515 for coffee, significantly reduces reliance on external donor funding, enhancing financial independence for Farmer Organizations (FOs). Environmentally, the large-scale uptake of agroforestry systems (e.g., 251% above target for coffee) substantially enhances resilience to climate shocks, creating self-reinforcing ecological benefits that are likely to endure beyond the programme's direct intervention. Socially, the programme's success in embedding gender equity into FO governance and the surpassing of targets for women's participation in coffee create replicable models and institutional pathways for continued social equity. Institutionally, the "bankability" of cooperatives like ASNIKOM and SIKAP, demonstrating enhanced financial management and governance, attracts commercial investment, while the 100% achievement in regulatory targets and Multi-Stakeholder Platform (MSP) establishment embeds sustainability into local governance structures, ensuring continuity through platforms like SCOPI and CSP.

However, several challenges pose risks to the programme's long-term sustainability. The dependence on niche export markets, such as ASNIKOM's Dutch contract for coffee, introduces vulnerability to market fluctuations and necessitates strategic diversification. The persistently low cocoa sales volume (only 18% of

target) risks disincentivizing sustainable practices if farmers do not see consistent economic returns, potentially leading them to revert to conventional methods. While women's inclusion shows strong momentum, youth engagement lags, reflecting structural barriers like land inheritance constraints and urban migration, which could undermine intergenerational sustainability if not addressed through tailored interventions. Furthermore, a persistent technical dependence of cooperatives on Rikolto for specialized support, particularly in post-harvest quality control and market negotiation, highlights the need for robust, phased exit strategies to ensure true cooperative autonomy. Finally, the 75% shortfall in evidence generation for policy leverage indicates a potential weakness in sustaining policy influence without continuous, data-driven advocacy.

Economic Sustainability

The programme's focus on farmer organizations has significantly bolstered their economic resilience. By the mid-term, coffee farmer organizations collectively generated EUR 198,397 from services provided to their members, exceeding the target by 198%. This success is attributed to Rikolto's strategy of strengthening these organizations' business acumen, enabling them to offer vital services like input supply, processing, and marketing support. This has not only diversified their income streams but also reduced farmers' reliance on external intermediaries, increasing their bargaining power and profitability. For cocoa, the figures were also positive, with organizations generating EUR 133,959, achieving 134% of their target. The programme has enabled farmer organizations to provide a wider range of services, including access to finance, which is crucial for smallholder development. Furthermore, the capacity building provided has equipped these organizations with the skills to manage their finances, diversify their services, and engage effectively with formal markets. These measures are pivotal in ensuring that the economic benefits extend beyond the project's lifespan, creating a self-sustaining ecosystem for local farmers.

Environmental Sustainability

The programme's environmental interventions have shown promising results, particularly in fostering climate resilience and sustainable land use. Both coffee and cocoa farmer organizations have developed comprehensive climate risk mitigation plans, achieving 100% of their mid-term targets. This indicates a strong institutional capacity to address environmental challenges. The significant increase in agroforestry areas—12,368 hectares for coffee and 10,523 hectares for cocoa—demonstrates successful widespread adoption of practices that enhance biodiversity, improve soil health, and contribute to carbon sequestration. These efforts are further supported by the increasing share of coffee and cocoa produced under verified sustainability standards, reaching 72% and 66% respectively, exceeding targets. However, the true long-term environmental impact will depend on the continued rehabilitation of existing monoculture farms, which face challenges due to the high costs associated with converting to agroforestry, potentially limiting the scalability of these gains.

Social Sustainability

The programme has made notable strides in enhancing social sustainability by fostering inclusive participation and leadership within the agricultural sector. The increased involvement of youth in decision-making roles within farmer organizations (FOs) is a key indicator of success, with 12 coffee FOs (100% of target) and 9 cocoa FOs (82% of target) showing significant youth engagement. This empowers the next generation of farmers and ensures the continuity of sustainable practices. Additionally, the programme has surpassed its targets for the number of women-led businesses supported, indicating a positive impact on gender equality and economic empowerment for women. The high number of women actively participating in FO governance (507 women, 169% of target) further underscores the programme's success in promoting

gender inclusivity and diverse leadership. The program also successfully facilitated 10,024 women's access to sustainable production knowledge, exceeding its target by 200%. These achievements lay a strong foundation for socially equitable and resilient food systems.

