World Vision

INCREASING THE LEVERAGE OF INCLUSIVE MARKETS ACROSS INDONESIA (INCLUSION)

INDONESIA | Progress Brief (2022- 2027)

About this report

This progress brief summarises results from Wahana Visi Indonesia's mid-term review of the Increasing the Leverage of Inclusive Markets across Indonesia (INCLUSION) Project, supported by the Australian Government through the Australian NGO Cooperation Program (ANCP). The review was conducted by independent consultant Analytics Lab, and Hotma Tampubolon, Program Evidence Accountability Research & Learning Manager, Meiseany Hortensia, Zone Program Manager, Nadine Gabrielle, Grant Specialist, Nurmauli Panjaitan, Market Based Programming Specialist, Wahana Visi Indonesia, and Timothy N. Adi, Monitoring Evaluation Accountability and Learning Manager, Vinsensius Suwandi, National Project Manager, INCLUSION project and other contributing members of the project team and the National Office, and Luse Kinivuwai, Technical Advisor for Economic Development, and Vincent Potier, Technical Advisor for Resilience and Regenerative, World Vision Australia. For more information, contact ancp@worldvision.com.au.

Front cover photo: Families in Indonesia are supported with better agricultural practices through the INCLUSION project.

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EXECUTIVE SUMMARY

Duration:	5 years from July 2022 to June 2027
Budget ($US):	**USD 3,900,000**
Project participants to date	17,799 people (52% women, 10% people with disability)
Project goal	To increase the economic empowerment of smallholder farmers and vulnerable households in Eastern Indonesia through inclusive and sustainable market systems.
Project outcomes	**Outcome 1:** Market actors and partners invest in and benefit from inclusive and sustainable business models. **Outcome 2:** Male and female farmers adopt improved and climate-smart agricultural practices. **Outcome 3:** Male and female farmers gain increased access to financial services, strengthened agency, and more equitable systems.

The ***Increasing the Leverage of Inclusive Markets across Indonesia (INCLUSION)*** **Project** (2022–2027) is being implemented by Wahana Visi Indonesia (WVI) with funding from the Australian Government through the Australian NGO Cooperation Program (ANCP).

A mid-term review was conducted to assess the project's progress towards outcomes and identify lessons for strengthening inclusivity and environmental outcomes, sustainability, and systemic change.

Inclusive and sustainable business models (Outcome 1)

- USD 402,700 leveraged in co-investment; 73% of private sector partners report increased profits
- Jobs supported grew from 14 at baseline (male-only roles) to 26 (46% women, 54% men).
- Deeper systemic change: village funds for seeds and biofertiliser, district maize promotion with KUR loans, kenari groups formalised and supported by a consortium.

Adoption of agricultural practices and productivity (Outcome 2)

- Adoption of improved agricultural practices improved across commodities, with strongest uptake in kenari (76.5%) and rice (47.1%). Crop yields and product value have risen: maize yield (up 75% with hybrid seed), rice yield (up 45%), kenari (price rise to 50%), and shallots (price rise to 74%).
- Women and people with disability are increasingly active in processing, training, and service provision.

Women's economic empowerment and financial inclusion (Outcome 3)

- Supportive attitudes toward women's economic participation rose from 24% to 59%
- Financial literacy confidence increased from 40% to 68% (77% among women)
- Savings remain modest (38%), but stronger among GIFT households (62%) and households with people with disabilities (45%)

CONTEXT

Rural communities in Eastern Indonesia have long faced entrenched barriers that limited agricultural productivity and reinforced exclusion. Poverty and food insecurity are widespread, with most households dependent on subsistence farming and lacking access to quality inputs, extension services, and finance. Women and people with disabilities are systematically excluded from training, decision-making, and agricultural support systems, and restrictive social norms further constrain their participation in economic life.

Climate risks compound these challenges. Erratic weather, drought, and soil degradation reduce yields, while knowledge and uptake of climate-smart practices remained limited. Weak infrastructure and few intermediary service providers restricted market access, leaving smallholders with poor prices and limited buyer linkages. Institutional coordination between local governments, private sector actors, and service providers was fragmented, and inclusive approaches are rarely embedded in formal agricultural programming.

Sudarmin, a farmer from the Lauje ethnic group in the mountainous Tolitoli District trains a fellow farmer in terracing using an A frame tool.

PROJECT OVERVIEW

The **Increasing the Leverage of Inclusive Markets across Indonesia (INCLUSION) Project (2022–2027)** responds to these challenges by aiming to economically empower 5,000 smallholder farming households (including women, people with disabilities, and poor households) in Central Sulawesi, North Maluku, and East Nusa Tenggara (NTT). Implemented by Wahana Visi Indonesia (WVI) with funding from the Australian Government through the Australian NGO Cooperation Program (ANCP), the project applies inclusive market systems development (iMSD) to promote sustainable agriculture, expand market access, strengthen financial inclusion, and advance women's economic empowerment.

Building on lessons from the MORINGA Project (2017-2022),[1] which improved livelihoods for nearly 10,000 farming households, the INCLUSION Project deliberately integrates gender equity, disability inclusion, and environmental sustainability. The project focuses on six priority commodities: maize, rice, kenari (canarium nut), shallot, coconut charcoal, and biofertiliser, selected for their importance to food security, income diversification, and climate-resilient agricultural practices.

The INCLUSION project equips women with the necessary skills to meaningfully participate in farming practices.

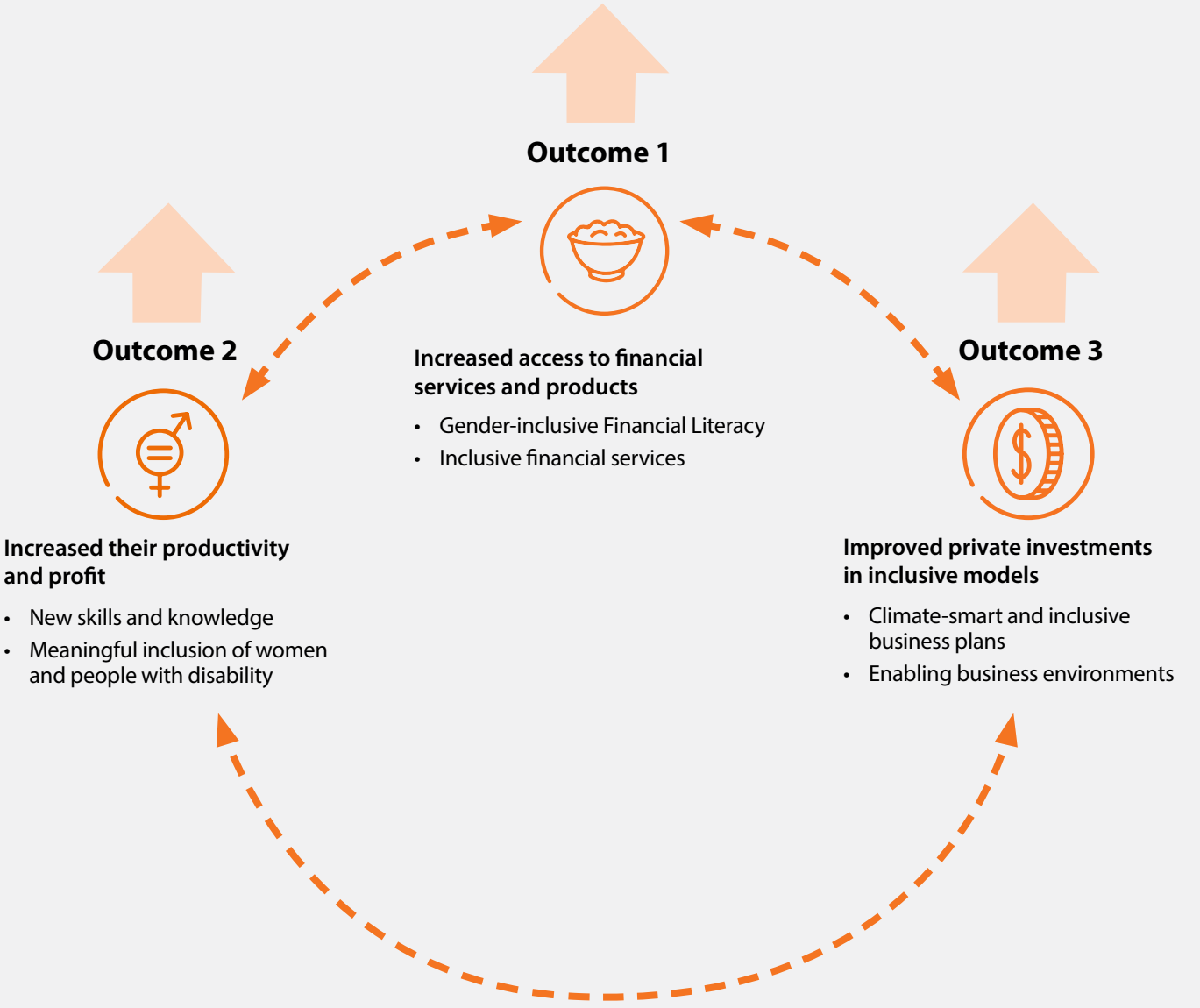
1 World Vision Australia. (2022). *MORINGA Project Impact Brief*. Retrieved from: indonesia-moringa-impact-brief.pdf