Governance Sustainability

The programme has significantly strengthened the governance structures essential for long-term sustainability. The establishment and effective functioning of multi-stakeholder platforms (MSPs) at both local and national levels are critical achievements. The programme successfully established 100% of its target MSPs for both coffee and cocoa. These platforms play a crucial role in fostering collaboration, ensuring transparency, and driving policy advocacy within the value chains. The increased number of public-private partnerships (PPPs) and co-investments in sustainable food systems (SFS) also highlights the programme's success in mobilizing diverse stakeholders and resources. The fact that 83% of farmer organizations are now effectively using digital tools for improved internal governance, data collection, and financial management further enhances transparency and accountability, ensuring that benefits reach farmers efficiently. This institutional strengthening and collaborative governance approach are vital for sustaining the positive impacts beyond the programme's intervention period.

3. Scalability Potential

The programme exhibits high potential for scalability, driven by its proven models and alignment with global demands, yet realizing this potential requires strategic adjustments to overcome existing barriers. A key driver of scalability is the demonstrated success in income generation and agroforestry adoption, which offers a compelling blueprint for replication in other regions facing similar challenges. The high interest from commercial investors, exemplified by the potential Progreso Foundation loan, significantly lowers financial barriers to expansion, indicating that the programme's models are commercially viable and attractive for broader investment. Moreover, the rising global demand for sustainably produced coffee and cocoa aligns perfectly with the programme's niche market focus, creating a favorable external environment for scale-up.

Despite these strong drivers, significant barriers must be addressed to unlock full scalability. The most pressing limitation is the severe underperformance in cocoa sales volume, which demands substantial investments in post-harvest infrastructure, such as fermentation units, to ensure quality and meet market demands at scale. Inclusivity gaps, particularly concerning youth and women, require targeted support, including improved access to credit and land, to ensure that expanded programmes genuinely benefit all marginalized groups and foster broader participation. Furthermore, the current overreliance on specialty buyers for export markets necessitates strategic diversification into domestic mid-tier markets to mitigate risks and create a more stable, larger market for sustainable produce. Ultimately, while the programme possesses a strong foundation for expansion, prioritizing investments in post-harvest capacity, refining inclusive design, and actively pursuing market diversification are crucial steps to effectively replicate its successes across a wider geographical and demographic scope.

Drivers of Scalability

The programme's approach includes several key elements that are conducive to scaling. Firstly, the strong focus on strengthening local farmer organizations is a primary driver. By enhancing their capacity in areas such as financial management, service provision, and market engagement, these organizations become self-sustaining hubs that can independently replicate successful practices within their communities and beyond. This decentralized model reduces reliance on external support for future expansion. Secondly, the

programme's strategic alignment with national and sub-national policies, such as Indonesia's Cocoa Roadmap, creates a favorable regulatory and institutional environment for scale-up. This alignment facilitates broader adoption of sustainable practices and helps unlock public and private sector investments. Thirdly, the successful mobilization of significant financial leverage from commercial actors demonstrates the viability and attractiveness of the sustainable coffee and cocoa value chains. The ability to attract substantial co-investments signals strong market confidence and provides a crucial funding mechanism for expanding interventions. Lastly, the programme's emphasis on digital tools for data collection, monitoring, and communication streamlines operations and improves efficiency, making it easier to manage and replicate successful models across larger geographical areas.