THEORY OF CHANGE

The project applies a Theory of Change that combines "push" and "pull" strategies:

- At the **market system level,** the project promotes investment in inclusive, climate-smart, and environmentally sustainable business models, supported by private sector and government partners.
- At the **household level**, the project equips farmers, especially women and people with disabilities, with the skills, resources, and linkages needed to participate productively in markets.
- **Financial services and agency** are strengthened through gender-inclusive financial literacy (GIFT) and improved access to savings and credit.
- Cross-cutting themes of **gender equality, disability inclusion, child well-being, and disaster risk reduction (DRR)** are embedded across all interventions to ensure the benefits of growth are equitable and sustainable.

Goal: Economic empowerment of smallholder farming families through an inclusive market system approach by 2027.



TECHNICAL APPROACHES

To operationalise this theory of change, the project adapts the following technical approaches:

Inclusive Market Systems Development (iMSD)

World Vision's inclusive Market Systems Development (iMSD) hybrid approach improves the way markets function to better serve people living in poverty and marginalised groups. It addresses systemic barriers while also building households' productive capacities to participate and benefit from markets. Unlike conventional MSD programs that work primarily through the private sector, iMSD combines systems change with a household pathway to ensure that vulnerable farmers, women and people with disabilities can engage equitably.

Women's Economic Empowerment (WEE)

Women's Economic Empowerment (WEE) is a holistic approach that promotes advancement across four domains: economic advancement, access, agency, and equitable systems. In Indonesia, where restrictive social norms often limit women's agency and participation in markets, the INCLUSION project is working in value chains with high female participation (e.g., kenari nuts, shallots, nutmeg) and promoting women's engagement as independent service providers (ISPs).

Gender Financial Literacy Training (GIFT)

GIFT complements iMSD and WEE by addressing unequal household financial decision-making. The training curriculum builds financial capacity through gender-transformative modules that challenge harmful norms and encourage equitable alternatives. Piloted successfully in MORINGA Project, GIFT has demonstrated evidence of increased joint decision-making and more equitable household dynamics. GIFT is now scaled under INCLUSION through partnerships with credit unions, farmer groups, and financial service providers.

MID-TERM REVIEW OVERVIEW

The mid-term review (MTR) was commissioned in early 2025 to assess progress towards outcomes, identify lessons, and provide recommendations to guide implementation in the remaining period.

The MTR employed a mixed-methods design, combining:

- Household surveys of 362 farmers across three provinces of Central Sulawesi, NTT, and North Maluku, using stratified purposive sampling to comparing GIFT and non-GIFT areas.
- Qualitative methods including 22 key informant interviews, 8 focus group discussions with diverse stakeholders, including farmers, Intermediary Service Providers (ISPs), private actors, and government officials, and a national learning workshop.
- Desk review of project monitoring data, business calculations, and partner records.
- Joint World Vision Australia and Wahana Visi Indonesia field visit in NTT (covering rice, kenari, and biofertiliser across four sites) included focus group discussions and KIIs with farmers, ISPs, and local stakeholders, followed by a 4-day review workshop in Kupang to consolidate findings and recommendations.

LIMITATIONS

Differences in sampling between the baseline survey and MTR limit direct comparability. Additional challenges included response bias, gender imbalance, geographic remoteness, and data gaps from omitted indicators. These were mitigated through inclusive sampling, triangulation, and adaptive field protocols using local enumerators.

FINDINGS

GOAL: Increased economic empowerment of smallholder farmers and vulnerable households

The project has generated strong livelihood impacts across its value chains, benefitting a total of 19,576 farmers. By mid-term, 82% of households surveyed reported increased income. Households participating in GIFT report significantly higher income improvements (94%) compared to non-GIFT households (77%). People with disabilities report similar improvements to other farmers, reflecting the project's inclusive reach.

Income results also vary by commodity: households growing coconut and rice reported near-universal gains (96%), kenari farmers showed strong increases (89%), while about two-thirds (66%) of maize farmers reported income increases. These income gains are translating into tangible benefits for children and families. Since 82% of project households include children under 18, higher earnings have enabled investments in education, health, and daily needs. Challenges remain, particularly in the biofertiliser value chain, where unstable sales and reliance on small buyers limit market sustainability despite promising early adoption.

"Thanks to kenari, my child can go to college, work in an office, and another one is still in school—that's all from canarium nut."
– Smallholder farmer

OUTCOME 1:

Market actors and partners invest and benefit through inclusive and sustainable business models.

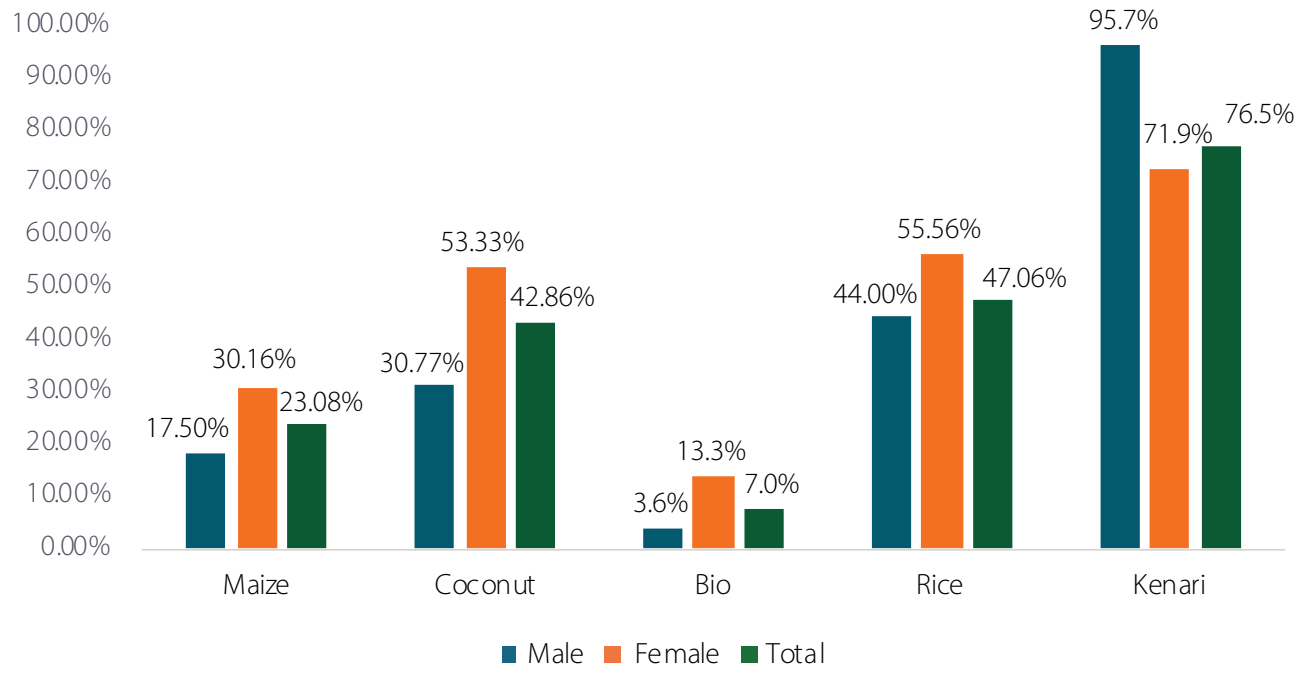
OUTCOME	BASELINE VALUE	MIDTERM VALUE
Number of jobs supported	14 (100% men in maize, rice and biofertiliser value chains)	26 (54% men, 46% women in shallot, biofertiliser, rice, and kenari value chains)
% partners reporting an increase in their profit as a result of intervention	0	73% (8 of 11 PSPs)
Value of private sector investment leveraged	0	AUD 628,647