Barriers to Scale-Up

Despite the strong drivers, several significant barriers hinder the programme's ability to achieve large-scale impact. A major challenge is the inconsistent volume and quality of sustainably produced cocoa, largely due to aging trees, pest and disease outbreaks (like *Phytophthora pod rot*), and the increasing severity of climate change impacts. This inconsistency makes it difficult to meet the demands of high-value sustainable markets and secure long-term, stable off-take agreements with buyers. Furthermore, the limited access to diverse, large-scale sustainable markets and an over-reliance on a few niche buyers (e.g., ASNIKOM's Dutch contract) restricts the potential for widespread market integration and competitive pricing for sustainable products. The programme's success is also highly dependent on the technical capacity of Rikolto's field facilitators, and there is a risk that farmer organizations may not fully internalize the necessary expertise, leading to a potential decrease in performance once direct support is withdrawn. Lastly, the high cost associated with rehabilitating aging cocoa monoculture farms (approximately EUR 800 per hectare) and a lack of accessible, affordable financing for smallholder farmers pose a substantial financial barrier to expanding climate-smart agricultural practices. Addressing these constraints, particularly through robust post-harvest infrastructure and diversified market access strategies, is crucial for realizing the programme's full scalability potential.

7. Recommendations

Based on the mid-term evaluation findings, the following recommendations are proposed to enhance the programme's effectiveness, sustainability, and scalability in the remaining implementation period (2024–2026):

1. Strengthen On-farm Activities, Market Access and Post-Harvest Capacity

- **Focus on yields:** Post-harvest and market access are not the only challenges but also deeper structural issues in the production system. Low yields are driven by aging cocoa trees, limited adoption of good agricultural practices, disease outbreaks, and the growing impacts of climate change, including erratic rainfall and prolonged dry spells. These factors reduce both the quantity and quality of beans available for sustainable markets.
- **Invest in Post-Harvest Infrastructure:** Address the bottleneck in cocoa's low sales volume (18% of target) by providing targeted training and equipment) to farmers and cooperatives like SIKAP. Invest urgently in fermentation units, drying facilities, and quality management systems for cocoa cooperatives like SIKAP to address the critically low volume of sustainably sold cocoa (90.58 MT vs. 500 MT target). Develop targeted training for farmers on post-harvest best practices, coupled with financial incentives for quality compliance. Partner with technical institutions (e.g., local agricultural universities) to co-design low-cost, climate-resilient processing technologies adaptable to remote farming communities.
- **Diversify Buyer Networks:** Accelerate partnerships with domestic mid-tier buyers (e.g., Indonesian retail chains, café franchises) to absorb sustainable coffee and cocoa volumes, reducing overreliance on volatile export niches like ASNIKOM's Dutch contract. Launch a national branding campaign for "Indonesian Sustainable Coffee/Cocoa" to stimulate local demand. Facilitate buyer-producer forums to align production with market specifications, ensuring consistent off-take agreements that shield farmers from price fluctuations.
- **Enhance Quality Control:** Partner with certification bodies or local SMEs to streamline quality assurance processes, ensuring products meet market standards consistently.

2. Accelerate Inclusion of Youth and Women

- **Youth-Specific Initiatives:** Address lagging youth engagement (coffee: 75% of target) by establishing land-leasing schemes or youth cooperative farms that bypass inheritance barriers. Roll out mentorship programmes pairing young entrepreneurs with industry veterans and provide seed grants for youth-led ventures (e.g., cocoa processing startups, digital agro-services). Integrate digital literacy training to enable e-commerce market access and leverage Indonesia's high youth smartphone penetration.
- **Scale Up Women's Successes:** Translate coffee's women-led business achievements (171% above target) to cocoa by offering low-collateral loans, gender-sensitive leadership training, and technical support for women's cocoa enterprises. Establish women-exclusive hubs for post-harvest processing, linked to premium markets. Advocate with financial institutions to recognize women's collective collateral (e.g., group guarantees) to overcome credit access barriers.
- **Gender-Responsive Policies:** Advocate for cooperatives (ASNIKOM/SIKAP) to adopt quotas for women and youth in decision-making roles.

3. Leverage Financial and Policy Innovations

- **Blended Finance Models:** Combine commercial loans (e.g., Progreso Foundation) with public grants or impact investments to de-risk scaling. Use the programme's success in leveraging EUR 476,515 (coffee) as a case study to attract more investors.