The project has catalysed stronger and more inclusive market systems. A total of 26 jobs are now supported across value chains (46% women, 54% men), compared with 14 male-only roles at baseline. The project supported six inclusive business models and partnered with 18 market actors, including input producers, buyers, FSPs, and faith-based organisations.

Eight out of 11 private sector service providers (PSPs) report improved profitability (73%). In total, USD 402,700 was leveraged in co-investment exceeds government contributions, indicating strong commercial interest. Strong co-financing from partners, especially in maize (USD 337,392) and biofertiliser (USD 38,162), reduced reliance on project funding and enhanced sustainability. Partnerships with private actors are effective where commercial incentives are strong (maize, rice), but weaker in fragile or emerging value chains (coconut, shallots).

Systemic support are increasingly visible across value chains. Village governments now fund seeds and biofertiliser, and decrees legitimise kenari groups. Donggala District has promoted maize agribusiness and KUR loans, while Alor convened a consortium with government, universities, and Bank Indonesia to support kenari. Private offtakers expanding maize purchases and community-led infrastructure improvements further local ownership.

Figure 1. Proportion of farmers adopting improved agricultural practices



OUTCOME 2:

Male and female farmers adopt improved and sustainable agricultural practices.

The project has made strong progress in strengthening agricultural productivity through Good Agricultural and Handling Practices (GAP/GHP). By mid-term, a total of 16,301 farmers has engaged with improved practices through market channels. Adoption of improved agricultural practices varied across value chains, with kenari farmers (76.5%) and rice farmers (47.1%) reporting the largest uptake. Encouragingly, over half of surveyed farmers (52.2%) reported adopting business management practices, though results were uneven: higher in kenari (62%) but more modest in rice (12.5%) and biofertiliser (3.1%)

Productivity and income gains are evident across commodities. Maize farmers using hybrid seeds and proper fertilisation projected 50–75% yield increases, while rice farmers achieved 27–45% higher yields. Kenari interventions reached 100% adoption of post-harvest standards, raising prices by 50% and creating jobs for women in processing. Shallot farmers recorded a 74% price increase through improved handling, while biofertiliser trials in East Sumba boosted peanut yields by 77%. Coconut charcoal production linked 49 farmers to new buyers, generating an average sale of 27,000 kg at Rp 5,500/kg.

Women and people with disabilities are increasingly active participants, leading in kenari processing, fried shallot enterprises, and even serving as trainers and service providers. However, challenges remain: weather shocks, pest infestations, high fertiliser costs, and scepticism toward biofertiliser (in the absence of demonstration plots) limit wider adoption. Geographic disparities are also clear, with farmers in districts like Tojo Una Una facing restricted access to inputs and extension services.

Trainings from Wahana Visi and government agencies improved planting, fertilization, and household financial management. Farmers now prefer maize for short-term income while coffee and cocoa remain long-term corps."

– Village Head in Central Sulawesi.

OUTCOME 3:

Male and female farmers have increased access to financial services and improved agency and equitable systems.

OUTCOME	BASELINE VALUE	MIDTERM VALUE
% women and men with supportive attitudes toward women's economic participation	24%	59%
Number of and % of households who report having access to sufficient credit.	2%	0%
% Household with the means to save money	36%	38%
% of men and women who report feeling confident in their financial literacy	40%	68%
% target Household using loans and savings or share-out to invest into productive assets/ inputs/ services	18%	21%
% of women and men with ownership of household productive resources.	7%	0.54%

The project has made meaningful progress in shifting gender norms and strengthening financial literacy. Supportive attitudes toward women's economic participation rose from 24% at baseline to 59% at mid-term. Confidence in financial literacy also rose sharply, with 68% of participants now confident in managing household finances, up from 40%. Women consistently reported higher confidence (77%) than men (59%), reflecting the impact of the GIFT approach.

Women's roles are especially visible in kenari processing, where they lead nearly 60% of commercialisation, and in shallots, where they dominate sorting, grading, and processing. Despite this, household-level decision-making remains uneven due to entrenched male dominance in several value chains.

Savings behaviour shows modest gains overall, from 36% to 38%, but much stronger among GIFT participants (62% vs. 29% of non-GIFT). GIFT households (39%) were also more than twice as likely to access financial services as non-GIFT households (15%). Encouragingly, households with people with disabilities also demonstrated resilience, reporting higher savings (45% vs. 37% among households without members with disability) alongside significant income increases (79%).

Despite modest improvements, access to financial services remains a major constraint. While use of loans and savings mechanisms increased slightly (18% to 21%), no households reported access to sufficient credit. Farmers continue to rely heavily on informal lenders, with reports of debt stress and repayment challenges.

"There was income, so I saved. It's just that now there's no added capital. Because everything needs capital" and he added "So it's starting. Farmers are getting smarter. So, their money is saved. Can be saved. So, when they have savings, they don't have to use it to buy poison again—they already have the money (meaning they don't have to take credit anymore)."

– Maize farmer with disability

SUSTAINABILITY

The project shows moderate to strong likelihood of sustainability across several value chains, Levels of transition varied from project-led facilitation to local ownership.

- **Systemic change and local ownership**
  - Maize and rice interventions show the strongest sustainability in terms of access to market inputs, with private sector actors (e.g., PT Syngenta Seeds Indonesia, PT BISI International, Tbk) expanding services, investing in infrastructure, and promoting GAP through digital tools.
  - Biofertiliser shows promising signs, with PSPs scaling operations and government procurement supporting organic inputs.
  - Kenari and shallot interventions are partially sustainable, with community engagement and multi-stakeholder support, but limited infrastructure and market access.
  - Coconut charcoal remains least sustainable, with high dependency on project facilitation and weak government support.
- **Gender and social inclusion**
  - Women's groups, FBOs, and disability organisations are actively involved, but most inclusion efforts still rely on project support.
  - GIFT training has been adopted by CUs and FBOs, showing potential for institutionalization.
  - PT Syngenta and other PSPs have supported inclusive initiatives, including demonstration plots for PWDs and shelter houses for rural farmers.
- **Investment and Transition**
  - Private sector investment exceeds government contributions, indicating strong commercial interest.
  - WDWP analysis shows partial transition in maize, rice, and biofertilizer; kenari and shallot are emerging; coconut charcoal remains heavily project dependent.
- **Value chain sustainability outlook**
  - Maize: Likely sustainable in input access; partially likely in finance, inclusion and good agriculture practices, and unlikely sustainable in environmental action.
  - Biofertiliser: Likely sustainable in input and finance; partially likely in inclusion and environmental action.
  - Kenari: Partially likely across most domains; strong potential with government and consortium support.
  - Rice: Likely sustainable in input; partially likely in other areas.
  - Shallot: Likely in market and inclusion; unlikely in finance.
  - Coconut charcoal: Unlikely without continued support.

A farmer tends to a successful terraced chili plot thrives as part of the INCLUSION project.

CROSS-CUTTING THEMES

GENDER EQUALITY

The INCLUSION project has driven notable progress in women's economic empowerment, particularly through the GIFT model, women-led kenari processing, and active participation in shallot production. By mid-term, 58.7% of respondents expressed supportive attitudes toward women's economic participation, more than double the baseline. Women also outpaced men in financial literacy (77% vs. 59%), and female-led enterprises emerged in kenari and coconut value chains. Yet, equitable decision-making within households remains a challenge, with only 5.2% reporting shared decisions in the domestic sphere. Positive shifts are strongest where women contribute visibly to household income.