- **Policy Advocacy:** Leverage achieved regulatory milestones (100% of targets) to lobby for subsidies for agroforestry inputs or tax incentives for buyers of sustainable cocoa/coffee.
- **Carbon Credit Integration:** Capitalize on surplus agroforestry adoption (coffee: 251% above target) by developing carbon credit projects in partnership with platforms like Verra or Gold Standard. Train cooperatives to quantify carbon sequestration and biodiversity co-benefits, generating additional revenue streams. Use carbon income to subsidize climate-resilient inputs (e.g., drought-tolerant coffee clones), creating a self-sustaining environmental incentive loop.

4. Enhance Knowledge Sharing and Local Ownership

- **Farmer-to-Farmer Learning:** Document and disseminate best practices (e.g., dynamic agroforestry, post-harvest techniques) through MSPs and digital platforms (e.g., WhatsApp groups, local radio).
 - **Phase-Out Strategy:** Gradually transition technical support from Rikolto to local cooperatives and MSPs by building their capacity in business development, negotiation, and monitoring.
 - **Strengthen Evidence-Based Advocacy for Policy Leverage:** Bridge the evidence-generation gap (75% of target) by systematizing data collection on income gains (e.g., €2,557/ha from coffee), carbon sequestration, and gender-inclusion outcomes. Produce policy briefs showcasing ROI for provincial governments, lobbying for subsidies on sustainable inputs (e.g., organic fertilizers) and agroforestry incentives. Leverage 100% achieved regulatory wins to embed these priorities in district agricultural development plans.
5. **De-Risk Post-Harvest Investments** via Blended Finance: Design blended finance instruments combining public grants, commercial loans (e.g., from Progreso Foundation), and impact investor capital to fund cooperative-owned processing infrastructure. Use Rikolto's leverage success (coffee: €476,515 mobilized) to negotiate concessional terms. Pilot outcome-based financing where repayments are linked to sales revenues, ensuring alignment with market viability.
 6. **Phase Out Technical Dependence** through FO Capacity Building: Develop a 3-year exit strategy for Rikolto's direct technical support to "bankable" cooperatives like ASNIKOM/SIKAP. Strengthen FO autonomy via advanced training in financial management, digital record-keeping, and market negotiation. Establish peer-learning networks among FOs for knowledge exchange, reducing reliance on NGO intermediation.
 7. **Mainstream Climate-Resilient Practices in Production Systems:** Combat cocoa yield declines (driven by aging trees and climate shocks) by promoting grafted disease-resistant varieties and agroecological pest management. Integrate weather-indexed insurance into cooperative services, partnering with insurers like ASA Philippines. Scale dynamic agroforestry models that buffer microclimates—using success cases (e.g., 10,523 ha cocoa agroforestry) as demonstration plots.
 8. **Enhance Domestic Consumer Access to Sustainable Products:** Address coffee's low consumer access (51% of target) through partnerships with Indonesian e-commerce platforms (e.g., Tokopedia, Shopee) to feature sustainable coffee/cocoa products. Launch consumer awareness campaigns on sustainability certifications, collaborating with influencers and media. Support FO-owned retail kiosks in urban centers to directly connect farmers with conscious consumers.
 9. **Adopt Phased Scaling in Priority Agro-Ecological Zones:** Replicate the programme in regions with similar contexts (e.g., Sumatra, Papua) using MSPs as scaling hubs. Prioritize areas with high climate vulnerability

but policy readiness. Integrate digital monitoring tools (e.g., satellite yield tracking, mobile apps for quality control) to manage scale-up efficiency. Forge South-South partnerships with Rikolto's global networks to share Indonesia's agroforestry and gender inclusion models.

10. **Endline Target Adjustment and Resource Allocation:** There are two options could be taken: adjust higher endline target for indicator that significantly surpassed by the midterm achievement or re-allocated the remaining programme resources to the low-achieved midterm target with red and orange colour in the tables.

These recommendations prioritize systemic change by linking economic incentives with environmental resilience and social inclusion. Execution requires sequenced implementation: immediate actions on post-harvest gaps (Years 1–2), followed by institutional capacity building (Year 3), and scaling (Year 4 onward). Success hinges on aligning with national priorities like the Cocoa Roadmap and leveraging the proven 438% investment mobilization to attract further capital.