DISABILITY AND SOCIAL INCLUSION

The project has deliberately engaged people with disabilities, with 682 individuals trained across value chains. Mid-term findings highlight increased incomes for households with people with disabilities (79%) and stronger saving behaviours (45%) compared with households without people with disabilities. However, systemic barriers persist: many communities still view people with disabilities as dependents, and financial services are not yet tailored to their needs.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE ACTION (ESCA)

- **Adaptation:** Drought-tolerant maize and rice varieties, combined with GAP, are strengthening resilience to erratic rainfall. Biofertiliser trials demonstrate promise for soil health and reduced chemical use, though adoption is still small-scale.
- **Climate-smart agriculture (CSA) adoption remains limited:** Only 14% of maize farmers and 24% of kenari farmers report adopting climate-smart practices such as mulching, composting, or intercropping. Residue burning is widespread, and soil conservation measures are rare.
- **Pesticide safety is a critical gap:** No farmers reported using adequate protective equipment, and many still store chemicals unsafely in their homes. Farmers cited cost, discomfort, and limited awareness as barriers.
- **Coconut-charcoal production also carries health risks,** with one in three producers reporting smoke-related illnesses. A smoke-free prototype was piloted but proved financially unviable.
- **What's been done:** Partners integrated safety content; large-scale awareness sessions; licensed paraquat trainings underway; demos on mulching/intercropping/biofertiliser; initial charcoal safety promotion.

IMPACT STORY

MRS. ETI SORTS COCONUT SHELLS ALONGSIDE HER HUSBAND.

North Maluku is one of the coconut-producing provinces in Indonesia. In the past, only the coconut meat has been used to be processed into black copra, with the remaining materials ending up as unused waste. Supported by the Australian Government through ANCP, World Vision's INCLUSION project aims to guide farmers to process the coconut shell safely into charcoal to not only enhance their income, but also to promote safer practices to reduce the negative impact on human health. The project is experimenting an improved model for charcoal-burning stoves which now reduces emissions and enables farmers to decrease waste.

Mrs. Eti, a mother of four children and one of the female farmers in the area shares, "Before, we only burned the coconut husks and shells for copra production. We then burned the rest as we did not use it and rarely make charcoal as the profit was low." After participating in the project, she was encouraged to use coconut shells for charcoal production to sell closer to home to save on costs, reduce overall waste and to promote less impact on the environment. Through this unique approach, the INCLUSION project is uplifting environmental sustainability while bringing new hope for coconut farmers.

Photo: Wahana Visi Indonesia

CONCLUSION

The INCLUSION project has made moderate to high progress in achieving its intended outcomes, particularly in economic empowerment, agricultural productivity, and financial literacy, while also identifying areas for improvement in inclusivity and systemic sustainability. Effectiveness is strongest in maize and kenari, where improved inputs and income gains are highest, particularly among women. Financial literacy has also improved markedly, with 68% of participants reporting confidence, up from 40%, and 82% of households now report increased income. Cross-cutting gains are evident in shifting gender norms, increased participation of people with disabilities, and early environmental practices. Gaps remain in climate-smart agriculture adoption, access to credit, and systemic disability inclusion.

STRATEGIC RECOMMENDATIONS

1. Strengthen systemic integration

a. Clarify the project's "push" role to avoid direct market involvement.

b. Strengthen partnerships among private, financial institution, public, and community actors to scale inclusive business models.

c. Embed GEDSI and environmental sustainability into core business operations of PSPs.

2. Deepen sustainability planning

a. Apply the *Who Does / Who Pays* framework across value chains to guide transition.

b. Develop district-level sustainability transition plans with local government ownership.

c. Formalise co-investment agreements to reduce dependency on project funding.

3. Improve project design and delivery

a. Institutionalise participatory design and co-create inclusion strategies with women, people with disabilities, and indigenous groups.

b. Localise training such as GIFT to cultural and agroecological contexts

c. Promote women's leadership and expand access to financial services, including digital options.

4. Strengthen environmental and climate action

a. Promote safe pesticide use and scale up PPE access and training.

b. Accelerate licensed training for hazardous herbicides (e.g., paraquat).

c. Expand CSA practices (e.g., terracing, intercropping, AWD for rice).

d. Address plastic waste from biofertiliser packaging through refilling or recycling schemes.

e. Reassess business models to reflect environmental safeguarding costs and benefits.

5. Enhance monitoring and evaluation

a. Improve data quality and indicator alignment (e.g., CSA, GEDSI).

b. Clearly define "adoption" levels for each intervention.

c. Track behaviour changes and investment by market actors to assess systemic impact.

Sayiful, a farmer in the Kuripasai Village smiles as he describes how receiving a new prosthetic leg helped him to continue farming successfully.

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